



5217 Business 50 West • Jefferson City, MO 65109
573-893-3209 • Fax 573-893-5318
Toll Free 800-736-5291

www.LarrysMotorsports.us

Mr. Robert M. Clayton III, Chairman
Missouri Public Service Commission
200 Madison Street
Jefferson City, MO 65101

Feb 13, 2010

Dear Chairman Clayton:

Witness Exhibit No. 1
Date 2-17-10 Reporter SHW
File No JR-2010-0023
WR-2010-0025
SR-2010-0026
WR-2010-0027

In the early years of Quail Valley Lake Subdivision development, money from the sale of each lot was escrowed to pay for the cost of the treatment system and installation. In 1994, the system went on line with approximately 45 households hooked into the system. At that time the system was granted (at no cost) to Capital Utilities to operate and maintain. According to Aqua Missouri's web site Capital Utilities was sold to Aqua Source, Inc. in October 1998 but payments were made to Capital Utilities until May 2000. Aqua America Inc. acquired the system from Aqua Source in 2003 and Quail Valley residents began making payments to Aqua Missouri in March 2004. Hopefully in these sales and transfers of ownership the acquiring company did not purchase the system that the property owners had already paid for when they bought their lots and are not now paying again in the monthly rate. We trust that the PSC's analysis of the expenses of Aqua Missouri and establishment of the rate structure would recognize a double payment of the system.

The initial rate of \$22.53 remained from Nov. 1994 until Nov. 2006 when it was adjusted to \$27.75. The rate was again increased in Nov. 2008 to \$44.79 and the PSC staff and the company have agreed on another increase to \$53.22. In just over 3 years this would be a 136% increase while the Consumer Price Index (CPI) shows approximately a 7% increase. If the sewer rate had increased since inception at the CPI increase of 45%, the current rate, based off the original rate of \$22.53 would be \$32.67. And since the CPI has actually declined since the last rate increase in Nov. 2008, how can any increase, not to mention the agreed upon 19% increase, be granted? And why was the 61% increase granted in Nov. 2008 warranted when the CPI increase was 7.3%? The 61% increase followed a 23% increase just 2 years earlier.

It's also interesting to note the varying rates paid by Aqua Missouri customers. For example, in the Sept. 29, 2006 PSC News release, the current rate paid by Jefferson City was \$22.53 and the



agreed upon rate between PSC staff and Aqua Mo was \$27.75. By comparison, Maplewood's rates were \$12.93 and \$20.80 respectively. The Jan. 14, 2010 release has Jefferson City's rate increasing from \$44.79 to \$53.22 while Maplewood's rate increases from \$15.67 to \$18.05 (both less than the agreed upon rates noted in Sept. 2006). We recognize that Ozark Meadows rate is even higher than Jefferson City. This begs the question: Are these systems that much different that the variances in rates are justified?

There was evidently a document filed with the Public Service Commission in 1992 with an effective date of May 27, 1992 that provides a schedule of service charges stating "A charge of \$65 per load will be assessed each Customer that the Company is required to remove solids from the Customer's septic tank." In the 17 years I have lived in my home the Company has never pumped my septic. I have had it pumped but it cost more than the \$65 that the Company agreed to charge. Is it true that the Company, along with the rate increase, is requesting that they be relieved of the responsibility of removing solids from the customer's tanks? If so, customers will be paying more than \$65 so this also is, in effect, a rate increase.

Aqua America, Inc. reports strong sales and profit from 2007 to 2008 with a 3% profit increase. In their annual report they discuss how they controlled operation and maintenance expenses despite the high fuel cost in 2008. Aqua America has gradually increased dividends from 2006 through 2009 from \$0.44 to \$0.55 and declared a first quarter dividend for 2010 of \$0.145 or \$0.58 annualized.

In these difficult economic times when the CPI is unchanged and people on social security did not receive an increase in benefits from 2009 to 2010, yet Aqua's sales, profits and dividends are on the rise, how can the increase in sewer rates be justified?

On behalf of my neighbors in Quail Valley I ask the Commission to consider these issues when reviewing the Company's request.

Sincerely,

Lawrence D. Neill
2804 Foxdale
Jeff City Mo. 65109

cell 680-1570
Home 573-635-9540
E-mail larry87@earthlink.net

P.S. If this treatment plant is such a problem
our admin. will probably take it back - or
I will run it. I have an apt. complex with a
sewer system & it is not that much problem. L. Neill



5217 Business 50 West
Jefferson City, MO 65109

Exhibit No. 1
Case No(s) SR 2010-0023 + 0026
Date 2/22/10 Hptr MP

February 22, 2010

Mr. Robert M. Clayton III, Chairman

Missouri Public Service Commission

200 Madison Street

Jefferson City, MO 65101

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Sincerely,



Ken Lueckenotte

2909 Foxdale Drive

Jefferson City, 65109

February 22, 2010

Mr. Robert M. Clayton III, Chairman

Missouri Public Service Commission

200 Madison Street

Jefferson City, MO 65101

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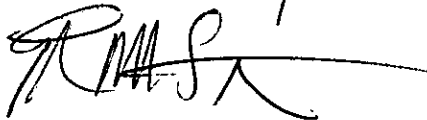
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On behalf of my neighbors in Quail Valley I ask the Commission to consider these issues when reviewing the Company's request.

Sincerely,

Pat K. Storoy

A handwritten signature in black ink, appearing to be "Pat K. Storoy", written over a horizontal line.

February 18, 2010

Robert M. Clayton III, Chair
Missouri Public Service Commission
200 Madison Street
Jefferson City, MO 65102

Dear Mr. Clayton:

I am a homeowner and resident of Quail Valley Lake Subdivision and wish to file a comment regarding Aqua Missouri request for rate increase. Before I purchased a lot in Quail Valley Lake Subdivision to build my house I read the covenants and visited with long-term residents to be assured this was a community that included the services I desired. I was shown documentation that money from the original sale of each lot was escrowed to pay for the sewage treatment system in place. That treatment system was granted to Capital Utilities to operate and to maintain. Each homeowner must purchase and maintain a septic tank that hooks into the sewage treatment system.

Through my years in Quail Valley Lake Subdivision the sewage treatment system has changed ownership from Capital Utilities to Aqua Source and now to Aqua America, Inc. I have experienced two rate increases since moving into my house at 2825 Foxdale Drive in November 1999. My monthly sewage treatment billing was initially \$22.53 in 1999 and that rate remained constant through November 2006 when it was adjusted up to \$27.75. That rate was increased just two years later in November 2008 to \$44.75. Now, in 2010 my sewage treatment rate is increasing again to \$53.22 per month. I believed the percentage increase granted in November 2008 was unjustified however I did not take. However, in less than two years yet another increase has been requested. I disapprove and ask the Missouri Public Service Commission to reexamine Aqua Source, Inc. rate increase.

The economic situation is tough enough in this capital city area. Wages have remained relatively constant for more than two years and have increased little during the last five. Please review Aqua Source, Inc. profits and reconsider their rate increase request for Quail Valley Lake Subdivision residents.

Sincerely,



Gene Wiseman
2825 Foxdale Drive
Jefferson City, MO 65109

February 22, 2010

Mr. Robert M. Clayton III, Chairman

Missouri Public Service Commission

200 Madison Street

Jefferson City, MO 65101

Dear Chairman Clayton:

In the early years of Quail Valley Lake Subdivision development, money from the sale of each lot was escrowed to pay for the cost of the treatment system and installation. In 1994, the system went on line with approximately 45 households hooked into the system. At that time the system was granted (at no cost) to Capital Utilities to operate and maintain. According to Aqua Missouri's web site Capital Utilities was sold to Aqua Source, Inc. in October 1998 but payments were made to Capital Utilities until May 2000. Aqua America Inc. acquired the system from Aqua Source in 2003 and Quail Valley residents began making payments to Aqua Missouri in March 2004. Hopefully in these sales and transfers of ownership the acquiring company did not purchase the system that the property owners had already paid for when they bought their lots and are not now paying again in the monthly rate. We trust that the PSC's analysis of the expenses of Aqua Missouri and establishment of the rate structure would recognize a double payment of the system.

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It's also interesting to note the varying rates paid by Aqua Missouri customers. For example, in the Sept. 29, 2006 PSC News release, the current rate paid by Jefferson City was \$22.53 and the

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Sincerely,

Della K Bunch
2908 Foxdale Drive
Jefferson City MO
65109

February 22, 2010

Mr. Robert M. Clayton III, Chairman

Missouri Public Service Commission

200 Madison Street

Jefferson City, MO 65101

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On behalf of my neighbors in Quail Valley I ask the Commission to consider these issues when reviewing the Company's request.

Sincerely,

Bob Engle
2919 Canterbury Drive
Jefferson City, Mo. 65109

February 22, 2010

Mr. Robert M. Clayton III, Chairman

Missouri Public Service Commission

200 Madison Street

Jefferson City, MO 65101

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Sincerely,


ROBERT L. SCHMITT
2704 CONYER LANE

February 22, 2010

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Missouri Public Service Commission

200 Madison Street

Jefferson City, MO 65101

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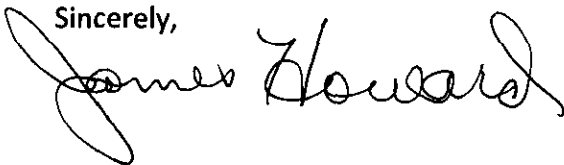
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Sincerely,

A handwritten signature in black ink, appearing to read "James Howard". The signature is fluid and cursive, with a large loop at the end of the last name.

Feb. 11, 2010

TO: Quail Valley Residents

FROM: Ken Lueckenotte (659-4641 home)
Jim Howard (634-2535 home)

RE: Aqua Missouri, Inc. Rate Hearing

A hearing is scheduled for Monday, Feb. 22 at 6pm in the Governor Office building, Room 310.

The letter is the testimony that we will present at the hearing. If you would like for us to submit something on your behalf at the hearing you may simply sign the letter (we suggest you include your address) and give it to one of us or you may mail it. Of course, feel free to write your own testimony, or if you want to make changes to this letter but don't want to retype the whole thing send an e-mail to ken@rmiinc.org or kluke45@aol.com (or both) and I will forward the letter to you.

Please call if you have any questions.

February 22, 2010

Mr. Robert M. Clayton III, Chairman

Missouri Public Service Commission

200 Madison Street

Jefferson City, MO 65101

Dear Chairman Clayton:

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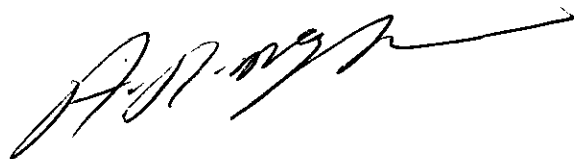
Sincerely,

Ardehir meysami 

2910 Cantaberry Dr.

Farida Kareem 2816 Covey Ln Farida Kareem

Altman R MEYSAMI
2829 Foxdale



Feb. 11, 2010

TO: Quail Valley Residents

FROM: Ken Lueckenotte (659-4641 home)

Jim Howard (634-2535 home)

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Please call if you have any questions.

*We very much agree with your position,
but have a couple items you may want to consider.*

*Wayne and Carol Collins
2801 Covey Ln.*

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200 Madison Street

Jefferson City, MO 65101

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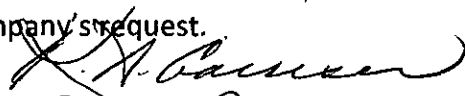

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Jefferson City, MO
65109

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Sincerely,

Elaine Short
2821 Covey Ct.
J.C. Mo 65109

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Please call if you have any questions.

Jim & Ken,
Thank you for your voice for Quail Valley.
Your record keeping is amazing and as my
memory relates is very accurate.

Aqua source is driven not for care or concern
for their customers only how much profit
can they generate and get away with.

It will not be long before we have
\$100++ sewer bills and know of large in our Gray
Water sewer systems.

You have our support.

Don & Mary. Kuehnle & Christina R. P.H.

2810 Saddle Drive. J.C.M. 65109

Phone # 573-635-5876

February 22, 2010

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Jefferson City Mo 65109