



**INDIAN HILLS**  
Utility Operating Company  
A CSWR Managed Utility

March 31, 2017

**FILED<sup>2</sup>**

APR 4 2017

Missouri Public  
Service Commission

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:

Indian Hills Utility Operating Company Inc. (the Company) holds certificates of public convenience and necessity granted by the Missouri Public Service Commission (the Commission), under which the Company provides drinking water distribution and treatment services in Crawford County, Missouri. The Commission authorized the Company to provide regulated water utility service as of the closing of its asset purchase on March 31, 2016. The Company currently provides service to approximately 725 water customers within its certificated area under the provisions of its Commission-approved tariff. The Company's customer rates for water service are currently the same as those established when the Commission first authorized the Company to provide regulated water utility service.

Pursuant to 4 CSR 240-3.050, the Commission's rule pertaining to operating revenue increase requests made by qualifying small utilities, the Company is hereby requesting an increase of \$750,280 in its annual water system operating revenues.

The specific reasons for the requested increases in the Company's annual operating revenues for water service are numerous. Since closing, the Company has invested approximately \$2,075,000 in utility plant, including the installation of two new groundwater storage tanks with 24hrs of emergency capacity, constructed two new well houses, installed emergency backup power, installed permanent drinking water disinfection, drilled a new deep water well to comply with redundant community drinking water sources requirements, installed system wide valves to allow specific community location isolation during main line repairs preventing whole community water service loss, replaced every meter pit and water meter inside the Indian Hills Lake Community, and replaced numerous service lines from mains to water meter pits. In addition, there are increases in operation and maintenance expenses; increases in the Commission's annual utility assessments; increases in the Department of Natural Resources' annual drinking water primacy fees; changes in the number of customers served; and, increases in taxes.

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 also be



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reviewed during the Commission's review of the rate increase requests, and may thus be the subject of recommendations at the conclusion of the rate increase process. We are providing work papers supporting the Company's requested operating revenue increases to the Staff and the OPC subsequent to the submission of this letter.

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,

Josiah Cox  
President