

INITIAL CUSTOMER NOTICE

June 1, 2010

COPY

Dear Customer:

On April 30, 2010, Raytown Water Company (Company) submitted a request for an increase in its annual water operating revenues to the Missouri Public Service Commission (Commission). The reason for the increase is to cover increases in expenses and/or investments in the Company's facilities.

By its request, the Company is seeking changes to its customer rates intended to generate an increase in its annual water operating revenues of \$471,205 (approximately 13.9 %). At the end of this notice is a table that compares the Company's current residential customer rates and the proposed residential rates.

To provide comments regarding the Company's revenue increase request, or comments regarding recent service-related problems, please contact the Commission Staff and/or the Office of the Public Counsel (OPC) **within 30 days of the date of this notice**. Your comments should include a reference to case number WR-2010-0304. The Commission Staff and the OPC will review all customer comments submitted in response to this notice. All comments will be filed in the official case file for review by the Commissioners.

To submit your comments in writing:

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: Water/Sewer Dept.
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:

- (1) Go to <http://www.psc.mo.gov>;
- (2) Click on the box on the right side of the page entitled "Summit Comments".
- (3) From this page click on the "public comment" link found under Submit Public Comments; and
- (4) Fill out and submit the Public Comments form, including the case number shown above. If you want to attach a document, before clicking the "Submit" button, click the "Attach" button. There are instructions on that page for attaching the document and returning to the previous screen.
- (5) Click the "Submit" button at the bottom of the page.

If you have any questions about this notice, or about anything else with which I may be of assistance, please feel free to contact me at 816-356-0333 X107.

Sincerely,

Neal Clevenger
President/General Manager

<u>Type of Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Amount of Rate Change</u>
Monthly Minimum Charge	\$ 7.86	\$8.97	\$1.11
Usage per 1,000 gallons	\$ 4.94	\$5.63	\$0.69
Total Monthly Bill (at 6,000 gallons usage)	\$37.50	\$42.75	\$5.25

The Raytown Water Company

9820 E. 63rd Street
Raytown, MO 64133

May 26, 2010

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Book: Account:

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.

The Company lowered rates by 3% effective November 1, 2009 as ordered by the MPSC due to a loan retirement.

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 and Independence, 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 Project.
- 4) Additional/Replacement of Field Equipment
- 5) Partial Replacement of Truck Fleet

B) Additional Service Costs:

- 1) Computer Upgrades
- 2) Missouri One Call/Dig Rite Membership
- 3) Office Counter Security
- 4) Valve/Mapping Updates
- 5) Leak Loss Maintenance
- 6) Merit Wage and Salary Increase
- 7) Communication Equipment
- 8) New Meter Reading Technology
- 9) Maintenance of Towers

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C O P Y

- C) Sufficient Revenues to Enable the Company to Pay Increased Costs:
- 1) Annual Wholesale Water Costs Increases
 - 2) General Liability/Business Property/Officer Insurance
 - 3) Workmen's Compensation Insurance
 - 4) Health Insurance
 - 5) Real Estate/Business Personal Property Taxes
 - 6) Postage, Office Supplies & Utilities
 - 7) Laboratory Fees/Water Samples
 - 8) Gasoline, Diesel Fuel, Materials & Supplies

The Company's last rate increase was filed in 2008 and became effective May 4, 2009 followed by a decrease effective November 1, 2009. Thank you for this opportunity to explain the Company's rate increase request.

THE RAYTOWN WATER COMPANY

► Congratulations!

Your postage statement has been submitted to the Post Office in **KANSAS CITY , MO 64108-9998**.

