

FILED

AUG 3 1999

Terre Du Lac Utilities Corporation

P.O. Box 191
Bonne Terre, Missouri 63628

Missouri Public
Service Commission

July 21, 1999

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

WR-2000-68
SR-2000-69

RECEIVED

JUL 26 1999

Records
Public Service Commission

RE: **Terre Du Lac Utilities Corporation**
Small Company Rate Increase Request
Mo. PSC Tariff File Nos. 9900333 (Water) & 9900334 (Sewer)

Dear Mr. Roberts:

I am enclosing for filing with the Commission an original and three copies of revised tariff sheets that include rate and language changes reflecting an agreement between the Terre Du Lac Utilities Corporation, (Company) and the Commission Staff (Staff) on the above subjects. The Company initiated the subject rate increase requests on October 26, 1998, under the Commission's small company rate increase procedure, and the requests were assigned the above-referenced file numbers.

Additionally, consistent with the Commission's small company rate increase procedure, I am enclosing an Agreement Regarding Disposition of Small Company Rate Increase Request (Agreement) for water service and for sewer service. These Agreements reflects a "settlement" between the Company and the Staff regarding all matters related to the Company's rate increase requests. The Office of the Public Counsel (OPC) has yet to take a final position regarding the Company's rate increase requests, until after responses to the Company's second customer notice are received.

The water service Agreement calls for, and the revised tariff sheets contain, customer rates intended to produce an increase of \$20,236 (an approximate 12.36% increase) in the Company's annual operating revenues for its water operations. The sewer service Agreement calls for an increase in the Company's annual operating revenues for its sewer operations by \$14,402 (an


9900333
9900334

approximate 8.1% increase). The Agreements are between the Company and the Staff only, therefore the enclosed tariff sheets bear an effective date that is 45 days from the issue date (day filing is received at the Commission).

It is my understanding that the Staff will be providing additional information about the Company's rate increase request and the related Staff audit and investigation, for filing in the case papers following the creation of a formal docket.

Please contact me at your convenience if you need anything further.

Sincerely,
TERRE DU LAC UTILITIES CORPORATION



Mr. Jim Kwon
President

enclosures

copies (w/enclosures):
Wendell R. Hubbs - PSC Staff
Office of the Public Counsel - John B. Coffman

Agreement Regarding Disposition of
Small Company Rate Increase Request

Terre Du Lac Utilities Corporation

Tariff File No. 9900334 (Sewer)

Terre Du Lac Utilities Corporation (Company) initiated the small company rate increase request (Request) for sewer service that is the subject of the above-referenced Commission "file" through its submittal of a letter to the Commission's Executive Secretary. The Company submitted its Request under the provisions of Commission rule 4 CSR 240-2.200, Small Company Rate Increase Procedure (the informal rate case procedure). The date the Company's Request was received at the Commission's offices was October 26, 1998. In its Request, the Company represented that it was asking for Commission approval of customer rates intended to generate an increase of \$47,000 in its total annual sewer service operating revenues. The Company provides Sewer service to approximately 880 customers.

Upon review and acceptance of the Company's Request, the Commission's Records Department assigned Tariff File No. 9900334 to the Request for purposes of identification and tracking. The Records Department then forwarded the Request to the Commission's Water & Sewer Department for processing under the informal rate case procedure.

Pursuant to the provisions of the informal rate case procedure, the Staff of the Commission (Staff) initiated an audit of the Company's books and records and an inspection of the Company's system and the operation thereof.

Based upon the results of the Staff's audit, the Company and the Staff hereby state their agreement that: (1) an increase of \$14,402 (approximately 8.1%) in the Company's annual sewer revenues is reasonable; (2) a bad check charge of \$15.00 per returned check should be implemented; and, (3) a Reconnection of Service for "Seasonal" Termination Charge should be implemented.

The Company and Staff also agree that the Company will maintain complete electronic billing records for a period of two years after its monthly bill mailing.

The Company and the Staff further agree that the tariff sheets filed contemporaneously with this Agreement properly reflect the terms of the Agreement.

The Company and Staff agree that the Company will not seek nor receive over 50% of the cost of the "trunk" sewer line, in TDL's Plat No's. 21, 22, 23, 24, 27 and 30, for future ratebase treatment.

Staff and the Company agree that this increase in sewer revenue reflects rate base recognition of 50% of the cost of the "trunk" sewer line extensions made in Terre Du Lac Plat No's. 21, 22, 23, 24, 27 and 30, which were completed and in service as of the end of the Staff's audit.

Additionally, the Staff agrees that it will provide rate base treatment for 50% of the cost of approximately 0.5 miles of "Trunk Line G" in Plat No. 24 as part of its revenue requirement analysis for the Company's next rate increase request. This approximate 0.5-mile section of "Trunk Line G" was not completed and in service by the end of the Staff's audit for the current Request. (The last part of the "Trunk Line G" has recently been completed and is now in service.)

The Company and Staff further agree that all new sewer line extensions made in the above-referenced Plats, after the effective date of this agreement, will be made in accordance with the Company's main extension policy. Such policy is premised on all monies received from extension revenue being booked as contributions in aid of construction.

Additionally, the Company acknowledges that the Staff will file additional information about the details of its audit with the Commission following the creation of a formal docket.

