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2010.07.16 11:48:24  
Kansas Corporation Commission  
/S/ Susan K. Duffy

JOHN L. RICHESON  
JAMES G. FLAHERTY  
R. SCOTT RYBURN  
KEITH A. BROCK

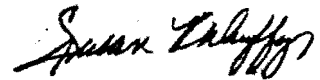
216 S. HICKORY, P. O. BOX 17  
OTTAWA, KANSAS 66067  
(785) 242-1234, *Telephone*  
(785) 242-1279, *Facsimile*  
[www.andersonbyrd.com](http://www.andersonbyrd.com)

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

July 15, 2010

STATE CORPORATION COMMISSION

JUL 16 2010



Ms. Susan K. Duffy  
Executive Director  
Kansas Corporation Commission  
1500 S. W. Arrowhead Road  
Topeka, Kansas 66604-4027

Re: Suburban Water, Inc., d/b/a Suburban Water Company  
Docket No. 10-SUBW-602-TAR

Dear Ms. Duffy:

Please file the enclosed Affidavit of Mailing and Affidavit of Publication on behalf of Suburban Water, Inc., d/b/a Suburban Water Company in the above captioned matter. I would appreciate receiving a file stamped copy of this cover letter as well as a file stamped copy of each document for my files. An envelope is included for your convenience.

Thank you for your assistance. If you have any questions, please call.

Sincerely,

*James G. Flaherty*

James G. Flaherty  
[jflaherty@andersonbyrd.com](mailto:jflaherty@andersonbyrd.com)

JGF/ff  
Enclosure

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

STATE CORPORATION COMMISSION

JUL 16 2010



In the Matter of the Application of Suburban )  
Water, Inc., d/b/a Suburban Water Company for )  
Approval of a Purchase Water Adjustment (PWA) )

Docket No. 10-SUBW-602-TAR

**AFFIDAVIT OF PUBLICATION**

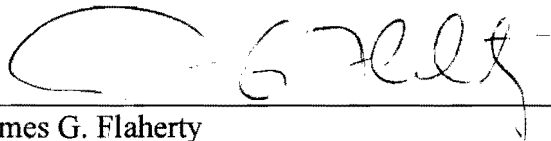
STATE OF KANSAS )  
 ) ss:  
COUNTY OF FRANKLIN )

I, James G. Flaherty, of lawful age, being first duly sworn on oath, state:

That I am an attorney for Suburban Water, Inc., d/b/a Suburban Water Company ("SWC").

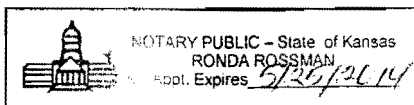
That the Notice of Public Hearing and Comment Period Concerning Suburban Water's Application Proposing a Purchased Water Adjustment, was published in the following newspapers regarding the inclusion of a proposed purchased water adjustment provision to SWC's tariffs, to-wit: Bonner Springs Chieftain, Basehor Sentinel and The Mirror. Copies of the Affidavits in Proof of Publication are attached hereto as Exhibit "A".

Further affiant saith naught.



James G. Flaherty

SUBSCRIBED AND SWORN to before me this 15<sup>th</sup>-day of July, 2010.



Notary Public

Appointment/Commission Expires:

# Affidavit in Proof of Publication

STATE OF KANSAS  
Wyandotte County

(Published in the Bonner Springs Chieftain and Basehor Sentinel,  
Thursday, July 8, 2010)

## NOTICE OF PUBLIC HEARING AND COMMENT PERIOD CONCERNING SUBURBAN WATER'S APPLICATION PROPOSING A PURCHASED WATER ADJUSTMENT

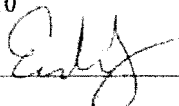
Erika Gray of the Legal Dept. of the Bonner Springs Chieftain  
being first duly sworn, deposes and says:

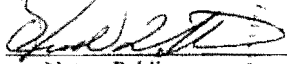
That this weekly newspaper printed in the State of Kansas, and published in and of general circulation in Wyandotte County, Kansas, with a general paid circulation on a weekly basis in Wyandotte County, Kansas, and that said newspaper is not a trade, religious or fraternal publication, and which newspaper has been admitted to the mails as periodicals class matter in said County, and that a notice of which is hereto attached, was published in the regular and entire issue of the Bonner Springs Chieftain

Said newspaper is published weekly 52 weeks a year; has been so published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice and been admitted at the post office of Bonner Springs in said County as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive weeks the first publication thereof being made as aforesaid on 07/08/2010 with publications being made on the following dates:

07/08/2010

  
Subscribed and sworn to before me this 7-8-10

  
Notary Public

My Appointment expires: 3-15-2011

Publication Charges	\$120.00
Notary And Affidavit	\$0.00
Additional Copies	\$0.00
	<hr/>
	\$120.00

### PUBLIC HEARING

Suburban Water has applied to the Kansas Corporation Commission ("KCC") to be allowed to assess its customers a purchased water adjustment. The KCC has scheduled a public hearing to provide the public with information and to allow it to testify before the KCC on the application.

Thursday, July 22, 2010, at 7:00 p.m.  
Bonner Springs Community Center  
200 East Third Street  
Bonner Springs, Kansas 66012

The public hearing will take place in two parts. First, a question and answer period will allow the public to ask questions of a Suburban Water representative, the KCC's Staff, and the Citizens' Utility Ratepayer Board (CURB) staff. In the second part of the hearing, the public will be allowed to make formal statements to members of the KCC or their representative.

Any person requiring special accommodations under the Americans with Disabilities Act must give notice to the KCC at least 10 days before the scheduled hearing by calling 1-785-271-3166 or 1-800-662-0027.

### PURCHASED WATER ADJUSTMENT

Suburban Water currently purchases approximately sixty percent (60%) of the water it supplies to its retail and wholesale customers from the Kansas City, Kansas Board of Public Utilities ("BPU"). Since Suburban Water's last rate case filing in 2007, BPU has increased the rate it charges Suburban Water for its water supply. That rate increase was not passed on to Suburban Water's customers. BPU recently announced it intends to incrementally increase the rate it charges Suburban Water by nearly 30% over the next four year period; BPU announced increases for water sold to Suburban Water will be 5.3% effective July 1, 2010, 7.7% effective January 1, 2011, 7.2% effective January 1, 2012, and 7.9% effective January 1, 2013.

Suburban Water does not currently have a purchased water cost adjustment ("PWA") provision in its tariffs to allow Suburban Water to recover from its customers increases in its cost of water supplies without filing a rate case. Suburban Water does not want to incur the expenses of filing a rate case each time its wholesale water supply costs are increased by BPU.

Suburban Water is requesting permission to implement a PWA. The proposed PWA will allow Suburban Water to recover from customers increases in its cost of water, and to return to its customers decreases in its cost of water, as well. These adjustments would be calculated annually, as changes in costs occur. Each year Suburban Water will determine the amount of the surcharge based on projections of its total cost for purchased water for the next 12 months. The estimate will be based upon known changes in wholesale water rates and estimated changes in volumes of water from each supplier. At the end of the first year, and annually thereafter, the PWA will be adjusted to account for projected changes in Suburban Water's costs, and will also be adjusted to correct for any difference between the previous year's actual costs of purchased water and the amount recovered from customers in the PWA.

EXHIBIT  
A

# Affidavit in Proof of Publication

STATE OF KANSAS  
Wyandotte County

Erika Gray of the Legal Dept. of the Bonner Springs Chieftain being first duly sworn, deposes and says:

That this weekly newspaper printed in the State of Kansas, and published in and of general circulation in Wyandotte County, Kansas, with a general paid circulation on a weekly basis in Wyandotte County, Kansas, and that said newspaper is not a trade, religious or fraternal publication, and which newspaper has been admitted to the mails as periodicals class matter in said County, and that a notice of which is hereto attached, was published in the regular and entire issue of the Bonner Springs Chieftain

