

West 16th Sewer Company

2111 W. Broadway Street
Sedalia, Mo 65301
660-826-5811

Initial Customer Notice October 9, 2006

Dear Customer:

On September 8, 2006, West 16th Sewer Company submitted a request for permanent increases in its current sewer rates to the Missouri Public Service Commission, under the provisions of the Commission's small company rate increase procedure.

By its request, the Company is seeking an increase in its customer rates, intended to generate an increase in its annual sewer operating revenues of \$34,992.00 approximately 100%, respectively. The Company believes this increase in its operating revenues is necessary due to increase in utility plant investment; increase in operation and maintenance expenses; increase in the Commission's annual utility assessments; increase in the Department of Natural Resources' annual sewer discharge permit fees. Set out at the end of this notice is a table that includes a comparison of the Company's current customer rates and the current rates increased by 100%.

In the near future, the Staff of the Public Service Commission will conduct an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon that audit and investigation, the Commission Staff will develop its positions regarding the Company's requested increase in its annual operating revenues. Additionally, the Commission Staff will develop positions regarding the need for changes in the Company's service charges, connection fees, general tariff provisions, business operations and system operations, and in the design of the Company's customer rates.

The Office of the Public Counsel (OPC), a state agency responsible for representing the interests of utility consumers before the Commission, may also conduct its own audit and investigation, but at a minimum will review the results of the Commission Staff's audit and investigation.

Any customer who has questions or comments regarding the Company's rate increase request, or who has comments regarding recent service-related problems, should contact the Commission Staff and or the OPC, within 30 days of the date of this notice. To do so, please use the mailing addresses, telephone numbers, fax numbers or email addresses shown below, and please also include a reference to request number QS2007-004. As a part of their investigations into the Company's rate increase request, the Commission Staff and the OPC will review all customer comments they receive in response to this notice.

Initial Notice re: Rate Increase Request
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Public Service Commission
Attn: Water/Sewer Dept.
P.O. Box 360
Jefferson City, Mo 65102
Phone: 800-392-4211
Fax: 573-751-1847
Email: 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
Email: mopco@ded.mo.gov

Upon completion of the Commission Staff's and the OPC's investigations, the Company may be required to send out a second customer notice regarding the results of the investigations. Additionally, the OPC may request that the Commission hold a local public hearing. However, neither a second customer notice nor a local public hearing will happen automatically. Therefore, please take the time now to express your views about the Company's rate increase request, and its business and system operations, to the Commission Staff and the OPC.

Regardless of whether the Company send out a second customer notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the specific approval of the Public Service Commission.

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,



Anthony (Tony) Monsees
President

Type of Charge	Current Rates	Rates Increased by 100%
Monthly Minimum Charge	18.00	36.00
Service Connection Fee	0	0