

Exhibit No.:
Issue: Cost of Service
Witness: Michael Duffy
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: City of Riverside
Case Number: WR-2008-0311
Date Prepared: October 20, 2008

Missouri American Water Company

WR-2008-0311

Rebuttal Testimony of

Michael Duffy

Before the
Missouri Public Service Commission

On behalf of

City of Riverside

October 20, 2008

Missouri American Water Company

WR-2008-0311

Rebuttal Testimony of Michael Duffy

Q PLEASE STATE YOUR NAME.

A Michael Duffy.

**Q ON WHOSE BEHALF ARE YOU APPEARING FOR THE PURPOSES OF THIS
REBUTTAL TESTIMONY?**

A I am appearing for the purposes of this testimony on behalf of intervenor
City of Riverside.

Q PLEASE DESCRIBE YOUR EMPLOYMENT.

A I am Director of Community Development for the City of Riverside.

Q WHAT IS YOUR INTEREST IN THIS PARTICULAR CASE?

A I am testifying as a representative of the City of Riverside, which is
attempting to protect its citizens in the present case. The City of Riverside is
within the Parkville District, subject to the Platte County water tariff at issue
in this case.

Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A The purpose of my testimony is to describe certain water service issues
affecting the City of Riverside and to rebut the direct testimony of Missouri
American Water Company's ("MAWC") witnesses regarding the water rates
proposed for the Parkville District. Riverside also requests that these issues be
considered in determining its water rate.

1 Q WHAT ISSUES REGARDING WATER SERVICE HAVE YOU OBSERVED IN THE CITY
2 OF RIVERSIDE?

3 A During the time period under review in the present case (January 2007
4 through September 2008), the City of Riverside experienced two major fires:
5 one to a single-family residence; the other to an apartment complex. When
6 the local fire department attempted to extinguish these fires, it experienced
7 grossly insufficient fire flow to extinguish these fires. As a result, both
8 structures were a total loss. The structures were located in two separate areas
9 of Riverside. Therefore, the flow problems are not isolated to a particular
10 area.

11 Q WHY DO YOU REFER TO THIS AS "GROSSLY INSUFFICIENT"?

12 A Riverside City Code requires fire flow of 1000 gallons/minute for
13 residential homes and 1500 gallons/minute for multi-family homes. Many
14 locations in Riverside have only 400 gallons/minute of fire flow. Therefore, the
15 City objects to MAWC seeking to increase its water rates in the Parkville
16 district when it currently does not provide adequate service in the City of
17 Riverside thereby jeopardizing the City's citizens and businesses.

18 Q DOES THE CITY OF RIVERSIDE HAVE ANY FURTHER BASIS FOR CHALLENGING
19 MAWC'S PROPOSED RATE?

20 A Yes. Due to MAWC's failure to provide adequate water service, the City
21 of Riverside has approved a capital budget line item of \$500,000 annually for
22 the next five years beginning in 2008, to replace insufficient water mains and
23 also install new water mains within the City. The City already has purchased

1 pipe for its first project, and it anticipates projects to occur within each of its
2 three wards.

3 The insufficient fire flow in Riverside affects new construction. Without
4 sufficient flow, building permits cannot be issued. This is another reason for
5 this capital expenditure.

6 These new and replacement water mains will be tied in to MAWC's
7 infrastructure and will become the property of MAWC following installation. At
8 present, there is no provision for compensation from MAWC for this
9 contribution, to my knowledge.

10 While I am not intending to offer testimony as a rate expert, the City of
11 Riverside and its citizens nonetheless will be expending substantial monies
12 annually to the benefit of MAWC.

13 Q BASED ON THE FOREGOING, WHAT RELIEF ARE YOU REQUESTING IN
14 RELATION TO THESE ISSUES?

15 A The City of Riverside requests that the inadequacy of MAWC service be a
16 consideration when the amount of rate relief is determined.

17 Q SHOULD THE REDUCTION IN RESPONSE TO YOUR PROBLEM BE PASSED ON TO
18 OTHER DISTRICTS?

19 A No. The reduction originates from the Parkville District and should not
20 be attributed to other districts.

21 Q DOES THAT CONCLUDE YOUR TESTIMONY?

22 A Yes.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Missouri-American)
Water Company's Request for Authority)
to Implement a General Rate Increase) Case No. WR-2008-0311
for Water and Sewer Service Provided)
in Missouri Service Areas)

Affidavit of Michael Duffy

State of Missouri)
County of Platte) ss.

Michael Duffy, being first duly sworn, on his oath states:

1. My name is Michael Duffy. I am Director of Community Development for the City of Riverside.

2. The above Rebuttal Testimony in question and answer form was prepared by me, or at my direction.

3. I hereby swear and affirm that the aforesaid written rebuttal testimony is true and accurate to the best of my present knowledge, information and belief.

Michael Duffy
Michael Duffy

Subscribed and sworn to before me on this 20th day of October, 2008.

Louise F. Rusick
Notary Public

My commission expires: Aug. 28, 2009