Said newspaper is published weekly 52 weeks a year; has been so published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice and been admitted at the post office of Bonner Springs in said County as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive weeks the first publication thereof being made as aforesaid on 07/08/2010 with publications being made on the following dates:

07/08/2010

Subscribed and sworn to before me this

Notary Public

My Appointment expires:

Publication Charges	\$120.00
Notary And Affidavit	\$0.00
Additional Copies	\$0.00
	<hr/>
	\$120.00

If the proposed PWA tariff is approved by the KCC, customers will see annual increases for four years. The average residential customer using 5,000 gallons per month will be charged an initial increase of \$0.74 per month. Beginning in 2011, the average customer will be charged another increase of \$1.10 per month. Effective 2012 customers will see an increase of \$0.74 per month. Effective in 2013, the increase to the average customer will be \$0.96 per month. All together, as a result of BPU increases, the average residential customer using 5,000 gallons per month will pay \$3.54 per month more in 2013 than in 2009.

#### PUBLIC COMMENT PERIOD

The KCC has scheduled a public comment period concerning the requested PWA to provide an opportunity for customers to submit written comments to the KCC through September 3, 2010, at 5:00 p.m.

Comments regarding the PWA application should reference Docket No. 10-SUBW 602 TAR. All comments may be sent to the Kansas Corporation Commission, Office of Public Affairs and Consumer Protection, 1500 S.W. Arrowhead Road, Topeka, Kansas 66604, or emailed to [publicaffairs@kcc.ks.gov](mailto:publicaffairs@kcc.ks.gov), or you may call 1-800-662-0027. Information about how a customer may intervene in this matter may be obtained from the KCC as well.

You may also obtain additional information concerning the PWA by contacting Suburban Water at 1-913-724-1800.

#### TECHNICAL HEARING

A technical hearing will begin on September 8, 2010, at 9:00 a.m., in the KCC's first floor hearing room at 1500 S.W. Arrowhead Road in Topeka, Kansas. The KCC must issue an order on or before November 15, 2010, and, if approved, will become effective after that date.

# Affidavit in Proof of Publication

STATE OF KANSAS  
Leavenworth County

(Published in the Bonner Springs Chieftain and Basehor Sentinel,  
Thursday, July 8, 2010)

## NOTICE OF PUBLIC HEARING AND COMMENT PERIOD CONCERNING SUBURBAN WATER'S APPLICATION PROPOSING A PURCHASED WATER ADJUSTMENT

Erika Gray of the Legal Dept. of the Basehor Sentinel being first duly sworn, deposes and says:

That this weekly newspaper printed in the State of Kansas, and published in and of general circulation in Leavenworth County, Kansas, with a general paid circulation on a weekly basis in Leavenworth County, Kansas, and that said newspaper is not a trade, religious or fraternal publication, and which newspaper has been admitted to the mails as periodicals class matter in said County, and that a notice of which is hereto attached, was published in the regular and entire issue of the Basehor Sentinel

Said newspaper is published weekly 52 weeks a year; has been so published continuously and uninterruptedly in said county and state for a period of more than one year prior to the first publication of said notice and been admitted at the post office of Basehor in said County as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive weeks the first publication thereof being made as aforesaid on 07/08/2010 with publications being made on the following dates:

07/08/2010

*Erika Gray*  
Subscribed and sworn to before me this 7-8-10  
*[Signature]*  
Notary Public  
My Appointment expires: 3-18-2011

Publication Charges	\$0.00
Notary And Affidavit	\$0.00
Additional Copies	\$0.00
	\$0.00

### PUBLIC HEARING

Suburban Water has applied to the Kansas Corporation Commission ("KCC") to be allowed to assess its customers a purchased water adjustment. The KCC has scheduled a public hearing to provide the public with information and to allow it to testify before the KCC on the application.

Thursday, July 22, 2010, at 7:00 p.m.  
Bonner Springs Community Center  
200 East Third Street  
Bonner Springs, Kansas 66012

The public hearing will take place in two parts. First, a question and answer period will allow the public to ask questions of a Suburban Water representative, the KCC's Staff, and the Citizens' Utility Ratepayer Board (CURB) staff. In the second part of the hearing, the public will be allowed to make formal statements to members of the KCC or their representative.

