

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

In the Matter of a Request of a Rate Increase by       )  
Terre Du Lac Utilities Corporation.                       )       **File No. WR-2014-0104**

In the Matter of a Request of a Rate Increase by       )  
Terre Du Lac Utilities Corporation.                       )       **File No. SR-2014-0105**

**THE OFFICE OF THE PUBLIC COUNSEL'S REQUEST  
FOR EVIDENTIARY HEARING**

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

1. On October 21, 2013, Terre Du Lac Utilities Corporation (TDLU) initiated the above stated small company rate increase proceedings with the Missouri Public Service Commission (Commission) requesting a 16.5% increase in its annual sewer system operating revenues and a 15% increase in its annual water system operating revenues.
2. On March 21, 2014, the Staff of the Missouri Public Service Commission (Staff) filed in each case a *Notice of Company/Staff Agreement Regarding Disposition of Small Company Rate Increase Request* (Company/Staff Agreements) indicating agreement between Staff and TDLU for an increase of \$38,520 (16.88%) in operating revenues for the water system and an increase of \$73,985 (28.09%) in operating revenues for the sewer system. Public Counsel did not join in the agreements.
3. Revised tariff sheets reflecting the proposed rates agreed to in the Company/Staff Agreements were filed by TDLU on March 25, 2014, bearing an effective date of May 15, 2014.

4. On March 28, 2014, in compliance with 4 CSR 240.3-050(15), Public Counsel filed a Request for Local Public Hearing. In its filing Public Counsel requested that the Commission: (1) schedule a local public hearing; (2) suspend the proposed revised tariff sheets for a sufficient period to allow adequate time for a local public hearing and subsequent case disposition as appropriate; and (3) grant a waiver of the requirement that the written notice of the proposed tariff revisions be mailed no later than five (5) working days after the utility makes its tariff filing to allow for the mailing of a combined proposed tariff notice and local public hearing notice.

5. On March 28, 2014, the Commission granted Public Counsel's requests to convene a local public hearing, combine customer notices and waive the time limit for the customer notice. However, the Commission reserved ruling as to Public Counsel's request to suspend the proposed tariffs.

6. On April 15, 2014, a local public hearing was held to allow customers to comment on the proposed rate increases.

7. 4 CSR 240-3.050 (19) requires Public Counsel to file, no later than ten (10) working days after the local public hearing, a pleading stating its position regarding the Company/Staff Disposition and the related tariff revisions, or requesting that the Commission hold an evidentiary hearing, and providing the reasons for its position or request. 4 CSR 240-3.050 (20) states that if Public Counsel requests an evidentiary hearing, the request shall include a specified list of issues that the Public Counsel believes should be the subject of the hearing.

8. Public Counsel, Staff and TDLU have been in active discussion regarding a resolution of this matter. However, at this time a resolution has not been achieved. Therefore, pursuant to the requirements in 4 CSR 240-3.050 (19), Public Counsel now states that it wishes to request an

evidentiary hearing. Should a unanimous agreement on all the issues be achieved and filed with the Commission, Public Counsel will withdraw its evidentiary hearing request.

9. Pursuant to 4 CSR 240-3.050 (19) and (20), Public Counsel has attached its specified list of issues it believes should be the subject of the hearing and the reasons for its request. (See Attachment A) Public Counsel wishes to note to the Commission that while the number of unresolved issues may seem daunting, Public Counsel fully intends to continue discussions with the parties in order to limit the number of issues actually heard at the evidentiary hearing.

10. 4 CSR 240-3.050 (20) also states that, upon an evidentiary hearing request, the utility's pending tariff revisions shall then be suspended by the Commission to allow time to conduct an evidentiary hearing, complete any post-hearing procedure, and allow time for a Commission decision within the timeframe of the small company rate case. As the completion of these activities could easily extend past the proposed tariffs' effective date of May 15, 2014, Public Counsel renews its request that the proposed tariffs be suspended for a sufficient timeframe beyond May 15, 2014, so as to allow adequate time for the evidentiary hearing and subsequent case disposition.

**WHEREFORE,** Public Counsel respectfully requests that the Commission schedule an evidentiary hearing in this matter and suspend the proposed tariffs to allow adequate time for the evidentiary hearing and subsequent case disposition.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

**/s/ Christina L. Baker**

By: \_\_\_\_\_

Christina L. Baker (#58303)

Deputy Public Counsel

P O Box 2230

Jefferson City, MO 65102

(573) 751-5565

(573) 751-5562 FAX

[christina.baker@ded.mo.gov](mailto:christina.baker@ded.mo.gov)

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 29<sup>th</sup> day of April 2014:

General Counsel Office  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
[staffcounsel@psc.mo.gov](mailto:staffcounsel@psc.mo.gov)

Kevin Thompson  
General Counsel Office  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
[Kevin.Thompson@psc.mo.gov](mailto:Kevin.Thompson@psc.mo.gov)

