

July 15, 2009

Secretary of the Commission Missouri Public Service Commission Attn: Data Center P.O. Box 360 Jefferson City, MO 65102 Aqua Missouri, Inc. 1000 South Schuyler Avenue Kankakee, IL 60901 T: 815.935.6535 F: 815.935.8809 www.aquamissouri.com

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Missouri Public Service Commission

RE: Aqua Missouri, Inc.

Requests for Increases in Annual Sewer and Water System Operating Revenues MPSC Sewer Utility and Water Utility Small Company Rate Increase Procedures

Dear Secretary:

Aqua Missouri, Inc. (the company) holds a certificate of public convenience and necessity granted by the Missouri Public Service Commission (the Commission), under which the Company provides sewer collection and treatment services, through its Jefferson City division in Cole and Callaway Counties, serving approximately 1,800 customers in the communities of Jefferson City, Holts Summit, New Bloomfield and Eugene, and through its Maplewood division in Pettis County serving approximately 385 customers in the community of Sedalia. For both divisions, customer rates for sewer service were last changed in September, 2008.

In addition, the company provides water supply and distribution services to its (1) Maplewood division in Pettis County, in the community of Sedalia and (2) Lake Carmel division in Cole County, in the community of Eugene, which combined serve approximately 435 customers. Customer rates for water service were last changed in September, 2008.

Pursuant to 4 CSR 240-3.330, the Commission's rules pertaining to rate increase requests made by small sewer utilities, the Company is hereby requesting an increase of \$284,300 in its annual sewer operating revenues for its Jefferson City division. Based upon current customer rates and customer numbers, this increase represents changes of approximately 29.2% in the Company's annual sewer operating revenues.

For the Maplewood division, the Company is hereby requesting an increase of \$41,100 in its annual sewer operating revenues. Based upon current customer rates and customer numbers, this increase represents changes of approximately 34.6% in the Company's annual sewer operating revenues.

Pursuant to 4 CSR 240-3.635, the Commission's rules pertaining to rate increase requests for small water utilities, the Company is hereby requesting an increase of \$40,900 in its annual water operating revenues for its Maplewood and Lake Carmel customers. Based

upon current customer rates and customer numbers, this increase represents a change of approximately 27.5% in the Company's annual water operating revenues.

The specific reasons for the requested increase in the Company's annual operating revenues for sewer and water service include primarily increases in operation and maintenance expenses since 2007, and a drop in revenue from the level last allowed. In addition, the Jefferson City sewer division has made capital additions that are driving a portion of its increase.

The Company understands that the design of its customers' rates, its service charges, its customer service practices, its general business practices and its general tariff provisions may also be reviewed during the Commission Staff's review of the rate increase request, and may thus be the subject of Staff recommendations at the conclusion of the rate increase process.

Requested Tariff Changes

The Company is requesting a revision in the tariff pages that relate to a returned check fee on P.S.C. No 2, Original Sheet SR 5, paragraph 5, such that a \$25.00 fee will apply to any returned check.

Secondly, on that same page of P.S.C. No. 2, Original Sheet SR 5, paragraph 6, the Company is proposing to eliminate this paragraph.

Thirdly, on P.S.C. MO No. 2, First revised Sheet No. WRR 14, paragraph 5(e), the Company is requesting that language be added to prohibit the use of any material containing lead.

Finally, on P.S.C. MO No. 1, First Revised Sheet WR2, the Company is requesting the addition of a Returned Check Charge of \$25.00.

The Company is current on the payment of its Commission annual assessments, since all past and current assessments have been paid in full, and on the filing of its Commission annual reports. Additionally, the Company will remain current on these items during the processing of this rate increase request.

Thank-you for your attention to this important matter, and please contact me at your convenience if you need additional information regarding this request.

Sincerely,

Terry J. Rakocy President

Copies: Jim Busch, Water and Sewer Department Lewis Mills, Office of the Public Counsel