



Commissioners

SHEILA LUMPE
Chair

HAROLD CRUMPTON

CONNIE MURRAY

ROBERT G. SCHEMENAUER

M. DIANNE DRAINER
Vice Chair

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.ecodev.state.mo.us/psc/>

November 2, 1999

GORDON L. PERSINGER
Acting Executive Director
Director, Research and Public Affairs

WESS A. HENDERSON
Director, Utility Operations

ROBERT SCHALLENBERG
Director, Utility Services

DONNA M. KOLILIS
Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

Mr. Dale Hardy Roberts
Secretary to the Commission
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

FILED

NOV - 2 1999

Missouri Public
Service Commission

Re: Case No. SR-2000-69 (File No. 9900334) [Sewer]
Terre Du Lac Utilities Corporation
Small Company Rate Increase Procedure

Dear Mr. Roberts:

I am enclosing the following documents for filing in Case No. SR-2000-69 (Case), which involves the sewer service of Terre Du Lac Utilities Corporation (Company). A standard "Agreement Regarding Disposition of Small Company Rate Increase Request" between the Company and the Staff, and proposed tariff sheet revisions, have previously been filed in the case papers for this Case. If additional information pertaining to this Case becomes available, the Staff will submit it for filing or placement in the case papers.

- Schedule 1) Company's Letter Requesting a Rate Increase
- Schedule 2) Company's Initial Customer Notice
- Schedule 3) Company's Second Customer Notice
- Schedule 4) Staff's Accounting Revenue Requirement Run,
- Schedule 5) Staff's Recommended Rates and Rate Design Work Papers, and Billing Comparison between Current Rates and Recommended Rates

I am providing the original and fourteen copies of this letter to be "file stamped", filed and distributed according to normal filing procedures. However, I am providing only one set of the referenced documents for filing and placement in the case papers, which is

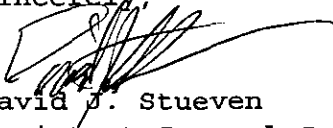
Mr. Dale Hardy Roberts
Re: Case No. SR-2000-69
November 2, 1999
Page 2 of 2

consistent with established practices for small company rate increase cases. I am also providing a copy of this letter to the Company and the Office of the Public Counsel. The referenced documents have previously been provided to those entities.

Finally, the Staff requests that the Commission not take action to approve the tariffs filed in this Case until the Commission has held local public hearings.

Please contact myself, or Randy Hubbs in the Water & Sewer Department, if there are questions regarding the matters covered in this letter. Thank you for your attention to this matter.

Sincerely,



David J. Stueven
Assistant General Counsel
Missouri Bar No. 51274

Enclosures

Copies: Terre Du Lac Utilities Corporation
Mr. Jim Kwon
Mrs. Joyce Tilley
Mr. Bill Sankpill
Office of the Public Counsel
Shannon Cook
John Coffman

TERRE DU LAC UTILITIES CORPORATION

110 Rue Terre Bonne
Bonne Terre, MO 63628

573-358-3376
Fax 573-358-4073

October 23, 1998

Mr. Dale Roberts
Executive Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
Post Office Box 360
Jefferson City, MO 65102

RECEIVED
OCT 26 1998
Records
Public Service Commission

RE: SMALL COMPANY RATE INCREASE
TERRE DU LAC UTILITIES CORPORATION

Dear Sir:

Terre du Lac Utilities Corporation (Company) a Missouri corporation, holds certificates of public convenience and necessity whereby it provides water service and sewer service in the State of Missouri.

Pursuant to 4CSR 240-2.200, the undersigned hereby requests an increase in water rates and in sewer rates so that water and sewer services can continue to be provided to customers of the company in accordance with regulatory requirements of the State of Missouri.

The Company is hereby seeking increases in its customer water rates to generate an increase in the Company's annual operating revenues of \$23,000. The Company is also hereby seeking increase in its customer sewer rates to generate an increase in the Company's annual operating revenue of \$47,000.

The Company believes these increases in its operating revenues is necessary to cover current operating expenses and afford the opportunity to earn a fair return on its investment.

The Company is also proposing to increase miscellaneous water and sewer charges to match the cost of providing the subject services to those customers receiving them.