This Agreement is only between the Company and the Staff, as the Office of the Public Counsel (OPC) is waiting to decide whether it will

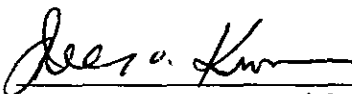
Terre Du Lac Utilities Corporation - File No. 9900334 Sewer
Small Company Rate Procedure "Agreement"

request a public hearing after it evaluates customer response to the second customer notice. At the request of the OPC, and in compliance with 4 CSR 240-2.200(1)(E), the Company has sent to its customers a notice reflecting the terms of this Agreement. This notice provides the customers an opportunity to comment on the Company/Staff agreed-upon sewer service rates and billing conditions, within twenty (20) days pursuant to 4 CSR 240-2.200(1)(E).

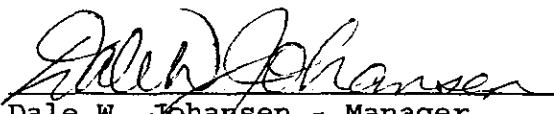
Lastly, the Company and the Staff ask the Commission to note that no action need be taken on the Company's tariff sheets until after the Staff files its formal recommendation for approval of the tariff sheets. That filing will take place after the second customer notice response period expires and after the Staff is made aware of the OPC's position regarding the Request. Other than the specific conditions agreed to by the Company, this agreement is a compromise that has resulted from extensive negotiations between Staff and the Company and no party has agreed to any particular ratemaking principal (except those specifically stated in this agreement) in arriving at the dollar amount specified.

This Agreement is effective as of the 21st day of July 1999.

Agreement Signed and Dated:

 7/21/99

James Kwon, President
Terre Du Lac Utilities, Inc.

 7/21/99

Dale W. Johansen - Manager
Water and Sewer Department
Public Service Commission Staff

Terre Du Lac Utilities, Inc.
Name of Issuing Company

For

Terre Du Lac Lake Development
Community, Town or City
St. Francois and Washington Counties

RULES GOVERNING

RENDERING OF SEWER SERVICE

+

SCHEDULE OF SEWER RATES

Availability:

Available to any customer located in the Company's certificated service territory.

Sewer Service Rates:

Residential and Commercial Monthly Charge (5/8" meter)	\$ 15.83	per Month	+
Commercial, Multi-Family & Resid. Monthly Charge (1" meter)	\$ 39.57	per Month	+
Commercial, Multi-Family & Resid. Monthly Charge (2" meter)	\$ 126.64	per Month	+

Aerator Service:

\$ 18.00 per Quarter

Taxes:

Any applicable Federal, State or local taxes computed on a billing basis shall be added as separate items in rendering each bill.

Late Payment Charge: +

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which the payment is considered delinquent is 21 days after rendition of the bill. A charge of one and one half percent (1 1/2%) per month times the unpaid balance will be added to delinquent amounts

Bad Check Charge: *

A bad check charge of \$15 per check will be paid on all checks returned from the bank for insufficient funds.

* Indicates new rate or text

+ Indicates change

Date of Issue

Date Effective

Issued By: James O. Kwon, President

P.O. Box 191, Bonne Terre, MO 63628

Name of Officer

Title

Address

Terre Du Lac Utilities, Inc. For Terre Du Lac Lake Development
 Name of Issuing Company Community, Town or City
 St. Francois and Washington Counties

RULES GOVERNING
 RENDERING OF SEWER SERVICE

+

SCHEDULE OF SEWER SERVICE CHARGES

Reconnection of Service for "Seasonal" Terminations Charge:

A charge of \$10.00 plus the monthly Sewer Service Rate times the number of months "off-system" (not to exceed 9 months) shall be charged where the same beneficial service recipient terminates and restores service to the same location within a 12-month period. Restoration of service of a non-payment after 45 days is deemed to be a seasonal reconnection of service.

Discontinuance of Service (at Company's Request) for Non-Payment of Bill

Charge: Reconnection turn-on charge \$15.00

Serviceman Collection Fee:

A fee of \$15 will be charged where during regular working hours a serviceman collects the delinquent balance of a customer's account (in lieu of discontinuance). This fee will be \$25 when such collection occurs after 5:00 pm and before 8:00am during weekdays and on weekends. Where the Company also renders water service, this charge will be either the \$15 or the \$25 charge, as applicable, but the customer will only be charged once where the Company provides both water & sewer service.

Service Connection Fees:

<u>Size of Connection</u>	<u>Charge</u>
Single Family Connections	\$ 400
*Commercial & Multi-Family Connections	\$ 400

The above Commerical & Multi-Family connection fee will apply up to the 7,100 gallons per month average water usage. Each additional 1,000 gallons of average water usage, the conection fell will be increased to \$60 per 1,000 gallons per month of average water usage.

The Service Connection Fee shall will be a one time charge made by the Company to the customer for all sewer service connections made to the Company's sewer collection line for transportation, treatment and ultimate disposal.

* Indicates new rate or text

+ Indicates change

Date of Issue

Date Effective

Issued By: James O. Kwon, President

P.O. Box 191, Bonne Terre, MO 63628

Name of Officer

Title

Address

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:

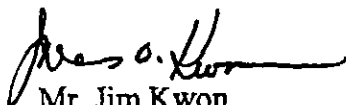
Type of Charge	Current	PSC Staff	Percentage
Monthly Minimum Charge (includes 5,000 gallons)	\$ 6.25	\$8.12	
Usage Over 2,000 gallons (per 1,000 gallons)	\$ 2.44	\$ 2.35	
Total Monthly Bill (6,000 gallons usage)	\$ 16.82	\$ 18.32	7.63%
Bad Check Charge	N/A	\$15.00	

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