

Exhibit No.:  
Issue: *Interim Rate Collections*  
Witness: *William A. Meyer, Jr.*  
Sponsoring Party: *MoPSC Staff*  
Type of Exhibit: *Rebuttal Testimony*  
Case No.: *TT-2001-117*

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**FILED<sup>3</sup>**

NOV 3 0 2000

**REBUTTAL TESTIMONY**

Missouri Public  
Service Commission

**OF**

**WILLIAM A. MEYER, JR.**

**OZARK TELEPHONE COMPANY**

**CASE NO. TT-2001-117**

*Jefferson City, Missouri*  
*November, 2000*



Rebuttal Testimony of  
William A. Meyer, Jr., CPA

1 National Association of Regulatory Utility Commissioners (NARUC) Staff  
2 Subcommittee on Accounts. During that time I held various positions of responsibility  
3 for the NARUC Staff Subcommittee on Accounts.

4 Q. Have you previously testified before this Commission?

5 A. Yes, I have. Please refer to Schedule 1, attached to my rebuttal testimony,  
6 for a list of cases in which I have previously filed testimony.

7 Q. In reference to Case No. TT-2001-117, have you made an investigation or  
8 study of the request of Ozark Telephone Company (OTC or Company) to make permanent  
9 the interim surcharge that was implemented in Case Nos. TO-99-254 and TO-99-519?

10 A. Yes, I have, with the assistance of other members of the Staff.

11 Q. On what areas will you be testifying?

12 A. I am providing alternative Staff testimony addressing whether the  
13 Commission should approve the Company's request to make the interim tariff permanent or  
14 recommend that the Company be required to refund all or part of the surcharge revenues that  
15 were collected subject to refund, solely on the basis that interim rate collections have over  
16 recovered the revenue losses associated with elimination of the Primary Toll Carrier (PTC)  
17 plan.

18 Q. Why did you state "alternative Staff testimony?"

19 A. The Staff's primary recommendations on this issue are addressed in the  
20 rebuttal testimonies of witnesses Mark L. Oligschlaeger and Roy M. Boltz of the Accounting  
21 Department. My testimony is intended to address solely the Company's contention that no  
22 refund to customers is required because, the Company alleges its revenues do not exceed the

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1 PTC revenue neutrality levels, as discussed by the Company in the direct testimony of Robert  
2 C. Schoonmaker.

3 Q. Do you believe limiting a Staff review of interim rates to the narrow scope  
4 identified above is appropriate?

5 A. No, as discussed in Staff witness Oligschlaeger's rebuttal testimony, the  
6 review should be based on an examination of all relevant factors pertaining to the Company's  
7 overall earnings.

8 Q. In your analysis have you determined whether the current Company revenues  
9 exceed the revenue levels that existed prior to the elimination of the PTC plan?

10 A. Yes. My analysis indicates that the current annualized interim revenues  
11 exceed the related revenues that existed prior to the elimination of the PTC plan.

12 Q. Is it correct to assume then that the Company has been collecting more  
13 surcharge revenue than expected?

14 A. No.

15 Q. Please explain.

16 A. Company witness Mr. Robert C. Schoonmaker stated in his direct testimony  
17 that he examined the CABS bills. When I analyzed these same documents I found that the  
18 Company was not charging the approved surcharge that is at issue in this case. Instead the  
19 Company was still charging its access carriers pre-surcharge rates. Had the Company been  
20 charging the appropriate rates from the beginning it would have collected an estimated  
21 additional \$77,000 on an annualized basis.

22 Q. Does the Company have any recourse to collect the incorrectly billed  
23 amounts?

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1           A.     Yes. The Company has informed me that it can and will re-bill the carriers at  
2 the correct rate for the entire period.

3           Q.     By your calculation, what annualized level of Carrier Common Line Access  
4 revenues (CCL) would the Company have received if the PTC plan had not been terminated?

5           A.     I have calculated an annualized level of \$331,922 using pre-PTC access  
6 minutes.

7           Q.     What annualized level of CCL has the Company received under the interim  
8 rates?

9           A.     I have calculated an annualized level of \$388,773 using current access  
10 minutes.

11          Q.     Should the Company be required to refund any of the surcharge amounts?

12          A.     The Staff is not proposing that customer refunds be calculated on a revenue  
13 neutrality basis. The Staff's proposal regarding the appropriate basis for refunding interim  
14 CCL rate collections can be found in the testimony of Staff witness Oligschlaeger. However,  
15 the Staff notes that Ozark did not experience a substantial decrease in minutes of use due to  
16 the elimination of the PTC plan, like many of the other companies audited by the Staff did.  
17 As a result, and looking solely at the revenue neutrality impact only, Ozark has been  
18 collecting (assuming they collect the incorrectly billed amounts) more revenue each month,  
19 since the elimination of the PTC plan, than collected prior to that time.

