



Commissioners

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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

Re: Case No. WR-2000-68 (File No. 9900333) [Water]  
Terre Du Lac Utilities Corporation  
Small Company Rate Increase Procedure

Missouri Public  
Service Commission

Dear Mr. Roberts:

I am enclosing the following documents for filing in Case No. WR-2000-68 (Case), which involves the water 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 consistent with established practices for small company rate increase


Mr. Dale Hardy Roberts  
Re: Case No. WR-2000-68  
November 2, 1999  
Page 2 of 2

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.

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Schedule 1-1

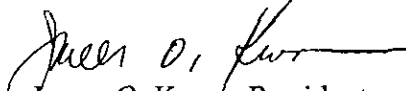
9900333  
9900334

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
<b>Water Service:</b>			
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%
<b>All Customer Commodity</b>			
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%

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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.

Schedule 3-1

**Water Service:**

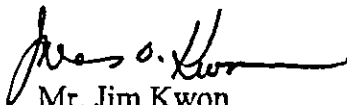
Type of Charge	Current	PSC Staff	Percentage
Monthly Minimum Charge (includes 5,000 gallons)	\$ 6.25	\$8.12	
Usage Over 2,000 gallons (per 1,000 gallons)	\$ 2.44	\$ 2.35	
Total Monthly Bill (6,000 gallons usage)	\$ 16.82	\$ 18.32	7.63%
Bad Check Charge	N/A	\$15.00	

**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-Water**  
**Settlement Run**

	Per Book	Annualized	Adjustment	Reference
<b>Revenues</b>				
406.1 Interest Income	683	683	-	
415 Rental Income	1,555	-	(1,555)	R-1
461 Sales-To General Cust.	162,181	163,729	1,548	R-2
472 Connection Services	450	-	(450)	R-3
473 Equipment-Rental Income	41	-	(41)	R-4
<b>Total Revenues</b>	<b>164,911</b>	<b>164,412</b>		
<b>Expenses</b>				
403.1 Depreciation Expense	16,706	14,370	(2,336)	E-1
404.1 Leasehold Improvement	650	-	(650)	E-2
405.1 Corp. Income Taxes	(366)	-	366	E-3
408.1 Taxes (Not Income Tax)	979	979	-	
430.1 Interest-Loan Backhoe	1,591	-	(1,591)	E-4
431.2 Int. Loan After 1/1/81 TDL	12,346	-	(12,346)	E-5
602 Operating Supp. & Exp.-Wells	516	516	-	
605 Maint. Of W-Source Plant-Well	78	78	-	
620 Power Purch-Wells	24,475	24,475	-	
623 Opr. Supplies-Wells	876	876	-	
624 Hypochlorite-Wells	2,328	2,328	-	
625 Maint.-Pumping Plant-Wells	23,860	10,445	(13,415)	E-6
626 Employees Uniform	464	464.09	-	
640 Oper Labor-Water Lines	23,236	23,236	-	
641 Oper Supplies Water Lines	854	854	-	
650 Maint. Of Reser & Standpipes	120	120	-	
651 Maint. Of Mains	3,080	3,080	-	
653 Maintenance of Meters	151	151	-	
654 Maintenance-Hydrants	41	41	-	
655 Maint. Other Plant	124	124	-	
658 Community Promotion	1,849	-	(1,849)	E-7
660 Transportation Exp.	7,866	6,729	(1,137)	E-8
680.1 G&A Salaries	17,277	15,292	(1,985)	E-9
681.1 G&A Office Supp & Exp.	2,280	2,280	-	
682.1 G&A Outside Serv. Employ.	102	102	-	
682.2 G&A -Outside S.-Computer	2	2	-	
682.4 G&A-Outside S-Acct.	690	690	-	
682.5 G&A-Outside-Lab Analy.	250	250	-	
684.1 G&A Insurance Exp.	6,245	6,245	-	
685.1 Telephone	2,447	2,447	-	
685.2 Postage	1,769	1,769	-	
686.1 Rent & Utilities	1,556	1,556	-	
687.1 PSC Assessment	1,560	1,238	(322)	E-10

687.2 Education Expense	514	514	-
689.1 G&A Misc. General Exp.	755	755	-
901.1 Meter Reading Labor-Coll	4,554	4,554	-
902.1 Accounting & Coll. Labor	15,685	15,876	191 E-11
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	-
<b>Total Expenses</b>	<b>179,899</b>	<b>144,826</b>	
<b>Net Income</b>	<b>(14,989)</b>	<b>19,586</b>	
<b>Revenue Required</b>		<b>39,138</b>	
<b>Net Revenue Requirement</b>		<b>19,552</b>	

W.R. Hubbs

Total Cost of Service:

$\$144,826$  exp.  
 $39,138$  Rev. Req.  


