

Petitioners Exhibit No. 3

Case No(s) WC-2007-0303

Date 10-29-07 Rptr for

Capital Utilities, Inc.

P.O. Box 7017
Jefferson City, MO 65102
(314) 634-2699

FILED

NOV 21 2007

Missouri Public
Service Commission

File

EXHIBIT

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Oct 10-22 07

September 28, 1993

Ed Storey
2916 Foxdale Drive
Jefferson City, MO 65109

Re: Sewer Service - Quail Valley Lake Subdivision

PETITIONER'S
EXHIBIT

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Dear Mr. Storey:

This letter is to inform you of the status of your wastewater collection and treatment system currently under construction in the Quail Valley Lake Subdivision and to also introduce you to Capital Utilities, Inc. We understand you have been provided on-going updates as to the status of the system through your Association newsletter. Hopefully, the following information will contain no major surprises.

The wastewater treatment facility located below the Lake is essentially completed and operating with such items as fencing and final landscaping yet to be completed. The facility is designed to accommodate the wastewater loading generated by the complete development of your subdivision. The treatment method will meet the regulatory requirements of the Missouri Department of Natural Resources (MDNR). The wastewater collection system is approximately 30% complete with homes on the west side of the Lake now being connected to the system. Construction conditions permitting, all residents should be served by the end of the year.

The system is being constructed by the developer of Quail Valley Lake, Mr. Ed Storey, who has retained local contractors for the actual installation of the collection piping and treatment system. Any questions relating to the construction as it affects your particular property should be directed to Mr. Storey. The system, when completed, will be owned and operated by Capital Utilities, Inc.

Capital Utilities is an investor owned, Missouri PSC regulated, water and sewer utility company which was initially formed in Cole County as the successor to the Cole County Regional Sewer District. We presently own and operate twenty-seven (27) small wastewater systems in Cole and southern Callaway Counties providing sewer service to approximately 700 residences. Our rates and operating rules are regulated by the Missouri Public Service Commission (PSC) with reporting requirements to both that agency and the MDNR.

The two (2) principals of Capital Utilities are local area residents with over forty (40) years of combined experience in the water and wastewater field. They are professionals in their field and can assure their customers that they will be dealt with in a courteous and professional manner. You are encouraged to contact our office with any questions or comments that you may have regarding your sewer service.

The following informational items are being provided in an attempt to address many of your questions:

- The sewer service charge as currently approved by the Missouri PSC is a flat rate of \$17.20 per month.
- Billing invoices are normally mailed on or about the 25th of each month for service to be provided the following month.
- Payment is due the 15th of the service month. A \$5.00 late penalty may be assessed to delinquent accounts.
- Your first billing should be for the month following the month in which you were actually connected.
- An "Application for Service" will accompany the initial billing invoice. Please complete and return with your first payment. The information on this form is important in that it allows us to contact the resident(s) in case of an emergency.
- The day to day operation of the facilities are performed by a local contract operations firm, Helms Environmental Services, Inc. Your inquiries to this address and/or telephone number will normally be taken by a Helms representative. Emergency calls are answered 24 hours a day, seven (7) days a week. You are encouraged to contact the office during the hours of 8:00 A.M. to 5:00 P.M. to discuss any issues not of an emergency nature.
- Our local office is located at 312 Lafayette Street and is open during the 8-5 hours noted above. You are invited to stop by and discuss any aspect of your wastewater service.
- Our maintenance responsibility does not include the Customer's service line or, in the case of Quail Valley Lake, the aeration basin. You should be aware that these aeration basins located at each home are

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essential to the proper operation of the wastewater collection system. They will require routine maintenance with the periodic removal of accumulated solids the major responsibility. Your aeration basin should have solids removed on a three (3) to (5) year schedule. This service can be provided by our Company or any qualified septic tank hauler.

Again, should you have any questions regarding your sewer service, feel free to contact us. We feel being responsive to the concerns of our customers is a very important building block to establishing a good, long lasting relationship.

Sincerely,

Milton E. Leed
CAPITAL UTILITIES, INC.



GIBBS POOL AND TURNER, P.C.
ATTORNEYS

November 2, 2007

Pat Stewart
Midwest Litigation Services
3432 W. Truman Blvd.
Suite 207
Jefferson City, MO 65109

Dear Pat:

Please find attached the original Plaintiff's Exhibit 3 from Dr. Doerhoff's deposition wherein he highlighted paragraph 3 of the first page. I erroneously retained this exhibit and failed to give it to you at the end of Dr. Doerhoff's deposition. Please see that this exhibit is likewise attached to his deposition.

Please contact me with any questions regarding this item.

Very truly yours,

GIBBS POOL AND TURNER, P.C.

Scott R. Pool
Email: Pool@gptlaw.net

SRP:mf
Enclosure

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