

L. W. SEWER CORPORATION
P. O. Box 265
Hillsboro, MO 63050

RECEIVED²

MAY 03 2004

*Records
Public Service Commission*

April 30, 2004

Secretary of the Commission
Attn: Data Center
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

Re: Request for Increase in Annual Sewer System Operating Revenues
MO PSC Sewer Utility Small Company Rate Increase Procedure

Dear Secretary:

L. W. Sewer Corporation(the Company) holds a certificate of public convenience and necessity granted by the Missouri Public Service Commission(the Commission) under which the Company provides sewer collection and treatment services in Jefferson County, Missouri. The Commission first authorized the Company to provide regulated sewer utility service in June 1971. The Company currently provides service to approximately 195 sewer customers within its certificated service area under the provisions of its Commission-approved tariffs. The Company's customer rates for sewer service were last changed July 1, 1996.

Pursuant to 4 CSR 240-3.330, the Commission's rule pertaining to rate increase requests made by the small sewer utilities, the Company is hereby requesting an increase of \$28,524.60 in its annual sewer system operating revenues. Based upon current customer rate (\$13.81) and customer numbers (195), this increase represents an increase of approximately 88% in the Company's annual sewer system operating revenue. The Company understands that the design of its customer rates, its service charges, its general business practices, customer service practices, its general tariff provisions will also be reviewed during the Commission Staffs review of the rate increase request, and may thus be the subject of Staff recommendation at the conclusion of the rate increase process.

The specific reasons for the requested increase in the Company's operating revenues includes:

- Increase in operation and maintenance expense
- Purchase of State required Worker's Compensation for volunteer and other hired employees
- Hiring part time employee(s) to replace volunteer employees
- Increases in utility plant investment to service new customers
- Increase in the Commission's annual utility assessment
- Increases in the Department of Natural Resources' annual sewer discharge permit fees
- Expansion of facilities due to the change from a seasonal community to permanent residences with larger families
- Ongoing study by independent contractor to determine infiltration
- Maintenance of the deteriorating main distribution system
- Maintenance (or replacement) of sand filters and aeration tank
- Maintain access road to treatment plant

The Company is current on the payment of its Commission current assessments which are paid on a quarterly basis. The Company will remain current of these items during this small company rate increase procedure.

Let me know if you need and additional information before beginning this procedure.

Due to the Company's dire financial condition it is extremely important to increase its revenue to avoid curtailment of operations.

Sincerely,



Clyde Pratt
President

L. W. Sewer Corporation

CC: Mr. Dale W. Johansen, Commission Staff
Ms. M. Ruth O'Neill, Office of the Public Counsel