Schedule 1-1

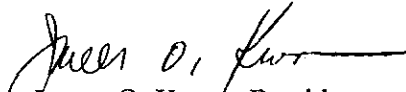
9900333
9900334

Mr. Dale Roberts
Executive Secretary
Missouri Public Service Commission
October 22, 1998

Terre du Lac is also advising you that it is current on its water and sewer PSC Assessments and is current on its annual reports for water and sewer utilities as required by the Commission.

If you need additional information, please let me know.

Sincerely yours,
TERRE DU LAC UTILITIES CORP.


James O. Kwon, President

JOK:jt

cc: Office of the Public Counsel

COPY

TERRE DU LAC UTILITIES CORPORATION

110 Rue Terre Bonne
Bonne Terre, MO 63628

573-358-3376
Fax 573-358-4073

October 26, 1998

Dear Customer:

On October 26, 1998 Terre du Lac Utilities Corporation (Company) submitted a request for permanent increases in its current water and sewer rates, under the Missouri Public Service Commission's (Commission) small company rate procedure.

By its request, the Company is seeking increases in its customer rates intended to generate an increase in the Company's annual operating revenues for water service of \$23,000 and for sewer service of \$47,000. The Company believes these increases in its operating revenues are necessary to meet current expenses, and to provide an adequate earnings on investment.

The Company has not had a rate increase since October 1, 1987. The Missouri PSC assess water and sewer companies to cover their expenses as required by law. In 1987 the Company was required to pay a total sum of \$2,423.59 representing \$1,928.75 for sewer and \$494.84 for water. On June 30, 1998 we received an assessment from the Commission for 1998/1999 and we will be required to pay the sum of \$15,799.55 representing \$14,239.66 for sewer and \$1,559.89 for water. This is a cost increase of \$13,375. The remaining increase of \$56,625 per year which the Company is requesting, is to cover the increases in other costs as operating expenses and a return on investment.

The Company has requested rates be increased in the permanent request as follows:

	Current	Requested	%Increase
Water Service:			
Minimum Residential Bill	\$ 6.25	\$ 8.17	30.7%
Minimum Commercial Bill			
1" meter	\$ 9.77	\$ 12.76	30.7%
2" meter	\$22.31	\$ 29.15	30.7%
All Customer Commodity			
Charge for usage greater than 5,000 gallons (per 1,000 gallons)	\$ 2.44	\$ 2.44	0.0%
Typical Residential Water Bill (6,000 gallons used)	\$ 8.69	\$ 10.61	22.1%

cont.

Schedule 2-1

Sewer Service:

Residential Monthly Charge	\$14.92	\$ 21.03	41%
Commercial Monthly Charge	\$17.90	\$ 25.22	41%

Beginning sometime soon, the Staff of the Missouri Public Service Commission (Commission Staff) will conduct an independent investigation of the books, records, and operations of the Company. Based upon that investigation, the commission Staff will then make it's recommendations regarding the Company's rate increase request, and necessary changes to system operations, to the Commission for its consideration.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of the consumer before the Commission, may conduct its own investigation, but at a minimum will review the results of the Commission Staff's investigation. The Public Counsel will then make its recommendations to the Commission regarding the Company's rate increase request, necessary changes to system operations, and the quality of service provided by the Company to its customers.

Any customer who has questions or comments regarding the Company's rate increase request, or who has experienced recent service problems, should contact the Commission Staff and the Public Counsel **within 30 days of the date of this notice**. To do so, please use the addresses, telephone numbers or fax numbers shown at the bottom of this notice. The Commission Staff and/or the Public Counsel will respond to all such customer contacts, during the course of their investigations.

Upon completion of the Commission Staff's and the Public Counsel's investigations, the Company may be requested to send out a second customer notice regarding the results of the investigations. Additionally, the Public Counsel may request that the Commission hold a local public hearing.

However, neither a second customer notice nor a local public hearing will happen automatically. Therefore, please take the time now to express your views about the Company's rate increase request, and the operation of its system, to the Commission Staff and the Public Counsel.

Regardless of whether the Company sends out a second customer notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the approval of the Public Service Commission.

Sincerely yours,
TERRE DU LAC UTILITIES CORP.


