

Exhibit No.:
Witness: Brian C. Collins
Type of Exhibit: Surrebuttal Testimony
Issue: Revenue Requirement
Sponsoring Parties: Missouri Industrial Energy Consumers
Case No.: WR-2008-0311

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

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

Surrebuttal Testimony of

Brian C. Collins
on Revenue Requirement Issues

On Behalf of

Missouri Industrial Energy Consumers



BRUBAKER & ASSOCIATES, INC.
CHESTERFIELD, MO 63017

October 16, 2008
Project 8980

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)	Case No. WR-2008-0311
Increase for Water and Sewer Service)	
Provided in Missouri Service Areas)	

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

Affidavit of Brian C. Collins

Brian C. Collins, being first duly sworn, on his oath states:

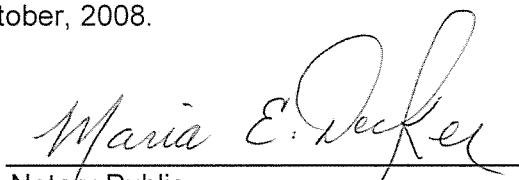
1. My name is Brian C. Collins. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017. We have been retained by the Missouri Industrial Energy Consumers in this proceeding on their behalf.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony on revenue requirement issues, which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. WR-2008-0311.
3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things it purports to show.



Brian C. Collins

Subscribed and sworn to before me this 15th day of October, 2008.





Notary Public

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Surrebuttal Testimony of Brian C. Collins

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A My name is Brian C. Collins and my business address is 16690 Swingley Ridge
3 Road, Suite 140, Chesterfield, MO 63017.

4 **Q ARE YOU THE SAME BRIAN C. COLLINS WHO PREVIOUSLY SUBMITTED**
5 **TESTIMONY IN THIS CASE?**

6 A Yes.

7 **Q PLEASE SUMMARIZE THE ISSUES YOU WILL ADDRESS IN YOUR**
8 **SURREBUTTAL TESTIMONY.**

9 A In this testimony, I will address Missouri-American Water Company's (Missouri-
10 American or the Company) witness Frank L. Kartmann's rebuttal testimony with
11 respect to tank painting expense and hydrant painting expense.

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1 **Q WHAT IS MR. KARTMANN'S RECOMMENDATION IN HIS REBUTTAL**
2 **TESTIMONY WITH RESPECT TO TANK PAINTING EXPENSE?**

3 A At page 6 of his rebuttal testimony, he recommends that the tank painting tracker be
4 adjusted to a value of \$1,700,000. This is an increase of \$100,000 to his
5 recommended value of \$1,600,000 for the tank painting tracker contained in his direct
6 testimony.

7 **Q DO YOU AGREE WITH HIS RECOMMENDATION?**

8 A No. The Company has not provided evidence that this level of tank painting expense
9 represents an ongoing level of expense for the Company. I recommend that the
10 value of the tank painting tracker remain at \$1,000,000.

11 **Q WHAT IS MR. KARTMANN'S RECOMMENDATION IN HIS REBUTTAL**
12 **TESTIMONY WITH RESPECT TO HYDRANT PAINTING EXPENSE?**

13 A At page 8 of his rebuttal testimony, Mr. Kartmann suggests that a tracker could be
14 established for hydrant painting expense to encourage the Company to perform the
15 work, or as an alternative, the tank painting tracker could be simply increased to
16 include the expense associated with the hydrant painting expense.

17 **Q DO YOU AGREE WITH THIS RECOMMENDATION?**

18 A No. I disagree that special ratemaking is needed for hydrant painting expense that is
19 yet to be incurred by the Company. I recommend that the hydrant painting expense
20 not be included in the Company's cost of service. I also recommend that the hydrant
21 painting expense not be included in a tracker and that the tank painting tracker value
22 remain at \$1,000,000.

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1 **Q DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

2 **A Yes.**

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