

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

In the Matter of a Request of a Rate Increase)	<u>Case No. WR-2014-0104</u>
by Terre Du Lac Utilities Corporation)	Tracking No. YW-2014-0368

In the Matter of a Request of a Rate Increase)	<u>Case No. SR-2014-0105</u>
by Terre Du Lac Utilities Corporation)	racking No. YS-2014-0369

STAFF’S RESPONSE TO ORDER DIRECTING FILING

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Response to Order Directing Filing*, states as follows:

1. On August 13, 2014, the Commission, mindful of § 393.275, RSMo., by order directed Staff to file a response “[i]f the Commission issues an order approving tariff sheets, and those tariff sheets increase rates more than seven percent[.]”

Section 393.275, RSMo., provides:

1. The commission shall notify the governing body of each city or county imposing a business license tax pursuant to section 66.300, 92.045, 94.110, 94.270 or 94.360, or a similar tax adopted pursuant to charter provisions in any constitutional charter city with a population of at least three hundred fifty thousand inhabitants which is located in more than one county, on gross receipts of any gas corporation, electric corporation, water corporation or sewer corporation of any tariff increases authorized for such firm doing business in that city or county if the approved increase exceeds seven percent. The commission shall include with such notice to any city or county the percentage increase approved for the utility, together with an estimate of the annual increase in gross receipts resulting from the tariff increase on customers residing in that city or county. The provisions of this subsection shall not apply to rate adjustments in the purchase price of natural gas which are approved by the commission.

2. The governing body of each city or county notified of a tariff increase as provided in subsection 1 of this section shall reduce the tax rate of its business license tax on the gross receipts of utility corporations. Within sixty days of the effective date of the tariff increase, the tax rate shall be reduced to the extent necessary so that revenue for the ensuing twelve months will be approximately equal to the revenue received during the preceding twelve months plus a growth factor. The growth factor shall

be equal to the average of the additional revenue received in each of the preceding three years. However, a city or county may maintain the tax rate of its business license tax on the gross receipts of utility corporations without reduction if an ordinance to maintain the tax rate is enacted by the governing body of the city or an order to maintain the tax rate is issued by the governing body of the county after September 28, 1985. The provisions of this subsection shall not apply to rate adjustments in the purchase price of natural gas which are approved by the commission.

2. On August 20, 2014, the Commission issued its *Order Approving Tariff and Incorporating Disposition Agreement* in each of the above cases. In Case No. WR-2014-0104, the increase approved was 19.21%; in Case No. SR-2014-0105, the increase approved was 22.61%. Therefore, by the terms of the Commission's order of August 13, 2014, Staff must file a response containing certain information.

3. Terre Du Lac Utility Corporation operates in St. Francois and Washington Counties; it does not operate within any municipality. Upon investigation, Staff has determined that Terre Du Lac Utilities Corporation does not operate in any city or county that imposes a business license tax upon the gross receipts of utility corporations. Therefore, the Commission need not make the notification required by § 393.275.1, RSMo., with respect to the rate increases approved in these cases.

WHEREFORE, Staff prays that the Commission will accept its *Response*; and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

/s/ Kevin A. Thompson

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing has been served, by hand delivery, electronic mail, or First Class United States Mail, postage prepaid, to all parties of record on the Service List maintained for this case by the Data Center of the Missouri Public Service Commission, **on this 3rd day of September, 2014.**

/s/ Kevin A. Thompson