

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Terre	)	
Du Lac Utilities Corporation for a Small	)	<u>Case No. WR-2009-0218</u>
Utility Rate Increase.	)	

**OFFICE OF THE PUBLIC COUNSEL'S REQUEST
FOR DISCUSSION MEDIATION**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Request for Discussion Mediation states as follows:

1. On November 21, 2008, Terre Du Lac Utilities Corporation (Terre Du Lac) initiated a small company revenue increase request for its water services in St. Francois and Washington Counties, Missouri.
2. On February 19, 2009, the Staff of the Missouri Public Service Commission (Staff) provided the preliminary audit results of Staff's initial audit/investigation to Terre Du Lac and Public Counsel. Workpapers supporting Staff's preliminary audit results were not received by Public Counsel until March 16, 2009.
3. On March 23, 2009, Staff provided a disposition agreement proposal packet to Terre Du Lac and Public Counsel which proposed a revenue decrease in the utility rates. As a caveat to this packet, Staff stated that the Auditing department was making some changes to the audit and that the recommended revenue decrease would be smaller (closer to zero).
4. Because no updated information had been received, on April 6, 2009, Public Counsel contacted Staff regarding its statement that it was going to be making changes to the audit. Public Counsel reminded Staff that disposition agreements are due to be filed by April 20, 2009 and Public Counsel stressed that it needed adequate time to review any changes to the audit

before that date. Staff's response was that it hoped to have updated audit numbers by April 10, 2009.

5. According to the case activities timeline filed in this case, the basic Staff audit/investigation work was to be completed by February 9, 2009. Public Counsel was to be given the time between March 23, 2009, when Staff was to provide a finalized settlement proposal packet to Terre Du Lac and Public Counsel, and April 20, 2009, when the disposition agreement is due to be filed, to perform its review, get clarification and additional information as necessary, and determine whether Public Counsel would be a signatory to the disposition agreement. However, instead of having a total of 28 days for its review, Public Counsel is faced with a review of an entirely new audit result and disposition agreement within 10 days, if not less.

6. 4 CSR 240-3.050(11) states: "At any time prior to the filing of the disposition agreement, the assigned regulatory law judge may be called upon to meet with the participants and mediate discussions to assist them in reaching at least a partial agreement."

7. Public Counsel states that mediation discussion is necessary to facilitate a discussion regarding the reasons for Staff's delay in providing Terre Du Lac and Public Counsel a finalized audit result and disposition agreement proposal, a listing of what changes Staff is expecting to make to its March 23, 2009 disposition agreement proposal packet, an exact timeline when a finalized disposition agreement proposal will be provided by Staff and the remedies that are available to Public Counsel given that its time for review has been severely diminished.

WHEREFORE, Public Counsel respectfully submits its request for discussion mediation regarding Public Counsel's concerns as listed above.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ Christina L. Baker

By:_____

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 8th day of April 2009:

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