

SECOND CUSTOMER NOTICE

March 30, 2009

Dear Customer:

On October 21, 2008, Peaceful Valley Service Company (Company) submitted a request for increases in its annual water and sewer operating revenues to the Missouri Public Service Commission (Commission), under the provisions of the Commission's small utility rate case procedure. By its request, the Company was seeking changes to its customer rates intended to generate increases in its annual water and sewer operating revenues of \$6,154 and \$7,344, respectively.

As a result of the Company's request, the Staff of the Public Service Commission (Commission Staff) conducted an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon the results of its audit and investigation, the Commission Staff has concluded that a decrease of \$3,454 in the Company's annual water operating revenues and an increase of \$13,219 in the Company's annual sewer operating revenues are warranted, that changes to and the addition of certain service charges are warranted, that changes to the service connection fees are warranted and that certain changes to the Company's system operations and business operations are warranted. The Company has agreed with the Commission Staff's audit findings and conclusions, and has entered into an agreement with the Commission Staff to implement those findings and conclusions. Set out at the end of this notice is a table that summarizes the proposed revisions to the Company's rates and charges, and that includes a monthly bill comparison for a residential customer.

The Office of the Public Counsel (OPC), a state agency responsible for representing the interests of utility consumers before the Commission, has reviewed the results of the Commission Staff's investigation and the related Company/Staff agreement. However, the OPC has not yet taken a final position regarding those results or the provisions of the agreement.

Any customer that has comments about the proposed revisions to the Company's rates and charges, or that has comments regarding recent service-related problems, should contact the Commission Staff and/or the OPC *within 20 days of the date of this notice*. To do so, please use the mailing addresses, telephone numbers, fax numbers or e-mail addresses shown below. You may also submit comments via the Commission's Website by following the instructions in the following paragraph. Regardless of how you submit your comments, please include a reference to Case No. SR-2009-0146 and/or WR-2009-0145.

Public Service Commission
Attn: Water/Sewer Dept.
P.O. Box 360
Jefferson City, MO 65102
Phone: 800-392-4211
Fax: 573-751-1847
E-Mail: water.sewer@psc.mo.gov

Office of the Public Counsel
Attn: Water/Sewer Dept.
P.O. Box 2230
Jefferson City, MO 65102
Phone: 866-922-2959
Fax: 573-751-5562
E-Mail: mopco@ded.mo.gov

To submit your comments via the Commission's Website, please do as follows: (1) go to <http://www.psc.mo.gov>; (2) click on "EFIS / Case Filings" on the menu bar on the left side of the page; (3) on the next page, click on the "Public Comment" icon under Submit Public Comments; and (4) fill out and submit the Public Comments form, including one of the case numbers shown above. (To submit comments for both cases, the process must be repeated for each case number.)

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Depending upon the responses to this notice, the OPC may request that the Commission hold a local public hearing. Regardless of whether a local public hearing is held, no changes to the Company's rates will take effect without the specific approval of the Commission.

Lastly, please be advised that all currently available information regarding the Company's revenue increase requests may be obtained via the Commission's Website as follows, and please also note that this information will be updated as the subject cases move forward.

- Go to <http://www.psc.mo.gov>
- Click on "EFIS / Case Filings" on the menu bar on the left side of the page
- On the next page, click on the "Docket Sheet" icon under View Information On A Specific Case
- On the next page, enter SR-2009-0146 or WR-2009-0145 in the box to the right of Case No. and hit the Enter key on your keyboard (this will bring up a page that contains all of the documents that have been filed in the case to date)
- To view a particular document, click on the number in the "Item No." column

If you have questions about this notice, or about anything else, please feel free to contact Jim Verhulst at (573) 437-7808.

Sincerely,



August Hognschmeyer
Secretary of the Board
Peaceful Valley Service Company

Type of Charge	Current Rates	Proposed Rates
Monthly Residential Water Charge	\$32.25	\$29.24
Monthly Residential Sewer Charge	\$14.20	\$33.53
Late Fee	No charge	\$ 5.00
Returned Check Fee	No charge	\$25.00
Sewer Tap-on Fee	\$843.00	\$450.00
Water Tap-on Fee	\$200.00	\$875.00