

Exhibit No.:
Issues: PSC Assessment
Contingency Fund
Witness: James A. Busch
Sponsoring Party: MO PSC Staff
Type of Exhibit: Surrebuttal Testimony
File No.: SR-2010-0320
Date Testimony Prepared: December 28, 2010

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

SURREBUTTAL TESTIMONY

OF

JAMES A. BUSCH


TIMBER CREEK SEWER COMPANY

FILE NO. SR-2010-0320

*Jefferson City, Missouri
December 2010*

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

STATE OF MISSOURI)
) ss
COUNTY OF COLE)


James A. Busch


Notary Public



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SURREBUTTAL TESTIMONY
OF
JAMES A. BUSCH
TIMBER CREEK SEWER COMPANY
FILE NO. SR-2010-0320

Q. Please state your name and business address.

A. My name is James A. Busch and my business address is P. O. Box 360, Jefferson City, Missouri 65102.

Q. Are you the same James A. Busch that filed Direct and Rebuttal Testimony in this proceeding?

A. Yes I am.

Q. What is the purpose of your Surrebuttal Testimony?

A. The purpose of my Surrebuttal Testimony is to respond to the Rebuttal Testimony of Timber Creek Sewer Company (Timber Creek or Company) witness Mr. Derek Sherry. Specifically, I will address Mr. Sherry's Rebuttal Testimony concerning the Contingency/Emergency Repair Fund.

Q. What is Timber Creek's proposal for a Contingency/Emergency Fund?

A. In Mr. Sherry's Rebuttal Testimony, he indicates that the Company would identify certain components that are critical for the Company and establish a ceiling for the amount of the fund. He then adds that this fund would be managed similar to a real estate escrow fund where agreed upon guidelines between the Company and PSC would establish acceptable uses for the fund, etc. (Sherry Rebuttal, page 5, lines 17 through 24).

1 Q. Are there flaws in this approach?

2 A. Yes. In, order to ensure that this type of mechanism would work properly,
3 there must be appropriate standards in place to ensure the amount of dollars that would be
4 collected, the limits to those dollars, the limits to the uses of those dollars, and the various
5 level of protections for consumers would need to be discussed and determined before any type
6 of fund could be proposed for Commission approval.

7 Q. On page 6, lines 20 through 23 of his Rebuttal Testimony, Mr. Sherry indicates
8 that Timber Creek would work with Staff to establish the parameters necessary to protect
9 consumers. Does this alleviate Staff's concerns?

10 A. No. Staff is interested in developing some sort of Contingency/Emergency
11 Repair Fund. However, there are numerous details that need to be fully fleshed out to ensure
12 that the fund is properly funded and all appropriate consumer safeguards are in place. The
13 proper forum to continue working on these details is File No. WW-2009-0386. Trying to
14 establish a fund in the days that are left before this case goes to hearing is not proper.

15 Q. Does this conclude your Surrebuttal Testimony?

16 A. Yes.