Mailing Group ID: **82393717**

Permit Holder: **RAYTOWN WATER COMPANY**

Permit Type: **PI**

Permit Number: **2566**

Postage Statement ID: **89542556**

Container Info:	1' MM Trays: 3	2' MM Trays: 13	2' EMM 3 Trays:	Flat Trays:	Sacks:	Pallets:	Other:
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Mail Class: **First-Class Mail**

Processing Category: **Letters (may include Cards)**

Customer Reference ID: **rate case 2010 - 1st cust notice**

Weight of Single Piece: **0.0031 lbs.**

Total Weight: **20.0719 lbs.**

Total Pieces: **6,423 pcs.**

Part A Postage: **\$ 2,170.9750**

Total Postage: **\$ 2,170.9800**

This postage statement was submitted on May 27, 2010 11:47 AM (Central Standard Time).

Please note your Mailing Group ID (82393717) and have it available when you bring your mailing to the participating Post Office.

Print

** ZIP TOTALS **

33141	1
43218	1
44118	1
49534	2
60607	1
60631	1
63376	1
63501	2
64030	6
64034	1
64050	1
64055	3
64057	2
64060	1
64063	1
64064	4
64068	1
64074	1
64075	1
64081	2
64082	1
64086	2
64089	1
64106	1
64108	3
64111	2
64112	2
64113	1
64114	1
64116	1
64118	1
64127	1
64129	12
64130	1
64133	1495
64134	2
64137	3
64138	10
64139	1
64145	1
64149	1
64154	1
64601	1
64740	1
65109	1
65355	1
65807	1
66006	1
66012	1
66018	1
66061	1
66062	2
66063	1
66203	1
66218	1
66219	1
66223	4
66224	1
68164	2
72156	1
74101	2
77064	1

1-15

80645	1
84790	1
90806	1
99210	2
TOTAL BILLS	1609

** ZIP TOTALS **

08875	1
32533	1
34714	1
43218	3
48858	1
53181	1
53220	1
60510	1
64015	4
64029	1
64034	1
64050	1
64052	1
64055	5
64063	3
64064	4
64068	1
64075	1
64078	1
64081	1
64082	1
64083	3
64086	4
64111	26
64112	24
64113	2
64114	5
64116	2
64129	1
64131	2
64133	1402
64134	1
64138	8
64139	1
64141	1
64501	1
64601	1
64633	1
64767	1
65714	1
66018	1
66053	1
66056	1
66062	1
66092	1
66102	1
66208	1
66209	1
66210	1
66223	1
66227	1
71909	1
72956	1
73505	1
80124	1
85387	2
90211	1
99210	1

TOTAL BILLS 1541

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** ZIP TOTALS **

30091	1
37919	1
38901	1
40232	2
43218	5
48326	1
53504	1
55416	1
61834	1
63021	1
63043	1
63045	1
63304	1
64012	1
64030	2
64050	1
64052	3
64055	7
64063	6
64064	17
64075	1
64078	1
64081	5
64082	2
64083	4
64086	1
64106	2
64108	2
64111	4
64112	1
64113	1
64114	2
64119	1
64129	1
64130	1
64131	1
64133	1411
64134	3
64138	126
64139	1
64141	1
64145	1
64429	1
64701	2
64734	1
64772	1
65360	1
65584	1
65809	1
66030	1
66051	1
66062	1
66085	1
66205	2
66207	1
66208	1
66209	1
66210	1
66212	1
66213	1
66534	1
67211	1

29.42

68112	1
74021	1
74133	1
74135	1
75068	1
75222	1
81503	1
94117	1
94901	1
99210	5
99654	1

TOTAL BILLS	1665
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** ZIP TOTALS **

06238	1
22182	1
43218	1
45248	1
47715	1
55312	1
63011	1
63134	1
63141	3
63146	1
64012	1
64013	2
64030	1
64048	1
64050	3
64052	1
64055	705
64057	5
64060	1
64064	5
64070	1
64081	1
64082	3
64086	3
64111	1
64117	1
64118	2
64133	809
64138	32
64141	2
64724	1
64730	1
64747	1
65037	1
65251	1
65807	1
66018	1
66062	1
66105	1
66208	1
66762	1
66967	1
75039	1
75229	1
77094	1
95973	1

TOTAL BILLS 1608

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