

Taney County Utilities

P.O. Box 177
ROCKAWAY BEACH, MO 65740
(417) 561-4977

October 31, 2002

Mr. Dale Hardy Roberts
Secretary of the Commission
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

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Records
Public Service Commission

RE: Request for Increases in Annual Water and Sewer System Operating Revenues
Under the Provisions of the Commission's Small Company Rate Increase
Procedure

Dear Mr. Roberts:

Taney County Utilities, Inc., (the Company) holds certificates of public convenience and necessity granted by the Missouri Public Service Commission (the Commission), under which the Company provides water supply and distribution services; and wastewater collection and treatment services in Taney County Missouri.

The Commission first authorized the Company to provide regulated water utility service in Taney County in June of 1977 and regulated sewer utility service in Taney County in December of 1987. The Company currently provides service to approximately 525 water customers and approximately 97 sewer customers within its Taney County certificated area under the provisions of its Commission-approved tariffs. The Company's customer rates for water and sewer service are currently the same as those established on June 10, 1996.

Pursuant to 4 CSR 240-2.200, the Commission's Small Company Rate Increase Procedure, the Company is hereby requesting an increase of \$84,440 in its annual Taney County water system operating revenues and an increase of \$14,094 in its annual Taney County sewer system operating revenues. Based upon current customer rates and customer numbers, these increases represent changes of approximately 68% in the Company's annual Taney County Utilities water system operating revenues and approximately 89% in the Company's annual Taney County Utilities sewer system operating revenues. Changes in the design of the Company's customer rates and the level of certain of its service charges are also contemplated. Such changes will be discussed with the Commission Staff and the Office of the Public Counsel during their review of these small company rate increase requests.

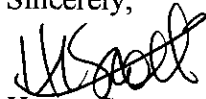
The specific reasons for the requested increases in the Company's annual operating revenues, applicable to both its water and sewer systems, include: increases in operation and maintenance expenses; increases in the Commission's annual utility assessments; increases in the Department of Natural Resources' annual sewer discharge permit fees; an increase in postal fees; an increase in delivery and chemical costs; increased sludge

disposal costs, and increases in system maintenance expense due to the unavoidable effects of age.

Lastly, I wish to advise you that the Company is current on the payment of its Commission annual assessments (the assessments are being paid under a quarterly installment plan) 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.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Scott", written over the printed name.

Honey Scott

Vice-President

Taney County Utility Company.

Copies: Wendell R. Hubbs – Commission Staff

M. Ruth O'Neill – Office of the Public Counsel