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 $\$183,964$

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 Unites Corp.  
Depreciation Reserve-Water  
1998 Informal Rate Case

Acct #	Account Title	Dep. Rate	Reserve 12/31/92	Plant 12/31/92	Additions	Retirements	Additional Reserve	Reserve 12/31/93	Plant 12/31/93	Additions	Retirements	Additional Reserve	Reserve 12/31/94
300.0	Source of Supply & Pumping Plant	2.5	38,074	163,363				0	163,363				46,243
300.0	Situated Plant 204	2.5	2,485	21,600	3,800		48	3,073	25,400	2,400		30	3,738
311.0	Structures & Improvements	2.0	0	0			0	0	0			0	0
314.0	Wells & Springs	2.5	529	6,367			0	656	6,367	15,889		158	943
325.0	Electric Pumping Equipment	5.3	212	890			0	259	890			0	306
342.0	Distribution Reservoirs & Standpipes	2.5	52	278			0	59	278	41,355		517	583
343.0	Transmission & Distribution Mains	2.0	2,082	20,861	7,654		77	2,576	28,515	1,129		11	3,157
345.0	Services	2.0	2,494	10,407	1,101		16	2,812	11,508	5,247		78	3,222
346.0	Meters	2.7	5,800	39,303	5,578		75	6,736	44,881	2,769		37	7,986
346.3	Water Installations	2.9	160	5,800			0	168	5,800			0	336
348.0	Hydrants	2.5	560	3,736	130		3	821	4,853			0	1,068
391.0	Office Furniture & Equipment	20.0	0	0			0	0	0			0	0
392.0	Transportation Equipment	13.0	852	13,105			0	2,556	13,105			0	4,259
394.0	Tools, Shop & Garage Equipment	5.0	107	845			0	149	845	389		10	201
396.0	Power Operated Equipment	6.7	7,029	20,538			0	8,405	20,538			0	9,781
397.0	Communication Equipment	6.7	131	387			0	157	387			0	183
	Less: Good Improvement	2.5					0	0				0	
	Total		60,387	312,263	18,263	0	219	70,839	330,526	69,178	0	840	82,351

Retirements	Purch. Date (1)	Ret. Date	Cost	Assoc. Res.
1992 Pickup	1991	1997	7,080	5,522
Tractor	1991	1995	4,938	1,323
Tractor/brushhog	1991	1996	600	161
Backhoe	1996	1996	15,000	10,050

(1) Per Staff Plant Schedule, 1992 Case

Schedule 4-7

Terre de Lac Utilities Corp.  
 Depreciation Reserve-Water  
 1998 Internal Rate Case

Acct #	Account Title	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
<b>Source of Supply &amp; Pumping Plant</b>												
300.0	Stipulated Plant, 204	2.5	163,383			0.00	50,328	163,383			0.00	54,412
300.0	Stipulated Plant Additions	2.5	27,800	2,000		25.00	4,458	29,800	1,800		20.00	5,223
311.0	Structures & Improvements	2.5	0			0	0	0			0	0
314.0	Wells & Springs	2.0	22,256			0.00	1,388	22,256	733		7.33	1,840
325.0	Electric Pumping Equipment	5.3	890	183		0.00	334	890			0.00	401
342.0	Distribution Reservoirs & Sandboxes	2.5	41,633			2.29	1,676	41,616	1,338		0.00	2,671
343.0	Transmission & Distribution Mains	2.0	29,644	244		2.44	3,753	29,888			0.00	4,364
343.0	Services	2.9	16,755			0.00	3,707	16,755			0.00	4,193
346.0	Meters	2.7	47,850	1,255		16.94	9,289	48,905	2,200		29.70	10,639
346.3	Meter Installations	2.9	5,800			0	505	5,800	180		0.00	673
348.0	Hydrants	2.5	3,736			0.00	440	3,736	642		2.00	536
391.0	Office Furniture & Equipment	5.0	4,893	1,249		31.23	1,342	6,142			16.05	1,865
392.0	Transportation Equipment	20.0	0			0.00	0	0			0.00	0
394.0	Tools, Shop & Garage Equipment	13.0	13,105			0.00	5,963	13,105			0.00	7,867
396.0	Power Operated Equipment	5.0	1,234			0.00	263	1,234			0.00	325
397.0	Communication Equipment	6.7	20,538			0.00	9,834	15,600	0		0.00	10,879
	Leasehold Improvement	6.7	387	244	(4,938)	(1,323)	217	631			0.00	259
		2.5				8.17						
Total			399,704	5,175	-4,938	-1,237	93,485	399,941	6,673	0	88	105,747

