

TERRE DU LAC UTILITIES CORPORATION
1628 S. SAINT FRANCOIS RD.
BONNE TERRE, MO 63628
(573) 358-3376

FILED

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Missouri Public
Service Commission

November 17, 2008

Secretary of the Commission
Missouri Public Service Commission
Attn: Data Center
PO Box 360
Jefferson City, MO 65102

RE Request for Increase in Annual Water and Sewer System Operating Revenues
MO PSC Small Utility Rate Case Procedure

Dear Secretary

Terre Du Lac Utilities Corporation (the Company) holds a certificate of public convenience and necessity granted by the Missouri Public Service Commission (the Commission), under which the Company provides water supply and distribution services and sewer collection services in St Francois and Washington Counties, Missouri. The Commission first authorized the Company to provide regulated water utility service in December of 1973 and sewer collection services in December of 1973. The Company currently provides service to approximately 1300 water and sewer customers within its certified service area under the provisions of its Commission-approved tariffs. The Company's customer rates for water and sewer service are currently the same as those that were last changed in August, 1999.

Pursuant to 4 CSR 240-3.050, the Commission's rule pertaining to rate increase requests made by qualifying small utilities, the Company is hereby requesting an increase of \$35,000 in its annual water system operating revenues. Based upon current customer rates and customer numbers, this increase represents a change of approximately 14% in the Company's annual water system operating revenues.

Pursuant to 4 CSR 240-3.050, the Commission's rule pertaining to rate increase requests made by qualifying small utilities, the Company is hereby requesting an increase of \$61,000 in its annual sewer collection system operating revenues. Based upon current customer rates and customer numbers, this increase represents a change of approximately 25% in the Company's annual sewer collection system operating revenues.

The Company understands that the design of its customer rates, its service charges, its customer service practices, its general business practices and its general tariff provisions will also be reviewed during the Commission Staff's review of the rate increase request, and may thus be the subject of Staff recommendations at the conclusion of the rate increase process

The specific reasons for the requested increase in the Company's annual operating revenues include Increases in operation and maintenance expenses and increases in the Commission's annual utility assessments

We have many onetime projects that need to be take care of I have listed them below for your review

Water System Projects that need attention now

Radionuclides \$250,000
Paint water tower #1 \$15,000
Paint water tower #2 \$25,000
Building for Well #2 \$150,000
Mapping & Engineering \$60,000

Water System Projects needed in the Long-Term

Well \$350,000
Storage \$900,000-\$1,200,000
Main line rehab \$1,600,000

Sewer System Projects that need attention now

Lift Station (Plat 12) \$200,000
2 Lagoon Areators \$15,000
Manhole Rehabilitation \$100,000
Treatment Plant sludge tanks Amount unknown
Mapping & Engineering \$70,000
Lift Station Rehab \$50,000
Dredge lagoons \$300,000

Sewer System Projects needed in the Long-Term

Clarifier at treatment plant \$900,000-\$1,300,000

Lastly, I wish to advise you that the Company is current on the payment of its Commission annual assessments. All past assessments have been paid in full and the current assessment is being paid quarterly and the filing of its Commission annual reports. Additionally, the Company will remain current on these items during this small company rate increase procedure.

Thank you for your attention to this important matter. Please contact me at your convenience if you need additional information regarding this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Tilley", written in a cursive style.

Michael Tilley
President

Copies: Jim Russo – Commission Staff
Christina Baker – Office of the Public Counsel