B. Joyce Tilley, Secy/Treas

cc: Missouri Public Service Commission
Water and Sewer Department
P. O. Box 360
Jefferson City, MO 65102
Phone: 573-751-3437 or 800-392-4211
Fax: 573-751-1847

Office of the Public Counsel
Attn: John B. Coffman
P. O. Box 7800
Jefferson City, MO 65102
Phone: 573-751-4857
Fax: 573-751-5562

TERRE DU LAC UTILITIES CORPORATION

110 Rue Terre Bonne
Bonne Terre, Missouri 63628
Phone (573) 358-3376
Fax (573) 358-4073

July 21, 1999

RECEIVED

JUL 26 1999

Records
Public Service Commission

Dear Customer:

On October 26, 1998, Terre Du Lac Utilities Corporation (Company) submitted a request for permanent increases in its current water and sewer rates, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request, the Company is seeking increases in its customer rates intended to generate an increase in the Company's annual operating revenues for water service of \$23,500 and for sewer service of \$47,000. The Company believes these increases in its operating revenues are necessary to meet current expenses, and to provide an adequate earnings on investment.

As a result of the Company's request, the Staff of the Public Service Commission (Commission Staff) conducted an investigation of the Company's books and records and the Company's operations. Based upon the results of its investigation, the Commission Staff is recommending an increase in the Company's annual operating water revenues of \$20,236 (approximately 12.4%), and an increase in the Company's annual operating sewer revenues of \$14,402 (approximately 8.1%) as well as the implementation of a Bad Check Charge and a Reconnection of Service for "Seasonal" Termination Charge. The Company has agreed with the Commission Staff's recommended increase in its annual operating revenues and the changes to the aforementioned service charges.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of consumers before the Commission, has reviewed the results of the Commission Staff's investigation. However, the Public Counsel has not yet taken a final position regarding the Commission Staff's recommended increase in the Company's annual operating revenues.

Set out below is a comparison of the Company's current customer rates, the Company's requested customer rates and the Commission Staff's recommended customer rates, as well as the changes in the affected service charges. A monthly bill comparison, which is based upon an assumed usage of 6,000 gallons, is also shown.

Water Service:

Type of Charge	Current	PSC Staff	Percentage
Monthly Minimum Charge (includes 5,000 gallons)	\$ 6.25	\$8.12	
Usage Over 2,000 gallons (per 1,000 gallons)	\$ 2.44	\$ 2.35	
Total Monthly Bill (6,000 gallons usage)	\$ 16.82	\$ 18.32	7.63%
Bad Check Charge	N/A	\$15.00	

Sewer Service:

Type of Charge	Current	PSC Staff	
Customer Charge	\$ 14.92	\$15.83	8.1%
Aerator Service – per quarter	\$ 10.00	\$18.00	
Bad Check Charge	N/A	\$15.00	

Any customer that has questions or comments about the Commission Staff's recommended rate increase should contact the Staff, and/or the Public Counsel, *within 20 days of the date of this notice*. To do so, please use the addresses, telephone numbers or fax numbers shown at the bottom of this notice. Depending upon the response to this notice, the Public Counsel may request that the Public Service Commission hold a local public hearing. *Regardless of whether a local public hearing is held, no increase in rates will take effect without the approval of the Public Service Commission.*

Sincerely,



Mr. Jim Kwon
President

Missouri Public Service Commission
Water and Sewer Department
P.O. Box 360
Jefferson City, MO 65102
Phone: 573/751-3437 or 800/392-4211
Fax: 573/751-1847

Office of the Public Counsel
Attn: Shannon Cook
P.O. Box 7800
Jefferson City, MO 65102
Phone: 573/751-4857
Fax: 573/751-5562

