

GLADLO WATER & SEWER COMPANY
INITIAL CUSTOMER NOTICE OF PROPOSED RATE INCREASE

November 10, 2016

Dear Customer:

On October 28, 2016, Heartland Utilities, LLC submitted a request for increases in the annual water and sewer operating revenues for the Gladlo Water & Sewer Company (Company) to the Missouri Public Service Commission (Commission). Heartland Utilities, LLC is the court-appointed receiver (Receiver) for the Company, and manages the utility until a buyer is found. The reason for the revenue increases is to cover increases in expenses and capital improvements to the Company's facilities.

By its request, the Receiver is seeking changes to its customer rates intended to generate an increase in its annual water operating revenues of \$3,655 (approximately 17.25%) and an increase in its annual sewer operating revenues of \$3,151 (approximately 15.8%), respectively. The Receiver is also proposing a five-year temporary surcharge of \$4.14 per customer per month devoted specifically to debt reduction on previously incurred repairs to the well pump, electrical controls and well house, which brings the total proposed increase of water rates to approximately 34%. At the end of this notice is a table that compares the Receiver's current residential customer rates and the proposed residential rates.

To provide comments regarding the Receiver's revenue increase request, or comments regarding service-related problems, please contact the Commission Staff and/or the Office of the Public Counsel (Public Counsel) ***within 30 days of the date of this notice***. Your comments should include a reference to case numbers WR-2017-0131 and SR-2017-0130. The Commission Staff and the Public Counsel will review all customer comments submitted in response to this notice. All comments will be filed in the official case file for review by the Commissioners.

To submit your comments in writing:

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:

- (1) Go to <http://www.psc.mo.gov>;
- (2) Click on the Submit Comments box under the "How Do I..." heading on the right top of the page.
- (3) From this page click on the "submit comment" link found under "Submit Comments in Writing"; and
- (4) Fill out and submit the Public Comments form, including the case number shown above. If you want to attach a document, before clicking the "Submit" button, click the "Attach" button. There are instructions on that page for attaching the document and returning to the previous screen.
- (5) Click the "Submit" button at the bottom of the page.

Lastly, please be advised that all currently available information regarding the Receiver's rate increase request may be obtained via the Public Service Commission's Website as follows, and please also note that this information will be updated as the case moves forward.

- * Go to <http://www.psc.mo.gov>
- * In the menu column on the right side of the page click on "Access EFIS Without Login".
- * Scroll down to "View Information on a Specific Case" and click on the "Docket Sheet" link.
- * From the Docket Sheet page, enter WR-2017-0131 or SR-2017-0130 in the Case Number Field. and press 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 item number in the left column.
- * A second window will open. Click on the document link to view the document.

Based on a proposed 15.8% water rate increase, plus the surcharge, rates would increase to the amounts shown below. Additionally, based on an average customer use of 5,000 gallons per month, an average monthly bill would change as shown below.

<u>Water Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Proposed Amount of Rate Change</u>
Monthly Minimum Charge (includes first 1,000 gallons)	\$9.97	\$11.55	\$1.60
Usage over 1,000 gallons (per 1,000 gallons)	\$3.77	\$4.37	\$0.60
Surcharge	N.A.	\$4.14	\$4.14
Total Monthly Water Bill*	\$25.05	\$33.17	\$8.12

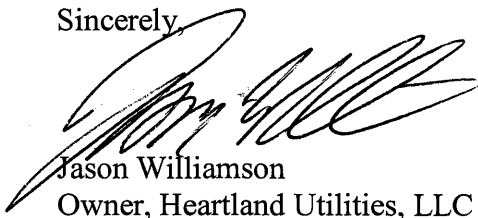
*5,000 gallons of usage per month is an example only. Your bill will vary depending on your usage.

Based on a proposed 17.25% sewer rate increase, rates would increase to the amounts shown below.

<u>Sewer Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Proposed Amount of Rate Change</u>
Monthly Minimum Charge	\$28.50	\$33.42	\$4.92

If you have any questions about this notice, or about anything else with which I may be of assistance, please feel free to contact me at (720) 949-1384.

Sincerely,



Jason Williamson
Owner, Heartland Utilities, LLC