

Noel Water Company, Inc.

PO Box 465 - 110 Foster Street

Noel, MO 64854

417-475-3191

May 29, 2009

Mr. Jim Russo
MO Public Service Commission
Water and Sewer Department
PO Box 360
Jefferson City, MO 65102

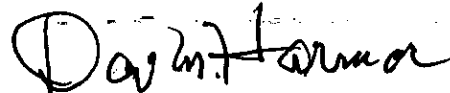
Dear Mr. Russo:

Enclosed please find copy of customer notice letter we mailed with our monthly statements.

In addition to mailing this notice we have also posted in the following places;

Bulletin Board - U.S. Post Office
Bulletin Board - Arvest Bank
Bulletin Board - Noel City Hall
Bulletin Board - Noel Housing Authority

Sincerely,



Dan M. Harmon

enclosure

DMH/tk

Noel Water Company, Inc.

PO Box 465 - 110 Foster Street

Noel, MO 64854

417-475-3101

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 \$75,000 to \$80,000 (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: water.sewer@psc.mo.gov

Office of the Public Counsel
PO Box 2230
Jefferson City, MO 65102
Phone: 866-922-2959
Fax: 573-751-5562
E-Mail: 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"	\$22.15	\$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% 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