**Terre Du Lac Utilities
1998 Informal Rate Case
Revenue Requirement-Sewer
Settlement Run**

Revenues	Per Book	Annualized	Adjustment
406.2 Interest Income	481	481	-
415 Rental Income	1,555	-	(1,555) R-1
471 Misc. Service Revenues	17,279	17,279	-
473 Equipment Rental Income	41	-	(41) R-2
521 Sales-General Customers	159,674	161,069	1,395 R-3
Total Revenues	179,030	178,829	
Expenses			
403.2 Depreciation Expense	13,250	8,046	(5,204) E-1
404.2 Leasehold Improvement	650	-	(650) E-2
405.2 Corp. Income Taxes	(366)	-	366 E-3
408.2 Taxes (Not Income Tax)	979	979	-
430.2 Interest-Loan Backhoe	1,591	-	(1,591) E-4
431.1 Int Loan After 1/1/81 TD	5,084	-	(5,084) E-5
701 Opr Labor Exp.	5,661	5,661	-
702 Community Promotion	2,024	-	(2,024) E-6
703 Opr Power Purc Pump. & Treat.	11,212	11,212	-
704 Oper-Chemicals	2,937	2,937	-
705 Opr. Misc Supp and Exp.	829	829	-
710 Maint Supp & Engineering	17,143	17,143	-
712.1 Maint-Collect.Sewer-Force	1,292	1,292	-
712.2 Maint-Collect.Sewer-Gravity	525	525	-
713 Maint-Pumping Sys	2,879	2,879	-
713.1 Maint-Customer Press Pump	36,232	36,232	-
713.2 Maint-Customer Aerator	1,066	1,066	-
714 Maint-Treat & Disposal Equip.	10,392	10,392	-
715 Maint-Other Plant Facil.	833	833	-
716 Employees Uniform	484	484	-
903.2 Cust. Records & Coll. Exp.	15,685	15,876	191 E-7
920.2 G&A Salaries	17,252	15,267	(1,985) E-8
921.2 G&A-Office Supp. & Exp.	2,005	2,005	-
923.2 G&A-Out.Serv.& Emp.	102	102	-
923.3 Outside-Computer	2	2	-
923.5 Outside-Accounting	690	690	-
923.6 Outside-Lab Analysis	1,235	1,235	-
924.2 G&A Insurance Exp	6,677	6,677	-
925.2 Telephone	2,444	2,444	-
925.3 Postage	1,578	1,578	-
926.2 Rent & Utilities	1,556	1,556	-
927.2 PSC Assessment	14,240	11,813	(2,427) E-9
927.3 Education Expense	261	261	-
928 Permits/License	545	545	-

Schedule 4-1

929 Transportation Exp	7,866	6,729	(1,137) E-10
930.2 G&A Misc Gen'l Exp	546	546	-
950.1 Backhoe	433	433	-
950.2 Ditch Witch	642	642	-
950.3 Air Compressor & Air Track	137	137	-
950.5 Dump Truck	24	24	-
950.8 Maint. Build. Expense	1,155	1,155	-
Total Expenses	189,772	170,227	
Net Income	(10,742)	8,602	
Revenue Required		22,153	
Net Revenue Requirement		13,551	

W. R. Hubbs

Total Cost of Services
Sewer

\$170,227 Exp.
22,153 Rev. Req.
→ \$192,380

Terre du Lac Utilities
Annualization of Revenues
1998 Informal Rate Case

Base Usage

Customer Type	No. of Customers	Monthly Base Charge	Number of Months	Annualized Revenues	
Residential	995	\$ 6.25	12	\$ 74,625	
Commercial	<u>24</u>	9.77	12	<u>2,814</u>	
Total	1019				\$ 77,439

Annualized Commodity Usage	35,311,938
Commodity Charge	<u>2.44</u>

Annualized Commodity Revenue 86,161

Late Payment Charges \$ 129

Total Water \$ 163,729

Sewer Usage

Type	No. of Customers	Charge	No. of Months	
Residential	858	\$ 14.92	12	153,616
	65	3.33	12	2,597
Commercial	<u>22</u>	17.90	12	<u>4,726</u>

Late Payment Charges 129

Total Sewer \$ 161,069

Total Revenues \$ 324,798

Terre du Lac Utilities
Annualization of Late Payment Charges
1998 Informal Rate Case

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>3-year Avg.</u>
Total Late Payment Charges, 4th Q.	\$ 48.85	\$ 82.08	\$ 63.17	\$ 64.70

Annualized Revenues: \$64.70 X 4 quarters = \$ 258.80

Assuming 1/2 each for water and sewer \$ 129.40

Terre Du Lac Utilities
 File Nos. 9900333 (Water) and 9900334 (Sewer)
 Weighted Cost of Long-Term Debt
 as of 10/31/98

Description	Date of Loan	Amount	Cost	Percent	Weighted Cost of Debt
Loan from Mr. Kwon	12/31/86	\$ 135,434.70	12.00%	64.62%	7.75%
Loan for Truck	3/1/97	\$ 15,408.82	2.90%	7.35%	0.21%
Loan for Backhoe	1/25/98	\$ 22,345.26	8.00%	10.66%	0.85%
Loan for Ditch Witch	10/15/98	\$ 36,398.00	8.00%	17.37%	1.39%
		<u>\$ 209,586.78</u>		<u>100.00%</u>	<u>10.21%</u>

