



P. O. Box 7017
Jefferson City, MO 65102

800-624-5252
573-635-2157 (fax) JUL 29 2002

Adjudication Division
Public Service Commission

July 24, 2002

Executive Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Re: AquaSource/RU, Inc.
Tracking No. QW 2003 0001 (Water)

Dear Executive Secretary:

Pursuant to your letter dated July 11, 2002, we are enclosing copies of our "Initial Customer Notice" that is being sent to all of AquaSource/RU, Inc. customers. These letters are being mailed on July 24, 2002 and July 25, 2002.

If you have any additional questions please contact our office at 573-634-2699.

Sincerely,

Tena Hale-Rush
Missouri Area Manager
AquaSource/RU, Inc.

CC: Office of the Public Counsel
William K. Gottenstrater



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Jefferson City, MO 65102

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5400 Business Highway 50 West, Suite 3
Apache Flats
Jefferson City, Missouri 65109
573-634-2699

July 24, 2002

Re: Ozark Mountain Water at or near Shell Knob, Missouri in Stone and Barry Counties

Dear AquaSource/RU, Inc. Customer:

On July 2, 2002, AquaSource/RU, Inc. submitted a request for permanent increases in its current water rates for its Taney, Benton, Greene, Stone, Barry and Christian County service areas, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request the Company is seeking an increase in its annual operating **water service** revenues of \$121,063 (an approximate 54.4% increase). The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses and provide an adequate return on investments.

The example bills shown below set out a comparison of the Company's current residential customer rate for water service as they were increased by the requested percentage increases. Metered usage of 6,000 gallons per month is shown in the example below. No taxes or other charges are included in examples below.

Water Rates – Stone & Barry Counties – Metered Rate	
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Current Monthly Bill	\$22.87
Proposed Increase Percentage	54.4%
Proposed Monthly Bill	<u>\$35.31</u>
Proposed Increase Amount	<u>\$12.44</u>

Beginning sometime soon, the Staff of the Public Service Commission (Commission Staff) will conduct an independent investigation of the books, records and operations of the Company. Based upon that investigation, the Commission Staff will then make its recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of the consumer before the Commission, may conduct its own investigation, but at a minimum will review the results of the Commission Staff's investigation. The Public counsel will the make its own recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

Any customer who has questions or comments regarding the Company's rate increase requests, or who has experienced recent service problems, should contact the Commission Staff and the Public Counsel **within 30 days of the date of this notice**. To do so, please use the addresses, telephone numbers or fax numbers shown below. The Commission Staff and/or the Public Counsel will respond to all such customer contacts, during the course of their investigations.

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Water and Sewer Department
P.O. Box 360
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Phone: 573-751-3437 or 800-392-4211
Fax: 573-751-1847

Office of the Public Counsel
Attn: Ruth O'Neill
P.O. Box 7800
Jefferson City, MO 65102
Phone: 573-751-4857
Fax: 573-751-5562

Upon completion of the Commission's Staff and the Public Counsel's investigation, the Company may be requested to send out a second customer notice regarding the results of the investigations. Additionally, the Public Counsel may request that the Commission Staff hold a local public hearing.

However, neither a second customer notice nor a local public hearing will happen automatically. Therefore, please take the time not to express your views about the Company's rate increase requests, and the operations of its system, to the Commission Staff and the Public Counsel.

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

Sincerely,

A handwritten signature in cursive script that reads "Tena Hale-Rush". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Tena Hale-Rush
Missouri Area Manager
AquaSource/RU, Inc.

CC: Missouri Public Service Commission
Office of the Public Counsel
William K. Gottenstrater, Central Region Controller



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July 24, 2002

Re: Rankin Acres Subdivision at or near Republic, Missouri in Greene County

Dear AquaSource/RU, Inc. Customer:

On July 2, 2002, AquaSource/RU, Inc. submitted a request for permanent increases in its current water rates for its Taney, Benton, Greene, Stone, Barry and Christian County service areas, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request the Company is seeking an increase in its annual operating **water service** revenues of \$121,063 (an approximate 54.4% increase). The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses and provide an adequate return on investments.

The example bills shown below set out a comparison of the Company's current residential customer rate for water service as they were increased by the requested percentage increases. Metered usage of 6,000 gallons per month is shown in the example below. No taxes or other charges are included in examples below.

Water Rates – Greene County – Flat Rate and Metered Rate	
Current Monthly Rate	\$22.34
Proposed Increase Percentage	54.4%
Proposed Monthly Bill	<u>\$34.49</u>
Proposed Increase Amount	<u>\$12.15</u>

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Missouri Area Manager
AquaSource/RU, Inc.

CC: Missouri Public Service Commission
Office of the Public Counsel
William K. Gottenstrater, Central Region Controller



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July 24, 2002

Re: Riverside Estates located at or near Hollister, Missouri in Taney County

Dear AquaSource/RU, Inc. Customer:

On July 2, 2002, AquaSource/RU, Inc. submitted a request for permanent increases in its current water rates for its Taney, Benton, Greene, Stone, Barry and Christian County service areas, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

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The example bills shown below set out a comparison of the Company's current residential customer rate for water service as they were increased by the requested percentage increases. Metered usage of 6,000 gallons per month is shown in the example below. No taxes or other charges are included in examples below.

Water Rates – Taney County – Metered Only	
Current Monthly Rate	\$25.92
Proposed Increase Percentage	54.4%
Proposed Monthly Bill	<u>\$40.02</u>
Proposed Increase Amount	\$ 14.10

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Re: Spring Valley Subdivision located at or near Ozark, Missouri in Christian County

Dear AquaSource/RU, Inc. Customer:

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Water Rates – Christian County - Metered	
Current Monthly Bill	\$25.93
Proposed Increase Percentage	54.4%
Proposed Monthly Bill	<u>\$40.04</u>
Proposed Increase Amount	\$14.11

Current Monthly Bill	\$25.93
Proposed Increase Percentage	54.4%
Proposed Monthly Bill	<u>\$40.04</u>
Proposed Increase Amount	\$14.11

Water Rates – Christian County – Flat Rate	
Current Monthly Bill	\$29.27
Proposed Increase Percentage	54.4%
Proposed Monthly Bill	<u>\$45.19</u>
Proposed Increase Amount	\$15.92

Current Monthly Bill	\$29.27
Proposed Increase Percentage	54.4%
Proposed Monthly Bill	<u>\$45.19</u>
Proposed Increase Amount	\$15.92

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Re: White Branch Subdivision at or near Warsaw, Missouri in Benton County

Dear AquaSource/RU, Inc. Customer:

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Water Rates – Benton County – Flat Rate – Full Time – Part Time		
Current Monthly Rate	\$16.88	\$13.50
Proposed Increase Percentage	54.4%	54.4%
Proposed Monthly Bill	<u>\$26.06</u>	<u>\$20.84</u>
Proposed Increase Amount	\$ 9.18	\$ 7.34

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