20          Q.     Do you have any explanation for this discrepancy?

21          A.     One possible explanation is that at about the same time as the termination of  
22 the PTC plan, the Company upgraded much of its service area from multi-party to single

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1 party phone service. As a result customers have more freedom to make and receive phone  
2 calls.

3 Q. Does this conclude your rebuttal testimony?

4 A. Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of the Access Tariff Filing of     )  
Ozark Telephone Company                             )     Case No. TT-2001-117

AFFIDAVIT OF WILLIAM A. MEYER, JR.

STATE OF MISSOURI     )  
                              )     ss.  
COUNTY OF COLE     )

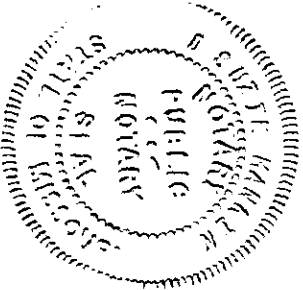
William A. Meyer, Jr., of lawful age, on his oath states: that he has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 4 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.

  
WILLIAM A. MEYER, JR.

Subscribed and sworn to before me this 27<sup>th</sup> day of November 2000.



D SUZIE MANKIN  
NOTARY PUBLIC STATE OF MISSOURI  
COLE COUNTY  
MY COMMISSION EXP. JUNE 21, 2004



## LIST OF CASES FILED WITH TESTIMONY

WILLIAM A. MEYER, JR.

<u>COMPANY NAME</u>	<u>CASE NUMBER</u>
Airsignal International, Inc.	TR-79-236
Arkansas Power and Light Company	ER-81-364
Arkansas-Missouri Power Company	EF-79-260
Arkansas-Missouri Power Company	ER-80-32
Associated Natural Gas Company	GM-81-368
Boone Electric Service Company	EA-87-99
Capital City Telephone Company	18,617
Capital City Water Company	18,099
Capital City Water Company	WR-81-193
Capital City Water Company	WR-88-215
Capital City Water Company	WR-90-118
Carter County Telephone Company	TR-81-306
Central Telephone Company of Missouri	18,698
Citizens Electric Company	ER-83-61
Cuivre River Electric Service Company	EA-87-102
Empire District Electric Company	ER-77-210
Fidelity Telephone Company	18,318
General Telephone Company of the Midwest	TR-83-164
Goodman Telephone Company	TR-82-103
Great River Gas Company	GR-82-235
Green Hills Telephone Corporation	TT-2001-115
Holway Telephone Company	TR-83-287
Holway Telephone Company	TT-2001-119
Howard Electric Service Company	EA-88-113
I.H. Utilities	18,196
IAMO Telephone Company	TT-2001-116
Imperial Utilities Corporation	SR-83-319
Kansas City Power and Light Company	EF-81-366
KLM Telephone Company	TT-2001-120
Martigney Creek Sewer Company	18,390

**COMPANY NAME****CASE NUMBER**

Martigney Creek Sewer Company	18,732
Midstate Telephone Company	18,617
Missouri Cities Water Company	SM-81-217
Missouri Cities Water Company	WM-82-147
Missouri Cities Water Company	WM-82-192
Missouri Cities Water Company	SM-86-94
Missouri Cities Water Company	SM-87-8
Missouri Power and Light Company	GR-78-123
Missouri Public Service Company	18,502
Missouri Telephone Company	TM-91-348
Missouri Utilities Company	18,246
Missouri Utilities Company	18,352
Missouri Utilities Company	18,371
Missouri Water Company	WR-81-40
North Electric Service Company	EA-88-33
Northeast Missouri Rural Telephone Company	TR-85-23
Osage Water Company	WA-97-332
Ozark Shores Water Company	WA-97-332
Ozark Telephone Company	TT-2001-117
Peace Valley Telephone Company, Inc.	TT-2001-118
Ralls Electric Service Company	EA-88-21
Raytown Water Company	WR-79-137
Raytown Water Company	WR-81-92
Raytown Water Company	WR-92-85
Saline Sewer Company	SR-77-7
Seneca Telephone Company	TR-81-105
St. Joseph Light and Power Company	ER-77-107
St. Louis County Sewer Company	18,598
Sho-Me Power Corporation	ER-86-27
Sho-Me Power Corporation	ER-91-298
Terre Du Lac Utilities Corporation	WR-83-6
Terre Du Lac Utilities Corporation	SR-83-7
Terre Du Lac Utilities Corporation	SR-83-69

**COMPANY NAME****CASE NUMBER**

Terre Du Lac Utilities Corporation	WR-83-70
Union Electric Company	EA-87-159
United Cities Gas Company	GR-91-249
United Telephone Company of Missouri	18,617
Webster County Telephone Company	TR-84-94
West Elm Place Corporation	SR-82-64
West Elm Place Corporation	SR-84-225
West Elm Place Corporation	SO-85-131
West Elm Place Corporation	SO-88-140