Terre Du Lac Utilities
File Nos. 9900333 (Water) and 9900334 (Sewer)
Weighted Cost of Capital
as of 10/31/98

Capital Component	Capital Dollars	Percentage of Capital	Cost	Weighted Cost
Common Equity	\$ 304,349.22	59.22%	14.76% *	8.74%
Preferred Stock	\$ -	0.00%	0.00%	0.00%
Long-Term Debt	\$ 209,586.78	40.78%	10.21%	4.16%
Short-Term Debt	\$ -	0.00%	0.00%	0.00%
Total	<u>\$ 513,936.00</u>	<u>100.00%</u>		<u>12.91%</u>

* Rate of Return Calculation

Rate of Return per Staff's
Financial Analysis Department 11.82%
Factor for Taxes 1.249
Tax Factored Up Rate of Return 14.76%

Terre du Lac Utilities Corp.
 Depreciation Reserve-Sewer
 (includes 1/2 of sewer line extension)
 1998 Informal Rate Case

Acct. #	Dep. Rate	Reserve 12/31/92	Plant 12/31/92	Additions	Additional Reserve	Reserve 12/31/93	Plant 12/31/93	Additions	Retirements	Additional Reserve	Reserve 12/31/94
300.0 Stipulated Plant	2.5	12,000	47,497		0.00	13,187	47,497			0.00	14,375
300.0 Stipulated Plant Additions	2.5	1,060	7,800	1,000	12.50	1,268	8,800	700		8.75	1,496
311.0 Structures & Improvements	3.0	0	0		0.00	0	0			0.00	0
352.1 Collection Sewers-Force	2.0	5,633	68,525	2,080	20.80	7,024	70,605	25,360		253.60	8,690
352.2 Collection Sewers-Gravity	2.0	3,935	25,741	80	0.80	4,451	25,821			0.00	4,967
363.0 Pumping Equipment	6.7	825	2,547		0.00	996	2,547	530		17.76	1,184
372.0 Oxidation Lagoons	4.0	561	3,201	262	5.24	694	3,463			0.00	833
373.0 Treatment & Disposal Equipment	4.5	1,514	10,049		0.00	1,966	10,049			0.00	2,418
391.0 Office Furniture & Equipment	5.0	580	4,763	130	3.25	821	4,893			0.00	1,066
392.0 Transportation Equipment	13.0	852	13,105		0.00	2,556	13,105			0.00	4,259
394.0 Tools, Shop & Garage Equipment	5.0	10	389		0.00	29	389	389		9.73	59
396.0 Power Operated Equipment	6.7	7,250	20,538		0.00	8,626	20,538			0.00	10,002
397.0 Communication Equipment	6.7	174	485		0.00	206	485			0.00	239
Leasehold Improvement	3.0										
Total		34,394	204,640	3,552	43	41,825	208,192	26,979	0	290	49,588

Retirements

	Purch. Date (1	Cost	Assoc. Res.
1992 Pickup	1991	7,080	5,522
Tractor	1991	4,938	1,323
Tractor/bushog	1991	600	161
Backhoe	1986	15,000	10,050

(1) Per Staff Plant Schedule, 1992 Case

Force Sewer Additions

Year	Amount	Plant	CIAC
1996	18694	3738.8	14955.2
1997	60490	12098	48392
1998	30817	6163.4	24653.6

Terre du Lac Utilities Corp.
 Depreciation Reserve-Sewer
 (includes 1/2 of sewer line extension)
 1998 Informal Rate Case

