

**EXHIBIT**

**Exhibit No.:**

202

**Issue(s):**

Mileage Expense/

Rate Case Expense

**Witness/Type of Exhibit:**

Roth/Rebuttal

**Sponsoring Party:**

Public Counsel

**Case No.:**

WR-2017-0343

**REBUTTAL TESTIMONY**

**FILED**

MAR 30 2018

**OF**

**KERI ROTH**

Missouri Public  
Service Commission

Submitted on Behalf of the Office of the Public Counsel

**GASCONY WATER COMPANY, INC.**

CASE NO. WR-2017-0343

January 29, 2018

OPC Exhibit No. 202  
Date 3/19/18 Reporter MR  
File No. WR-2017-0343

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

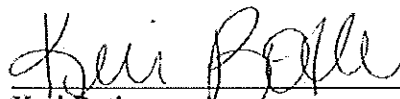
In the Matter of the Requests for an Increase	)	
In Annual Water System Operating Revenues	)	Case No. WR-2017-0343
For Gascony Water Company, Inc.	)	

**AFFIDAVIT OF KERI ROTH**

STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF COLE    )

Keri Roth, of lawful age and being first duly sworn, deposes and states:


1. My name is Keri Roth. I am a Public Utility Accountant III for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

  
Keri Roth  
Public Utility Accountant III

Subscribed and sworn to me this 29<sup>th</sup> day of January 2017.



JERENE A. BUCKMAN  
My Commission Expires  
August 23, 2021  
Cole County  
Commission #13754037

  
Jerene A. Buckman  
Notary Public

My Commission expires August 23, 2021.

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**REBUTTAL TESTIMONY**  
**OF**  
**KERI ROTH**  
**GASCONY WATER COMPANY, INC.**  
**CASE NO. WR-2017-0343**

**I. INTRODUCTION**

**Q. Please state your name and business address.**

A. Keri Roth, P.O. Box 2230, Jefferson City, Missouri 65102-2230.

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

A. I am employed by the Missouri Office of the Public Counsel ("OPC") as a Public Utility Accountant III.

**Q. On whose behalf are you testifying?**

A. I am testifying on behalf of the OPC.

**Q. What is the nature of your duties at the OPC?**

A. My duties include performing audits and examinations of the books and records of public utilities operating within the state of Missouri. I specialize in the area of auditing water and sewer utility companies, but I have performed audits in electric and gas cases as well. I have performed audits or accounting analysis in acquisition cases, complaint cases, and rate cases.

**Q. Please describe your educational background.**

A. I graduated in May 2011 from Lincoln University in Jefferson City with a Bachelor of Science Degree in Accounting.

**Q. Have you received specialized training related to public utility accounting?**

1 A. Yes. In addition to being employed by the OPC since September 2012, I have also attended  
2 the NARUC Utility Rate School held by Michigan State University.

3 **Q. Have you previously filed testimony before the Missouri Public Service Commission**  
4 **(“Commission” or “PSC”)?**

5 A. Yes. Please refer to Schedule KNR-1, attached to this testimony, for a listing of cases in  
6 which I have submitted testimony.

7 **Q. What is the purpose of your rebuttal testimony?**

8 A. The purpose of my rebuttal testimony is to respond to the direct testimony of Gascony Water  
9 Company, Inc. (“Gascony” or “Company”) witnesses, Mr. George R. Hoesch and Mr. James  
10 M. Russo, regarding the amount of mileage expense and rate case expense to include in  
11 Gascony’s cost of service.

12 **II. MILEAGE EXPENSE**

13 **Q. What is Gascony’s position regarding mileage expense?**

14 A. Gascony witness, Mr. Hoesch, states in his direct testimony that the Company agrees with  
15 Staff’s position on this issue.<sup>1</sup>

16 **Q. Has Staff filed direct testimony in this case stating its position in regards to mileage**  
17 **expense?**

18 A. No.

19 **Q. Does OPC know what Staff’s position is regarding mileage expense?**

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<sup>1</sup> Direct Testimony, George R. Hoesch, page 8, line 14

1 A. In the Staff Accounting Schedules (Attachment B), attached to the *Partial Disposition*  
2 *Agreement and Request for Evidentiary Hearing*, filed by Staff on November 17, 2017, page  
3 1 of Accounting Schedule 08, shows travel expense of \$4,184. It is OPC's understanding that  
4 travel expense was calculated using the 2017 federal mileage rate of 53.5 cents per mile.

5 Q. What is OPC's proposal for mileage expense?

6 A. OPC recommends using the 2017 State of Missouri mileage rate of 37 cents per mile.<sup>2</sup> OPC  
7 recommends this rate as it is specific to the State of Missouri. Using the Missouri mileage  
8 rate would equate to \$2,893 of mileage expense to include in Gascony's cost of service.

9 **III. RATE CASE EXPENSE**

10 Q. What is the amount of rate case expense included by Gascony in this case?

11 A. Gascony witness, Mr. Russo, stated in direct testimony that the Company is including \$18,000  
12 of rate case expense, normalized over a six-year period.<sup>3</sup>

13 Q. Did Gascony make an alternative recommendation for the recovery period of rate case  
14 expense?

15 A. Yes. Mr. Russo states in testimony that the Company is willing to extend the recovery period  
16 from six years to eight years, with the condition that the Company has the opportunity to  
17 recover any uncollected rate case expense in the next general rate case.<sup>4</sup>

18 Q. What is OPC's proposal regarding rate case expense recovery?

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

<sup>3</sup> Direct Testimony, James M. Russo, page 8, lines 3 - 4

<sup>4</sup> Direct Testimony, James M. Russo, page 8, lines 11 - 14

Rebuttal Testimony of  
Keri Roth  
Case No. WR-2017-0343

1 A. OPC proposes to allow recovery of actual dollars, prudently incurred, related to rate case  
2 expense. OPC is agreeable to Gascony's proposal to normalize the costs over a six-year  
3 period.

4 **Q. Does this conclude your rebuttal testimony?**

5 A. Yes.

**CASE PARTICIPATION  
OF  
KERI ROTH**

<u>Company Name</u>	<u>Case No.</u>
Empire District Electric Company	ER-2012-0345
Emerald Pointe Utility Company	SR-2013-0016
Lake Region Water & Sewer Company	WR-2013-0461
Summit Natural Gas of Missouri, Inc.	GR-2014-0086
Hickory Hills Water & Sewer Company, Inc.	WR-2014-0167/SR-2014-0166
Empire District Electric Company	ER-2014-0351
Laclede Gas Company	GO-2015-0178
Missouri Gas Energy	GO-2015-0179
Missouri American Water Company	WR-2015-0301
Empire District Electric Company	ER-2016-0023
Hillcrest Utility Operating Company, Inc.	WR-2016-0064
Raccoon Creek Utility Operating Company, Inc.	SR-2016-0202
Moore Bend Water Utility, LLC	WC-2016-0252
Terre Du Lac Utilities Corporation	WR-2017-0110
Indian Hills Utility Operating Company, Inc.	WR-2017-0259
Missouri American Water Company	WR-2017-0285