

*Exhibit No.:*  
*Issue:* Rate Case Expense,  
Depreciation Expense  
*Witness:* Leslie Rose  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Direct Testimony  
*Case No.:* SR-2013-0016  
*Date Testimony Prepared:* March 28, 2013

**MISSOURI PUBLIC SERVICE COMMISSION**  
**REGULATORY REVIEW DIVISION**  
**UTILITY SERVICES - AUDITING**

**DIRECT TESTIMONY**  
**OF**  
**LESLIE ROSE**

**EMERALD POINTE UTILITY COMPANY**

**CASE NO. SR-2013-0016**

Staff Exhibit No. 7  
Date 5.9.13 Reporter SB  
File No. SR 2013-0016

*Jefferson City, Missouri*  
*March 2013*

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DIRECT TESTIMONY  
OF  
LESLIE ROSE**

**EMERALD POINTE UTILITY COMPANY**

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**DIRECT TESTIMONY**

**OF**

**LESLIE ROSE**

**EMERALD POINTE UTILITY COMPANY**

**CASE NO. SR-2013-0016**

Q. Please state your name and business address.

A. Leslie Rose, 111 N. 7<sup>th</sup> Street, Suite 105, St. Louis, MO 63101.

Q. By whom are you employed and in what capacity?

A. I am employed by the Missouri Public Service Commission (“Commission”) as a Utility Regulatory Auditor I in the Auditing Unit of the Utility Services Department, Regulatory Review Division.

**BACKGROUND OF WITNESS**

Q. Please describe your educational background and work experience.

A. I attended Maryville University, St. Louis, Missouri, and received a Bachelor of Science degree in Business Administration in 2006 and a Bachelor of Science degree in Accounting in 2012. I have been employed by the Commission since June 4, 2012, within the Auditing Unit.

Q. Have you previously filed testimony before this Commission?

A. No, I have not.

**EXECUTIVE SUMMARY**

Q. What is the purpose of your direct testimony in this proceeding?

1           A.     My direct testimony will address two of the updates made to the Commission  
2 Staff's ("Staff's") accounting schedules that were originally filed as part of the Emerald Pointe  
3 Utility Company ("Company" or "Emerald Pointe") /Staff Partial Agreement Regarding  
4 Disposition. The updated accounting schedules are being filed concurrently with Staff's direct  
5 testimony. The updated items are: (1) Rate Case Expense; and (2) Depreciation Expense.

6     **RATE CASE EXPENSE**

7           Q.     Has Staff updated the amount of rate case expense included in Staff's cost of  
8 service calculation?

9           A.     Yes.    Based upon recently obtained invoices, Staff has updated its  
10 recommendation for rate case expense to include additional amounts incurred by Emerald Pointe  
11 related to its current rate case.

12          Q.     What amount of rate case expense has Staff included in its updated cost  
13 of service?

14          A.     Based on information provided to Staff, a normalized amount of \$1,135 for each  
15 of the water and sewer systems, a total of \$2,269, has been included for an ongoing annual  
16 expense level related to rate case expense. This updated amount includes the cost of customer  
17 notices for the local public hearing recently ordered by the Commission. As well, Staff was  
18 provided with additional invoices pertaining to rate case expense from Emerald Pointe; therefore,  
19 Staff updated the expense level based on this new data as well.

20     **DEPRECIATION EXPENSE**

21          Q.     Has Staff updated the amount of depreciation expense included in Staff's cost of  
22 service calculation?

1           A.     Yes, Staff has updated its accounting schedules based upon an updated  
2 depreciation schedule provided by Mr. Arthur W. Rice of Staff's Engineering and Management  
3 Services Unit. The update resulted in an additional \$991 of depreciation expense being included  
4 in Staff's cost of service calculation.

5           Q.     Does this conclude your direct testimony?

6           A.     Yes, it does.


**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of the Request for an )  
 Increase in Sewer Operating Revenues of ) Case No. SR-2013-0016  
 Emerald Pointe Utility Company )  
 )

AFFIDAVIT OF LESLIE ROSE

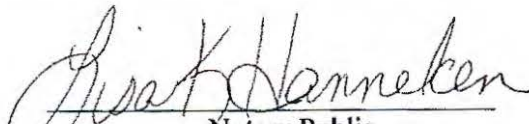
STATE OF MISSOURI )  
 ) ss.  
 COUNTY OF ST. LOUIS )

Leslie Rose, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 3 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.

  
LESLIE ROSE

Subscribed and sworn to before me this 27<sup>TH</sup> day of March 2013.

LISA K. HANNEKEN Notary Public - Notary Seal State of Missouri Commissioned for Franklin County My Commission Expires: April 27, 2014 Commission Number: 10967138
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Notary Public