Acct. #	Dep. Rate	Plant 12/31/94	Additions	Retirements	Additional Reserve	Reserve 12/31/95	Plant 12/31/95	Additions	Retirements	Additional Reserve	Reserve 12/31/96
300.0 Stipulated Plant	2.5	47,497			0.00	15,562	47,497			0.00	16,750
300.0 Stipulated Plant Additions	2.5	9,500	200		2.50	1,736	9,700	500		6.25	1,985
311.0 Structures & Improvements	3.0	0			0.00	0	0			0.00	0
352.1 Collection Sewers-Force	2.0	95,965	15,899		158.99	10,768	111,864	11,216		112.16	13,118
352.2 Collection Sewers-Gravity	2.0	25,821			0.00	5,483	25,821	446		4.46	6,004
363.0 Pumping Equipment	6.7	3,077			0.00	1,390	3,077			0.00	1,596
372.0 Oxidation Lagoons	4.0	3,463			0.00	971	3,463	85		1.70	1,112
373.0 Treatment & Disposal Equipment	4.5	10,049			0.00	2,871	10,049			0.00	3,323
391.0 Office Furniture & Equipment	5.0	4,893	1,249		31.23	1,342	6,142	642		16.05	1,665
392.0 Transportation Equipment	13.0	13,105			0.00	5,963	13,105			0.00	7,667
394.0 Tools, Shop & Garage Equipment	5.0	778			0.00	98	778			0.00	136
396.0 Power Operated Equipment	6.7	20,538		(4,938)	(1,323.00)	10,055	15,600	0	0	0.00	11,100
397.0 Communication Equipment	6.7	485	244		8.17	280	729			0.00	329
Leasehold Improvement	3.0										
Total		235,171	17,592	(4,938)	(1,122)	56,520	247,825	12,889	0	141	64,784

Schedule 4-8

Terre du Lac Utilities Corp.
 Depreciation Reserve-Sewer
 (includes 1/2 of sewer line extension)
 1998 Informal Rate Case

Acct. #	Dep. Rate	Plant 12/31/96	Additions	Retirements	Additional Reserve	Reserve 12/31/97	Plant 12/31/97	Additions	Retirements	Additional Reserve	Reserve 12/31/98	Plant 12/31/98
300.0 Stipulated Plant	2.5	47,497			0.00	17,937	47,497			0.00	19,125	47,497
300.0 Stipulated Plant Additions	2.5	10,200	600		7.50	2,248	10,800	1,400		17.50	2,535	12,200
311.0 Structures & Improvements	3.0	0			0.00	0	0	850		9.75	10	650
352.1 Collection Sewers-Force	2.0	123,080	36,294		362.94	15,942	158,374	18,490		184.90	19,315	177,865
352.2 Collection Sewers-Gravity	2.0	26,267	3,494		34.94	6,565	29,761	577		5.77	7,166	30,338
363.0 Pumping Equipment	6.7	3,077			0.00	1,803	3,077			0.00	2,009	3,077
372.0 Oxidation Lagoons	4.0	3,548			0.00	1,253	3,548	48		0.96	1,398	3,596
373.0 Treatment & Disposal Equipment	4.5	10,049	10		0.23	3,775	10,059			0.00	4,228	10,059
391.0 Office Furniture & Equipment	5.0	6,784	0		0.00	2,004	6,784	1,533		38.33	2,382	8,317
392.0 Transportation Equipment	13.0	13,105	0	0	0.00	9,370	13,105	9,482	(7,080)	(4,908.67)	6,165	15,507
394.0 Tools, Shop & Garage Equipment	5.0	778			0.00	175	778			0.00	214	778
396.0 Power Operated Equipment	6.7	15,600	16,000	(15,600)	(4,611.00)	7,535	16,000	18,199		609.67	9,216	34,199
397.0 Communication Equipment	6.7	729			0.00	377	729			0.00	428	729
Leasehold Improvement	3.0							6,500		97.50	98	6,500
Total		260,714	56,398	(15,600)	(4,205)	68,985	301,512	56,879	(7,080)	(3,944)	74,284	351,312

Schedule 4-9

Terre du Lac Utilities
Revenue Requirement-Sewer
1998 Informal Rate Case

Total Plant in Service	\$	351,312
Subtract from Total Plant Depreciation Reserve		(74,284)
Net Plant in Service	\$	277,028
Add to Net Plant in Service Materials & Supplies		11,274
Subtract from Net Plant Contributions in Aid of Construction, Net of Reserve		(116,705)
Total Rate Base	\$	<u>171,597</u>
Rate of Return		12.91%
Revenue Requirement	\$	<u>22,153</u>

