

Exhibit No.:  
Issues: Policy  
Witness: James. M. Russo  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Surrebuttal & Rebuttal of  
Supplemental Direct  
Testimony  
Case No.: SR-2014-0247  
Date Testimony Prepared: December 15, 2014

**MISSOURI PUBLIC SERVICE COMMISSION**  
**REGULATORY REVIEW DIVISION**  
**SURREBUTTAL & REBUTTAL OF SUPPLEMENTAL**  
**DIRECT TESTIMONY**  
**OF**  
**JAMES M. RUSSO**  
**CENTRAL RIVERS WASTEWATER UTILITY, INC.**  
**CASE NO. SR-2014-0247**

*Jefferson City, Missouri*  
*December 2014*

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

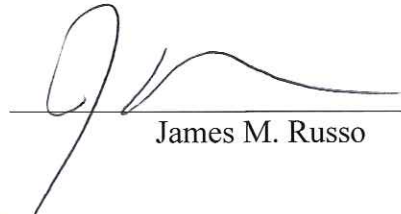
In the Matter of Central Rivers )  
Wastewater Utility, Inc.'s Small Company )  
Rate Increase Request )

File No. SR-2014-0247

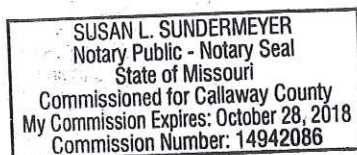
**AFFIDAVIT OF JAMES M. RUSSO**

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

James. M. Russo, of lawful age, on his oath states: that he has participated in the preparation of the following Surrebuttal and Rebuttal of Supplemental Direct Testimony in question and answer form, consisting of 4 pages of Surrebuttal and Rebuttal of Supplemental Direct Testimony to be presented in the above case, that the answers in the following Surrebuttal and Rebuttal of Supplemental Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

  
\_\_\_\_\_  
James M. Russo

Subscribed and sworn to before me this 15<sup>th</sup> day of December, 2014.



  
\_\_\_\_\_  
Notary Public

**SURREBUTTAL & REBUTTAL OF SUPPLEMENTAL  
DIRECT TESTIMONY**

**OF**

**JAMES M. RUSSO**

**CENTRAL RIVERS WASTEWATER UTILITY, INC.**

**CASE NO. SR-2014-0247**

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1                                   **SURREBUTTAL & REBUTTAL OF SUPPLEMENTAL**  
2                                   **DIRECT TESTIMONY**

3                                   **OF**

4                                   **JAMES M. RUSSO**

5                                   **CENTRAL RIVERS WASTEWATER UTILITY, INC.**

6                                   **CASE NO. SR-2014-0247**

7                   Q.     Please state your name and business address.

8                   A.     James M. Russo, P.O. Box 360, Jefferson City, Missouri 65102.

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

10                  A.     I am the Rate and Tariff Examination Supervisor in the Water & Sewer Unit  
11 with the Missouri Public Service Commission ("Commission").

12                   **BACKGROUND OF WITNESS**

13                  Q.     Please describe your educational background and other qualifications.

14                  A.     I graduated from California State University-Fresno, Fresno, California, and  
15 received a Bachelor of Science degree in Accounting. Prior to my employment with the  
16 Commission, local elected officials in county government employed me in various capacities.  
17 I was the Assistant Treasurer-Tax Collector for San Joaquin and El Dorado Counties in  
18 California. My responsibilities included all financial dealings of the counties and all  
19 accounting activities of the agency. In addition, I was the Supervising Accountant Auditor in  
20 El Dorado County for two years. My division was responsible for internal audits of all county  
21 agencies, special districts, and franchise/lease agreements.

22                  Q.     What has been the nature of your duties with the Commission?

23                  A.     From April 1997 to December 2001, I worked in the Accounting Department  
24 of the Commission, where my duties consisted of directing and assisting with various audits

1 and examinations of the books and records of public utilities operating within the State of  
2 Missouri under the jurisdiction of the Commission. From December 16, 2001, to August  
3 2003, I was a Regulatory Auditor IV in the Energy Tariffs/Rate Design Department, where  
4 my duties consisted of analyzing applications, reviewing tariffs, and making  
5 recommendations based upon these evaluations. On August 16, 2003, I assumed the position  
6 of Rate and Tariff Examination Supervisor in the Water & Sewer Unit where my duties  
7 consist of reviewing tariffs, preparing and analyzing cost of service and rate design, and  
8 performing accounting functions. In addition, I am the rate case coordinator for the Water  
9 and Sewer Unit on the majority of small company rate cases filed with the Commission.

10 Q. Have you previously filed testimony before this Commission?

11 A. Yes. A list of cases in which I have filed testimony before this Commission is  
12 attached as Schedule 1 to my direct testimony.

13 **EXECUTIVE SUMMARY**

14 Q. With reference to Case No. SR-2014-0247, have you made an examination and  
15 study of the Supplemental Direct & Rebuttal Testimony filed by Dale W. Johansen and Mark  
16 E. Geisinger on behalf of Central Rivers Wastewater Utility, Inc. ("Central Rivers" or  
17 "Company")?

