



Commissioners

JEFF DAVIS
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TERRY JARRETT

KEVIN GUNN

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.mo.gov>

WESS A. HENDERSON
Executive Director

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Director, Administration and
Regulatory Policy

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Director, Utility Operations

COLLEEN M. DALE
Secretary/Chief Regulatory Law Judge

KEVIN A. THOMPSON
General Counsel

May 12, 2008

Lee Clevenger
26904 E Argo Rd.
Independence, MO 64057-3109

Dear Mr. Clevenger:

Thank you for your April 29, 2008 letter to Commissioner Murray regarding the Raytown Water Company's forthcoming rate case filing and the Commission's small company rate case rulemaking (4 CSR 240 – 3.050).

Commissioner Murray always welcomes the comments of consumers and believes such comments during the rulemaking process are a vital part of constructing sound public policy. Unfortunately, your comments were received too late to be included in the rulemaking as the Final Order of Rulemaking has been adopted by the Commission and the rule goes into effect on May 30, 2008.

In regard to the Raytown Water Company's forthcoming rate case, Commissioner Murray desires to remain unbiased and therefore, I will refrain from discussing the case at this time. However, we regret that past rate cases proceeded so slowly and trust that the new small company rate case process will result in a timely outcome to the utility's rate case filing.

Because the substance of your correspondence related to rulemaking docket AX-2005-0363 and an impending rate case, a copy of your letter will be placed in the appropriate case files.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard W. Moore".

Richard W. Moore
Personal Advisor to Commissioner Murray

April 29-, 2008

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Dear Commissioner Murray,

I am a stockholder and Board member of the Raytown Water Co. (RWC), which is preparing to enter a small utility rate case.

I am writing you specifically as a Public Service Commissioner not only because of your outstanding qualifications as displayed on the Public Service Commission (PSC) web site, but also because of your excellent presentation on Regulatory Independence.

I liken RWC to experience politically motivated pressures from the PSC as you liken the PSC to receive from the "political move to unseat so-called 'activist' judges," i.e. political pressure on commissioners who favor rate increases. In other words, in denying some utterly fair proposals of the RWC, I can only conclude the independent judgment of the PSC must be swayed for fear of some political backlash.

I know you are preparing to adopt the revised small utility rate case procedure. I hope the Commission can see its way clear to include the following:

1. The PSC should be penalized, if it does not complete the rate case in the specified time, just as the PSC penalizes the utilities. I suggest the penalty should be the immediate granting of all the requests of the utilities at the close of the time, if PSC fails to meet the schedule. Our last rate case took an utterly unconscionable 18 months to complete. Meanwhile our utility limped along, increasingly in the red. The question comes to mind, "Have any of the commissioners ever run a business?" There is a lot of stress as cash flow dwindles so that bills cannot be paid. Stress contributes to inefficient business and poor service to consumers.

2. The second proposal is the immediate pass-through of the rise of the wholesale water cost to the consumer. In the normal course of everyday business, when the wholesale price rises, it is passed on to the consumer.

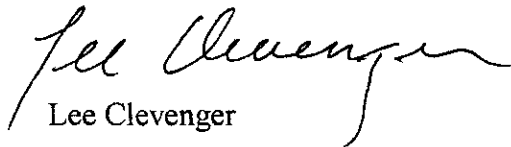
Let's look at the benefits of such a pass-through for customers: 1. Gradual increases are not so shocking as large jumps from a rate case. 2. Customers understand and are familiar with the principle that a rise of wholesale increases the retail. 3. The consequently fewer rate cases brought on by pass-through keep retail lower over a longer period of time. 4. Better service to customers is available, as the office staff is not tied up in burgeoning rate case paperwork.

On the other hand, the benefits for the utility are obvious: 1. It lowers the financial stress on the utility whose rates were set at the last rate case. 2. It removes the strain on the utility's staff from entering more frequently into the costly and time-consuming rate case paperwork.

An automatic pass-through is quite in line with the PSC's mission statement: "We will provide an efficient regulatory process that is responsive to 'all parties,' and perform our duties ethically and professionally." This contradicts Dale Johansen's statement that pass-through has low priority in the PSC, because it only affects "few companies."

You are aware there is also legal precedent in pass-through legislation for utilities.

I look forward to the use of your "intellect to apply the law with an even hand to achieve a fair balance in the administration of utility regulation."

A handwritten signature in cursive script, appearing to read "Lee Clevenger". The signature is fluid and extends to the right with a long, sweeping tail.

Lee Clevenger

Lee Clevenger
26904 E Argo Rd
Independence MO 64057-3109



KANSAS CITY 641-661

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Connie Murray
Commissioner
Governor Office Building
200 Madison Street
PO Box 360
Jefferson City, Mo. 65102-0360

65102+0360

