

JEFFERSON CITY CUSTOMER NOTICE

December 20, 2007

Aqua Missouri, Inc. (Aqua) submitted a request on December 7, 2007 for permanent increases in its current sewer rates for Jefferson City Area to the Missouri Public Service Commission (Commission), under the provisions of the Commission's small company rate increase procedure.

By its request, Aqua is seeking increases in its customer rates intended to generate an increase in its annual sewer operating revenues of \$700,892 (128.75 percent). This increase in operating revenue is necessary due to increases in operating expenses and more than \$1.2 million (approximately \$700 per customer) the company has invested in capital improvements since early 2005 to improve water quality and maintain compliance with wastewater regulations. Included in that investment are sewer main replacements, the rehabilitation of multiple lift stations, upgrades to several treatment facilities including new control panels, and pump, motor and blower replacements. In its request, the Company recognizes that the Commission might require changes to its general business practices, customer service practices and general tariff provisions, and the design of its customer rates. At the end of this notice is a table that includes a comparison of the Company's current monthly flat rates and the proposed monthly flat rates, which would increase by \$35.73 to adequately recover capital and operating expenses.

In the near future, the Staff of the Public Service Commission (Commission Staff) will conduct an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon that audit and investigation, the Commission Staff will develop its positions regarding the Company's requested increase in its annual operating revenues. Additionally, the Commission Staff will develop positions regarding the need for changes in the Company's service charges, connection fees, general tariff provisions, business operations and system operations, and in the design of the Company's customer rates.

The Office of the Public Counsel (OPC), a state agency responsible for representing the interests of utility consumers before the Commission, may also conduct its own audit and investigation, but at a minimum will review the results of the Commission Staff's audit and investigation.

Any customer who has questions or comments regarding the Company's rate increase request, or who has comments regarding recent service-related problems, should contact the Commission Staff and/or the OPC, within 30 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, and please also include a reference to request number QS-2008-0005. As a part of their investigations into the Company's rate increase request, the Commission Staff and the OPC will review all customer comments they receive in response to this notice.

Public Service Commission	Office of the Public Counsel
Attn: Water/Sewer Dept.	Attn: Lewis Mills
P.O. Box 360	P.O. Box 2230
Jefferson City, MO 65102	Jefferson City, MO 65102
Phone: 800-392-4211	Phone: 866-922-2959
Fax: 573-751-1847	Fax: 573-751-5562
E-Mail: water.sewer@psc.mo.gov	E-Mail: mopco@ded.mo.gov

Upon completion of the Commission Staff's and the OPC's investigations, the Company may be required to send out a second customer notice regarding the results of the investigations. Additionally, the OPC may request that the Commission hold a local public hearing. However, neither a second customer notice nor a local public hearing will happen automatically. Therefore, please take the time now to express your views about the Company's rate increase request, and its business and system operations, to the Commission Staff and the OPC.

Regardless of whether the Company sends out a second customer notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the specific approval of the Public Service Commission.

If you have questions about this notice, or about anything else with which the Company may be of assistance, please feel free to contact Aqua at 877.WTR.AQUA (877.987.2782).

Jefferson City Sewer

Type of Charge	Current Rates	Rates Increased by 128.75%
Monthly Flat Rate-Residential	\$27.75	\$63.48
Monthly flat rate-Mobile Homes within a park and Multi-family	\$23.58	\$53.94
Monthly Commercial and Industrial- first 7,000 gallons	\$27.75	\$63.48
Commercial and Industrial-usage over 7,000 gallons, per 1,000 gallons	\$3.965	\$9.070