

NOTICE OF MAILING OF CUSTOMER NOTICE

APPENDIX A

Staff Memorandum & Customer Notice

Note: To browse through this document by item, click on the "Bookmark" tab at the top of the menu bar to the left of the screen and then click on the item that you want to see.

Staff Memorandum



Commissioners

STEVE GAW
Chair

CONNIE MURRAY

ROBERT M. CLAYTON III

JEFF DAVIS

LINWARD "LIN" APPLING

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.mo.gov>

ROBERT J. QUINN, JR.
Executive Director

WESS A. HENDERSON
Director, Utility Operations

ROBERT SCHALLENBERG
Director, Utility Services

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

November 1, 2004

MEMORANDUM

TO: Customers of Mill Creek Sewers, Inc.

FROM: Dale W. Johansen – Manager
Water & Sewer Department
original /s/ Dale W. Johansen

SUBJECT: Customer Notice re: Rate Increase Request

Enclosed for your information is a notice from Mill Creek Sewers, Inc. (Company) regarding the Company's pending rate increase request before the Public Service Commission.

Please review this notice and submit any comments you have regarding the Company's request by following the instructions that are included in the notice, and please submit those comments on or before November 21.

Customer Notice

MILL CREEK SEWERS, INC.

3160 PERSHALL ROAD
ST. LOUIS, MO 63136
314/522-6000

November 1, 2004

Dear Customer:

On February 20, 2002, Mill Creek Sewers, Inc. (Company) submitted a request for a permanent increase in its current sewer rates and charges, under the provisions of the Missouri Public Service Commission's small company rate increase procedure. By its request, the Company was seeking to establish customer rates that would generate an increase of \$43,700 (approximately 985%) in its annual sewer operating revenues.

As a result of the Company's request, the Staff of the Public Service Commission (Commission Staff) conducted an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon the results of its audit and investigation, the Commission Staff has concluded that an increase of \$22,301 (approximately 500%) in the Company's annual sewer operating revenues is currently warranted, and that changes to and the addition of certain service charges are warranted. The Company has agreed with the Commission Staff's audit findings and conclusions, and has filed tariff revisions to implement those findings and conclusions. A table summarizing the Company's proposed revisions to its rates and charges, and including a monthly customer bill comparison is set out at the end of this notice.

This proposed increase in the Company's operating revenues is based upon an agreement that the Company and the Commission Staff will work together in an attempt to have the Company's sewer system transferred to either the Metropolitan Sewer District or the homeowners association for the subdivision where the system is located. If such a transfer does not occur by March 31, 2005, through no fault of the Company, the Company could then file additional tariff revisions to implement a second rate increase. That second rate increase, if it happens, would result in an increase of \$18,766 in the Company's annual sewer operating revenues, over and above that currently proposed. Implementation of both of these operating revenue increases would result in a total operating revenue increase of \$41,067 (approximately 925%).

The Office of the Public Counsel (OPC), a state agency responsible for representing the interests of utility consumers before the Commission, has reviewed the results of the Commission Staff's investigation. However, the OPC has not yet taken a final position regarding those results.

Any customer that has questions or comments about the Company's proposed revisions to its rates and charges, or that has comments regarding recent service-related problems, should contact the Commission Staff and/or the OPC, within 20 days of the date of this notice. To do so, please use the mailing addresses, telephone numbers, fax numbers or e-mail addresses shown below, and please include a reference to Commission Case No. SR-2005-0116.

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: pscisd@psc.mo.gov

Office of the Public Counsel
Attn: M. Ruth O'Neill
P.O. Box 2230
Jefferson City, MO 65102
Phone: 573/751-4857
Fax: 573/751-5562
E-Mail: mopco@ded.mo.gov

Depending upon the responses to this notice, the OPC may request that the Public Service Commission hold a local public hearing. However, regardless of whether a local public hearing is held, no increase in rates will take effect without the specific approval of the Public Service Commission.

Lastly, please be advised that all currently available information regarding the Company's rate increase request may be obtained via the Public Service Commission's Website as follows, and please also note that this information will be updated as the case moves forward.

- * Go to <http://www.psc.mo.gov>
- * On that page, click on the "EFIS" button near the top on the right side of the page
- * On the next page, after reading the disclaimer, click on "I agree to terms above" and then click "Yes" when asked if you want to display the unsecured information
- * On the next page, click on "Resources" near the top right of the page
- * On the next page, click on "Case Information"
- * On the next page, click on "Case Filing/Submission" and then click "Yes" when asked if you want to display the unsecured information
- * On the next page, check the box to the left of "Case No."; enter SR-2005-0116 in the box to the right of Case No.; scroll to the bottom of the page and click on "Search"
- * On the next page, click on "[SR-2005-0116](#)" and this will bring up a screen that contains all of the documents that have been filed in the case to date
- * To view a document, click on the number in the "Item No." column

If you have questions about this notice, or about anything else with which I may be of assistance, please feel free to contact me at the telephone number listed at the top of the first page of this notice.

Sincerely,

/s/ Joe Afshari

Joe Afshari – President
Mill Creek Sewers, Inc.

Type of Charge	Current Rates	Proposed Rates *
Monthly Flat Rate	\$5.00	\$30.11
Late Payment Charge	N/A	\$3.00 per month (3 months maximum)
Door Collection Charge	N/A	\$25.00
Returned Check Charge	N/A	\$20.00
Service Disconnection or Reconnection Charge	N/A	Actual Cost of Work Performed

* If the second phase of the increase goes into effect, this rate will increase to \$51.25 per month.