

**BEFORE THE RATE COMMISSION OF THE  
METROPOLITAN ST. LOUIS SEWER DISTRICT**

**AUGUST 19, 2011 SURREBUTTAL TESTIMONY  
OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT**

**AMENDMENT  
TO JANICE M. ZIMMERMAN SURREBUTTAL  
QUESTION # 8**

**ISSUE: WASTEWATER RATE CHANGE PROPOSAL**

**WITNESS: JANICE M. ZIMMERMAN**

**SPONSORING PARTY: METROPOLITAN ST. LOUIS SEWER DISTRICT**

**DATE PREPARED: AUGUST 25, 2011**

**Metropolitan St. Louis Sewer District  
2350 Market Street  
St. Louis, Missouri 63103**

**BEFORE THE RATE COMMISSION  
OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT**

For Consideration of a Wastewater )  
Rate Change Proposal by the Rate )  
Commission of the Metropolitan )  
St. Louis Sewer District )

**AUGUST 19, 2011 SURREBUTTAL TESTIMONY  
OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT**

**AMENDMENT  
TO JANICE M. ZIMMERMAN SURREBUTTAL  
QUESTION # 8**

Pursuant to §§ 7.280 and 7.290 of the Charter Plan of the Metropolitan St. Louis Sewer District (the “Charter Plan”), Operational Rule 3(5) and Procedural Schedule §§ 17 (b)(i) and (ii) of the Rate Commission of the Metropolitan St. Louis Sewer District (“Rate Commission”), the Metropolitan St. Louis Sewer District (“District”) thereby amends responses to Questions # 8 of the surrebuttal testimony of Janice M. Zimmerman submitted to the Metropolitan St. Louis Sewer District Rate Commission August 19, 2011 regarding the Rate Change Notice dated May 10, 2011 (the “Rate Change Notice”).

**AUGUST 19, 2011 SURREBUTTAL TESTIMONY  
OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT**

**AMENDMENT  
TO JANICE M. ZIMMERMAN SURREBUTTAL  
QUESTION # 8**

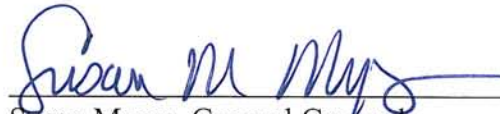
The following replaces table entitled "Comparison of O&M Inflation Indicators" contained on page 3.

Comparison of O&M Inflation Indicators						
O&M Expenses	Inflation Indices		Rate Proposal Inflation Rate Assumption 4-Yr Avg	Inflation Indices	Variance (Rate Prop vs Indices)	MSD Basis
	MIEC					
	4-Yr Avg	Basis (1)				
Wages, Salaries & Other Misc Personnel Costs	2.40%	CPI-U	3.00%	1.64%	1.36%	2010 CPI-U U.S. Bureau of Labor and Statistics March 2011
Pension Plan costs	2.40%	CPI-U	7.90%	7.90%	0.00%	Short-term Historical Investment Market Conditions Projected Staff Actuarial Traits
Employee Medical & Dental Insurance	2.40%	CPI-U	9.00%	9.00%	0.00%	Projected Staff Actuarial Traits
Bond & Liability Insurance	2.40%	CPI-U	5.00%	5.00%	0.00%	Short-term Historical Investment Market Conditions
Contractual Services	2.40%	CPI-U	4.50%	4.50%	0.00%	2010 PPI: 4.5%
Machinery & Equipment Parts	2.40%	CPI-U	3.00%	3.30%	-0.30%	March 2011 ENR Material Cost Index: 3.3%
Operational Construction and Building Supplies	2.40%	CPI-U	3.00%	3.80%	-0.80%	March 2011 ENR Construction & Building Cost Index: 3.8%
Chemical Supplies	2.40%	CPI-U	3.00%	4.50%	-1.50%	2010 PPI: 4.5%
General Supplies	2.40%	CPI-U	3.00%	1.64%	1.36%	2010 CPI-U U.S. Bureau of Labor and Statistics March 2011
Energy Utilities	2.40%	CPI-U	4.70%	7.10%	-2.40%	2010 CPI Energy Index for St. Louis: 7.1%
Real Property	2.40%	CPI-U	3.00%	1.64%	1.36%	2010 CPI-U U.S. Bureau of Labor and Statistics March 2011
Average Inflation Rate	2.40%		4.46%	4.55%		

