

HICKORY HILLS WATER & SEWER COMPANY, INC.
P.O. BOX 297
TIPTON, MO 65081
660-433-5366

September 9, 2005

Dear Customer:

On July 28, 2005, Hickory Hills Water & Sewer Company, Inc. (Company) submitted a request for a permanent increase in its current water and sewer rates to the Missouri Public Service Commission (Commission), under the provisions of the Missouri Public Service 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 \$2,000 (approximately 13%) and \$2,500 (approximately 36%), respectively. The company believes these increases in its operating revenues are necessary due to increases in insurance, telephone expenses, and engineering services. In its request, the Company also 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 current rates increased by 13%. A monthly bill comparison, which is based upon an assumed water usage of 6,000 gallons, is also shown.

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 that 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 include a reference to Commission Case No. QS-2006-0001 or Commission Case No. QW-2006-0002. 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

Office of the Public Counsel
Attn: M. Ruth O'Neill
P.O. Box 2230
Jefferson City, MO 65102
Phone: 573/751-4857
Fax: 573/751-5562
E-Mail: mopco@dcd.mo.gov

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Upon completion of the Commission Staff's and the OPC'S investigations, the Company may be required to send out a second 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 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 the telephone number listed at the top of the first page of this notice.

Sincerely,

Randy Clifford
Corporate President

Water Service Rates

Type of Charge	Current Rates	Proposed Rates
Monthly Minimum Charge	\$ 13.01	\$13.70
Usage per 1,000 gallons	\$ 2.58	\$ 2.92
Total Monthly Bill (at 6,000 gallons usage)	\$ 28.49	\$ 31.22

Sewer Service Rates

Type of Charge	Current Rate	Proposed Rate
Monthly Flat Rate	\$12.35	\$16.79