Any person requiring special accommodations under the Americans with Disabilities Act must give notice to the KCC at least 10 days before the scheduled hearing by calling 1-785-271-3166 or 1-800-662-0077.

### PURCHASED WATER ADJUSTMENT

Suburban Water currently purchases approximately sixty percent (60%) of the water it supplies to its retail and wholesale customers from the Kansas City, Kansas Board of Public Utilities ("BPU"). Since Suburban Water's last rate case filing in 2007, BPU has increased the rate it charges Suburban Water for its water supply. That rate increase was not passed on to Suburban Water's customers. BPU recently announced it intends to incrementally increase the rate it charges Suburban Water by nearly 30% over the next four year period: BPU announced increases for water sold to Suburban Water will be 5.3% effective July 1, 2010, 7.7% effective January 1, 2011, 7.2% effective January 1, 2012, and 7.9% effective January 1, 2013.

Suburban Water does not currently have a purchased water cost adjustment ("PWA") provision in its tariffs to allow Suburban Water to recover from its customers increases in its cost of water supplies without filing a rate case. Suburban Water does not want to incur the expenses of filing a rate case each time its wholesale water supply costs are increased by BPU.

Suburban Water is requesting permission to implement a PWA. The proposed PWA will allow Suburban Water to recover from customers increases in its cost of water, and to return to its customers decreases in its cost of water, as well. These adjustments would be calculated annually, as changes in costs occur. Each year Suburban Water will determine the amount of the surcharge based on projections of its total cost for purchased water for the next 12 months. The estimate will be based upon known changes in wholesale water rates and estimated changes in volumes of water from each supplier. At the end of the first year, and annually thereafter, the PWA will be adjusted to account for projected changes in Suburban Water's costs, and will also be adjusted to correct for any difference between the previous year's actual costs of purchased water and the amount recovered from customers in the PWA.

# Affidavit in Proof of Publication

STATE OF KANSAS  
Leavenworth County

Erika Gray of the Legal Dept. of the Basehor Sentinel being first duly sworn, deposes and says:

That this weekly newspaper printed in the State of Kansas, and published in and of general circulation in Leavenworth County, Kansas, with a general paid circulation on a weekly basis in Leavenworth County, Kansas, and that said newspaper is not a trade, religious or fraternal publication, and which newspaper has been admitted to the mails as periodicals class matter in said County, and that a notice of which is hereto attached, was published in the regular and entire issue of the Basehor Sentinel

Said newspaper is published weekly 52 weeks a year, has been so published continuously and uninterruptedly in said county and state for a period of more than one year prior to the first publication of said notice and been admitted at the post office of Basehor in said County as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive weeks the first publication thereof being made as aforesaid on 07/08/2010 with publications being made on the following dates:

07/08/2010

  
Subscribed and sworn to before me this 7-8-10

  
Notary Public

My Appointment expires: 3-15-2011

Publication Charges	\$0.00
Notary And Affidavit	\$0.00
Additional Copies	\$0.00
	\$0.00

If the proposed PWA tariff is approved by the KCC, customers will see annual increases for four years. The average residential customer using 5,000 gallons per month will be charged an initial increase of \$0.74 per month. Beginning in 2011, the average customer will be charged another increase of \$1.10 per month. Effective 2012 customers will see an increase of \$0.74 per month. Effective in 2013, the increase to the average customer will be \$0.96 per month. All together, as a result of BPU increases, the average residential customer using 5,000 gallons per month will pay \$3.54 per month more in 2013 than in 2009.

#### PUBLIC COMMENT PERIOD

The KCC has scheduled a public comment period concerning the requested PWA to provide an opportunity for customers to submit written comments to the KCC through September 3, 2010, at 5:00 p.m.

Comments regarding the PWA application should reference Docket No. 10-SUBW 602 TAR. All comments may be sent to the Kansas Corporation Commission, Office of Public Affairs and Consumer Protection, 1500 S.W. Arrowhead Road, Topeka, Kansas 66604, or emailed to [public.affairs@kcc.ks.gov](mailto:public.affairs@kcc.ks.gov), or you may call 1-800-662-0027. Information about how a customer may intervene in this matter may be obtained from the KCC as well.

