

RATE INCREASE REQUEST LETTER – SEWER SERVICE

January 31, 2012

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

FILED

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**Missouri Public
Service Commission**

RE: Request for Increase in Annual Sewer System Operating Revenues
MO PSC Small Utility Rate Case Procedure

Dear Secretary:

R. D. Sewer Company LLC (the Company) holds a 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 in Stoddard County, Missouri. The Commission first authorized the Company to provide regulated sewer utility service in February 1980. The Company currently provides service to approximately 173 sewer customers within its certificated service area under the provisions of its Commission-approved tariffs. The Company's customer rates for sewer service were last changed in 2009.

Pursuant to 4CSR 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 approximately \$10,380 in its annual sewer system operating revenues. Based upon current customer rates and customer numbers, this increase represents a change of approximately 18% in the Company's annual sewer 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 request, and may thus be the subject of Staff recommendations at the conclusion of the rate increase process.

The specific reasons for the requested increase in the Company's annual operating revenues include: increases in utility plant investment due to the replacements and upkeep of new grinder pumps, electrical box and wiring to lift station # 2, repairs and upkeep to treatment facility itself, etc., increases in operation and maintenance expenses; increases in the Commission's annual utility assessments; increases in the Department of Natural Resources' annual sewer discharge permit fees, sludge hauling expenses, laboratory testing expenses, billing expenses, accounting and attorney fees, insurance and fuel expenses, etc..

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, due to the very small size of the Company and the unfairness and discriminatory funding available in the very small private sector for these

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companies to keep in compliance and to have the opportunities available to them as with the public entities and the lack of affordability the Company has to hire the professionals to assist with the rate case :and 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, past assessments have been paid in full and the current assessment is being paid quarterly 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,

/s/

Rodger Owens
Manager

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