

# Roy-L Utilities, Inc. RECEIVED

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October 31, 2007

UTILITY OPERATIONS  
DIVISION

Dear Customer:

On October 23<sup>rd</sup>, 2007 Roy-L Utilities, Inc. (Company) submitted a request for permanent increases in its current water and sewer rates to the Missouri Public Service Commission (Commission), under the provisions of the Commission's small company rate increase procedure.

By its request, the Company is seeking increases in its customer rates intended to generate an increase in its annual water and sewer operating revenues of \$20,000 (approximately 463%) and \$12,000 (approximately 302%), respectively. The Company believes these increases in its operating revenues are necessary due to increases in utility plant investment; increases in operation and maintenance expenses; increases in the Commission's annual utility assessments; increases in the Department of Natural Resources' annual sewer discharge permit fees; changes in the number and type of customers served; and because it has been 25 years since there has been a rate increase. In its request, the Company also requested certain changes to its service charges and connection fees, and recognized that changes to its general business practices, customer service practices and general tariff provisions, and the design of its customer rates, might occur. Set out at the end of this notice is a table that includes a comparison of the Company's current customer rates and the proposed customer rates.

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 increases 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(s) QS-2008-0001 and QW-2008-0002. 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  
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](mailto: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](mailto:mopco@ded.mo.gov)

You can also submit comments via the Public Service Commission's Website 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 the tracking number(s) shown above.

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 I may be of assistance, please feel free to contact me at telephone number: 314-607-1600.

Sincerely,



Marie Rock  
Secretary of Roy-L Utilities, Inc.

<u>Type of Charge</u>	<u>Current Quarterly Rates</u>	<u>Proposed Monthly Rates</u>
Water Flat Charge	\$18.30	\$28.24
Sewer Flat Charge	\$16.80	\$16.91
Returned check fee	None	\$25.00
Disconnect/reconnect fee	None	\$50.00