You may also obtain additional information concerning the PWA by contacting Suburban Water at 1-913-724-1800.

#### TECHNICAL HEARING

A technical hearing will begin on September 8, 2010, at 9:00 a.m., in the KCC's first floor hearing room at 1500 S.W. Arrowhead Road in Topeka, Kansas. The KCC must issue an order on or before November 15, 2010, and, if approved, will become effective after that date.

# Affidavit in Proof of Publication

STATE OF KANSAS  
Leavenworth County

(Published in The Mirror, Wednesday, July 7, 2010)

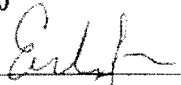
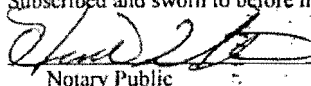
Erika Gray of the Legal Dept. of the Tonganoxie Mirror being first duly sworn, deposes and says:

That this weekly newspaper printed in the State of Kansas, and published in and of general circulation in Leavenworth County, Kansas, with a general paid circulation on a weekly basis in Leavenworth County, Kansas, and that said newspaper is not a trade, religious or fraternal publication, and which newspaper has been admitted to the mails as periodicals class matter in said County, and that a notice of which is hereto attached, was published in the regular and entire issue of the Tonganoxie Mirror

Said newspaper is published weekly 52 weeks a year; has been so published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice and been admitted at the post office of Tonganoxie in said County as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive weeks the first publication thereof being made as aforesaid on 07/07/2010 with publications being made on the following dates:

07/07/2010

  
Subscribed and sworn to before me this 7-7-10  
  
Notary Public

My Appointment expires: 3-15-2011

Publication Charges	\$177.60
Notary And Affidavit	\$0.00
Additional Copies	\$0.00
	<u>\$177.60</u>

## NOTICE OF PUBLIC HEARING AND COMMENT PERIOD CONCERNING SUBURBAN WATER'S APPLICATION PROPOSING A PURCHASED WATER ADJUSTMENT

### PUBLIC HEARING

Suburban Water has applied to the Kansas Corporation Commission ("KCC") to be allowed to assess its customers a purchased water adjustment. The KCC has scheduled a public hearing to provide the public with information and to allow it to testify before the KCC on the application.

Thursday, July 22, 2010, at 7:00 p.m.  
Bonner Springs Community Center  
200 East Third Street  
Bonner Springs, Kansas 66012

The public hearing will take place in two parts. First, a question and answer period will allow the public to ask questions of a Suburban Water representative, the KCC's Staff, and the Citizens' Utility Ratepayer Board (CURB) staff. In the second part of the hearing, the public will be allowed to make formal statements to members of the KCC or their representative.

Any person requiring special accommodations under the Americans with Disabilities Act must give notice to the KCC at least 10 days before the scheduled hearing by calling 1-785-271-3166 or 1-800-662-0027.

### PURCHASED WATER ADJUSTMENT

Suburban Water currently purchases approximately sixty percent (60%) of the water it supplies to its retail and wholesale customers from the Kansas City, Kansas Board of Public Utilities ("BPU"). Since Suburban Water's last rate case filing in 2007, BPU has increased the rate it charges Suburban Water for its water supply. That rate increase was not passed on to Suburban Water's customers. BPU recently announced it intends to incrementally increase the rate it charges Suburban Water by nearly 30% over the next four year period; BPU announced increases for water sold to Suburban Water will be 5.3% effective July 1, 2010, 7.7% effective January 1, 2011, 7.2% effective January 1, 2012, and 7.9% effective January 1, 2013.

