

**Noel Water Company, Inc.**

PO Box 465 – 110 Foster Street

**Noel, MO 64854**

417-475-3191

**FILED**

MAY 6 2009

Missouri Public  
Service Commission

May 1, 2009

Ms. Colleen M. Dale, Secretary  
MO Public Service Commission  
PO Box 360  
Jefferson City, MO 65102-0360

Dear Ms. Dale :

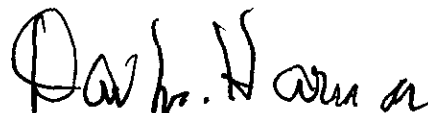
The Noel Water Company is applying for a general increase in water revenues through the informal rate proceedings for small companies as provided for in Rule 4 CSR 240-3.365. The Noel Water Company, a Missouri Corporation, operates under a certificate of convenience and necessity issued by the Missouri Public Service Commission, to sell and distribute potable water in the city of Noel, Missouri. The Noel Water Company has a total of 729 service connections and a total of 650 average customers, thereby qualifying as a small company. The Company is regulated by the MO Public Service Commission and the Department of Natural Resources and is in compliance with the rules and regulations of these state agencies.

The tariffs presently in effect were approved by the Commission and made effective June 30, 2005.

The amount of general water revenue increase over the most recent year, 2008, is \$75,000 to \$80,000. The reason for this increase is based on increased salaries, electric energy rate increases, increased chemical costs and general costs of operating supplies, to provide for the employment of a manager for the Noel Water Company, and in addition provide a rate of return on capital investment.

Our 2008 annual report has been previously filed with the Commission, and all annual assessments are paid in full. A copy of a proposed customer notice letter is also enclosed for your review and approval or modification, for mailing on May 29, 2009.

Yours truly,



Dan M. Harmon

enclosure

cc:Office of Public Counsel

DMH/tk

# **Noel Water Company, Inc.**

PO Box 465 – 110 Foster Street

**Noel, MO 64854**

417-475-3191

May 29, 2009

Dear Customer:

On May 1, 2009, Noel Water Company, Inc. (Company) submitted a request for permanent increases in its current water rates to the Missouri Public Service Commission (Commission), under the provisions of the 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 operating revenues of \$75,600 to \$84,900 (30% - 33%). The Company believes this increase in its operating revenue is necessary due to increases in salaries, electrical energy, chemical costs and general costs of operating supplies. In its request, the Company 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 30% - 33%. 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 increase 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 who 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. 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.  
PO Box 360  
Jefferson City, MO 65102  
Phone: 800-392-4211  
Fax: 573-751-1847  
E-Mail: [pscisd@psc.mo.gov](mailto:pscisd@psc.mo.gov)

Office of the Public Counsel  
PO Box 2230  
Jefferson City, MO 65102  
Phone: 573-751-4857  
Fax: 573-751-5562  
E-Mail: [mopco@ded.mo.gov](mailto:mopco@ded.mo.gov)

Upon completion of the Commission Staff's and the OPC's investigations, the Company may be required to send out a second customer 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 eventually 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,



Dan M. Harmon  
President

<u>Meter Size</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>% Increase</u>
5/8"	\$3.97	\$5.16 - \$5.28	30% - 33%
3/4"	5.27	\$6.85 - \$7.01	30% - 33%
1"	\$7.86	\$10.22 - \$10.45	30% - 33%
2"	\$22.16	\$28.80 - \$29.46	30% - 33%
4"	\$66.31	\$86.20 - \$88.19	30% - 33%
6"	\$113.46	\$147.50 - \$150.90	30% - 33%
Domestic & Commercial Water over 1, 000 gallons	\$1.518	\$1.973 - \$2.019	30% - 33%

<u>Type of Charge</u>	<u>Current Rates 5/8" Meter</u>	<u>Rates Increased by %</u>	
		<u>30%</u>	<u>33%</u>
Monthly Minimum Charge (includes 1, 000 gallons)	\$3.97	\$5.16	\$5.28
Usage Over Minimum Charge (per 1,000 gallons)	\$7.59	\$9.87	\$10.09
Total Monthly Bill (at 6,000 gallons usage)	\$11.56	\$15.03	\$15.37