

Exhibit No.:  
Issues: True-Up  
Witness: Edward J. Grubb  
Exhibit Type: Rebuttal  
Sponsoring Party: Missouri-American Water Company  
Case No.: WR-2007-0216  
SR-2007-0217  
Date: July 13, 2007

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. WR-2007-0216  
CASE NO. SR-2007-0217**

**TRUE-UP DIRECT TESTIMONY**

**OF**

**EDWARD J. GRUBB**

**ON BEHALF OF**

**MISSOURI-AMERICAN WATER COMPANY**


*MAWC*  
Exhibit No. 8  
Case No(s) WR-2007-0216  
Date 8-14-07 Rptr PF

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

<b>IN THE MATTER OF MISSOURI-AMERICAN )</b>	
<b>WATER COMPANY FOR AUTHORITY TO )</b>	
<b>FILE TARIFFS REFLECTING INCREASED )</b>	<b>CASE NO. WR-2007-0216</b>
<b>RATES FOR WATER AND SEWER )</b>	<b>CASE NO. SR-2007-0217</b>
<b>SERVICE )</b>	

**AFFIDAVIT OF EDWARD J. GRUBB**

Edward J. Grubb, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "True-Up Direct Testimony of Edward J. Grubb"; that said testimony were prepared by him and/or under his direction and supervision; that if inquiries were made as to the facts in said testimony, he would respond as therein set forth; and that the aforesaid testimony are true and correct to the best of his knowledge.

  
\_\_\_\_\_  
Edward J. Grubb

State of Missouri  
County of St. Louis  
SUBSCRIBED and sworn to  
Before me this 13<sup>th</sup> day of July 2007.

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

My commission expires:

Staci A. Olsen  
Notary Public - Notary Seal  
State of Missouri  
St. Charles County  
Commission # 05519210  
My Commission Expires: March 20, 2009

## TRUE-UP DIRECT TESTIMONY

EDWARD J. GRUBB

### WITNESS INTRODUCTION AND PURPOSE

1

2

3 **Q. Please state your name, title and business address.**

4

5 A. Edward J. Grubb, Director Rates and Revenue for American Water, 727 Craig  
6 Road, St. Louis, Missouri 63141.

7

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

9 A. I am employed by American Water as the Manager Rates and Regulations for  
10 the Central Region and I am also the Assistant Treasurer for Missouri-  
11 American Water Company ("Company" or "MAWC").

12

13 **Q. Would you please describe your educational background and business  
14 experience?**

15 A. My background and qualifications are summarized in Schedule EJG-1 of my  
16 Direct Testimony.

17

18 **Q. Have you previously participated in regulatory matters?**

19 A. Yes, I have prepared rate cases and presented testimony before the  
20 Maryland Public Service Commission, West Virginia Public Service  
21 Commission, Tennessee Public Service Commission, Illinois Commerce  
22 Commission, Kentucky Public Service Commission, Iowa Utilities Board,  
23 Indiana Utility Regulatory Commission, and this Commission.

24

25 **Q. What is the purpose of your True-Up Direct Testimony?**

1

2 A. The purpose of my True-Up Direct Testimony is to support the Company's  
3 proposed true-up of items identified in its Recommendation Concerning Test  
4 Year and Request for True-Up Audit and Hearing (filed on December 22,  
5 2006). The Commission's Order Adopting Procedural Schedule, issued  
6 Ferbaury 22, 2007, called for true-up direct testimony to be filed along with  
7 rebuttal testimony.

8 **Q. What items were identified for true-up in the rate case?**

9 A. The following items were identified:

- 10 • Utility Plant in Service;
- 11 • Accumulated Depreciation;
- 12 • Contributions in Aid of Construction;
- 13 • Customer Advances;
- 14 • Deferred Income Taxes, Including ITC;
- 15 • Regulatory Asset;
- 16 • Property Taxes;
- 17 • Labor and Benefits (MAWC and AWWWS);
- 18 • Rate Case Expense;
- 19 • MSD Revenue, if necessary;
- 20 • Capital Structure;
- 21 • Postage;
- 22 • PSC Fee Assessment;

- 1                   • Depreciation Expense;
- 2                   • Other items as the parties may agree to in the proceeding.
- 3

4   **Q.    Has the staff completed their true-up for the period ending May 2007?**

5   A.    The Company has provided all of the information needed by the Staff to  
6       complete the true-up. I have had a number of discussions with the Staff  
7       regarding the elements of the true-up. On July 10, 2007, I received a copy of  
8       the Staff's Revenue Requirement (EMS Run) which included the true-up  
9       information. The Company is currently reviewing this information. Should we  
10      discover any issues, we will alert the Staff as quickly as possible.

11   **Q.    Will the Company be filing any additional documents with your true-up**  
12       **direct testimony?**

13   A.    No.

14   **Q.    Does this complete your true-up direct testimony?**

15   A.    Yes, it does.