

S. K. & M. WATER AND SEWER COMPANY

P. O. Box 212

Perryville, MO 63775

573-517-7017

June 11, 2007

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

FILED³

JUN 14 2007

Missouri Public
Service Commission

RE: Second Customer Notice for Rate Increase Requests
MO PSC Case Nos. WR-2007-0460 and SR-2007-0461

Dear Secretary:

Enclosed for placement in each of the above-referenced Commission case files is a copy of the Company's second customer notice regarding its pending rate increase requests.

This notice was mailed to the Company's customers today, and was approved by the Commission's Water & Sewer Department Staff and a representative of the Office of the Public Counsel before it was mailed.

Please let me know if you need anything further regarding this matter.

Sincerely,



Angela Swan
General Manager

Enclosure

Copies (w/enclosure):

Jim Russo – Commission Staff

Christina Baker – Office of the Public Counsel

S. K. & M. WATER AND SEWER COMPANY

P. O. Box 212

Perryville, MO 63735

573-517-7017

June 11, 2007

Dear Customer:

On October 19, 2006, S. K. & M. Water & Sewer Company (the Company) submitted a request for permanent increases in its current water and 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 increases in its customer rates intended to generate an increase of \$50,818 in its annual water and an increase of \$36,876 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 \$16,020 in the Company's annual water operating revenues and an increase of \$18,332 in the Company's annual sewer operating revenues are warranted, that changes to and the addition of certain service charges are warranted, and that certain changes to the Company's system operations and business operations 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. Tables showing the Company's current and proposed rates, and the resulting monthly bills for a residential customer using 6,000 gallons of water, are set out at the end of this notice.

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 either Case No. WR-2007-0460 or Case No. SR-2007-0461.

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: Lewis Mills
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 by following the directions set out on the next page. Please also note that this information will be updated as the case moves forward.

Directions for Accessing Commission Case Documents

- * 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" (if asked if you want to display the unsecured information, click "Yes")
- * 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" (if asked if you want to display the unsecured information, click "Yes")
- * On the next page, check the box to the left of "Case No."; enter either WR-2007-0460 or SR-2007-0461 in the box to the right of Case No.; scroll to the bottom of the page and click on "Search"
- * The next page that opens includes a listing of the documents that have been filed in the case to date (a listing of numbers in brackets at the top of this page indicates there is more than one page of documents available; to go from one page to the next, click on the next number in the sequence) – To access a document that is included in this listing, click on the number in the "Item No." column – To view the subject document, click on the .pdf document title (if the subject document is a Commission order it will open automatically)

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,

Angela Swan
General Manager

WATER SERVICE

Type of Charge	Current Rates	Proposed Rates
Monthly Customer Charge	\$4.69	\$6.07
Usage Charge per 1,000 gallons	\$1.98	\$2.56
Monthly Bill for 6,000 gallons usage	\$16.57	\$21.45

SEWER SERVICE

Type of Charge	Current Rate	Proposed Rate
Monthly Flat Rate	\$19.58	\$29.19