

INITIAL CUSTOMER NOTICE

May 11, 2016

Dear Customer:

On April 11, 2016, RDE Water Company (Company) submitted a request for an increase in its annual water operating revenues to the Missouri Public Service Commission (Commission). The reason for the increase is to cover increases in plant investment, increases in operation and maintenance expenses.

By its request, the Company is seeking changes to its customer rates intended to generate an increase in its annual water operating revenues of \$60,385.56 (approximately 24%). The Staff of the Commission will begin a full and complete audit and investigation into the Company's books and records. Any rate increase will be determined by the Commission after that investigation.

To provide comments regarding the Company's revenue increase request, or comments regarding service-related problems, please contact the Commission Staff and/or the Office of the Public Counsel (Public Counsel) ***within 30 days of the date of this notice***. Your comments should include a reference to case number WR-2016-0267. The Commission Staff and the Public Counsel will review all customer comments submitted in response to this notice. All comments will be filed in the official case file for review by the Commissioners.

To submit your comments in writing:

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: water.sewer@psc.mo.gov

Office of the Public Counsel
Attn: Water/Sewer Dept.
P.O. Box 2230
Jefferson City, MO 65102
Phone: 866-922-2959
Fax: 573-751-5562
E-Mail: mopco@ded.mo.gov


To submit your comments via the Commission's Website:

- (1) Go to <http://www.psc.mo.gov>;
- (2) Click on the Submit Comments box under the "How Do I..." heading on the right top of the page.
- (3) From this page click on the "submit comment" link found under "Submit Comments in Writing"; and
- (4) Fill out and submit the Public Comments form, including the case number shown above. If you want to attach a document, before clicking the "Submit" button, click the "Attach" button. There are instructions on that page for attaching the document and returning to the previous screen.
- (5) Click the "Submit" button at the bottom of the page.

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>
- * In the menu column on the right side of the page click on "Access EFIS Without Login".
- * Scroll down to "View Information on a Specific Case" and click on the "Docket Sheet" link.
- * From the Docket Sheet page, enter WR-2016-0267 in the Case Number Field and press the Enter key on your keyboard (this will bring up a page that contains all of the documents that have been filed in the case to date).
- * To view a particular document, click on the item number in the left column.
- * A second window will open. Click on the document link to view the document.

If you have any questions about this notice, or about anything else with which I may be of assistance, please feel free to contact me at: 417-725-5305

Sincerely,  Jim Deffenderfer
 RDE Water Company
 General Manager

Based on a proposed 24% increase, rates would increase to the amounts shown below. Additionally, based on an average customer use of 5,000 gallons per month, an average monthly bill would change as shown below.

<u>Type of Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Proposed Amount of Rate Change</u>
<i>Monthly Minimum Charge</i>			
5/8" Meter	\$7.25/month	\$8.99/month	\$1.74/month
1" Meter	\$18.13/month	\$22.48/month	\$4.35/month
2" Meter	\$58.02/month	\$71.94/month	\$13.92/month
4" Meter	181.31/month	\$224.82/month	\$43.51/month
<i>Usage per 1,000 gallons</i>	\$1.73/1,000 gallons	\$2.15/1,000 gallons	\$0.42/1,000 gallons
<i>Total Monthly Bill</i>			
5/8" Meter	\$15.90	\$19.74	\$3.84
1" Meter	\$26.78	\$33.23	\$6.45
2" Meter	\$66.67	\$82.69	\$16.02
4" Meter	\$189.96	\$235.57	\$45.61