Exhibit No.: Issues: PSC Asses Contingen Witness: James A. H Sponsoring Party: MO PSC S Type of Exhibit: Surrebutta File No.: SR-2010-0 Date Testimony Prepared: December

PSC Assessment Contingency Fund James A. Busch MO PSC Staff Surrebuttal Testimony SR-2010-0320 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

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.)

Case No. SR-2010-0320

AFFIDAVIT OF JAMES A. BUSCH

STATE OF MISSOURI)) ss COUNTY OF COLE)

James A. Busch, of lawful age, on his oath states: that he has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of _____ pages of Surrebuttal Testimony to be presented in the above case, that the answers in the following Surrebuttal 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.

James A. Busch

Subscribed and sworn to before me this 27^{+1} day of December, 2010.

SUSAN L. SUNDERMEYER Notary Public - Notary Seal State of Missouri Commissioned for Callaway County My Commission Expires: October 03, 2014 Commission Number: 10942086

1	SURREBUTTAL TESTIMONY
23	OF
4 5	JAMES A. BUSCH
6 7	TIMBER CREEK SEWER COMPANY
8 9	FILE NO. SR-2010-0320
10 11	
12	Q. Please state your name and business address.
13	A. My name is James A. Busch and my business address is P. O. Box 360,
14	Jefferson City, Missouri 65102.
15	Q. Are you the same James A. Busch that filed Direct and Rebuttal Testimony in
16	this proceeding?
17	A. Yes I am.
18	Q. What is the purpose of your Surrebuttal Testimony?
19	A. The purpose of my Surrebuttal Testimony is to respond to the Rebuttal
20	Testimony of Timber Creek Sewer Company (Timber Creek or Company) witness Mr. Derek
21	Sherry. Specifically, I will address Mr. Sherry's Rebuttal Testimony concerning the
22	Contingency/Emergency Repair Fund.
23	Q. What is Timber Creek's proposal for a Contingency/Emergency Fund?
24	A. In Mr. Sherry's Rebuttal Testimony, he indicates that the Company would
25	indentify certain components that are critical for the Company and establish a ceiling for the
26	amount of the fund. He then adds that this fund would be managed similar to a real estate
27	escrow fund where agreed upon guidelines between the Company and PSC would establish
28	acceptable uses for the fund, etc. (Sherry Rebuttal, page 5, lines 17 through 24).

Surrebuttal Testimony of James A. Busch

- 1
- Q. Are there flaws in this approach?

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

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

A. No. Staff is interested in developing some sort of Contingency/Emergency
Repair Fund. However, there are numerous details that need to be fully fleshed out to ensure
that the fund is properly funded and all appropriate consumer safeguards are in place. The
proper forum to continue working on these details is File No. WW-2009-0386. Trying to
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.