

Exhibit No.:
Issues: Overview
Witness: GREG R. MEYER
Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony
Case No.: SR-2000-556

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Missouri Public
Service Commission

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

DIRECT TESTIMONY

OF

GREG R. MEYER

OSAGE WATER COMPANY

CASE NO. SR-2000-556

Jefferson City, Missouri
February 2001

Direct Testimony of
Greg R. Meyer

1 testimony. Additionally, I have performed numerous audits of small water and sewer
2 companies for rate increases and certification cases.

3 Q. With reference to Case No. SR-2000-556, have you made an examination
4 of the books and records of the Osage Water Company (OWC or Company)?

5 A. Yes, in conjunction with other members of the Commission Staff (Staff).

6 Q. What is the purpose of your direct testimony?

7 A. My direct testimony will discuss the following item: a description of
8 Sections 6 and 7 of the Agreement Regarding Disposition of Small Company Rate
9 Increase Request (Disposition Agreement) between OWC and the Staff, which OWC
10 filed with the Commission on November 14, 2000. These sections address the
11 ratemaking treatment associated with amounts included in OWC's Accounts No. 301 and
12 No. 302.

13 Q. Please describe Sections 6 and 7 of the Company/Staff Disposition
14 Agreement.

15 A. Sections 6 and 7 describe the agreements between the Staff and OWC
16 regarding the amounts that are included in OWC's Account 301, Organization, and in
17 Account 302, Franchises and Consents. During the Staff's audit, the Staff discovered that
18 substantial amounts of dollars were being charged by OWC to the above accounts. The
19 Staff audited these accounts and proposed that several adjustments be made to them.
20 However, for purposes of this instant case, OWC and the Staff have agreed not to have
21 the Commission hear this issue.

Direct Testimony of
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1 Q. What ratemaking treatment have OWC and the Staff agreed to for
2 purposes of this case?

3 A. Section 7 of the Disposition Agreement stated that the tariff sheets of
4 OWC will include a \$1.00 per month charge for each customer, which OWC will credit
5 toward recovery of the Organization and Franchise accounts described above. However,
6 neither OWC nor the Staff has agreed on the dollar levels that should be included in these
7 accounts. The annual level of dollars associated with this agreement is listed as a
8 separate line item on the Staff's revenue requirement schedule and is accounted for
9 separately in the proposed rates.

10 Q. Why did OWC and the Staff agree to defer having the Commission decide
11 these issues?

12 A. Through discussions with OWC, the Staff learned that the rates that result
13 from the Staff's audit were approaching a level that may not permit OWC to fairly
14 compete for customers in the lake area. OWC and the Staff agreed to review these areas
15 in a future rate case when OWC's rates could reflect those costs.

16 Q. Does this conclude your direct testimony?

17 A. Yes, it does.

SUMMARY OF RATE CASE INVOLVEMENT

Greg R. Meyer

<u>COMPANY</u>	<u>CASE NO.</u>
Missouri Utilities Company	GR-79-270
Missouri Public Service Company	GR-80-117
Missouri Public Service Company	ER-80-118
Missouri Utilities Company	ER-80-215
General Telephone Company of the Midwest	TR-81-47
Capital City Water Company	WR-81-193
Missouri Utilities Company	GR-81-244
Missouri Utilities Company	WR-81-248
Missouri Utilities Company	ER-81-346
Associated Natural Gas Company	GR-82-108
Southwestern Bell Telephone Company	TR-82-199
Kansas City Power and Light Company	ER-83-49
Southwestern Bell Telephone Company	TR-83-253
Kansas City Power and Light Company	ER-85-128/ EO-85-185
Arkansas Power and Light Company	ER-85-265
Southwestern Bell Telephone Company	TR-86-84
General Telephone Company of the Midwest	TC-87-57
Union Electric Company	EC-87-114
Southwestern Bell Telephone Company	TC-89-14
GTE North Incorporated	TR-89-182
Arkansas Power and Light Company	EM-90-12
Southwestern Bell Telephone Company	TC-93-224
Laclede Gas Company	GR-94-220
Laclede Gas Company	GR-96-193
Imperial Utility Corporation	SC-96-427
Union Electric Company	GR-97-393
Laclede Gas Company	GR-98-374