# Schedule 4-8



Terre du Lac Utilities Corp.  
Depreciation Reserve-Water  
1998 Informal Rate Case

Acct #	Account Title	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
	Source of Supply & Pumping Plant												
300.0	Spigotted Plant, 284	2.5	163,383			0.00	56,497	163,383			0.00	62,581	163,383
300.0	Spigotted Plant Additions	2.5	31,400	4,800		60.00	6,068	36,200	3,400		42.50	7,015	39,600
311.0	Structures & Improvements	2.5				0.00	0	0	650		0.00	16	650
314.0	Wells & Springs	2.0	22,989			0.00	2,300	22,989	0 *		0.00	2,760	22,989
325.0	Electric Pumping Equipment	5.3	890			0.00	446	890	13,415		0.00	495	14,305
342.0	Distribution Reservoirs & Standpipes	2.5	41,816			0.00	3,717	41,816			0.00	4,762	41,816
343.0	Transmission & Distribution Mains	2.0	31,226	10,807		108.07	5,096	42,033	8,315		83.15	6,020	50,348
345.0	Services	2.9	16,755	0		0.00	4,679	16,755			0.00	5,165	16,755
346.0	Meters	2.7	51,105	8,353		112.77	12,132	59,458	4,278		57.75	13,795	63,736
346.3	Water Installations	2.9	5,900			0.00	841	5,900			0.00	1,009	5,900
348.0	Hydrants	2.5	3,866	945		11.81	645	4,841	821		10.26	776	5,662
391.0	Office Furniture & Equipment	5.0	6,784			0.00	2,004	6,784	1,533		36.33	2,382	6,317
391.1	Office Computer Equipment	20.0	0	0		0.00	0	0	0		0.00	0	0
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	15,597
394.0	Tools, Shop & Garage Equipment	5.0	1,234	0		0.00	386	1,234			0.00	448	1,234
396.0	Power Operated Equipment	6.7	15,600	16,000	-15,600	(4,611.00)	7,314	16,000	18,199		609.67	8,955	34,189
397.0	Communication Equipment	6.7	631			0.00	302	631			0.00	344	631
	Lessehold Improvement	2.5				0.00			6,500 **		81.25	81	6,500
	Total		406,614	40,905	-15,600	-4,318	113,798	431,919	66,593	-7,080	-3,966	122,811	491,432

\* A well amounting to \$13,415 was added at the end of 1998.  
Because the addition occurred at year-end, no addition was made to reserve.

\* Lessehold improvements reflect improvements to structures in Utility Office and are being depreciated at the "Structures and Improvements" Rate

Schedule 4-9

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

Total Plant in Service	\$	491,432
Subtract from Total Plant Depreciation Reserve		<u>(122,811)</u>
Net Plant in Service	\$	368,621
Add to Net Plant in Service Materials & Supplies		7,654
Subtract from Net Plant Contributions in Aid of Construction, Net of Reserve		<u>(73,118)</u>
Total Rate Base	\$	<u><u>303,157</u></u>
Rate of Return		12.91%
Revenue Requirement	\$	<u><u>39,138</u></u>

Terre du Lac Utilities  
 Depreciation Expense--Water  
 1998 Informal Rate Case  
 File: DEPEXP

	Adjusted Jurisdictional Plant	Dep. Rate	Depreciation Expense
300.0 Stipulated Plant, 2/84	163,383	2.5	4,085
300.0 Stipulated Plant Additions	39,600	2.5	990
311.0 Structures & Improvements	650	2.5	16
314.0 Wells & Springs	22,989	2.0	460
325.0 Electric Pumping Equipment	14,305	10.0	1,431
342.0 Distribution Reservoirs & Standpipes	41,816	2.5	1,045
343.0 Transmission & Distribution Mains	50,348	2.0	1,007
345.0 Services	16,755	2.9	486
346.0 Meters	63,736	2.7	1,721
346.3 Meter Installations	5,800	2.9	168
348.0 Hydrants	5,662	2.5	142
391.0 Office Furniture & Equipment	8,317	5.0	416
391.1 Office Computer Equipment	0	20.0	0
392.0 Transportation Equipment	15,507	13.0	2,016
394.0 Tools, Shop & Garage Equipment	1,234	5.0	62
396.0 Power Operated Equipment	34,199	6.7	2,291
397.0 Communication Equipment	631	6.7	42
Leasehold Improvements	6,500	2.5	163
Total			16,540