Terre Du Lac Utilities Corporation  
1628 S. St. Francois Road  
Bonne Terre MO 63628  
[tdlu@charter.net](mailto:tdlu@charter.net)

**/s/ Christina L. Baker**

\_\_\_\_\_

**Attachment A**  
**Public Counsel's Unresolved Issues**

- **Miscellaneous Revenues:** Difference due to an offset of maintenance expense regarding customer sewer pumps because some costs have been booked in the wrong accounts and/or wrong utility service.
- **Salaries & Wages:** Public Counsel has concerns with the inclusion of salaries for employees which do not exist at this time. Information in the General Ledger does not match the actual receipts and some costs have been booked in the wrong accounts and/or wrong utility service. Public Counsel also has concerns regarding the calculation of overtime pay and the unreasonable inclusion of payroll bonuses.
- **Uniform Allowance:** Public Counsel is concerned that not all employees' costs have been included.
- **Outside Services - MO One Call:** Some costs have been booked in the wrong accounts and/or wrong utility service.
- **Outside Services - Lawn Mowing:** Some costs have been booked in the wrong accounts and/or wrong utility service.
- **Outside Services - Sludge Hauling:** Due to the contract with another Company the Test Year amount is reasonable. However, using any type of average would be unreasonable due to 12 months ending 9/30/12 being unusually high.
- **Management Fees:** Some costs have been booked in the wrong accounts and/or wrong utility service.
- **Operating Supplies - Water Lines:** Some costs have been booked in the wrong accounts and/or wrong utility service.

- System Repairs & Maintenance: Public Counsel has concerns regarding repair and maintenance costs for wells, pumping, mains, meters, gravity systems, pumping systems, customer pressure pumps, treatment & disposal and other plant facilities. Some costs have been booked in the wrong accounts and/or wrong utility service. Public Counsel also disallowed certain unreasonable costs.
- Operating Supplies & Expense: Information in the General Ledger does not match the actual receipts and some costs have been booked in the wrong accounts and/or wrong utility service.
- Outside Services - Accounting Services: Test year information was not properly utilized for calculations.
- Outside Services - Larry Hawkins Excavating: Some costs have been booked in the wrong accounts and/or wrong utility service.
- General & Administrative - Outside Services: Some costs have been booked in the wrong accounts and/or wrong utility service.
- Professional Development: Some costs have been booked in the wrong accounts and/or wrong utility service.
- Office Phone & Wireless Phones: Unreasonable costs should be disallowed.
- Big River Broadband - Internet Service: Costs do not match the actual receipts.
- Fuel Expense (Vehicle and Equipment): Unreasonable costs should be disallowed.
- Insurance – Vehicles: Costs do not match the actual receipts and unreasonable costs should be disallowed. Allocation should be based on payroll.
- Insurance - Dental & Life: Costs do not match the actual receipts.
- Insurance - Workers Compensation: Allocation should be based on payroll.

- Insurance - Property & Casualty: Allocation should be based on rate base.
- Maintenance - Building Expense: Costs do not match the actual receipts and unreasonable costs should be disallowed.
- MO Rural Water Association Fees: Some costs have been booked in the wrong accounts and/or wrong utility service.
- Real & Personal Property Taxes: Public Counsel believes it is unreasonable to build in personal property tax expense for imputed 2009 Ford Ranger included to replace the 2011 Cadillac CTS.
- CIAC Amortization Expense: Differences due to plant calculation differences.
- Amortization Expense: Differences due to plant calculation differences.
- Depreciation Expense: Differences due to plant calculation differences.
- Payroll Taxes: Differences due to payroll calculation differences.
- Debt Interest Expense: Differences due to debt calculation differences.
- Income Taxes: Differences due to revenue calculation differences.
- Return on Rate Base: Differences due to rate base calculation differences.
- Plant in Service: Information in the General Ledger does not match the actual receipts and some costs have been booked in the wrong accounts and/or wrong utility service.
- Accumulated Depreciation Reserve: Differences due to plant calculation differences.
- CIAC: Information in the General Ledger does not match the actual receipts and some costs have been booked in the wrong accounts and/or wrong utility service.
- CIAC Depreciation: Differences based on CIAC calculation differences.
- Total Rate Base: Information in the General Ledger does not match the actual receipts and some costs have been booked in the wrong accounts and/or wrong utility service.

- Capital Structure: Differences due to plant and debt calculation differences.
- PSC Assessment: Costs unreasonably based on the inclusion of the July 1, 2013 PSC Assessment level for sewer when it is known that the PSC Assessment for sewer is expected to decrease by a significant and material amount on July 1, 2014.
- Depreciation Sheets w/ Salvage Values: Proposed depreciation sheets contain salvage values which have no basis other than staff internal policy.
- Depreciated Plant: Calculations unreasonably contemplate continued depreciation for fully depreciated plant.