CPI-U = Consumer Price Index All Urban Customers  
(1) Based on the March 10, 2011 *Blue Chip Indicators* report

PPI = Producer Price Index      ENR = Engineering News-Record

Respectfully submitted,



Susan Myers, General Counsel  
METROPOLITAN ST. LOUIS SEWER DISTRICT  
2350 Market Street  
St. Louis, Missouri 63103  
[smyers@stlmsd.com](mailto:smyers@stlmsd.com)  
Tel: (314) 768-6200  
Fax: (314) 768-6372

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 25th day of August, 2011:

An electronic copy of the foregoing instrument was emailed to the Secretary of the Rate Commission c/o [jfenton@stlmsd.com](mailto:jfenton@stlmsd.com)

**SECRETARY OF RATE COMMISSION:** Ms. Nancy Bowser  
Secretary of Rate Commission  
Metropolitan St. Louis Sewer District  
2350 Market Street  
St. Louis, MO 63103-2555  
[robowser@swbell.net](mailto:robowser@swbell.net)

At the request of Rate Commission Counsel, one paper original and associated Exhibits are held at the Rate Commission office for Commissioner review.

An electronic copy of the foregoing instrument was emailed and one paper copy and associated Exhibits were couriered to:

**RATE COMMISSION LEGAL COUNSEL:** Lisa O. Stump, Esq.  
Lashly & Baer, P.C.  
714 Locust Street  
St. Louis, MO 63101  
[lostump@lashlybaer.com](mailto:lostump@lashlybaer.com)

**RATE COMMISSION CONSULTANT:** Mr. William Stannard  
President  
Raftelis Financial Consultants, Inc.  
3013 Main Street  
Kansas City, MO 64108  
[wstannard@raftelis.com](mailto:wstannard@raftelis.com)

**COVIDIEN:** Mr. Randy Meyer  
Utility Manager  
Covidien  
3600 North 2<sup>nd</sup> Street  
St. Louis, MO 63147  
[Randy.Meyer@covidien.com](mailto:Randy.Meyer@covidien.com)

**ROBERT A. MUELLER:**

Mr. Robert A. Mueller  
16 Ladue Crest Lane  
St. Louis, MO 63124  
[ramreco@sbcglobal.net](mailto:ramreco@sbcglobal.net)

**BARNES JEWISH HOSPITAL:**

Ms. Lisa Langeneckert  
Sandberg, Phoenix and VonGontard P.C.  
One City Centre, Suite 1500  
St. Louis, MO 63101  
[llangeneckert@sandbergphoenix.com](mailto:llangeneckert@sandbergphoenix.com)

**MISSOURI INDUSTRIAL ENERGY  
CONSUMERS:**

John Kindschuh, Esq.  
Bryan Cave, LLP  
211 N. Broadway, Suite 3600  
St. Louis, MO 63102  
[John.kindschuh@bryancave.com](mailto:John.kindschuh@bryancave.com)

Diana M. Vuylesteke, Esq.  
Bryan Cave, LLP  
211 N. Broadway, Suite 3600  
St. Louis, MO 63102  
[dmvuylesteke@bryancave.com](mailto:dmvuylesteke@bryancave.com)



---

Susan Myers, General Counsel  
METROPOLITAN ST. LOUIS SEWER DISTRICT  
2350 Market Street  
St. Louis, Missouri 63103  
Email: [smyers@stlmsd.com](mailto:smyers@stlmsd.com)  
Tel: (314) 768-6200  
Fax: (314) 768-6372