

*Exhibit No.:*  
*Issue:* City of Hollister Fees  
*Witness:* Lisa K. Hanneken  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Direct Testimony  
*Case No.:* SR-2013-0016  
*Date Testimony Prepared:* March 28, 2013

**MISSOURI PUBLIC SERVICE COMMISSION**  
**REGULATORY REVIEW DIVISION**  
**UTILITY SERVICES - AUDITING**

**DIRECT TESTIMONY**

**OF**

**LISA K. HANNEKEN**

**EMERALD POINTE UTILITY COMPANY**

**CASE NO. SR-2013-0016**

*Jefferson City, Missouri*  
*March 2013*

1 **DIRECT TESTIMONY**

2 **OF**

3 **LISA K. HANNEKEN**

4 **EMERALD POINTE UTILITY COMPANY**

5 **CASE NO. SR-2013-0016**

6 Q. Please state your name and business address.

7 A. Lisa K. Hanneken, 111 N. 7<sup>th</sup> Street, Suite 105, St. Louis, MO 63101.

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

9 A. I am employed by the Missouri Public Service Commission (“Commission”) as a  
10 Utility Regulatory Auditor V in the Auditing Unit of the Utility Services Department, Regulatory  
11 Review Division.

12 **BACKGROUND OF WITNESS**

13 Q. Please describe your educational background, work experience and any cases in  
14 which you have previously filed testimony before this Commission.

15 A. My credentials and listing of cases in which I have filed testimony previously  
16 before this Commission are attached to this direct testimony as Schedule 1.

17 **EXECUTIVE SUMMARY**

18 Q. What is the purpose of your direct testimony in this proceeding?

19 A. My direct testimony will address an update made to the Commission Staff’s  
20 (“Staff’s”) accounting schedules that were originally filed as part of the Company/Staff Partial  
21 Agreement Regarding Disposition. The update includes fees paid by Emerald Pointe Utility  
22 Company (“Emerald Pointe”) to the City of Hollister for sewage treatment, as reflected in

1 Staff's concurrently filed accounting schedules. As well, additional updates were made for items  
2 discussed in Staff Witness Leslie Rose's direct testimony.

3 **CITY OF HOLLISTER FEES**

4 Q. Please explain the fees incurred by Emerald Pointe related to the City of Hollister.

5 A. As a result of its recent capital project, Emerald Pointe has entered into an  
6 agreement with the City of Hollister to treat its sewage at a contracted rate. Emerald Pointe's  
7 sewage is now flowing to the City of Hollister for treatment; therefore, the fees related to this  
8 expense have now been included in Staff's cost of service.

9 Q. What amount of expense for sewage treatment has Staff included in its updated  
10 cost of service?

11 A. Based on information provided to Staff, an amount of \$75,939 has been included  
12 for the ongoing expense level related to the fees charged by the City of Hollister. Staff's  
13 calculation was based upon information received regarding customer numbers, equivalent  
14 factors, average gallons per customer per day, and the contracted fee amount. Recently, Staff  
15 was given new information regarding the average gallons usage per customer per day from  
16 Staff's Water and Sewer Unit; therefore, the sewage treatment expense level was updated based  
17 on the new data.

18 Q. Does this conclude your direct testimony?

19 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the Request for an )  
Increase in Sewer Operating Revenues of )  
Emerald Pointe Utility Company )  
)

Case No. SR-2013-0016

AFFIDAVIT OF LISA K. HANNEKEN

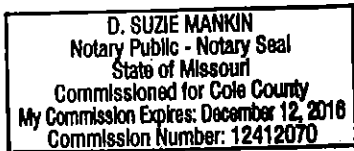
STATE OF MISSOURI)

COUNTY OF COLE             )       ss.  
)

Lisa K. Hanneken, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 2 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.

*Lisa K. Hanneken*  
LISA K. HANNEKEN

Subscribed and sworn to before me this 28<sup>th</sup> day of March 2013.



