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MAY 20 2009

**Gladlo Water & Sewer Company** Missouri Public Service Commission  
*In Receivership of: Heartland Utilities, LLC*  
6825 E Tennessee Ave. Suite 547  
Denver, CO 80224  
Ph: (303) 333-1250/ Fax (303)333-1257

May 20, 2009

Secretary of the Commission  
Missouri Public Service Commission  
Attn: Data Center  
P.O. Box 360  
Jefferson City, MO 65102-0360

Subject: Request for increase in annual sewer and water operating revenues

Dear Secretary:

Gladlo Water and Sewer Company (the Company) holds a certificate(s) of public convenience and necessity granted by the Missouri Public Service Commission (Commission), under which the Company provides sewer collection and treatment services and water supply and distribution services in Phelps County, Missouri. As you may recall, Heartland Utilities, LLC (Heartland) was named Receiver of the Company by Phelps County Court on March 5, 2009.

The Company currently serves approximately 68 water customers and 62 sewer customers in the Whispering Pines Subdivision, near Rolla, MO, within its certificated area(s) and under the provisions of the Commission-approved tariffs. The Company's customer rates for water and sewer were last changed in March, 1996.

Pursuant to 4 CSR 240-3-.050, pertaining to rate increase requests for small utilities, the Company hereby requests an increase of \$7,142.75 in annual water revenues and \$7,095.36 in annual sewer revenues (in comparison to the 2006 annual report revenues). This represents an increase of 70% and 76.5% in annual revenues for the water and sewer utilities respectively.

In addition, the Company requests a temporary rate increase for water customers to cover the cost of a major well repair. We discovered shortly after taking over the company that water pressure was low to some customers. After inspection, it was determined that the well pump was "tired" and in danger of critically failing at any time. We therefore had no choice but to replace the pump, some controls, and some of the pipe on May 4, 2009. The aggregate cost of these repairs was \$14,107.14. The vendor (A1 Pump & supply of

Rolla, MO) will also be charging interest on the unpaid balances, which we estimate will total an additional \$900 (assuming the rate assessment requested herein is approved). The Company therefore requests Commission approve full reimbursement of the cost of the well repair (approximately \$15,000) through a twelve-month rate assessment of \$18.38 per month. The Company understands that this method of cost recovery will cause the asset to be considered a contribution on our books and as such will be excluded from consideration within this and future rate cases as Plant in Service.

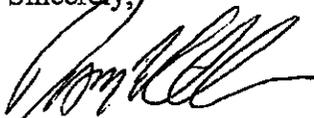
The Company understands that the design of its customer rates, its service charges, its customer service practices, its general business practices, and its general tariff provisions will be reviewed during the Commission's staff review of the rate increase request, and may thus be the subject of Commission's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

The reasons for the requested increases in the Company's annual operating revenues for water and sewer service include; increases in the cost of certified operations, increases in the cost to manage the Company, and provide customer service functions, increases in the cost of electricity, increases in the cost required to repair the aging system(s), and increases in the fees provided by Professionals, including accounting, legal, and receivership fees.

Finally, as Commission's Staff is fully aware subsequent to the telephone conference last week among the Company, the Office of the Public Counsel and Staff, the Company requests the Commission do everything in its power to expedite processing of this rate increase request, as the current operations costs and vendor payments (specifically to the well service company) will continue to fall behind and incur additional penalties without the Commission's approval.

Thank you for your prompt attention to this request. We look forward to working with Commission's Staff and the Office of Public Counsel, and are ready and available to answer any questions that arise.

Sincerely,



Jason Williamson  
Owner, Heartland Utilities, LLC