

**Peaceful Valley Service Company
3408B Peaceful Valley Road
Owensville, Missouri 65066
Phone/Fax (573) 437-7808**

FILED

OCT 21 2008

**Missouri Public
Service Commission**

October 14, 2008

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

Re: Request for Increases in Annual Sewer and Water System Operating Revenues

Dear Secretary

Peaceful Valley Service Company (the Company) holds a certificate (s) of public convenience and necessity granted by the Missouri Public Service Commission (the Commission), under which the Company provides sewer collection and treatment services and water supply and distribution services in Gasconade County, Missouri. The Commission first authorized the Company to provide regulated sewer utility service in December 1975 and regulated water utility service in December 1975. The company currently provides service to approximately 170 sewer customers and approximately 181 water customers plus 340 water availability customers within its certificated area(s) under the provisions of its Commission-approved tariffs. The Company's customer rates for sewer service were last changed March 1981. The Company's customer rates for water service were last changed in July 1985.

Pursuant to 4 CSR 240-3-.050, the Commission's rule pertaining to rate increase request made by qualifying small utilities, The Company is hereby requesting an increase of

\$7,344.00 in its annual sewer system operating revenues and an increase of \$6,154.20 in its annual water system operating revenues. Based upon current customer rates and customer numbers, these increases represent changes of approximately 76% in the Company's annual sewer system operating revenues and approximately 18% 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.

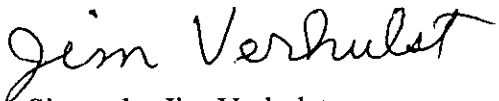
The specific reasons for the requested increases in the Company's annual operating revenues for sewer service include: increases in operation and maintenance expenses; increases in the Commission's annual utility assessments; increases in the Department of Natural Resource's annual sewer discharge permit fees; changes in the number of customers served and to build up reserves for future improvements.

The specific reasons for the requested increases in the Company's annual operating revenues for water service include: increases in utility plant investments; increases in operation and maintenance expenses; increases in the Commission's annual utility assessments; changes in the number of customers served; and to build up reserves for future improvements.

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.

A handwritten signature in cursive script that reads "Jim Verhulst".

Sincerely, Jim Verhulst

Operations Manager

Copies: Jim Russo-Commission Staff

Christina Baker-Office of the Public Counsel