Schedule 4-10

Terre du Lac Utilities
 Depreciation Expense--Sewer
 1998 Informal Rate Case

Acct. #	Description	Adjusted Jurisdictional Plant	Dep. Rate	Depreciation Expense
300.0	Stipulated Plant, 2/84	47,497	2.5	1,187
311.0	Structures & Improvements	650	3.0	20
300.0	Stipulated Plant Additions	12,200	2.5	305
352.1	Collection Sewers-Force	177,865	2.0	3,557
352.2	Collection Sewers-Gravity	30,338	2.0	607
363.0	Pumping Equipment	3,077	10.0	308
372.0	Oxidation Lagoons	3,596	4.0	144
372.0	Treatment & Disposal Equipment	10,059	4.0	402
391.0	Office Furniture & Equipment	8,317	5.0	416
392.0	Transportation Equipment	15,507	13.0	2,016
394.0	Tools, Shop & Garage Equipment	778	5.0	39
396.0	Power Operated Equipment	34,199	6.7	2,291
397.0	Communication Equipment	729	6.7	49
	Leashold Improvement	6,500	3.0	195
	Total			11,536

Terre du Lac Utilities Co.
 Calculation of CIAC Amortization - *Sewer*
 1998 Informal Rate Case

Year	CIAC Beginning Balance	Additions	CIAC Ending Balance	Amort Reserve	CIAC net of Reserve	Amort Exp @2.5%
1984	\$ 0	\$ 6,000	\$ 6,000	75	\$ 5,925	75
1985	6,000	8,800	14,800	335	14,465	260
1986	14,800	4,800	19,600	765	18,835	430
1987	19,600	7,000	26,600	1,343	25,258	578
1988	26,600	8,400	35,000	2,113	32,888	770
1989	35,000	4,800	39,800	3,048	36,753	935
1990	39,800	6,600	46,400	4,125	42,275	1,078
1991	46,400	16,200	62,600	5,488	57,113	1,363
1992	62,600	11,800	74,400	7,200	67,200	1,713
1993	74,400	8,000	82,400	9,160	73,240	1,960
1994	82,400	12,000	94,400	11,370	83,030	2,210
1995	94,400	10,000	104,400	13,855	90,545	2,485
1996	104,400	6,800	111,200	16,550	94,650	2,695
1997	111,200	17,200	128,400	19,545	108,855	2,995
1998	128,400	11,200	139,600	22,895	116,705	3,350

Ongoing Amortization Expense

CIAC Balance 10/31/98	Amortization @2.5%
\$ 139,600	\$ 3,490

Terre Du Lac Water & Sewer Company, Inc.

Small Company Rate Filing - Sewer Service

File # 9900334

SewerS

Rate Making Income Statement

	As Adjusted	
Revenue	\$177,987	W&S Staff Revenues
Expenses		Account No.
Operations Labor Expense	\$5,661	701
Community Promotion	\$0	702
Oper Power Puch. Pump & Treat.	\$11,212	703
Operations Chemicals	\$2,937	704
Oper. Misc. Supp & Expenses	\$829	705
Maint. Supply & Engineering	\$17,143	710
Maint. Collect. Sewer Force	\$1,292	712.1
Maint. Collect. Sewer Gravity	\$525	712.2
Maint - Pumping Sys	\$2,879	713
Maint - Customer Press Pump	\$36,232	713.1
Maint - Customer Aerator	\$1,066	713.2
Maint - Treat & Disposal Equip.	\$10,392	714
Maint - Other Plant Facilities	\$833	715
Employee Uniforms	\$484	716
Customer Record & Collection Exp.	\$12,875	903.2
G&A Salaries	\$15,267	920.2
G&A Office Supplies & Expenses	\$2,005	921.2
G&A Out. Serv. & Emp.	\$102	923.2
Outside Computer	\$2	923.3
Outside Accounting	\$690	923.5
Outside Lab Analysis	\$1,235	923.6
G&A Insurance Expense	\$6,677	924.2
Telephone	\$2,444	925.2
Postage	\$1,578	925.3
Rent & Utilities	\$1,556	926.2
PSC Assessment	\$11,813	927.2
Education Expense	\$261	927.3
Permits & License	\$545	928
Transportation Expense	\$6,729	929
G&A Misc. General Expense	\$546	930.2
Backhoe	\$433	950.1
Ditch Witch	\$642	950.2
Air Compressor & Air Track	\$137	950.3
Dump Truck	\$24	950.5
Maintenance Building Expense	\$1,155	950.8
Settlement Expenses	\$3,010	
Depreciation Expense	\$8,046	403.2
Taxes other than Income Tax	\$979	408.2
Revenue Requirement (Incl. Tax)	\$22,153	
Total Cost of Service	\$192,389	
Less: Other Revenues	\$17,889	
Cost to Recover in Rates	\$174,500	
Increase =	\$14,402	8.09%

October 14, 1999
Missouri Public Service Commission Staff

Page 1 of 4
W. R. Hubbs

Schedule 5-1

Terre Du Lac Water & Sewer Company, Inc.