Terre du Lac Utilities Corp.  
Calculation of CIAC and CIAC Amortization-Water  
1998 Informal Rate Case

Year	CIAC Beginning Balance	Additions	CIAC Ending Balance	Amort Reserve	CIAC net of Reserve	Amort Exp @2.5%
1984	\$ 0	\$ 4,900	\$ 4,900	\$ 61	\$ 4,839	61
1985	4,900	6,800	11,700	269	11,432	208
1986	11,700	4,200	15,900	614	15,287	345
1987	15,900	2,950	18,850	1,048	17,802	434
1988	18,850	4,550	23,400	1,576	21,824	528
1989	23,400	4,550	27,950	2,218	25,732	642
1990	27,950	3,850	31,800	2,965	28,835	747
1991	31,800	3,150	34,950	3,799	31,151	834
1992	34,950	5,750	40,700	4,745	35,955	946
1993	40,700	7,000	47,700	5,850	41,850	1,105
1994	47,700	4,900	52,600	7,104	45,497	1,254
1995	52,600	3,500	56,100	8,462	47,638	1,359
1996	56,100	3,821	59,921	9,913	50,008	1,450
1997	59,921	17,193	77,114	11,625	65,489	1,713
1998	77,114	9,678	86,792	13,674	73,118	2,049

Ongoing Amortization Expense

CIAC Balance 10/31/98	Amortization @2.5%
\$ 86,792	\$ 2,170

# Terre Du Lac Water & Sewer Company, Inc.

Small Company Rate Filing - Water Service

File # 9900333

Waters

## Rate Making Income Statement - Water

	As Adjusted	Account No.		
<b>Revenue</b>	\$163,738			
			<b>Billing Costs</b>	<b>Commodity</b>
<b>Expenses</b>				
Operating Supp. Exp. - Wells	\$516	602		\$516
Maint. Of W-Source Plant-Well	\$78	605		\$78
Power Purch. - Wells	\$24,475	620		\$24,475
Oper. Supplies - Wells	\$876	623		\$876
Hypochlorite - Wells	\$2,328	624		\$2,328
Maint. - Pumping Plant - Wells	\$10,445	625		\$10,445
Employee Uniforms	\$464	626		\$464
Oper. Labor - Water Lines	\$23,236	640		\$23,236
Oper. Supplies Water Lines	\$854	641		\$854
Maint. Of Rese & Standpipes	\$120	650		\$120
Maintenance of Mains	\$3,080	651		\$3,080
Maintenance of Meters	\$151	653		\$151
Maintenance of Hydrants	\$41	654		\$41
Maintenance of other plant	\$124	655		\$124
Community Promotion	\$0	658		\$0
Transportation Expense	\$6,729	660	\$2,000	\$4,729
G & A Salaries	\$11,792	680.1	\$11,792	
G&A Office Supp & Expense	\$2,280	681.1	\$2,280	
G&A outside Serv. Employ.	\$102	682.1	\$102	
G&A Outside Serv. Computer	\$2	682.2	\$2	
G&A Outside S-Acct.	\$690	682.4	\$690	
G&A Outside Lab Analysis	\$250	682.5	\$250	
G&A Insurance Expense	\$6,245	684.1	\$6,245	
Telephone	\$2,447	685.1	\$2,447	
Postage	\$1,769	685.2	\$1,769	
Rent & Utilities	\$1,556	686.1	\$1,556	
PSC Assessment	\$1,238	687.1	\$1,238	
Education Expense	\$514	687.2	\$514	
G&A Misc General Expense	\$755	689.1	\$755	
Meter Reading Labor - Coll	\$4,554	901.1	\$4,554	
Accounting & Collection Labor	\$11,345	902.1	\$11,345	
Backhoe	\$433	950.1		\$433
Ditch Witch	\$642	950.2		\$642
Air Compressor & Air Track	\$137	950.3		\$137
Dump Truck	\$24	950.5		\$24
Maint. Building Expense	\$1,155	950.8		\$1,155
<b>Settlement Expenses</b>	<b>\$3,010</b>		<b>\$3,010</b>	
<b>Depreciation Expense</b>	<b>\$14,370</b>	403.1		\$14,370
Taxes other than Income Tax	\$979	408.1		\$979
<b>Revenue Requirement (incl. Tax)</b>	<b>\$39,138</b>			\$39,138
<b>Tilley 1 hour</b>	<b>\$1,530</b>		\$1,530	
<b>Part Time Employee</b>	<b>\$3,500</b>			\$3,500
<b>Total Cost of Service</b>	<b>\$183,974</b>		<b>\$52,079</b>	<b>\$131,895</b>
<b>Less: Other Revenues</b>	<b>\$812</b>			<b>\$812</b>
<b>Cost to Recover in Rates</b>	<b>\$183,162</b>		<b>\$52,079</b>	<b>\$131,083</b>
<b>Increase =</b>	<b>\$20,236</b>	<b>12.36%</b>		
<b>Revised Staff Allocation</b>			<b>\$ 52,079</b>	<b>\$ 131,083</b>

