

Exhibit No.
Issue: Refunds
Witness: Bruce D. Menke
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Emerald Pointe
Case No. SR-2013-0016

Missouri Public Service Commission

Rebuttal Testimony

of

Bruce D. Menke

On Behalf of

Emerald Pointe Utility Company

Company Exhibit No. 19
Date 5-9-13 Reporter SB
File No. SR-2013-0016

AFFIDAVIT

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2
3
4 STATE OF MISSOURI)
5)
6 COUNTY OF Jasper) ss
7
8

9 I, Bruce D. Menke, state that I am the Chief Operations Officer of Shepherd of the Hills
10 Entertainment Group which encompasses Emerald Pointe Utility Company and, that the answers
11 to the questions posed in the attached Rebuttal Testimony are true to the best of my knowledge,
12 information and belief.
13

14
15 B. Menke
16

17
18 Subscribed and sworn to before me this 11 day of April, 2013.
19

20
21 Lawrence E. Pittman
22 Notary Public
23

24
25 My Commission Expires: MAY 10, 2013
26

27
28 _____
29 (SEAL)

LAWRENCE E. PITTMAN
Notary Public - Notary Seal
State of Missouri
Commissioned for Greene County
My Commission Expires: May 10, 2013
Commission Number: 08474498

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REBUTTAL TESTIMONY
OF
BRUCE D. MENKE
EMERALD POINTE UTILITY COMPANY
BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION

WITNESS INTRODUCTION

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Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Bruce D. Menke. My business address is 118 State Drive, Hollister,
MO 65672.

**Q. WHAT IS YOUR POSITION WITH EMERALD POINTE UTILITY COMPANY
(EMERALD POINTE)?**

A. I hold the office of Chief Operations Officer of Shepherd of the Hills
Entertainment Group which encompasses Emerald Pointe Utility Company.

Q. HOW LONG HAVE YOU BEEN ASSOCIATED WITH EMERALD POINTE?

A. I have been a part of Emerald Pointe since December 2002.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I studied Music Education at Colorado State University in Ft. Collins, CO from
1969 to 1971. I received my degree in Bank Management from the University of
Virginia, Charlottesville, VA in 1988.

1 Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE.

2 A. I worked for Bank of America from 1973 through 1988 as a Vice President of
3 Consumer Lending throughout the San Joaquin Valley in Central California. I
4 worked for Delta National Bank from 1989 to 1996 as a Vice President of
5 Commercial Lending in Manteca, CA. I worked for Great Southern Bank as a
6 Vice President of Commercial Lending from 1996 through 2002 at which time I
7 retired from banking and went to work for Mr. Snadon.

8 PURPOSE

9 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

10 A. I will respond to the Direct Testimony of Missouri Public Service Commission
11 (Commission) Staff witness James A. Busch, as it relates to Staff's proposed
12 customer refunds.

13
14 REFUNDS

15 Q. WHAT DOES STAFF WITNESS BUSCH ALLEGE IN REGARD TO
16 CUSTOMER REFUNDS?

17 A. Mr. Busch alleges that Emerald Pointe has charged amounts that are
18 inconsistent with its tariffs in regard to Late Fees, Reconnection Fees and
19 Sewer commodity/usage charges. He also alleges that Emerald Pointe
20 has not provided customer deposit refunds in accordance with the
21 Company's tariff provisions.

22
23 CUSTOMER DEPOSITS

1 Q. HOW HAS EMERALD POINTE HISTORICALLY HANDLED CUSTOMER
2 DEPOSITS?

3 A. Emerald Pointe would collect a \$30 deposit when a new customer joined
4 the system. Provided a customer paid their bills in full, Emerald Pointe
5 would refund the deposit to customers when they left the system.

6
7 Q. SHOULD EMERALD POINTE HAVE TREATED THESE DEPOSITS
8 DIFFERENTLY?

9 A. Yes. Staff has pointed out that the Company's tariff indicates that
10 customer deposits should have been returned to customers after one year
11 of timely payments, with interest.

12
13 Q. WHAT IS EMERALD POINTE'S POSITION AS TO THE CUSTOMER
14 DEPOSIT?

15 A. Emerald Pointe agrees with the Staff's calculation of the deposits that
16 should be returned to Emerald Pointe's customers (\$11,730), as well as
17 the interest that has been calculated by Staff (\$17,668). Emerald Pointe
18 will voluntarily refund these amounts through a customer credit, for those
19 customers still on the Emerald Pointe system and through a one-time
20 payment to those customers that have previously left the system.

21

22

LATE FEES AND RECONNECTION FEES

1 Q. WHAT IS EMERALD POINTE'S POSITION AS TO THE LATE FEES
2 AND RECONNECTION FEES ISSUES?

3 A. Emerald Pointe agrees with the Staff's calculation of the Late Fees
4 (\$4,172) and the Reconnection Fees (\$280). Emerald Pointe will
5 voluntarily refund these amounts through a customer credit, for those
6 customers still on the Emerald Pointe system and through a one-time
7 payment to those customers that have previously left the system.
8 Emerald Point does not, however, agree with Staff's attempt to add
9 interest to these amounts.

10

11

INTEREST RELATED TO REFUNDS

12 Q. WHAT INTEREST RATE HAS STAFF SOUGHT TO INCLUDE?

13 A. Staff has used a six percent interest rate, compounded annually, as to
14 deposits, late fees, reconnection fees and the sewer commodity/usage
15 charge.

16

17 Q. DO THE COMPANY'S TARIFFS CALL FOR SUCH AN INTEREST RATE
18 IN REGARD TO REFUNDS OTHER THAN DEPOSITS?

19 A. No.

20

21 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

22 A. Yes, it does.