Small Company Rate Filing - Sewer Service

File # 9900334

SewerS

Sewer Rate Development

Sewer Rate

Total Sewer Cost of Service - For Rates	\$174,500
Less:	
Aerator Service (only) per quarter	\$18.00 x 65 x 4 = \$4,680
Equals: Amount to Recover from	
Gen. Service Customers	\$169,820

Minimum Monthly Sewer Charge Development

Meter Size	Customer	Flow Factor	Meter Equivalents	
5/8"	878	1	878	98.21%
1"	0	2.5	0	0.00%
2"	2	8.0	16	1.79%
Totals	880		894	

\$ Amount to Recover	Meter Equivalents	Months Per Year	Cost per Meter Equivalent
\$169,820	894	12	\$ 15.83

Sewer Rates Equal:

Proposed Sewer Charge - 5/8" Meter Service-	\$ 15.83	Per Month
Proposed Sewer Charge - 1" Meter Service	\$ 39.57	Per Month
Proposed Sewer Charge - 2" Meter Service	\$ 126.64	Per Month
Proposed Aerator Service Charge	\$ 18.00	per Quarter

Residential Sewer Customer Impact

	Monthly Charge	Aerator
Proposed Rates	\$15.83	\$18.00
Current Rates	\$14.92	\$10.00
Difference	\$0.91	\$8.00
Percentage Difference from Current Rates	6.10%	80.00%

Terre Du Lac Water & Sewer Company, Inc.

Small Company Rate Filing - Sewer Service

SewerS

File # 9900334

Proposed Charges Annualized & Normalized Revenues

Sewer Revenues

Customer Number - Residential	878
-------------------------------	-----

Customer Bills	10536
----------------	-------

Times:

Proposed Minimum Monthly Charge	\$ 15.83
---------------------------------	----------

Equals:	\$166,780.72
---------	--------------

Customer Number - Commercial < 2" meter	0
---	---

Customer Bills	0
----------------	---

Times:

Proposed Minimum Monthly Charge	\$ 39.57
---------------------------------	----------

Equals:	\$0.00
---------	--------

Customer Number - 2" meter	2
----------------------------	---

Customer Bills	24
----------------	----

Times:

Proposed Minimum Monthly Charge	\$ 126.64
---------------------------------	-----------

Equals:	\$3,039.28
---------	------------

Aerator (only) Service Customer Numbers	65
---	----

Customer Bills - Quarterly	260
----------------------------	-----

Times:

Proposed Quarterly Charge	\$18.00
---------------------------	---------

Equals:	\$4,680.00
---------	------------

Total Sewer Rate Revenues	\$174,500
---------------------------	-----------

Miscellaneous Revenues	\$17,889
------------------------	----------

Total Sewer Revenues	\$192,389
----------------------	-----------

October 14, 1999

Missouri Public Service Commission Staff

Page 3 of 4

W. R. Hubbs

Terre Du Lac Water & Sewer Company, Inc.

Small Company Rate Filing - Sewer Service

SewerS

File # 9900334

Accounting Department

Test Year Annualized & Normalized Revenues

Sewer Revenues

Customer Number - 5/8" or 3/4' meter	878	858
Customer Bills	10536	
Times:		
Existing Minimum Monthly Charge	\$14.92	
Equals:	\$157,197.12	
Customer Number - 2" meter	2	22
Customer Bills	24	
Times:		
Existing Minimum Monthly Charge	\$17.90	
Equals:	\$429.60	
Aerator (only) Service Customer Numbers	65	65
Customer Bills - Quarterly	260	
Times:		
Existing Quarterly Charge	\$10.00	
Equals:	\$2,600.00	

Total Sewer Rate Revenues	\$160,227
---------------------------	-----------

Miscellaneous Revenues	\$17,889
------------------------	----------

Total Sewer Revenues	\$178,116
----------------------	-----------

October 14, 1999

Missouri Public Service Commission Staff

Page 4 of 4

W. R. Hubbs