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A Limited Liability Partnership

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2011.12.15 11:25:52
Kansas Corporation Commission
/s/ Patrice Petersen-Klein

ROBERT A. ANDERSON
(1920-1994)
RICHARD C. BYRD
(1920-2008)

December 15, 2011

Sent by Facsimile
Original Mailed 12/15/11

Ms. Patrice Petersen-Klein
Executive Director
Kansas Corporation Commission
1500 S. W. Arrowhead Road
Topeka, Kansas 66604-4027

Received
on

DEC 15 2011

Re: Suburban Water Company
Docket No. 12-SUBW-359-RTS

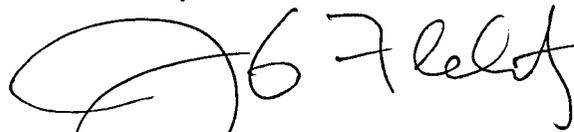
by
State Corporation Commission
of Kansas

Dear Ms. Petersen-Klein:

Please file the enclosed Contract Amendment as Section 15 and include it in the Application filed on behalf of Suburban Water Company on November 16, 2011. I would appreciate receiving a file stamped copy of this cover letter as well as a file stamped copy of the Contract Amendment for my files. An envelope is included for your convenience.

Thank you for your assistance. If you have any questions, let me know.

Sincerely,



James G. Flaherty
jflaherty@andersonbyrd.com

JGF:rr

Enclosure

cc: Judy Jewsome
Niki Christopher

DEC 15 2011

by
State Corporation Commission
AMENDMENT TO CONTRACT FOR WATER SERVICE

THIS AMENDMENT TO THE CONTRACT FOR WATER SERVICE ("Amendment") is entered into this 30th day of November, 2011, by and between the Board of Public Utilities, an administrative agency of the Unified Government of Wyandotte County/Kansas City, Kansas, as party of the first part, and hereinafter referred to as "BPU" and Suburban Water, Inc., a Kansas corporation, of Leavenworth County, Kansas, as party of the second part, and hereinafter referred to as "the Company."

WITNESSETH:

WHEREAS, BPU and Company are parties to a Contract for Water Service dated April 6, 2000, ("Contract") whereby BPU has agreed to sell and the Company has agreed to buy wholesale water; and

WHEREAS, BPU and Company desire to amend the Contract to (1) extend the primary term for an additional ten (10) year period and to amend the provisions relating to any succeeding term under the Contract to allow both parties sufficient planning time should the Contract be terminated; (2) memorialize BPU's current practice of including and listing the Company on the state water rights held by BPU with respect to BPU's water supplies and including the Company's contract demand for water in all demand forecasts performed by BPU; (3) allow the parties to review the Company's demands every five (5) years and make reasonable adjustments to the gallons per minute if required as deemed necessary by both parties; (4) replace the Payment in Lieu of Taxes ("PILOT") fee paid by the Company under the Contract with a Contribution to General Fund ("CGF") fee; and (5) include a provision that this Amendment shall not become effective until

approved by the Kansas Corporation Commission ("KCC").

NOW THEREFORE, BPU and the Company agree to the following amendments to the

Contract:

1. Article XIII is deleted in its entirety and replaced with the following:

This Contract shall remain in force and effect for a primary term of thirty (30) years (July 1, 2000 through June 30, 2030) and shall automatically renew thereafter for additional five year terms ("succeeding terms") unless written notice to terminate is provided by either party hereto at least three (3) years prior to the end of the primary term or any succeeding term.

2. The following language is added to Article I:

Notwithstanding that all water to be supplied by the BPU to the Company pursuant to the terms of this Contract shall be surplus water produced by the BPU not required for use within the corporate limits of the Unified Government, BPU agrees to include and list the Company on the state water rights held by BPU with respect to BPU's water supplies. BPU further agrees to include the Company's contract demand for water in all water supply demand forecasts and planning performed by BPU while this Contract is in effect.

3. The following language is added to the end of Article II:

BPU shall supply Company sufficient water to meet its maximum daily demand over the term of the Contract. The maximum daily demand quantity (gallons) shall be defined as the actual maximum water use over a 24-hour period based upon normal water supply consumption by the customers of Company. Furthermore, Company has provided BPU estimated demand projections in 5-year increments to allow BPU and Company sufficient time to plan for any changes in the maximum daily rate. The estimated projections shall be updated every five years and applicable changes made to the estimate to ensure appropriate planning for both water systems. BPU is completing an AMI system within the next three years that will be used along with meter data from Company for verifying demand rates and maximum daily use for Company. Peak Hour Demands will be supplied by storage in Company's distribution

system. Projections shall be sent to BPU by the end of this year and updated in 2015, 2020 and 2025.

4. The term PILOT fee(s) used in Articles II and XII of the Contract shall be deleted and replaced with the term Contribution to General Fund or CGF fee(s). The amount of the CGF fee under the Contract shall equal the percentage multiplied by the amount due for gross monthly water sales plus the Customer charge, with said percentage being the percentage that is assessed by the Unified Government to BPU as a contribution made by BPU to the Unified Government's general fund and which BPU considers to be a cost of doing business. Said CGF fee may be amended from time to time by the Unified Government. Said CGF fee shall be equal to but not exceed the current PILOT fee percentage charged by BPU to other wholesale customers.

5. The following is added to Article XVII:

All amendments to this Contract shall not become effective until approved by an order issued by the KCC. With respect to an amendment that has been approved by an order issued by the KCC containing conditions, the amendment will not become effective unless the conditions contained in the order are acceptable to both BPU and the Company

6. Except for the changes and additions set forth in this Amendment, the other terms and conditions contained in the Contract remain in full force and effect.

7. This Amendment shall become effective upon the issuance of an order by the KCC approving this Amendment, provided however, if the order approving this Amendment contains conditions upon approval, this Amendment will not become effective unless those conditions are acceptable to both BPU and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed in duplicate on the day and year first above written.

BOARD OF PUBLIC UTILITIES OF KANSAS CITY, KANSAS

By: Don Gray
General Manager

ATTEST:

Jenny Burley-Krenzer

JENNY BURLEY-KRENZER
Notary Public - State of Kansas
My Appt. Expires 10-22-2012

Approved as to Form:

SUBURBAN WATER, INC.

By: Joseph M. Brewer
President

ATTEST:

Patricia A. Peterson

Notary Public - State of Kansas
PATRICIA A. PETERSON
My Appt. Exp. 1-2-2015

Approved as to Form:

A