

Exhibit No.:
Issues: *Rate Case Expense*
Witness: *V. William Harris*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal Testimony*
File No: *SR-2010-0320*
Date Testimony Prepared: *December 28, 2010*

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

SURREBUTTAL TESTIMONY

OF

V. WILLIAM HARRIS, CPA, CIA

TIMBER CREEK SEWER COMPANY

FILE NO. SR-2010-0320

**Jefferson City, Missouri
December 2010**

SURREBUTTAL TESTIMONY
OF
V. WILLIAM HARRIS, CPA, CIA
TIMBER CREEK SEWER COMPANY
FILE NO. SR-2010-0320

Q. Please state your name and business address.

A. V. William Harris, Fletcher Daniels State Office Building, Room G8,
615 East 13th Street, Kansas City, Missouri 64106.

Q. Are you the same V. William Harris that filed Direct Testimony dated
November 23, 2010 and Rebuttal Testimony dated December 21, 2010 in this proceeding?

A. Yes.

Q. What is the purpose of your Surrebuttal Testimony?

A. The purpose of my Surrebuttal Testimony is to address the Rebuttal Testimony
of the Office of the Public Counsel (OPC) witness Ted Robertson on the subject of rate case
expense.

Q. On page 18, lines 7 through 9, of his Rebuttal Testimony, Mr. Robertson states
the Missouri Public Service Commission's (Commission or PSC) Staff is recommending a
rate case expense of "\$23,073 normalized over 3 years or \$7,691 per year [be] included in the
cost of service. He [V. William Harris] also states that additional costs will likely be
considered for inclusion". Continuing on page 18 (lines 13 and 14) of his Rebuttal Testimony,
Mr. Robertson states, "Mr. Harris developed a normalized level of costs based on rate case
expense costs incurred in the Company's last rate case." Is this an accurate summation of the
Staff's position on rate case expense in this proceeding?

1 A. Yes, it is.

2 Q. On page 19 of his Rebuttal Testimony, Mr. Robertson states he feels rate case
3 expense should be normalized using actual costs incurred. Do you agree?

4 A. Yes, I do.

5 Q. Why did you normalize rate case expense using rate case costs incurred by the
6 Company in its last rate case rather than actual costs incurred in this case?

7 A. As stated in the Direct Testimonies of Mr. Robertson and myself, the Company
8 had not identified any current rate case costs incurred at the time of those respective filings.
9 Mr. Robertson further supported this fact by stating on page 18 (lines 17 and 18) of his
10 Rebuttal Testimony, "Company now states it has incurred some rate case expense during the
11 period May 2010 to current."

12 Since the Company had not identified any rate case expense in this case at the time of
13 Staff's Direct Filing, Staff normalized the expense based on the expenses the Company
14 incurred in the most recent Timber Creek rate case (Case No. SR-2008-0080). However, as
15 stated in my Direct Testimony, and acknowledged in Mr. Robertson's Rebuttal Testimony,
16 the actual expenses the Company incurs will vary and any reasonably and prudently incurred
17 cost will be considered for inclusion at a later date. Staff will work with Timber Creek and
18 Public Counsel to establish an on-going normalized level of rate case expense based on the
19 actual costs the Company incurs in this case.

20 Q. Does this conclude your Surrebuttal Testimony?

21 A. Yes, it does.

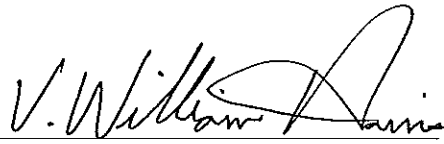
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of)
Timber Creek Sewer Company Request for a) File No. SR-2010-0320
Rate Increase.)
)

AFFIDAVIT OF V. WILLIAM HARRIS

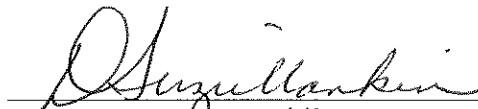
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

V. William Harris, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Surrebuttal Testimony in question and answer form, consisting of 2 pages to be presented in the above case; that the answers in the foregoing Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.


V. William Harris

Subscribed and sworn to before me this 28th day of December, 2010.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 08, 2012 Commission Number: 08412071
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Notary Public