

Exhibit No.:
Issue: CCN Application
Witness: Michael P. Kalis
Sponsoring Party: Platte County Regional
Sewer District
Type of Exhibit: Surrebuttal
Case No.: SA-2010-0063
Date Testimony
Prepared March 26, 2010

PLATTE COUNTY REGIONAL SEWER DISTRICT

SURREBUTTAL TESTIMONY

OF

MICHAEL P. KALIS

CASE NO. SA-2010-0063

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

In the Matter of the Application of)
Timber Creek Sewer Company for a)
Certificate of Convenience and Necessity)

File No. SA-2010-0063

AFFIDAVIT OF MICHAEL P. KALIS


STATE OF MISSOURI)
)
COUNTY OF JACKSON) ss

MICHAEL P. KALIS, of lawful age, on his oath states: That he has reviewed the attached written surrebuttal testimony in question and answer form consisting of 3 pages of testimony and attached Schedule, all to be presented in the above case, that the answers in the attached written testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge, information and belief.



Michael P. Kalis

Subscribed and sworn to before me this 25th day of March, 2010.



Notary Public

[SEAL]

My Commission expires: 9/9/2013

**SUSAN BERNE
Notary Public-Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires Sept. 9, 2013
Commission # 00065875**

**SURREBUTTAL TESTIMONY OF
MICHAEL P. KALIS**

Q. Please state your name and business address.

A. My name is Michael P. Kalis. My business address is 8340 Mission Road Suite 240, Prairie Village, Kansas 66206.

Q. Are you the same Michael P. Kalis who filed Direct/Rebuttal Testimony on February 9, 2010, on behalf of the Platte Country Regional Sewer District (“Sewer District” or “District”) in this matter?

A. Yes, I am.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to provide the Sewer District’s response to the Rebuttal Testimony of Martin Hummel, filed March 5, 2010, on behalf of the Utility Operations Division of the Missouri Public Service Commission

Q. Have you had an opportunity to review the rebuttal testimony and Staff Recommendation previously filed by Mr. Hummel in this matter?

A. Yes. I have reviewed both Mr. Hummel’s rebuttal testimony along with the Staff recommendation authored by Mr. Hummel which he references in his surrebuttal testimony.

Q. At Page 4 of his surrebuttal testimony, Mr. Hummel, in responding to an inquiry as to whether Timber Creek Sewer Company has established service or installed any sewer facilities in the requested area as of the date of the application, states that Timber Creek (“TCS”) “has a small sewage

1 **treatment plant immediately adjacent to the area, but must have a**
2 **Certificate of Convenience and Necessity approved by the Commission as the**
3 **next step before providing service.” Could you please address the**
4 **significance, if any, of Timber Creek having a small sewage treatment plant**
5 **immediately adjacent to the requested area?**

6 A. Yes. As I noted in my Direct/Rebuttal Testimony, the Data Request
7 Responses provided by Timber Creek shows that the existing treatment plant
8 adjacent to the requested area only has available capacity for 43 to 68 equivalent
9 dwelling units. The feasibility study shows a total of 129 estimated connections
10 for years 2010 to 2012 alone, without discussions of future or ultimate growth
11 beyond that time. This small treatment plant does not significantly impact the
12 discussions, as it has so little available capacity as compared to the anticipated
13 near and long term growth in the area. The District’s agreement with the City of
14 Platte City for conveyance to Platte City’s wastewater treatment plant could be
15 utilized to provide for connections to an existing treatment facility far greater than
16 that provided by Timber Creek’s existing treatment plant adjacent to the requested
17 area.

18 **Q. Mr. Hummel also opines that the Sewer District has not presented any**
19 **information that shows that they have a better plan or ability to serve the**
20 **requested area than TCS. Could you please respond to that statement?**

21 A. Yes. As fully discussed in my Direct/Rebuttal Testimony, the District has a
22 cooperative agreement with the City of Platte City which would allow the Sewer
23 District to transport sewage for treatment at the Platte City treatment facility.

1 This would provide a more economical solution than that proposed by Timber
2 Creek when taking into account growth in the service area, as it would provide
3 service at a facility with significantly larger available capacity without the need to
4 construct additional treatment facilities in the near-term, if at all. Additionally,
5 Timber Creek proposes to provide treatment for this area by splitting the flow
6 between 2 facilities. The District could pump to a single discharge point, thus
7 providing both cost and environmental benefits.

8 **Q. Also at Page 4 of his Rebuttal Testimony, Mr. Hummel makes the statement**
9 **that "Though PCRSD may eventually be able to establish service in the area**
10 **under investigation, I believe it would take PCRSD significantly longer to do**
11 **so." Do you agree with Mr. Hummel's belief in that regard?**

12 **A.** No. The District updated their Master Plan to assure that facility planning was
13 available, and completed cooperative agreements with the Cities of Platte City
14 and Kansas City, so the District would be capable of reacting to requests for
15 service in a timely manner. Our existing customers recognize the economies of
16 scale that can be maintained and improved by the District, by pursuing expansion
17 opportunities, as reflected in the attached Schedule MPK-2.

18 **Q. Does this conclude your testimony at this time?**

19 **A.** Yes it does.

Walnut Creek South Homes Association

P.O. Box 12252 - 5502 N.W. Clubhouse Cove
Parkville, Missouri 64152

February 16, 2010

Mr. Chuck Reineke, Executive Director
Platte County Regional Sewer District
414 State Route 273
Tracy, MO 64079

RE: Timber Creek Sewer Company Application with the Missouri Public Service Commission File
No. SA-2010-0063

Dear Mr. Reineke,

The Walnut Creek South Homes Association is writing in support of Platte County Regional Sewer District's intervention in the Timber Creek Sewer Company's application for Certificate of Convenience and Necessity, File No. SA-2010-0063.

The Walnut Creek Subdivision is served by the Platte County Regional Sewer District and its residents total 15.8% of the District's currently served customers. Upon formation of the Platte County Regional Sewer District in 1992, Walnut Creek residents were a large portion of the initial customers of Platte County Regional Sewer District. At that time we made up at least 40% of the customer base.

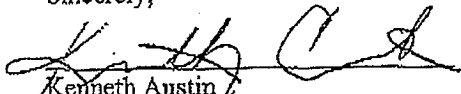
Through continued growth, the District has been able to maintain a level of service at a cost that is comparable to other Sewer Districts across the state. In fact, in the past two years, the District has maintained the ability to minimally decrease the average rate paid by District patrons.

Economy of scale through District growth has made it possible for the District to avoid large rate increases to customers. If growth of the District is eliminated, the advantages to current and future customers will be lost. As environmental guidelines and requirements become more stringent, it will certainly put a strain on rate-payers when future customers are taken from this established not for profit public entity.

As residents, we are the Platte County Regional Sewer District. It is the residents who petitioned to form the District and ultimately voted to form this entity in 1992. The Circuit Court acknowledged our vote and set the boundaries of the District accordingly. Those boundaries of the Platte County Regional Sewer District include the area in the application of Timber Creek Sewer Company. It is also our understanding that should Timber Creek Sewer Company, a privately held company fails, and this burden will fall back on the rate payers of the Platte County Regional Sewer District.

Our community along with the rest of the rate payers will be negatively affected by this application, we request that the Commission deny the request of Timber Creek Sewer Company to take future customers from our service area.

Sincerely,



Kenneth Austin
President
Walnut Creek South Homes Association

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