



P. O. Box 7017  
Jefferson City, MO 65102

800-624-5252  
573-635-2157 (fax)

E C E I V E

JUL 29 2002

Adjudication Division  
Public Service Commis

July 24, 2002

Executive Secretary  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102

Re: AquaSource/CU, Inc.  
Tracking Nos. QW 2003 0002 (Water) & QS 2003 0003 (Sewer)

Dear Executive Secretary:

Pursuant to your letter dated July 11, 2002, we are enclosing copies of our "Initial Customer Notice" that is being sent to all of AquaSource/CU, Inc. customers. These letters are being mailed on July 24, 2002 and July 25, 2002.

If you have any additional questions please contact our office at 573-634-2699.

Sincerely,

Tena Hale-Rush  
Missouri Area Manager  
AquaSource/CU, Inc.

CC: Office of the Public Counsel  
William K. Gottenstrater



**AquaSource**

A DQE Company

P. O. Box 7017  
Jefferson City, MO 65102

800-624-5252  
573-635-2157 (fax)

5400 Business Highway 50 West, Suite 3  
Apache Flats  
Jefferson City, Missouri 65109  
573-634-2699

July 24, 2002

Re: Maplewood Subdivision an or near Sedalia, Missouri in Pettis  
County

Dear AquaSource/CU, Inc. Customer:

On July 2, 2002, AquaSource/CU, Inc. submitted a request for permanent increases in its current water and sewer rates for its Callaway, Pettis and Cole County service areas, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request the Company is seeking an increase in its annual operating **water service** revenues of \$134,149 (an approximate 144.6% increase). The Company is also seeking an increase in its annual operating **sewer service** revenues of \$84,211 (an approximate 21.2% increase). The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses and provide an adequate return on investments.

The example bills shown below set out a comparison of the Company's current residential customer rate for water and for sewer service as they were increased by the requested percentage increases. Metered usage of 6,000 gallons per month is shown in the example below. No taxes or other charges are included in examples below.

<b>Water Rates - Pettis County - Metered Rates</b>	
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Current Monthly Rate	\$11.65
Proposed Increase Percentage	144.6%
Proposed Monthly Bill	<u>\$28.49</u>
Proposed Increase Amount	\$ 16.84

<b>Sewer Rates - Pettis County - Metered Rates</b>	
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Current Monthly Rate	\$15.00
Proposed Increase Percentage	21.2%
Proposed Monthly Bill	<u>\$18.17</u>
Proposed Increase Amount	\$ 3.17

Beginning sometime soon, the Staff of the Public Service Commission (Commission Staff) will conduct an independent investigation of the books, records and operations of the Company. Based upon that investigation, the Commission Staff will then make its recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of the consumer before the Commission, may conduct its own investigation, but at a minimum will review the results of the Commission Staff's investigation. The Public counsel will the make its own recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

Any customer who has questions or comments regarding the Company's rate increase requests, or who has experienced recent service problems, should contact the Commission Staff and the Public Counsel **within 30 days of the date of this notice**. To do so, please use the addresses, telephone numbers or fax numbers shown below. The Commission Staff and/or the Public Counsel will respond to all such customer contacts, during the course of their investigations.

Missouri Public Service Commission  
Water and Sewer Department  
P.O. Box 360  
Jefferson City, MO 65102  
Phone: 573-751-3437 or 800-392-4211  
Fax: 573-751-1847

Office of the Public Counsel  
Attn: Ruth O'Neill  
P.O. Box 7800  
Jefferson City, MO 65102  
Phone: 573-751-4857  
Fax: 573-751-5562

Upon completion of the Commission's Staff and the Public Counsel's investigation, the Company may be requested to send out a second customer notice regarding the results of the investigations. Additionally, the Public Counsel may request that the Commission Staff hold a local public hearing.

**However, neither a second customer notice nor a local public hearing will happen automatically.** Therefore, please take the time not to express your views about the Company's rate increase requests, and the operations of its system, to the Commission Staff and the Public Counsel.

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 approval of the Public Service Commission.

Sincerely,

A handwritten signature in cursive script that reads "Tena Hale-Rush".

Tena Hale-Rush  
Missouri Area Manager  
AquaSource/CU, Inc.

CC: Missouri Public Service Commission  
Office of the Public Counsel  
William K. Gottenstrater, Central Region Controller



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July 24, 2002

Re: Lake Carmel Subdivision at or near Eugene, Missouri in Cole  
County

Dear AquaSource/CU, Inc. Customer:

On July 2, 2002, AquaSource/CU, Inc. submitted a request for permanent increases in its current water and sewer rates for its Callaway, Pettis and Cole County service areas, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request the Company is seeking an increase in its annual operating **water service** revenues of \$134,149 (an approximate 144.6% increase). The Company is also seeking an increase in its annual operating **sewer service** revenues of \$84,211 (an approximate 21.2% increase). The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses and provide an adequate return on investments.

The example bills shown below set out a comparison of the Company's current residential customer rate for water and for sewer service as they were increased by the requested percentage increases. Metered usage of 6,000 gallons per month is shown in the example below. No taxes or other charges are included in examples below.

<b>Water Rates - Cole County - Metered Rates</b>	
Current Monthly Rate	\$11.65
Proposed Increase Percentage	144.6%
Proposed Monthly Bill	<u>\$28.49</u>
Proposed Increase Amount	\$ 16.84

<b>Sewer Rates - Cole County - Flat Rate</b>	
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Current Monthly Rate	\$22.53
Proposed Increase Percentage	21.2%
Proposed Monthly Bill	<u>\$27.29</u>
Proposed Increase Amount	\$ 4.76

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Sincerely,

A handwritten signature in cursive script that reads "Tena Hale-Rush". The signature is written in black ink and is positioned to the left of the typed name.

Tena Hale-Rush  
Missouri Area Manager  
AquaSource/CU, Inc.

CC: Missouri Public Service Commission  
Office of the Public Counsel  
William K. Gottenstrater, Central Region Controller



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July 24, 2002

Re: Jefferson City Area Sewer Only Customers, Cole and Callaway  
Counties

Dear AquaSource/CU, Inc. Customer:

On July 2, 2002, AquaSource/CU, Inc. submitted a request for permanent increases in its current sewer rates for its Callaway, Pettis and Cole County service areas, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request the Company is seeking an increase in its annual operating **sewer service** revenues of \$84,211 (an approximate 21.2% increase). The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses and provide an adequate return on investments.

The example bills shown below set out a comparison of the Company's current residential customer rate for sewer service as they were increased by the requested percentage increases. No taxes or other charges are included in examples below.

<b>Sewer Rates – Cole and Callaway County – Flat Rate</b>	
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Current Monthly Rate	\$22.53
Proposed Increase Percentage	21.2%
Proposed Monthly Bill	<u>\$27.29</u>
Proposed Increase Amount	\$ 4.76

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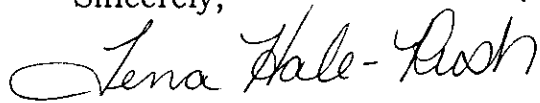
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Sincerely,

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Tena Hale-Rush  
Missouri Area Manager  
AquaSource/CU, Inc.

CC: Missouri Public Service Commission  
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William K. Gottenstrater, Central Region Controller