

RATE INCREASE REQUEST LETTER – COMBINED SEWER & WATER SERVICE

February 9, 2015

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

FILED
February 9, 2015
Data Center
Missouri Public
Service Commission

RE: Requests for Increases in Annual Sewer and Water System Operating Revenues
MO PSC Small Utility Rate Case Procedure

Dear Secretary:

Valley Woods Utility LLC (the Company) holds 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 and water supply and distribution services in Christian County, Missouri. The Commission first authorized the Company to provide regulated sewer utility service in August of 2012 and regulated water utility service in August of 2012. The Company currently provides service to approximately 28 sewer customers and approximately 45 water customers within its certificated area under the provisions of its Commission-approved tariffs. The Company's customer rates for sewer service are currently the same as those established when the Commission first authorized the Company to provide regulated sewer utility service. The Company's customer rates for water service are currently the same as those established when the Commission first authorized the Company to provide regulated sewer utility service.

Pursuant to 4 CSR 240-3.050, the Commission's rule pertaining to rate increase requests made by qualifying small utilities, the Company is hereby requesting an increase of \$3,900 in its annual sewer system operating revenues and an increase of \$6,600 in its annual water system operating revenues. Based upon current customer rates and customer numbers, these increases represent changes of approximately 20% in the Company's annual sewer system operating revenues and approximately 40% in the Company's annual water system operating revenues. The Company understands that the design of its customer rates, its service charges, its customer service practices, its general business practices and its general tariff provisions will also be reviewed during the Commission Staff's review of the rate increase requests, and may thus be the subject of Staff recommendations at the conclusion of the rate increase process.

The specific reasons for the requested increases in the Company's annual operating revenues for sewer service include: increases in utility plant investment; increases in operation and maintenance expenses; and Public Service Commission's desire for additional staffing.

Missouri Public Service Commission
Re: Increase in Operating Revenues
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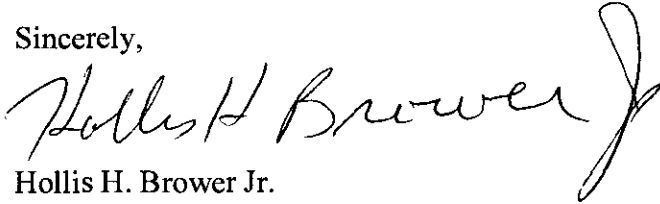
The specific reasons for the requested increases in the Company's annual operating revenues for water service include: increases in utility plant investment; increases in operation and maintenance expenses.

Furthermore, the Company requests a waiver of Commission Rule 4 CSR 240-4.020(2), requiring notice to be filed with the secretary of the Commission a minimum of sixty days prior to filing a small company rate case, state reason for request here ie: because the Company needs to have new rates take effect as soon as possible and the Company cannot wait an additional sixty days to file.

Lastly, I wish to advise you that the Company is current on the payment of its Commission annual assessments all past and current assessments have been paid in full, and the filing of its Commission annual reports. Additionally, the Company will remain current on these items during this small company rate increase procedure.

Thank you for your attention to this important matter. Please contact me at your convenience if you need additional information regarding this request.

Sincerely,

A handwritten signature in cursive script that reads "Hollis H. Brower Jr." The signature is written in black ink and is positioned to the right of the typed name.

Hollis H. Brower Jr.
President

Copies: Jim Russo – Commission Staff
Christina Baker – Office of the Public Counsel