

RATE INCREASE REQUEST LETTER – WATER SERVICE

August 25, 2010

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

FILED

AUG 26 2010

**Missouri Public
Service Commission**

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

Dear Secretary:

RDE Water Company (the Company) holds a certificate of public convenience and necessity granted by the Missouri Public Service Commission (the Commission), under which the Company provides water supply and distribution services in Christian County, Missouri. The Commission first authorized the Company to provide regulated water utility service in August of 1977. The Company currently provides service to approximately 1,120 water customers within its certificated service area under the provisions of its Commission-approved tariffs. The Company's customer rates for water were last changed in October of 2001.

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 \$79,821.00 in its annual water system operating revenues. Based upon current customer rates and customer numbers, this increase represents a change of approximately 35.10% 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 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; increases in operation and maintenance expenses, increases in the Commission's annual utility assessments and changes in the number of customers served.

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. The reason for the request is 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.

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Lastly, I wish to advise you that the Company is current on the payment of its Commission annual assessments; all past assessments have been paid in full; the current assessment is being paid quarterly and its Commission annual report has been filed. 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,



LaVada Cottrill
President & Owner

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