

Exhibit No.:
Issues: Exploratory Well
Witness: Martin Hummel
Sponsoring Party: MO PSC Staff
Type of Exhibit: Direct Testimony
File No.: SR-2010-0320
Date Testimony Prepared: November 23, 2010

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

DIRECT TESTIMONY

OF

MARTIN HUMMEL

TIMBER CREEK SEWER COMPANY

FILE NO. SR-2010-0320

*Jefferson City, Missouri
November 2010*

Exhibit No. 17
Date 1-5-11 Reporter TH
File No. SR-2010-0320

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Timber)
Creek Sewer Company Request for a Rate)
Increase.)

File No. SR-2010-0320

AFFIDAVIT OF MARTIN HUMMEL

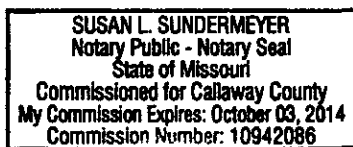
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

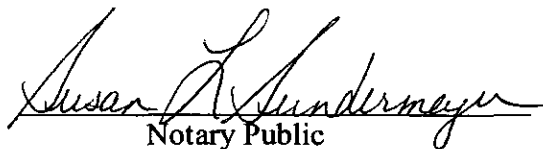
Martin Hummel, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 3 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.



Martin Hummel

Subscribed and sworn to before me this 22nd day of November, 2010.





Notary Public

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DIRECT TESTIMONY

OF

MARTIN HUMMEL

TIMBER CREEK SEWER COMPANY

FILE NO. SR-2010-0320

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DIRECT TESTIMONY
OF
MARTIN HUMMEL
TIMBER CREEK SEWER COMPANY
FILE NO. SR-2010-0320

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INTRODUCTION

Q. Please state your name and business mailing address?

A. Martin Hummel, P.O. Box 360, Jefferson City, MO 65102.

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

A. I am employed by the Missouri Public Service Commission (Commission) as a Utility Engineering Specialist III in the Water & Sewer Department of the Utility Operations Division. I have been in this position since February 1989.

Q. What is your education background?

A. I received a Bachelor of Science degree in Engineering and a Bachelor of Science degree in Education-Science from the University of Missouri-Columbia.

Q. What is your employment experience?

A. Prior to my employment at the Commission, I worked with the Missouri Department of Natural Resources (DNR) in the Water Pollution Control Program. I have also worked as a Research Associate on water-related projects with Louisiana State University-Baton Rouge; and as a Project Engineer with a consulting engineering firm.

Q. Have you previously testified in cases before this Commission?

1 A. Yes. I have also filed several recommendations or reports in certificate and
2 complaint cases. Please see Schedule 1 for a list of cases in which I have filed written
3 testimony.

4 **EXECUTIVE SUMMARY**

5 Q. What has been the nature of your involvement in this case?

6 A. I have knowledge of the service area and the physical sewer facilities that are
7 owned and operated by Timber Creek Sewer Company (Timber Creek or Company). I have
8 evaluated the information available to Staff regarding the natural gas exploratory well,
9 researched information about the geological aspects of such a well and contacted the Missouri
10 Division of Geology and Land Survey regarding gas well drilling in Missouri. I have also
11 consulted with other Staff members on this issue.

12 Q. Please summarize the Direct Testimony you are presenting.

13 A. The cost of the exploratory well should not be included in the cost of service to
14 be recovered in rates.

15 **BACKGROUND INFORMATION**

16 Q. What was the purpose of the exploratory well?

17 A. The exploratory well was to determine if natural gas was available as an
18 energy source at the wastewater treatment plant.

19 Q. Where was the exploratory well drilled?

20 A. On the property of the Timber Creek wastewater treatment plant, which is
21 located south of Platte City, Missouri and west of the Kansas City International Airport.

22 Q. Did Timber Creek have success in finding natural gas on its property?

Direct Testimony of
Martin Hummel

1 A. No. Timber Creek provided information that indicated that natural gas was not
2 found and the exploratory well was plugged. Staff has not seen any evidence that natural gas
3 was discovered on Timber Creek's property.

4 Q. Does the Staff consider the exploratory well project speculative?

5 A. Yes. In years past there have been several exploratory wells drilled in this area
6 north of Kansas City with very limited success.

7 Q. If natural gas had been found, would Timber Creek customers have received
8 any benefit?

9 A. Not necessarily. An exploratory well with a positive find of natural gas is only
10 a preliminary step toward a developed production well with an electric generation facility.
11 Even if completed development had been accomplished, there is no assurance that the Timber
12 Creek customers would have benefited, nor would Timber Creek have been obligated to
13 develop the well for the benefit of the customers.

14 **CONCLUSIONS AND RECOMMENDATION**

15 Q. What are your recommendations at this time?

16 A. That the cost of the exploratory well not be allowed for rate recovery.

17 Q. Does this conclude your testimony at this time?

18 A. Yes.

Martin Hummel

Testimony

Case No. SR-2010-0110
Lake Region Water and Sewer Company

Case No. SA-2010-0063
Timber Creek Sewer Company

CASE No. SC-2005-0083
Gerald and Joanne Reiersen V. Kenneth Jaeger, et al

Case No. WC-2006-0480.
Big Island

Case No. ST-2003-0562
Osage Water Company

Case No. WA-95-164
Four Seasons Water and Sewer Company