



May 3, 2007

Public Service Commission
Attn: Water/Sewer Department
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Office of the Public Counsel
Attn: Water/Sewer Department
P.O. Box 2230
Jefferson City, MO 65102

Re: Timber Creek Sewer Co., Inc. Small Company Rate Case
Tracking No. QS-2007-0008

Greetings:

Hunt Midwest Real Estate Development received an "Initial Customer Notice" from Timber Creek Sewer Company regarding its recent request to the Missouri Public Service Commission for permanent increases in its sewer rates. We are writing this letter as a representative of several developers who own substantial property within the Timber Creek Sewer service area. Furthermore, we represent many of the future customers that will be subject to the Timber Creek Sewer Company's rates.

We have not engaged in a detailed analysis of each of the rates proposed for increases by Timber Creek, but based upon our initial review we firmly object to the proposed increase for the service connection fee. Just 4 years ago, the Timber Creek Sewer Company's service connection fee was set at \$1,000 per home site. We were required to pay that fee prior to connecting a development to any sewer lines. For a typical 50-lot residential subdivision phase, those connection fees totaled \$50,000 to be paid by the developer at the time a plat was recorded which is well in advance of actual sewer usage.

In 2004, the Timber Creek Sewer Company raised the connection fee to \$1,600 per home site and now in 2007 proposes to dramatically increase that fee to \$3,200 per home site. At that level, the connection fee costs for a typical 50-lot residential

subdivision phase will total \$160,000. If this new connection fee is approved, we will see connection fees more than triple in cost over a 4-year period.

It is our position that this increase is unjust and unreasonable and will have a substantial negative impact on development in this area; and in general be detrimental to the public interest. In our estimation, the proposed connection fees are well above any reasonable cost and we have not been provided any justification for the rate increase.

As mentioned above, we have not examined each of the rates that the Timber Creek Sewer Company proposes to increase and may have objections to one or all in addition to the service connection fee proposal.

Our consolidated group requests that the Public Service Commission Staff and the Office of Public Counsel reject the Timber Creek Sewer Company's proposal to increase these rates, particularly the service connection fee. If the Timber Creek Sewer Company is intent upon this proposal, it should be part of a standard rate case in which Hunt Midwest and other parties may participate.

Please contact me if you have any questions about the contents of my letter. Thank you very much for your attention.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ora Reynolds".

Ora H. Reynolds
Vice President & General Manager

CC Timber Creek Sewer Company