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Schedule 5-1

# Terre Du Lac Water & Sewer Company, Inc.

Small Company Rate Filing - Water Service

File # 9900333

**WaterS**

## Water Service Rate Development

### Commodity Charge Development

	Cost Collected	Gallons	
Water Commodity Rate	\$ 131,083	55,691,938	\$2.3537
Allocation:			
To Minimum Bill	\$ 47,969	20,380,000	
To Commodity	\$ 83,114	35,311,938	\$2.3537
Total	\$ 131,083	55,691,938	

### Minimum Monthly Charge Development

Meter Size	Customer	Flow Factor	Meter Equivalents	
5/8"	1,017	1	1,017	98.45%
2"	2	8.0	16	1.55%
Totals	1,019		1,033	

\$ Amount to Recover	Meter Equivalents	Months Per Year	Cost per Meter Equivalent	
\$ 52,079	1033	12	\$ 4.20	Per Meter Equivalent
\$ 47,969	1019	12	\$ 3.92	Per Customer
\$ 100,048			\$ 8.12	5/8" rate

### Staff Recommended Water Rates:

Minimum Monthly Charge - (5/8")	\$ 8.12	per month
Minimum Monthly Charge - (1")	\$ 14.43	per month
Minimum Monthly Charge - (2")	\$ 37.53	per month

Commodity Charge	\$2.3537 per 1000 gallons
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Customer Charge includes 5,000 gal / quarter

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W. R. Hubbs

Schedule 5-2

# Terre Du Lac Water & Sewer Company, Inc.

Small Company Rate Filing - Water Service

File # 9900333

**WaterS**

## Residential Water Customer Impact

Assume Monthly Bill Computation For A Residential Consumer Using 6,000 Gallons Per Month

### Monthly Bill:

	Minimum Charge	Commodity Charge/unit	Usage @ 6000 g (billed)	Total Commodity	Total Bill
<b>Proposed Rates</b>	\$8.12	\$2.35	4,333.33	\$10.20	\$18.32
<b>Current Rates</b>	\$6.25	\$2.44	4,333.33	\$10.57	\$16.82
<b>Difference</b>	\$1.87	-\$0.09		(\$0.37)	\$1.50
<b>Percentage Difference from Current Rates</b>	29.92%	-3.54%		-3.54%	8.89%

Note: Minimum Monthly Charge has 1,666.67 gal per month included in the rate.

Therefore the Customer will be billed only 4,333.33 of the 6,000 gallons per month.

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# Terre Du Lac Water & Sewer Company, Inc.

Small Company Rate Filing - Water Service

W-4

File # 9900333

## Proposed Charges - Water Annualized & Normalized Revenues

### Minimum Bill Revenues

Customer Numbers 5/8" Meters	1017
Customer Bills - 5/8" Meters	12,204
Times:	
Proposed Minimum Monthly Charge	\$ 8.12
Equals:	
Annualized 5/8" Meter Minimum Bill Revenue	\$99,096
Customer Numbers - 2" Meters	2
Customer Bills - 2" Meters	24
Times:	
Proposed Minimum Monthly Charge	\$ 37.53
Equals:	
Annualized 2" Meter Minimum Bill Revenue	\$901
<b>Total Annualized Minimum Bill Revenue</b>	<b>\$99,997</b>

### Commodity Charge Revenues

Gallons Billed	35,311,938
Base Gallons Included in Minimum	16,915,338
Total Gallons Used	52,227,276
Billed Gallons Times	
Proposed Commodity Charge	\$2.3537
Equals:	
<b>Annualized Commodity Charge Revenue</b>	<b>\$83,114</b>

<b>Total Water Rate Revenues</b>	<b>\$183,111</b>
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Miscellaneous Revenues	(Interest Income & late payment charge)	\$812
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<b>Total Water Service Revenues</b>	<b>\$183,923</b>
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