

**Exhibit No.:**  
**Issue:** Sewer Tariffs, Inflow and  
Infiltration and Resolution  
**Witness:** Tena Hale-Rush  
**Sponsoring Party:** Aqua Missouri  
**Type of Exhibit:** Surrebuttal Testimony  
**Case No.:** SC-2007-0044, et al.  
**Date Testimony Prepared:** February 2, 2007

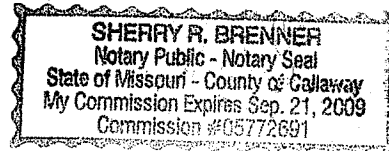
**MISSOURI PUBLIC SERVICE COMMISSION**

**AQUA MISSOURI, INC.**

**SURREBUTTAL TESTIMONY  
OF  
TENA HALE-RUSH**

**BECKER v. AQUA MISSOURI, INC.**

**CASE NO. SC-2007-0044 et al.**





1 Service Commission, specifically focusing on the extension portion. Those Tariffs are as  
2 follows: Ascension Resorts Ltd., Bear Creek Water & Sewer LLC, Calvey Brook Sewer Inc.  
3 District, Emerald Pointe Utility Company, Highway U Utilities, Inc., KMB Utility  
4 Corporation, Missouri-American, Platte County Sewer, Taney county Utility Corporation,  
5 Lakeway, Central Jefferson County Utilities, Central Rivers Wastewater Utility, Inc., Four  
6 Seasons Lakesites Water and Sewer Company, Warren County Water and Sewer Co., The  
7 Meadows Water Company, Foxfire Utility Company, House Springs Sewer Company, Cedar  
8 Hill Utility Company, Inc., W.P.C. Sewer Company and Roark Water & Sewer, Inc.

9 **Q. What was the result of your research on these Tariffs?**

10 A. The first fourteen read in the same manner as the attached Tariff from Algonquin Water  
11 Resources of Missouri, LLC, at Rule 11, pages 32-33, (attached as Exhibit 2 hereto) contains  
12 the language regarding extension of collecting sewers. There is no capacity charge in this  
13 Tariff or any of the other fourteen as implied and stated by Mr. Merciel.

14 **Q. Why is the capacity charge important for purposes of this case?**

15 A. Because Mr. Merciel's testimony referred to "most sewer utilities" and their Tariffs. Based  
16 upon the review of these eighteen Sewer Tariffs, most of the Tariffs do not contain such  
17 capacity requirements.

18 **Q. What about the other five Tariffs which you reviewed?**

19 A. I found one Tariff to be, for the most part, identical to our own: Foxfire Utility Company.  
20 I found the House Spring Sewer Company Tariff to be similar to the majority listed above  
21 except it states, "The applicant shall pay the Company a fee of \$0.10 per foot for the  
22 preliminary cost estimate." It further stated, "Deposit with the Company a sum equal to ten

1 percent (10%) of the estimated costs of construction to cover the engineering costs.” Other  
2 than these differences it read very similar to the thirteen (13) listed above: House Springs  
3 Sewer Company.

4 The Cedar Hill Utility Company, Inc. Tariff again was found similar to the above majority  
5 with the difference of “\$240 for an engineering estimate of cost.” They charge for the  
6 engineering estimate before they provide the cost estimate for the deposit.

7 I found that the W.P.C. Sewer Company Tariff in addition to the CIAC deposit of costs  
8 charges the “appropriate customer connection fee(s).”

9 I found the Roark Water & Sewer, Inc. Tariff in addition to the CIAC deposit of costs  
10 charges, “plus a connection fee of \$360 per connection.”

11 These Tariffs were all found on the MPSC web-site in the EFIS program under Tariffs for  
12 Missouri PSC regulated companies.

13 **Q. Do you believe these eighteen Tariffs represent a good overview of the Missouri Sewer**  
14 **Tariffs on file with the Public Service Commission?**

15 A. Yes, I do.

16 **Inflow and Infiltration**

17 **Q. Have you reviewed Mr. Merciel’s testimony regarding Inflow and Infiltration (INI) at**  
18 **Lake Carmel?**

19 A. Yes, I have.

20 **Q. Do you know what the predominant cause of the INI in the Lake Carmel system is?**

21 A. Yes, I do. It is leaking of the lake water through the dam at Lake Carmel.

22 **Q. Who owns and controls the dam at Lake Carmel?**

1 A. I do not know who has title and ownership of the dam, however, Aqua Missouri has no rights  
2 to the dam, with the exception of the easements for the sewer line.

3 **Q. If the leaking in the dam were repaired would the INI be reduced in the sewer system?**

4 A. I believe that a repair of the dam would solve many of the INI problems with respect to the  
5 Lake Carmel Treatment Facility. Alternatively, repair of the sewer lines, if they are  
6 necessary, will not resolve this issue due to the volume of the lake leakage.

7 **Complaint Resolution**

8 **Q. Have you reviewed Mr. Merciel's testimony regarding complaint resolution and his**  
9 **summary?**

10 A. Yes.

11 **Q. What is your opinion of his proposed resolution of the complaint?**

12 A. I do not believe the Tariff should be modified, instead, pursuant to the current Tariff, Mr.  
13 Becker and Becker Development must execute a Developer Agreement to allow Aqua  
14 Missouri to begin the process of determining the proper method to correct the treatment  
15 expansion needs based upon Mr. Becker's developable lots.

16 **Q. Has Mr. Becker entered into such a Developer Agreement?**

17 A. No. He has consistently refused to sign any Developer Agreement and expressly refused to  
18 sign the Developer Agreement on file with the Public Service Commission.

19 **Q. Based upon your review of other Tariffs of sewer companies, do you believe that Tariff**  
20 **modification is needed to address the concerns at Lake Carmel?**

21 A. No. Based upon the other Tariffs I have reviewed, I do not believe that substantial  
22 modification of the Tariff is necessary based upon the situation at Lake Carmel. If any

1 changes are recommended, it should mandate that the developer place a down payment for  
2 design costs and allow that to be non-refundable if the developer chooses not to go forward  
3 with the ultimately prepared design. In the absence of making such change, I believe the  
4 Tariff addresses the current situation where the plant is at capacity and any expansion to  
5 address the specific parcels owned by developer must be paid for solely by the developer.

6 **Q. What is your opinion of a contribution in aid of construction charge as discussed by**  
7 **Mr. Merciel?**

8 A. A contribution in aid of construction charge might work, providing it was significant enough  
9 to address the costs necessary to increase treatment capacity when a developer adds lots or  
10 when an individual decides to tap on. However, the implementation of a contribution in aid  
11 of construction charge would not address the current situation where the developer seeks to  
12 pay nothing for the increased capacity required to allow his developable land to be attached  
13 to the treatment facility. As of the date of this testimony, the developer has not placed any  
14 money down, nor agreed to pay any amount for the increase in capacity.

15 **Q. In your opinion, what is the proper resolution of this case?**

16 A. I believe that the current Tariff should be applied and this Commission should dismiss the  
17 complaint and require the developer to enter into the Developer Agreement contained in the  
18 existing Tariff and place a deposit with the company in an estimated amount of the cost of  
19 the design and construction of a treatment facility addition that is sufficient to address the  
20 additional lots.

21 **Q. Does this conclude your Surrebuttal Testimony?**

22 A. Yes.