

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
December 14, 1999**

CASE NO: WR-2000-68, SR-2000-69

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Mr. Jim Kwon, President
Terre Du Lac Utilities Corporation
P. O. Box 191
Bonne Terre, MO 63628

Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,



**Dale Hardy/Roberts
Secretary/Chief Regulatory Law Judge**

Uncertified Copy:

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 14th
day of December, 1999.

In the Matter of Terre Du Lac Utilities)	Case No. <u>WR-2000-68</u>
Corporation Water Rate Increase Request.)	Tariff File 9900333

In the Matter of Terre Du Lac Utilities)	Case No. <u>SR-2000-69</u>
Corporation Sewer Rate Increase Request.)	Tariff File 9900334

ORDER SUSPENDING TARIFFS
AND PROVIDING PROCEDURAL SCHEDULE

On July 26, 1999, Terre Du Lac Utilities Corporation (Company) filed revised tariff sheets pursuant to an agreement between the Company and the Commission's Staff for both water and sewer rate increases pursuant to the Commission's Small Company Rate Increase Procedure under 4 CSR 240-2.200. The Company initiated the small company rate increase procedures for its water and sewer rates on October 26, 1998. On August 10, 1999, the Commission issued its *Notice to Supplement File* and the Company complied with that notice by filing the requested information on August 14, 1999.

The revised tariff sheets, Tariff File Nos. 9900333 and 9900334, filed pursuant to the agreement between the Company and Staff had an issue date of August 25, 1999, and an effective date of October 10, 1999.

On August 13, 1999, the Office of the Public Counsel (Public Counsel) filed a *Request for Local Public Hearing* in these cases. The Public Counsel stated that "Public Counsel believes that it would serve the

public interest for a local public hearing to be held in or near the Company's service territory (near Bonne Terre, Missouri) in order to allow public input into the record." Under 4 CSR 240-2.200, the Commission has discretion to hold a local public hearing.

Having considered the Public Counsel's motion, the Commission scheduled a local public hearing in these cases in orders issued September 24, 1999. In addition, the Commission issued orders suspending the effective dates of the proposed tariffs for 120 days to February 7, 2000.

The local public hearing was held jointly for both cases on November 16, 1999, in Bonne Terre, Missouri. Approximately 75 people attended the hearing. Sixteen customers of the Company provided sworn comments for the record. The sworn comments provided new information and also supplemented information provided to the Commission in correspondence concerning the rates and service provided by the Terre Du Lac Utilities Corporation. Based on the record, significant issues have been raised concerning whether the service instrumentalities and facilities provided by the Company are safe and adequate and whether services are provided in a manner that is just and reasonable.

On November 24, 1999, the Commission's Staff filed its *Notice of Intent to Conduct Further Investigation and Motion to Further Suspend Tariff Sheets* in each of these cases. On the same date, the Public Counsel filed its *Request for Variance to Allow Additional Time for Filing of Recommendation* in each of these cases.

Essentially, the Staff is requesting additional time to investigate and report on the concerns raised in the local public hearing and to consider further negotiations and modifications to Company/Staff agreements and pending tariff sheets. In addition, Staff desires to allow additional time to obtain the review and input of the Office of the Public Counsel.

The Public Counsel indicates that Staff's requests are appropriate and supports those requests. Public Counsel asks the Commission's leave and variance to delay filing its recommendation until Public Counsel sees and reviews the results of any further Staff investigation, report and renegotiation of agreements or proposed tariff sheets. If the Commission declines the requests of Staff and of the Public Counsel, the Public Counsel indicated that it disagrees with the current proposed agreement and tariff sheets based on serious doubts regarding whether the Company is currently providing safe and adequate water and sewer service.

If further proceedings or a hearing is required in this matter, the Commission has authority under Section 393.150, RSMo 1994, to suspend the operation of the proposed tariffs for an additional six months beyond an initial suspension period of 120 days.

Based on the record of the concerns and issues presented at the local public hearing and the requests of Staff and of the Public Counsel, the Commission finds that additional time should be provided for further investigation, negotiation, review and related proceedings. Because further proceedings are required and because a hearing may be required, the period of suspension for the proposed tariffs should be extended. To

assure timely consideration of these matters, a procedural schedule should also be provided. A settlement conference will not be scheduled at this time. However, after the initial Staff report or recommendation is filed the Company, the Staff or the Public Counsel may request a settlement conference and specify the remaining issue or issues that the parties desire to review and discuss.

IT IS THEREFORE ORDERED:

1. That the revised tariff sheets, Tariff File Nos. 9900333 and 9900334, filed pursuant to the agreement between Terre Du Lac Utilities Corporation and Staff with issue dates of August 25, 1999, and effective dates of October 10, 1999, and suspended for a period of 120 days to February 7, 2000, are further suspended for an additional 60 days to April 7, 2000.

2. That the Staff of the Missouri Public Service Commission is directed to proceed with a further review of the matters presented in this case and file its report or recommendation no later than January 14, 2000. Modified agreements and revised tariff sheets, if any, may be filed by January 28, 2000. If modified agreements and tariff sheets are negotiated and filed by January 28, 1999, Staff shall also file a recommendation regarding the agreements and tariff sheets by February 4, 2000.

3. That if modified agreements and revised tariff sheets are obtained and filed, the Office of the Public Counsel shall file its recommendation regarding the same by February 11, 1999.

4. That a settlement conference may be requested after January 14, 2000, as described in this order.

5. That this order shall become effective on December 14, 1999.

BY THE COMMISSION

Dale Hardy Roberts

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Lumpe, Ch., Crumpton, Drainer,
Murray and Schemenauer, CC., concur.

Thornburg, Regulatory Law Judge

Alt/Sec'y: Hardy / Pope
Date Circulated 12-7 WR-2000-68
CASE NOS. and
SR-2000-69
12-2,3,4
Lumpe, Chair
Crumpton, Commissioner
and 4
Murray, Commissioner
Schemenauer, Commissioner
and 3
Drainer, Vice-Chair
Agenda Date 12-14
Action taken: 5-045
Must Vote Not Later Than _____

STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson
City, Missouri, this 14th day of December 1999.



Dale Hardy Roberts
Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge