

Tri-State Utility, Inc

2580 State Highway 165, Branson, Missouri 65616

Phone 417-334-4189, Fax 417-336-6502

RECEIVED
February 29, 2008
Data Center
Missouri Public
Service Commission

February 27, 2008

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

RE: Initial Customer Notice
Small Company Rate Increase Request
MO PSC Case No. QW-2008-0010

Dear Secretary:

Enclosed for placement in the above-referenced Commission case file is a copy of the Company's initial customer notice regarding the Company's small company rate increase request.

This notice was mailed to the Company's customers today, and was approved by the Commission's Water & Sewer Departments Staff before it was mailed.

Please let me know if you need anything further regarding this matter.

Sincerely,



Ellen Randleman-Eldridge
Office Manager

Enclosure:

CC:

Jim Russo --Commission Staff
Christina Baker-Public Counsel

Tri-States Utility, Inc
2580 State Highway 165, Branson, Missouri 65616
Phone 417-334-4189, Fax 417-336-6502

February 27, 2008

Dear Customer:

On January 31, 2008 Tri-States Utility, Inc (Company) submitted a request for an increase in its annual water operating revenues to the Missouri Public Service Commission (Commission), under the provisions of the Commission's small utility rate case procedures.

By its request, the Company is seeking changes to its customer rates intended to generate an increase in its annual water operating revenues for \$1,450,000 (approximately 140 %). respectively. The Company believes this increase in its operating revenues is necessary due to: new RFD meters have been installed and have been placed in operation during 2007; increases in cost of power for pumping; increases in the commission's annual utility assessments; increases in the number and type of customers served; increases in maintenance repairs and replacements; increases in material cost of meters and pipes; replacement of pumping equipment; additional cost of adding storage reservoirs, well drilling, well house, and site preparation and acquisition; increase in labor and related cost of labor.

In its request, the Company also requested certain changes to its service charges and connection fees, and recognized that changes to its general business practices, customer service practices and general tariff provision, 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 140%. 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 provision, 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 interest of utility consumers before the Commission, may also conduct its own audit and investigation. At a minimum, the OPC will review and comment on the results of the Commission Staff's audit and investigation.

Any customer that has comments regarding the Company's revenue increase request, or that 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 number or e-mail addresses shown below. You may also submit comments via the Commission's Website by following the instruction in the following paragraph. Regardless of how you submit your comments, please include a reference to request number **QW-2008-0010**. As a part of their investigations into the Company's revenue increase request, the Commission Staff and the OPC will review all customer comments submitted in response to this notice.

Public Service Commission
Attn: Water/Sewer Dept.
P.O. 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
Attn: Christina Baker
P.O. Box 2230
Jefferson City, MO 65102
Phone: 866-922-2959
Fax: 573-751-5562
E-Mail: mopco@ded.mo.gov

To submit your comments via the Commission's Website, please do as follows: (1) go to <http://www.psc.mo.gov>; (2) click on "EFIS" / Case Filings" on the menu bar on the left side of the page; (3) on the next page, click on the "Public Comment" icon under Submit Public Comments; and (4) fill out and submit the Public Comments form, including the request number QW-2008-0010 shown above. (to submit comments for both request, the process must be repeated for each request number).

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. Because of this, please take the time now to express your views about the Company's revenue increase request, and its business and system operations, to the Commission Staff and/or the OPC.

Regardless of whether the Company sends out a second customer notice, or whether a local public hearing is eventually held, no changes to the Company's rates will take effect without the specific approval of the Commission.

If you have questions about this notice, or about anything else with which we may be of assistance, please feel free to contact us at 417-334-4189.

Sincerely,

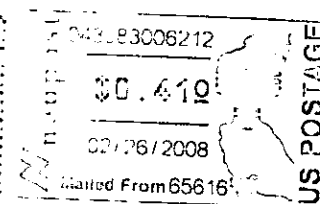
Sharon R. Epps, Owner
Tri-States Utility, Inc

Ellen Randleman-Eldridge, Office Manager
Tri-States Utility, Inc

TYPE OF CHARGE	CURRENT RATE	RATES INCREASED BY 140 %
Monthly Minimum Charge ¾" Residential Meter (includes 0-2000 gallons)	\$11.42	\$27.43
Usage Over 2000 gallons (per 1000 gallons)		
Commodity Rate May – October	\$3.58	\$8.59
Commodity Rate November – April	\$1.58	\$8.59
Total Monthly Bill (at 6,000 gallons usage)	\$25.74	\$61.79
Monthly Minimum Charge 5/8" Residential Meter (includes 0- 2000 gallons)	\$6.60	\$15.84
Usage Over 2000 gallons (per 1000 gallons)		
Commodity Rate May – October	\$3.58	\$8.59
Commodity Rate November – April	\$1.87	\$8.59
Total Monthly Bill (at 6,000 gallons usage)	\$20.92	\$50.20

TRI STATES UTILITY, INC.

2580 ST. HWY. 165 • BRANSON, MISSOURI 65616



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

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