

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

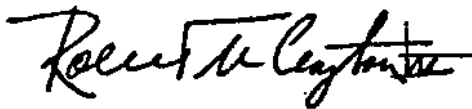
In the Matter of Aqua Missouri, Inc (CU)	)	
Request for Increase in Annual Sewer System	)	
Operating Revenue MPSC Sewer Utility Small	)	<b><u>Case No. SR-2010-0026</u></b>
Company Rate Increase Procedures	)	

**NOTICE REGARDING EXTERNAL COMMUNICATIONS**

Issue Date: September 8, 2009

On September 8, 2009, we received the attached letter from Larry W. Flatt. A copy of this letter has been forwarded to the Director of the Water and Sewer Division, who will respond on behalf of the PSC Staff, not the Commission.

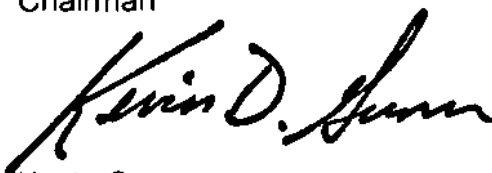
Respectfully Submitted,



Robert M. Clayton, III  
Chairman



Jeff Davis  
Commissioner



Kevin Gunn  
Commissioner



Robert S. Kenney  
Commissioner

Dated at Jefferson City, Missouri,  
on this 8<sup>th</sup> day of September, 2009.

Larry W. and Betty E. Flatt  
1211 Mehmert Place  
Jefferson City, MO 65101  
Phone: 573-634-8056 Email: larryflatt72@gmail.com

September 5, 2009

Mr. James M. Russo  
Missouri Public Service Commission  
PO Box 360  
Jefferson City, MO 65102

Re: SR-2010-0026 -- Aqua Missouri, Inc., Sewer Rate Increase Request

Dear Mr. Russo:

I am greatly disappointed in your letter of September 1 responding to my August 28 letter protesting the proposed sewer rate increase request. The form letter you sent is almost exactly like the form letter you sent me back in January of 2008 when I protested and asked very similar questions. I didn't get answers then and I haven't gotten any answers this time so far.

I desire a thoughtful written response to my questions. Surely these questions and the answers to them have been a part of discussions, policy statements, testimony by the utility and a part of the process taken by the commission as it considers proposals for rate increases from the various companies that the commission regulates. If no one, with the commission and/or its staff, is willing to answer these questions for me, then I would question the integrity and due diligence of the Missouri Public Service Commission in carrying out its statutory requirements.

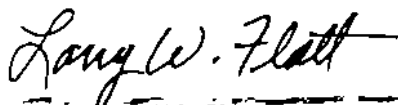
Again, here are the original questions, plus some additional questions that have come to mind regarding this issue. If the commission thinks these questions are unreasonable or inappropriate, please advise me to that end and I will pursue other remedies to determine answers to my questions.

1. In regard to the new sewer work (2007-08) in the vicinity of Highway B and Old Wardsville Road, please advise how these improvements were financed. What portion of the cost was paid by developers/land owners, existing sewer users like myself, or a combination of these two groups. If a combination of sources, please identify by source and percentage who paid for this work.
2. Is there a written policy for financing new sewer construction, and if there is, please provide a copy. If there is not a written policy, please explain how such decisions are made and on what basis?
3. What percentage of the current and proposed rates are allocated for:  
(a.) Management expenses.

- (b.) Operating and maintenance expenses broken down for treatment plants, sewer piping and lift stations/pumping, administrative costs, and profit.
  - (c.) Capital costs to increase capacity of treatment facilities.
  - (d.) Capital costs to replace main lines.
  - (e.) Capital costs to upgrade pumping and lift stations.
  - (f.) Compliance costs mandated by regulations and other agencies.
4. What are the initial connection fees or costs for new connections to older parts of the system? The same question for new parts of the system?
  5. What is the basis for charging for sewer use? Is it only the four categories listed?
  6. Why are commercial and industrial rates subsidized by residential users.  
~~Commercial and industrial sewer users are proposed to pay the same monthly rate for over twice as many gallons per month and their rates when they exceed 7,000 gallons is less than my rate 2 years ago! Why?~~
  7. What is the rationale for a fee structure based on type of building or zoning (residential, mobile home, and commercial and industrial) as compared to a usage based rate (gallons used or treated)? Has the issue of fairness and equity of rate classifications ever been raised and considered by the commission?
  8. Has in the past or will in the future, any portion of my residential sewer rate be permitted to be used by Aqua Missouri for acquisition of older sewer systems in other areas that expand Aqua Missouri holdings?

A timely response to my questions would seem to be an appropriate role for the commission or its office of public counsel and I look forward to receiving answers and not another form letter.

Sincerely,



Larry W. Flatt

cc. Office of Public Counsel  
Commissioner Robert M. Clayton III  
~~Commissioner Jeff Davis~~  
Commissioner Terry M. Jarrett  
Commissioner Kevin Gunn  
Commissioner Robert S. Kenney  
Wess A. Henderson, Exec. Director  
Dana K. Joyce, Director of Administration and Regulatory Policy  
Steven C. Reed, Secretary/General Counsel  
Kevin A. Thompson, Chief Staff Counsel