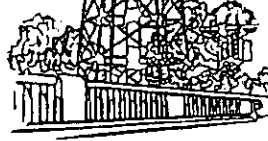


Established 1925

# Raytown Water Company



September 11, 2008

FILED  
September 12, 2008  
Data Center  
Missouri Public  
Service Commission

Missouri Public Service Commission  
Attn: Secretary of the Commission – Colleen Dale  
PO Box 360  
Jefferson City, MO 65102

Re: Rate Case Filing 4CSR 240-3.050

Dear Ms. Dale,

Raytown Water Company (RWC) is requesting an increase in its overall annual operating revenues filing under the Small Utility Rate Case Procedure. The Company is seeking an annual revenue increase of \$405,402. We will also introduce new or amended text of our rules, regulations and conditions of service to be included in our water tariffs governing the provision and taking of water service

As we understand, a rate case will be opened and we are not to submit any proposed tariff revisions at this time. RWC plans to adhere to the time lines as set forth in the Small Utility Rate Case Procedure 4 CSR 240-3.050.

Sincerely,

A handwritten signature in black ink that reads "Neal Clevenger". The signature is written in a cursive, flowing style.

Neal Clevenger  
President/General Manager

Cc: Jim Busch – Manager, Water & Sewer  
Ted Robertson – Office of Public Counsel  
Christina Baker – Office of Public Counsel

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# Raytown Water Company



September 11, 2008

Dear Customer:

On September 11, 2008 Raytown Water Company (Company) submitted a request for a permanent increase in its current water rates, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request, the Company is seeking increases in its customer rates intended to generate an increase in the Company's annual operating revenues of \$405,402 (approximately 15.69 %). The Company believes this increase in its operating revenues is necessary to meet current expenses, to meet interest and depreciation expenses and to provide adequate earnings on its investment. Additionally, the Company is seeking a redesign of customer rates and changes to its miscellaneous service charges.

If a 15.69 % increase to the Residential rate (a customer serviced by a 5/8" meter) is approved, the following is an example of a monthly comparison in water cost for a Residential Customer with monthly usage of 6,000 gallons. This comparison is with no change in rate structure.

Monthly Residential Bill	Current Bill	Proposed Bill
Customer Base Charge	\$ 7.30	\$ 8.45
Commodity Charge	\$27.52 \$4.586/1,000 gal)	\$ 31.84 (\$5.306/ 1,000 gal.)
Total Bill without Taxes	\$34.82	\$ 40.29
	Increase in Bill	\$ 5.47
	Percentage Increase	15.7 %

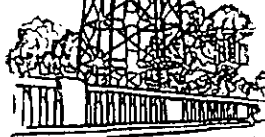
Beginning sometime soon, the Staff of the Public Service Commission (Commission Staff) will conduct an independent investigation of the books, records and operations of

Established 1925

# Raytown Water Company

September 11, 2008

Dear Customer,



The Raytown Water Company (the Company) is applying for a general increase in water revenue per the enclosed notice. The Missouri Public Service Commission (MPSC) rules allow us to file as a small company following informal proceedings which minimizes accounting and attorney fees.

In addition to rising costs and aging plant replacements, there are new demands being placed on the water industry to ensure safe and adequate service. The cost to comply with the rules and regulations of the City of Raytown, the Department of Natural Resources, the Environmental Protection Agency, the Occupational Safety and Health Administration along with the MPSC are ultimately borne by the rate payer.

Management defines the areas that are driving the increased revenue requirement:

A) New Capital Improvements

- 1) New Fire Hydrant Installations
- 2) Distribution Main Replacements
- 3) Lowering and/or Raising Mains for the City of Raytown, such as the 63<sup>rd</sup> Street Bridge Project.
- 4) Additional Field Equipment
- 5) Partial Replacement of Truck Fleet

B) Additional Service Costs:

- 1) Missouri One Call/Dig Rite Membership
- 2) Consumer Confidence Report
- 3) Valve/Mapping Updates
- 4) Leak Loss Maintenance
- 5) Wage and Salary Increase
- 6) Communication Equipment
- 7) Maintenance of Towers

C) Sufficient Revenues to Enable the Company to Pay Increased Costs:

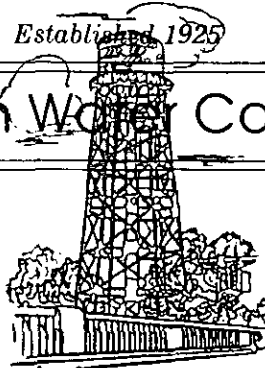
- 1) General Liability/Business Property/Officer Insurance
- 2) Workmen's Compensation Insurance
- 3) Health Insurance
- 4) Real Estate/Business Personal Property Taxes
- 5) Postage, Office Supplies & Utilities
- 6) Laboratory Fees/Water Samples
- 7) Gasoline, Diesel Fuel, Materials & Supplies

The Company's last rate increase was filed in 2003 and became effective October 10, 2004. It was in full effect January 1, 2005. Thank you for this opportunity to explain the Company's rate increase request.

THE RAYTOWN WATER COMPANY

Established 1925

# Raytown Water Company



September 11, 2008

Missouri Public Service Commission  
Post Office Box 360  
Jefferson City, MO 65102

Attn: Jim Busch  
Manager – Water & Sewer Department

Re: Rate Case Filing

Dear Jim.

Using the Ratemaking Income Statement provided by Amanda McMellen, Regulatory Auditor IV, the company will be seeking an annual revenue increase of \$ 405.402.00.

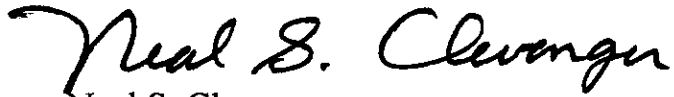
Please be advised of the following:

- 1) Secretary of Commission:  
Raytown Water Company sent a letter requesting an increase in rates along with some amended text of our rules under the "Small Utility Rate Case Procedure" to Colleen Dale, Secretary of the Commission. A copy is attached.
- 2) Letter of Notice:  
The completed customer letter is attached for your review. We broke out the increase recovery equally between the base and commodity.
- 3) Company Letter:  
The RWC "Letter of Explanation" to accompany the customer notice is enclosed.

When we receive your approved customer letter, we will mail out to our customers.

Let's all stay in close contact as we proceed through this filing. We appreciate your time in this matter.

Respectfully,

A handwritten signature in black ink that reads "Neal S. Clevenger". The signature is written in a cursive style with a large initial "N".

Neal S. Clevenger  
President/General Manager

Cc: Office of Public Counsel  
Secretary of Commission