

**RATE INCREASE REQUEST LETTER – WATER SERVICE**

FILED  
June 19, 2017  
Data Center  
Missouri Public  
Service Commission

June 16, 2017

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

RE: Requests for Increases in Annual Water System Operating Revenues  
MO PSC Small Utility Rate Case Procedure

Dear Secretary:

Gascony Water Company, Inc. (the Company) holds a certificate of public convenience and necessity granted by the Missouri Public Service Commission (the Commission), under which the Company provides water services in Gasconade County, Missouri. The Commission first authorized the Company to provide regulated water utility service in April of 1999. The Company currently provides service to approximately 23 full-time, 149 part-time and 3 commercial water customers within its certificated area under the provisions of its Commission-approved tariffs. The Company's customer rates for water service are currently the same as those established when the Commission first authorized rates in April of 1999.

Pursuant to 4 CSR 240-3.050, the Commission's rule pertaining to rate increase requests made by qualifying small utilities, the Company is hereby requesting an increase of \$15,000 in its annual water system operating revenues. Based upon current customer rates and customer numbers, these increases represent changes of approximately 44.3% in the Company's annual water system operating revenues. The Company is also proposing that the customer equivalent factors in the current rate design be changed. Specifically, the Company is requesting the current customer equivalent for part-time customers be increased from the current .35 customer equivalent to a .5 customer equivalent. The Company is not seeking any changes to the customer equivalent factors for the Company's commercial customers.

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

The specific reasons for the requested increases in the Company's annual operating revenues for water service include: increases in general operating expenses since the Company's current rates were approved in April, 1999 and investment in plant.

Furthermore, the Company requests a waiver of Commission Rule 4 CSR 240-4.020(2), requiring notice to be filed with the secretary of the Commission a minimum of sixty days prior

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to filing a small company rate case because the Company needs to have new rates take effect as soon as possible and the Company cannot wait an additional sixty days to file.

Lastly, I wish to advise you that the Company is current on the payment of its Commission annual assessments (all past and current assessments have been paid in full) and the filing of its Commission annual reports. Additionally, the Company will remain current on these items during this small company rate increase procedure.

Thank you for your attention to this important matter. Please contact me at your convenience if you need additional information regarding this request.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Hoesch", written over a horizontal line.

George Hoesch  
President, Gascony Water Company, Inc.