*D. Suzie Mankin*  
Notary Public

**LISA K. HANNEKEN**

UTILITY REGULATORY AUDITOR V  
UTILITY SERVICES DEPARTMENT  
AUDITING UNIT

Beginning in 2001, I have been employed by the Missouri Public Service Commission for 12 years. In that time, the scale of my duties have ranged from the direct examinations of accounting books, spreadsheets, records, and general operations up to full audit engagement directing and scheduling for utility companies operating within the State of Missouri. I have also conducted numerous audits of small water and sewer companies as defined under the Commission's informal rate case proceedings. Prior to working at the Commission, between 1989 and 2001, I held other positions that magnified my accounting and auditing experience: an auditing internship with the Internal Revenue Service, accounting manager for Bucklick Creek, Inc., and bookkeeper at Rinderer's Union Drug.

In July 2001, I earned a Bachelor of Science degree in Accounting, graduating with Honors, from Webster University. I also earned a Masters in Business Administration with an emphasis in Accounting from Maryville University in December of 2006.

**CASE PROCEEDING PARTICIPATION**

**LISA K. HANNEKEN**

COMPANY	CASE NO.	ISSUES
Laclede Gas Company	GO-2013-0352	<u>ISRS filing</u> – Supervision
Liberty Utilities	GO-2013-0048	<u>ISRS filing</u> – Supervision
Missouri American	WO-2012-0401	<u>ISRS filing</u> – Supervision
Laclede Gas Company	GO-2012-0356	<u>ISRS filing</u> – Supervision
Meramec Sewer Company	SR-2012-0309	<u>Informal Rate Case</u> – Lead Auditor
AmerenMissouri	ER-2012-0166	<p style="text-align: center;"><u>Direct</u> – Fuel, Taum Sauk Failure, Callaway Refueling, Fuel Inventory, Coal Refinement, Off-System Sales, Capacity Sales, Midwest Independent Transmission System Operator (MISO), Westinghouse Credits, Rate Case Expense, Outside Services, Costs associated with Owensville Acquisition, Project First;</p> <p style="text-align: center;"><u>Surrebuttal</u> – Rate Case Expense, Fuel, Intangible Assets, Changes to Staff’s Cost of Service</p>
Lincoln County Sewer & Water	WA-2012-0018	<u>Informal Rate Case</u> – Lead Auditor, Rate Base, Maintenance, Sludge, Vehicles, Payroll, Legal, Exhibit Modeling System (Accounting Schedules)

COMPANY	CASE NO.	ISSUES
House Springs Sewer Co.	SR-2011-0274	<u>Informal Rate Case</u> – Lead Auditor, Payroll, Rate Base, Accounting, Insurance, Utilities, Sludge, Vehicles, Property Taxes, Miscellaneous Expenses
Laclede Gas Company	GO-2011-0361	<u>ISRS filing</u> – Supervision
Missouri American	WO-2011-0106	<u>ISRS filing</u> – Supervision
Missouri American / Aqua Missouri	WO-2011-0168	<u>Sale Case</u> – Rate Base Determination
AmerenMissouri	ER-2011-0028	<u>Direct</u> – Fuel, Maintenance, AMS Allocations, Taum Sauk Failure, SO2 Tracker, Callaway Refueling, Fuel Inventory, Off-System Sales, Capacity Sales, Westinghouse Credits; <u>Surrebuttal</u> – Coal Power Plant Maintenance, Limestone Expense, Taum Sauk Failure, Sioux Plant Coal Costs
Atmos Energy Corporation	GO-2011-0149	ISRS filing
Aqua Missouri	SW-2011-0103	Single Tariff Pricing
Laclede Gas Company	GO-2011-0058	ISRS filing
AmerenUE	ER-2010-0028	<u>Direct</u> – Fuel, Maintenance, AMS Allocations, Taum Sauk Failure, SO2 Tracker, Callaway Refueling, Fuel Inventory, Off-System Sales, Capacity Sales, Westinghouse Credits

