

RATE INCREASE REQUEST LETTER –SEWER SERVICE

Raccoon Creek Utility Operating Company Inc.
500 Northwest Plaza Drive, Suite 500
St. Louis, Missouri 63074

FILED³

FEB 02 2016

January 28, 2016

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

**Missouri Public
Service Commission**

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

Dear Secretary:

Raccoon Creek Utility Operating Company Inc. (the Company) holds certificates 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 Johnson and Pettis Counties in Missouri. The Commission first authorized the Company to provide regulated sewer utility service in March of 2015. The Company currently provides service to approximately 500 sewer customers within its certificated areas 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.

Pursuant to 4 CSR 240-3.050, the Commission's rule pertaining to operating revenue increase requests made by qualifying small utilities, the Company is hereby requesting an increase of \$529,557 in its annual sewer system operating revenues.

The specific reasons for the requested increases in the Company's annual operating revenues for sewer service are numerous. Since March of 2015, the Company has invested approximately \$2,000,000 in utility plant, including the installation of three new wastewater plants, ultraviolet disinfection, retrofitting three existing facilities to handle stormwater infiltration and inflow, closing an existing failing plant and performing major sewer collection line repairs. In addition, there are 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; changes in the number and type of customers served; increases in taxes; and costs associated with running a professional sewer company.

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

Missouri Public Service Commission
Re: Increase in Operating Revenues
January 28, 2016 – Page 2 of 2

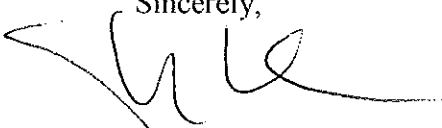
reviewed during the Commission Staff's review of the rate increase requests, and may thus be the subject of Staff recommendations at the conclusion of the rate increase process. We are submitting work papers supporting the Company's requested operating revenue increases to the Staff and the OPC subsequent to the submission of this letter.

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 the filing of a case expected to be a contested case, because the Company needs to have new rates take effect as soon as possible and thus cannot wait an additional sixty days to submit this request.

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 black ink, appearing to read 'Josiah Cox', with a long horizontal flourish extending to the right.

Josiah Cox
President

Copies: Jim Busch – Commission Staff
Office of the Public Counsel