

Exhibit No.: 703
Issue(s): Mileage Expense and
Rate Case
Witness: Michael Jason Taylor
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: WR-2017-0343
Date Testimony Prepared: February 9, 2018

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

AUDITING DEPARTMENT

FILED

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**Missouri Public
Service Commission**

SURREBUTTAL TESTIMONY

OF

MICHAEL JASON TAYLOR

GASCONY WATER COMPANY, INC.

CASE NO. WR-2017-0343

*Jefferson City, Missouri
February 2018*

Staff Exhibit No. 103
Date 3/19/18 Reporter MLT
File No WR-2017-0343

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OF
MICHAEL JASON TAYLOR
GASCONY WATER COMPANY, INC.
CASE NO. WR-2017-0343**

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Surrebuttal Testimony of
Michael Jason Taylor

1 Q. Why did Staff use 53.5 cents for mileage expense?

2 A. Staff used 53.5 cents for mileage expense because that is the 2017 IRS
3 standard mileage rate¹ that businesses are able to deduct on the federal income tax returns.

4 Q. Has the State of Missouri used the IRS standard mileage rate?

5 A. Yes. According to the State of Missouri's Office of Administration website,²
6 the State of Missouri authorizes the IRS's standard mileage rate less three cents per mile.
7 However, as result of budgetary constraints, the State of Missouri has used the rate of 37 cents
8 per mile for travel mileage since May 2010.

9 Q. Does Staff agree with OPC's position of using the State of Missouri's mileage
10 rate of 37 cents per mile?

11 A. No. Staff's opinion is that the Commission should use the 2017 IRS standard
12 mileage rate of 53.5 cents per mile. The Company is not a state agency and therefore should
13 not fall under the 37 cent per mile.

14 **RATE CASE EXPENSE**

15 Q. What is OPC's position on rate case expense?

16 A. OPC agrees with Company on recovery of actual dollars, prudently incurred,
17 related to rate case expense and is agreeable to Company's proposal to normalize the costs
18 over a six-year period.

19 Q. Does Staff agree with OPC's position on rate case expense?

20 A. No. Staff does not agree with OPC's position as identified in my rebuttal
21 testimony on page 31.

¹ <https://www.irs.gov/tax-professionals/standard-mileage-rates>

² <https://oa.mo.gov/accounting/state-employees/travel-portal-information/mileage>

Surrebuttal Testimony of
Michael Jason Taylor

1 Q. What is Staff's position with respect to rate case expense for Gascony Water?

2 A. As stated in rebuttal testimony at page 31, Staff has included an amount for
3 actual rate case expense incurred normalized over a 10 year period.

4 Q. Does this conclude your surrebuttal testimony?

5 A. Yes.

In the Matter of the Request for an Increase)
In Annual Water System Operating)
Revenues for Gascony Water Company, Inc.)
)

STATE OF MISSOURI)
COUNTY OF JACKSON)

BEVERLY M. WEBB
My Commission Expires
April 14, 2020
Clay County
Commission #12464070