COMPANY	CASE NO.	ISSUES
Mill Creek Sewer Company	SO-2010-0237	<u>Receivership</u> – Testified regarding company status
Atmos Energy Corporation	GO-2010-0168	ISRS filing
Laclede Gas Company	GR-2010-0171	<u>Direct</u> - Lead Auditor, EMS, Allocations, Uncollectibles, Revenues, Franchise Tax, GRT Tax, Gov. Affairs, Postage Exp., Legal Exp., Gasoline Exp., Cust. Dep, Cust. Advances, Special Deposits, Prepayments, CWC, Rate Case Exp. <u>Surrebuttal</u> – Uncollectibles
Aqua Missouri	SC-2010-0150 SC-2010-0152 WC-2010-0151 WC-2010-0153	Compliant Cases
Aqua Missouri	SR-2010-0026 SR-2010-0023 WR-2010-0025 WR-2010-0027	Informal Rate Case – Lead Auditor, EMS, Rate Base, Revenue, Corporate Allocations, Income taxes
Mill Creek Sewer Company	SR-2005-0116	<u>Informal Rate Case</u> – Quarterly Reviews
AmerenUE Gas Company	GT-2009-0413	ISRS filing
Atmos Energy Corporation	GO-2009-0046	ISRS filing
Peaceful Valley Service Company	SR-2009-0146 WR-2009-0145	<u>Informal Rate Case</u> – Lead Auditor
Cannon Home Association	SR-2009-0144	<u>Informal Rate Case</u> – Lead Auditor



COMPANY	CASE NO.	ISSUES
AmerenUE Gas Company	GT-2009-0038	ISRS filing
Laclede Gas Company	GO-2009-0029	Abandonment Case – Recommendation Submission
Aqua Missouri	SR-2008-0267 SR-2008-0368 WR-2008-0266 WR-2008-0269	Informal Rate Case – Lead Auditor for part of time, EMS, Rate Base, Payroll, Corporate Allocations, Misc. Expenses
Laclede Gas Company	GO-2008-0067	Abandonment Case – Recommendation Submission
Missouri American Water Company	WR-2007-0216	<u>Direct</u> – Lead Auditor, Allocations, Payroll and Payroll Taxes, Employee Benefits, Incentive Compensation
AmerenUE Electric Company	ER-2007-0002 and GR-2007-0003	<u>Direct</u> – Corporate Allocations and Expenses, Payroll and Payroll Taxes, Employee Benefits, Incentive Compensation, Miscellaneous Expenses
Atmos Energy Corporation	GR-2006-0387	<u>Direct</u> – Lead Auditor, Corporate Allocations and Expenses, Payroll and Payroll Taxes, PSC Assessment, Taxes Other, Legal Fees
Central Jefferson County Utilities	QS-2006-0003	<u>Small Co Rate Request</u> – Lead Auditor, Rate base, payroll, affiliated transactions
Evergreen Lakes Water Company	QW-2005-0007	<u>Informal Rate Case</u> – All issues
Central Jefferson County Utilities	SF-2004-0587	<u>Finance Case</u> – All issues except revenues
TBJ Sewer System, Inc.	SR-2003-0244	<u>Informal Rate Case</u> – All issues

COMPANY	CASE NO.	ISSUES
Central Rivers Wastewater, Inc.	N/A	<u>Rate Review</u> – All issues related to review
Fidelity Telephone Company	IR-2004-0272	<u>Direct</u> - Rate Base and Related Expenses; Insurance Other Than Group; Miscellaneous Other Taxes
Missouri American Water Company	WR-2003-0500	<u>Direct</u> – Rate Base and Related Expenses, AFUDC, Dues and Donations, Waste Disposal Expense, Storage Tank Lease Expense, Deferred Maintenance Expense, Transportation Expense, Insurance Other Than Group, Cost of Depreciation Study Expense <u>Surrebuttal</u> – AFUDC, Dues and Donations, St. Joseph Waste Disposal Expense, Transportation Expense, Property Taxes
Laclede Gas Company	GR-2002-356	<u>Direct</u> - Cash Working Capital, Rate Case Exp./PSC Assessment, Advertising, Misc. Expense