

Exhibit No.:

Issue(s):

Witness/Type of Exhibit:

Sponsoring Party:

Case No.:

Mileage Expense/
Rate Case Expense

Roth/Rebuttal

Public Counsel

WR-2017-0343

REBUTTAL TESTIMONY

OF

KERI ROTH

Submitted on Behalf of the Office of the Public Counsel

GASCONY WATER COMPANY, INC.

CASE NO. WR-2017-0343

January 29, 2018


In the Matter of the Requests for an Increase)
In Annual Water System Operating Revenues) Case No. WR-2017-0343
For Gascony Water Company, Inc.)

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Subscribed and sworn to me this 29th day of January 2017.




Jerene A. Buckman
Notary Public

My Commission expires August 23, 2021.

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REBUTTAL TESTIMONY
OF
KERI ROTH
GASCONY WATER COMPANY, INC.
CASE NO. WR-2017-0343

I. INTRODUCTION

Q. Please state your name and business address.

A. Keri Roth, P.O. Box 2230, Jefferson City, Missouri 65102-2230.

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

A. I am employed by the Missouri Office of the Public Counsel ("OPC") as a Public Utility Accountant III.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of the OPC.

Q. What is the nature of your duties at the OPC?

A. My duties include performing audits and examinations of the books and records of public utilities operating within the state of Missouri. I specialize in the area of auditing water and sewer utility companies, but I have performed audits in electric and gas cases as well. I have performed audits or accounting analysis in acquisition cases, complaint cases, and rate cases.

Q. Please describe your educational background.

A. I graduated in May 2011 from Lincoln University in Jefferson City with a Bachelor of Science Degree in Accounting.

Q. Have you received specialized training related to public utility accounting?

1 A. Yes. In addition to being employed by the OPC since September 2012, I have also attended
2 the NARUC Utility Rate School held by Michigan State University.

3 **Q. Have you previously filed testimony before the Missouri Public Service Commission**
4 **(“Commission” or “PSC”)?**

5 A. Yes. Please refer to Schedule KNR-1, attached to this testimony, for a listing of cases in
6 which I have submitted testimony.

7 **Q. What is the purpose of your rebuttal testimony?**

8 A. The purpose of my rebuttal testimony is to respond to the direct testimony of Gascony Water
9 Company, Inc. (“Gascony” or “Company”) witnesses, Mr. George R. Hoesch and Mr. James
10 M. Russo, regarding the amount of mileage expense and rate case expense to include in
11 Gascony’s cost of service.

12 **II. MILEAGE EXPENSE**

13 **Q. What is Gascony’s position regarding mileage expense?**

14 A. Gascony witness, Mr. Hoesch, states in his direct testimony that the Company agrees with
15 Staff’s position on this issue.¹

16 **Q. Has Staff filed direct testimony in this case stating its position in regards to mileage**
17 **expense?**

18 A. No.

19 **Q. Does OPC know what Staff’s position is regarding mileage expense?**

¹ Direct Testimony, George R. Hoesch, page 8, line 14

A. In the Staff Accounting Schedules (Attachment B), attached to the *Partial Disposition Agreement and Request for Evidentiary Hearing*, filed by Staff on November 17, 2017, page 1 of Accounting Schedule 08, shows travel expense of \$4,184. It is OPC's understanding that travel expense was calculated using the 2017 federal mileage rate of 53.5 cents per mile.

Q. What is OPC's proposal for mileage expense?

A. OPC recommends using the 2017 State of Missouri mileage rate of 37 cents per mile.² OPC recommends this rate as it is specific to the State of Missouri. Using the Missouri mileage rate would equate to \$2,893 of mileage expense to include in Gascony's cost of service.

III. RATE CASE EXPENSE

Q. What is the amount of rate case expense included by Gascony in this case?

A. Gascony witness, Mr. Russo, stated in direct testimony that the Company is including \$18,000 of rate case expense, normalized over a six-year period.³

Q. Did Gascony make an alternative recommendation for the recovery period of rate case expense?

A. Yes. Mr. Russo states in testimony that the Company is willing to extend the recovery period from six years to eight years, with the condition that the Company has the opportunity to recover any uncollected rate case expense in the next general rate case.⁴

Q. What is OPC's proposal regarding rate case expense recovery?

² <https://oa.mo.gov/accounting/state-employees/travel-portal-information/mileage>

³ Direct Testimony, James M. Russo, page 8, lines 3 - 4

⁴ Direct Testimony, James M. Russo, page 8, lines 11 - 14

1 A. OPC proposes to allow recovery of actual dollars, prudently incurred, related to rate case
2 expense. OPC is agreeable to Gascony's proposal to normalize the costs over a six-year
3 period.

4 **Q. Does this conclude your rebuttal testimony?**

5 A. Yes.

**CASE PARTICIPATION
OF
KERI ROTH**

| <u>Company Name</u> | <u>Case No.</u> |
|---|---------------------------|
| Empire District Electric Company | ER-2012-0345 |
| Emerald Pointe Utility Company | SR-2013-0016 |
| Lake Region Water & Sewer Company | WR-2013-0461 |
| Summit Natural Gas of Missouri, Inc. | GR-2014-0086 |
| Hickory Hills Water & Sewer Company, Inc. | WR-2014-0167/SR-2014-0166 |
| Empire District Electric Company | ER-2014-0351 |
| Laclede Gas Company | GO-2015-0178 |
| Missouri Gas Energy | GO-2015-0179 |
| Missouri American Water Company | WR-2015-0301 |
| Empire District Electric Company | ER-2016-0023 |
| Hillcrest Utility Operating Company, Inc. | WR-2016-0064 |
| Raccoon Creek Utility Operating Company, Inc. | SR-2016-0202 |
| Moore Bend Water Utility, LLC | WC-2016-0252 |
| Terre Du Lac Utilities Corporation | WR-2017-0110 |
| Indian Hills Utility Operating Company, Inc. | WR-2017-0259 |
| Missouri American Water Company | WR-2017-0285 |