



INITIAL CUSTOMER NOTICE

January 16, 2018

Dear Customer:

On December 15, 2017, Liberty Utilities (Missouri Water) LLC (Liberty) submitted a request for increases in its annual water and sewer operating revenues to the Missouri Public Service Commission (Commission). The reason for the increases is to cover increases in expenses and/or investments in Liberty's facilities.

By its request, Liberty is seeking changes to its customer rates intended to generate an increase in its annual sewer operating revenues of \$196,617 (approximately 76.97%) and an increase in its annual water operating revenues of \$995,844 (approximately 138.15%), respectively. At the end of this notice is a table that compares the Liberty's current residential customer rates and the proposed residential rates.

To provide comments regarding Liberty's revenue increase request, or comments regarding service-related problems, please contact the Commission Staff and/or the Office of the Public Counsel (Public Counsel) ***within 30 days of the date of this notice***. Your comments should include a reference to case numbers WR-2018-0170 and SR-2018-0171. The Commission Staff and the Public Counsel will review all customer comments submitted in response to this notice. All comments will be filed in the official case file for review by the Commissioners.

To submit your comments in writing:

Public Service Commission
Attn: Water/Sewer Dept.
P.O. Box 360
Jefferson City, MO 65102
Phone: 800-392-4211
Fax: 573-751-1847

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: watersewercomments@psc.mo.gov E-Mail: mopco@ded.mo.gov

To submit your comments via the Commission's Website:

- (1) Go to <http://www.psc.mo.gov>;
- (2) Click on the Submit Comments box under the "How Do I..." heading on the right top of the page.
- (3) From this page click on the "submit comment" link found under "Submit Comments in Writing"; and
- (4) Fill out and submit the Public Comments form, including the case number shown above. If you want to attach a document, before clicking the "Submit" button, click the "Attach" button. There are instructions on that page for attaching the document and returning to the previous screen.
- (5) Click the "Submit" button at the bottom of the page.



Lastly, please be advised that all currently available information regarding Liberty's rate increase request may be obtained via the Public Service Commission's Website as follows, and please also note that this information will be updated as the case moves forward.

- * Go to <http://www.psc.mo.gov>
- * In the menu column on the right side of the page click on "Access EFIS Without Login".
- * Scroll down to "View Information on a Specific Case" and click on the "Docket Sheet" link.
- * From the Docket Sheet page, enter WR-2018-0170 or SR-2018-0171 in the Case Number Field. and press the Enter key on your keyboard (this will bring up a page that contains all of the documents that have been filed in the case to date).
- * To view a particular document, click on the item number in the left column.
- * A second window will open. Click on the document link to view the document.

If you have any questions about this notice, or about anything else with which I may be of assistance, please feel free to contact me at 417-626-5941.

Sincerely,

Jill Schwartz
Senior Manager, Rates and Regulatory Affairs



If the total revenue increase is approved, and the existing rate design does not change, below are examples of Liberty's proposed rate increases based on a customer using 5,000 gallons per month. Your actual bill would depend on how much water you use.

<u>Facility</u>	<u>Type of Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Proposed Amount of Rate Change</u>
Crestview Acres	Monthly Minimum Charge	\$12.45	\$30.76	\$18.31
	Usage (per 1,000 gallons)	\$3.67	\$9.07	\$5.40
	Total Bill	\$30.80	\$76.11	\$45.31
Lakewood Hills	Monthly Minimum Charge	\$13.53	\$33.42	\$19.89
	Usage (per 1,000 gallons)	\$3.51	\$8.67	\$5.16
	Total Bill	\$31.08	\$76.77	\$45.69
Hillshine	Monthly Minimum Charge	\$14.28	\$35.28	\$21.00
	Usage (per 1,000 gallons)	\$2.77	\$6.84	\$4.07
	Total Bill	\$28.13	\$69.48	\$41.35
Scotsdale	Monthly Minimum Charge	\$42.42	\$104.79	\$62.37
	Usage (per 1,000 gallons)	\$5.52	\$13.64	\$8.12
	Total Bill	\$70.02	\$172.99	\$109.88
Warren Woods	Monthly Minimum Charge	\$23.39	\$57.78	\$34.39
	Usage (per 1,000 gallons)	\$5.29	\$13.07	\$7.78
	Total Bill	\$49.84	\$123.13	\$73.29
Cedar Hill (3/4" Meter)	Monthly Minimum Charge	\$8.68	\$21.44	\$12.76
	Usage (per 1,000 gallons)	\$1.84	\$4.55	\$2.71
	Total Bill	\$17.88	\$44.19	\$26.31
High Ridge Manor	Monthly Minimum Charge	\$6.54	\$16.16	\$9.62
	Usage (per 1,000 gallons)	\$2.44	\$6.03	\$3.59
	Total Bill	\$18.74	\$46.31	\$27.57
Noel	Monthly Minimum Charge	\$7.76	\$16.13	\$8.37
	Usage (per 1,000 gallons)	\$1.80	\$3.74	\$1.94
	Total Bill	\$16.76	\$34.83	\$18.07
Silverleaf (3/4" Meter)	Monthly Minimum Charge	\$8.96	\$24.51	\$15.55
	Usage (per 1,000 gallons)	\$3.56	\$9.74	\$6.18
	Total Bill	\$26.76	\$73.21	\$46.45



However, Liberty is instead proposing the following consolidated rates for all water systems as a part of this rate case:

<u>Type of Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Proposed Amount of Rate Change</u>
Average Monthly Minimum Charge 5/8" Meter	\$19.96	\$24.02	\$4.06
Average Usage (per 1,000 gallons) 5/8" Meter	\$3.59	\$5.13	\$1.54
Average Total Monthly Bill*	\$37.91	\$49.67	\$11.76
Average Monthly Minimum Charge 3/4" Meter	\$9.38	\$23.78	\$14.40
Average Usage (per 1,000 gallons) 3/4" Meter	\$2.40	\$7.34	\$4.94
Average Total Monthly Bill*	\$21.38	\$60.48	\$39.10

*Based upon 5,000 gallons of usage per month

For sewer rates, if the total revenue increase is approved, and the existing rate design does not change, below are examples of Liberty's proposed sewer rate increases. Your actual bill would depend on how much water you use.

<u>Facility</u>	<u>Type of Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Proposed Amount of Rate Change</u>
Silverleaf (Timber Creek & Ozark Mountain)	Monthly Minimum Charge	\$16.00	\$28.69	\$12.69
	Usage (per 1,000 gallons)	\$17.24	\$30.91	\$13.67
	Total Monthly Bill**	\$50.48	\$90.51	\$40.03
Cape Rock Village Single Family Dwelling	Monthly Minimum Charge	\$27.60	\$45.93	\$18.33
	Usage (per 1,000 gallons)	N.A.	N.A.	N.A.
	Total Monthly Bill	\$27.60	\$45.93	\$18.33



Cape Rock Village Multi-Family Dwelling	Monthly Minimum	\$22.08	\$36.75	\$14.67
	Usage (per 1,000 gallons)	N.A.	N.A.	N.A.
	Total Monthly Bill	\$22.08	\$36.75	\$14.67

However, Liberty is instead proposing the following consolidated rates for all water systems as a part of this rate case:

<u>Facility</u>	<u>Type of Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Proposed Amount of Rate Change</u>
Residential	Monthly Minimum Charge	\$21.89	\$61.47	\$39.58
	Usage (per 1,000 gallons)	N.A.	N.A.	N.A.
	Total Monthly Bill**	\$31.66	\$61.47	\$29.81

** Average usage at these facilities served by sewer is 2,000 gallons per month