Exhibit No. 137

Staff – Exhibit 137
Jarrod J. Robertson
Surrebuttal Testimony
File No. WR-2022-0303

Exhibit No.:
Issue(s): *Declining Usage*
Witness: *Jarrod J. Robertson*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal Testimony*
Case No.: *WR-2023-0303*
Date Testimony Prepared: *February 8, 2023*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

WATER, SEWER & STEAM DEPARTMENT

SURREBUTTAL TESTIMONY

OF

JARROD J. ROBERTSON

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2022-0303

Jefferson City, Missouri
February 2023

SURREBUTTAL TESTIMONY OF

JARROD J. ROBERTSON

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2022-0303

Q. Please state your name and business address.

A. My name is Jarrod J. Robertson and my business address is 200 Madison Street, Jefferson City, MO 65101.

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

A. I am employed by the Missouri Public Service Commission ("Commission") as a Senior Research/Data Analyst in the Water, Sewer, & Steam Department of the Industry Analysis Division, a member of Commission Staff ("Staff").

Q. Are you the same Jarrod J. Robertson who filed direct testimony on November 22, 2022, and rebuttal testimony on January 18, 2023, in this rate case?

A. Yes, I am.

EXECUTIVE SUMMARY

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to address the revenue requirement rebuttal testimony of Missouri-American Water Company ("MAWC") witness Charles B. Rea, regarding the comparison of Staff's five (5) year averaging method versus MAWC's ten (10) year statistical linear regression analysis.

Q. What specifically will you address?

A. I will address the difference between MAWC's and Staff's annual residential usage estimates as discussed on page 6, lines 7 through 21 of Mr. Rea's rebuttal testimony.

DECLINING USAGE

Q. What does Mr. Rea state in his rebuttal testimony about MAWC's and Staff's annual residential usage estimates?

A. Mr. Rea states on page 6, lines 7 through 21 of his rebuttal testimony that the difference between the annual amount of volumetric residential decline on a per customer basis between Staff's method and MAWC's analysis is approximately 5,400 gallons per year, for both Tariff District 1 (St. Louis County) and Tariff District 2 (non-St. Louis County).

Q. Does Staff agree with this assessment?

A. No. Mr. Rea states on page 39, lines 12 through 14 of his direct testimony that the annual amount of volumetric residential decline on a per customer basis is approximately 1,400 gallons and 1,200 gallons, for Tariff Districts 1 and 2, respectively. Staff reports in Schedule JJR-r1, attached to my rebuttal testimony, that the annual amount of volumetric residential decline on a per customer basis is 1,160 gallons for Tariff District 1 and 57 gallons for Tariff District 2.

Q. What is Staff's conclusion regarding this comparison?

A. Staff calculated the difference between Staff's and MAWC's residential usage estimates to be approximately 240 gallons and 1,143 gallons for Tariff Districts 1 and 2, respectively, and this data is displayed in the table on the following page of this testimony.

Q. Has Staff analyzed how MAWC's and Staff's differences in residential usage estimates affects annual revenue?

A. Yes. Please see the table below:

Tariff District 1				
A	B	C	D	E
	Annually	Total Annual Decline in Usage	Units	Total Annual $
Staff 5yr Avg Decline/Customer (Actuals)	1,160			
Co. Predicted 10yr Avg Decline/Customer	1,400	(240*317,267)	(76,143,992.57/1,000)	(76,143.99*5.629)
	240	76,143,992.57	76,143.99	428,614.53

Tariff District 2				
A	B	C	D	E
	Annually	Total Annual Decline in Usage	Units	Total Annual $
Staff 5yr Avg Decline/Customer (Actuals)	57			
Co. Predicted 10yr Avg Decline/Customer	1,200	(1,143*113,130)	(129,307,151.85/1,000)	(129,307.15*6.2469)
	1,143	129,307,151.85	129,307.15	807,768.85

- Column A shows Tariff Districts 1 (St. Louis County) and 2 (non-St. Louis County), with each section containing labels pertaining to Staff's method versus MAWC's method.
- Column B shows the per customer average annual decline in monthly residential usage (as calculated by Staff and MAWC), and the difference between the two methods for each District.
- Column C shows the total annual decline in usage, as calculated by multiplying the volumetric difference between the two methods (240 and 1,143 gallons, respectively), by the average total number of customers for each specific District (317,267 and 113,130, respectively).
- Column D shows the total usage from Column C divided by 1,000 to convert the usage to charged units, which provides the commodity charge per 1,000 gallons of usage per District.
- Column E shows the total annual dollar amount related to each of Staff's and MAWC's method, calculated by multiplying the charged units by the commodity charge for District 1 and 2 ($5.629[1] and $6.2469[2] per 1,000 gallons, respectively).

Q. What is Staff's conclusion concerning the effect on revenue of MAWC's and Staff's differences in the average annual decline in residential volume?

A. When comparing average annual residential volumetric usage based on Staff's five (5) year averaging method versus MAWC's linear regression analysis, Staff concludes that

[1] P.S.C. MO NO. 13 Water Tariff, 4th Revised Sheet No. RT 1.2.
[2] P.S.C. MO NO. 13 Water Tariff, 6th Revised Sheet No. RT 1.3.

the effect on annual revenues is approximately $1.2 million for the two Districts combined, not the approximately $13.8 million Mr. Rea reports on page 6, lines 19 through 21 of his rebuttal testimony.

Q. Does this conclude your surrebuttal testimony?

A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Missouri-American Water Company's Request for Authority to Implement General Rate Increase for Water and Sewer Service Provided in Missouri Service Areas	)))))	Case No. WR-2022-0303

AFFIDAVIT OF JARROD J. ROBERTSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW JARROD J. ROBERTSON and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony of Jarrod J. Robertson*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

JARROD J. ROBERTSON

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 2nd day of February 2023.

Notary Public

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070