18 A. Yes I have.

19 Q. What is the purpose of your Surrebuttal & Rebuttal of Supplemental Direct  
20 Testimony?

21 A. The purpose of my Surrebuttal & Rebuttal of Supplemental Direct Testimony  
22 is to provide additional information about the steps leading up to the Company/Staff Partial  
23 Disposition Agreement.

**COMPANY/ STAFF PARTIAL DISPOSITION AGREEMENT**

Q. Were you in contact with Company representatives prior to the filing of the Company/Staff Partial Disposition Agreement (“Partial Agreement”)?

A. Yes, as the rate case coordinator, I have had numerous contacts with Company representatives.

Q. Prior to the filing of the Partial Agreement did you discuss with the Company the need for the Company to provide additional documentation and information supporting costs charged by the affiliated construction company for services performed on behalf of the Company?

A. Yes, I had several conversations with Company representatives regarding the need for Central Rivers to provide supporting documentation and additional information regarding costs charged by the affiliated construction company for services performed on behalf of the Company.

Q. Did you also discuss the need for the Company to provide additional documentation and information supporting the costs charged by the affiliated construction company for the installation of the septic tank effluent gravity tank (“STEG”) and the septic tank effluent pumping tank (“STEP”)?

A. Yes, the need for Central Rivers to provide supporting documentation and additional information regarding the costs charged by the affiliated construction company, Construction Services and Management, LLC (the “Construction Company”) and the installation of the STEG/STEP tanks was also discussed with Company representatives. Those discussions also included the costs the affiliate the Construction Company, charged

Surrebuttal & Rebuttal of Supplemental Direct Testimony of  
James M. Russo

1 Central Rivers for the services provided to operate and maintain the Company's sewer  
2 systems.

3 Q. Was it your understanding that the Company was going to provide additional  
4 information to Staff after the Partial Agreement was filed?

5 A. Yes. Based on conversations I had with Company representatives, I was under  
6 the impression that additional information was going to be provided.

7 Q. What was your conclusion after these conversations?

8 A. I believed that the Company would provide Staff the additional supporting  
9 documentation and information.

10 Q. Was that belief instrumental in Staff's decision to enter into the Partial  
11 Agreement?

12 A. Yes, it was. In view of the imminent deadline for filing an agreement under  
13 the small company rate case timeline, based upon the assurances Staff had received, Staff  
14 decided to enter into the Partial Agreement.

15 Q. Does this conclude your Surrebuttal & Rebuttal of Supplemental Direct  
16 Testimony?

17 A. Yes it does.

RATE CASE PROCEEDING PARTICIPATION

**JAMES M. RUSSO**

| <u>COMPANY</u>   | <u>CASE NO.</u> |
|--|-----------------|
| Union Electric Company                                   | GR-97-393       |
| Gascony Water Company                                    | WA-97-510       |
| St. Joseph Light and Power Company                       | EC-98-573       |
| St. Joseph Light and Power Company                       | HR-99-245       |
| St. Joseph Light and Power Company                       | GR-99-246       |
| St. Joseph Light and Power Company                       | ER-99-247       |
| UtiliCorp United Inc./St. Joseph Light and Power Company | EM-2000-292     |
| UtiliCorp United Inc./Empire District Electric Company   | EM-2000-369     |
| Osage Water Company                                      | WR-2000-557     |
| Osage Water Company                                      | SR-2000-556     |
| Missouri Gas Energy                                      | GR-2001-292     |
| Southern Missouri Gas Company, L.P.                      | GR-2001-0388    |
| Environmental Utilities                                  | WA-2002-65      |
| Laclede Gas Company                                      | GR-2002-356     |
| Laclede Gas Company                                      | GA-2002-429     |
| Missouri Gas Energy                                      | GT-2003-0033    |
| Aquila Networks L & P                                    | GT-2003-0038    |
| Southern Missouri Gas Company, L.P.                      | GT-2003-0031    |
| Atmos Energy Corporation                                 | GT-2003-0037    |
| Fidelity Natural Gas, Inc.                               | GT-2003-0036    |
| Laclede Gas Company                                      | GT-2003-0032    |
| Union Electric Company                                   | GT-2003-0034    |
| Union Electric Company                                   | GR-2003-0517    |
| Missouri Gas Energy                                      | GT-2004-0049    |
| Aquila Inc.  | GR-2004-0072    |
| Missouri Gas Energy                                      | GC-2004-0216    |
| Missouri Gas Energy                                      | GC-2004-0305    |
| Algonquin Water Resources of Missouri, LLC               | WR-2006-0425    |



|                                   |              |
|-----------------------------------|--------------|
| Missouri-American Water Company   | WR-2007-0216 |
| Missouri-American Water Company   | SR-2007-0217 |
| Timber Creek Sewer Company        | SR-2008-0080 |
| Missouri-American Water Company   | WR-2008-0311 |
| Missouri-American Water Company   | SR-2008-0312 |
| Lake Region Water & Sewer Company | SR-2010-0110 |
| Lake Region Water & Sewer Company | WR-2010-0111 |
| Missouri-American Water Company   | WR-2010-0311 |
| Missouri-American Water Company   | WR-2011-0337 |
| Emerald Pointe Utility Company    | SR-2013-0016 |
| Lake Region Water & Sewer Company | WR-2013-0461 |