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**FILED<sup>2</sup>**

AUG 13 2010

**August 10, 2010**

**Missouri Public  
Service Commission**

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

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

Dear Secretary:

Tri-States Utility Inc. (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 Taney County, Missouri. The Commission first authorized the Company to provide regulated water utility service in November of 1966 to Tri-States and Engineering Co. The company then changed its name to Tri-States Utility Co. Inc. The PSC approved certification to this company on March 1, 1980. The Company currently provides service to approximately 3450 water customers within its certificated service area under the provisions of its Commission-approved tariffs. The Company's customer rates for water service were last changed in June 1997.

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 \$620,000 in its annual water system operating revenues. Based upon current customer rates and customer numbers, this increase represents a change of approximately 63.26% 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: Higher operating costs (electric, insurance, routine maintenance, labor cost, etc.), system improvements (new 12" distribution line extension on highway 265, replacement and upgrade on distribution line on Fall Creek road, replace well #5 pump and upgrades, replace booster pumps, etc.).

In addition to the rate case, the company is requesting that the current seasonal billing rates be discontinued and that the base and commodity rate schedule be revised for residential and commercial customers.

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 and the current assessment is paid quarterly) and the filing of its Commission annual reports. Additionally, the Company will remain current on these items during this small company rate increase procedure.

Furthermore, the Company requests a waiver of Commission Rule 4 CSR 240-4.020(2), requiring notice be filed with the secretary of the Commission a minimum of sixty days prior to filing a small company rate case, because the Company needs to have the new rates take effect as soon as possible and the Company cannot wait an additional sixty days to file.

Thank you for your attention to this important matter. Please contact me at your convenience if you need additional information regarding this request.

Sincerely,



McCULLOUGH and ASSOCIATES, L.L.C.  
Certified Public Accountants

Terry L. McCullough, CPA

Cc: Mr. Jim Russo, Commission Staff  
Ms. Christina Baker— Office of the Public Counsel  
Mr. Larry W. Dority-Fischer & Dority  
Mr. Johnny Brown  
Mr. Tom Kelley