Suburban Water does not currently have a purchased water cost adjustment ("PWA") provision in its tariffs to allow Suburban Water to recover from its customers increases in its cost of water supplies without filing a rate case. Suburban Water does not want to incur the expenses of filing a rate case each time its wholesale water supply costs are increased by

## Affidavit in Proof of Publication

STATE OF KANSAS  
Leavenworth County

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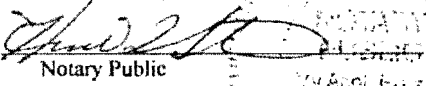
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07/07/2010

  
Subscribed and sworn to before me this 7-7-10

  
Notary Public

My Appointment expires:

Publication Charges	\$177.60
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	\$177.60

BPU.

Suburban Water is requesting permission to implement a PWA. The proposed PWA will allow Suburban Water to recover from customers increases in its cost of water, and to return to its customers decreases in its cost of water, as well. These adjustments would be calculated annually, as changes in costs occur. Each year Suburban Water will determine the amount of the surcharge based on projections of its total cost for purchased water for the next 12 months. The estimate will be based upon known changes in wholesale water rates and estimated changes in volumes of water from each supplier. At the end of the first year, and annually thereafter, the PWA will be adjusted to account for projected changes in Suburban Water's costs, and will also be adjusted to correct for any difference between the previous year's actual costs of purchased water and the amount recovered from customers in the PWA.

If the proposed PWA tariff is approved by the KCC, customers will see annual increases for four years. The average residential customer using 5,000 gallons per month will be charged an initial increase of \$0.74 per month. Beginning in 2011, the average customer will be charged another increase of \$1.10 per month. Effective 2012 customers will see an increase of \$0.74 per month. Effective in 2013, the increase to the average customer will be \$0.96 per month. All together, as a result of BPU increases, the average residential customer using 5,000 gallons per month will pay \$3.54 per month more in 2013 than in 2009.

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Comments regarding the PWA application should reference Docket No. 10-SUBW 602 TAR. All comments may be sent to the Kansas Corporation Commission, Office of Public Affairs and Consumer Protection, 1500 S.W. Arrowhead Road, Topeka, Kansas 66604, or emailed to [public.affairs@kcc.ks.gov](mailto:public.affairs@kcc.ks.gov), or you may call 1-800-662-0027. Information about how a customer may intervene in this matter may be obtained from the KCC as well.

You may also obtain additional information concerning the PWA by contacting Suburban Water at 1-913-724-1800.

### TECHNICAL HEARING

A technical hearing will begin on September 8, 2010, at 9:00 a.m., in the



## Affidavit in Proof of Publication

---

STATE OF KANSAS  
Leavenworth County

KCC's first floor hearing room at 1500 S.W. Arrowhead Road in Topeka, Kansas. The KCC must issue an order on or before November 15, 2010, and, if approved, will become effective after that date.

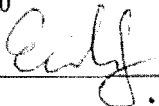
Erika Gray of the Legal Dept. of the Tonganoxie Mirror being first duly sworn, deposes and says:

That this weekly newspaper printed in the State of Kansas, and published in and of general circulation in Leavenworth County, Kansas, with a general paid circulation on a weekly basis in Leavenworth County, Kansas, and that said newspaper is not a trade, religious or fraternal publication, and which newspaper has been admitted to the mails as periodicals class matter in said County, and that a notice of which is hereto attached, was published in the regular and entire issue of the Tonganoxie Mirror

Said newspaper is published weekly 52 weeks a year; has been so published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice and been admitted at the post office of Tonganoxie in said County as second class matter.

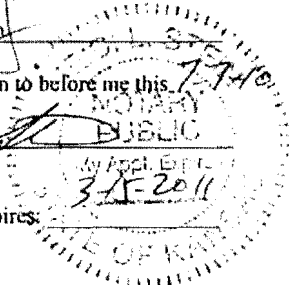
That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive weeks the first publication thereof being made as aforesaid on 07/07/2010 with publications being made on the following dates:

07/07/2010

  
Subscribed and sworn to before me this 7-7-10

  
Notary Public

My Appointment expires:



Publication Charges	\$177.60
Notary And Affidavit	\$0.00
Additional Copies	\$0.00
	<hr/>
	\$177.60

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

STATE CORPORATION COMMISSION

JUL 16 2010

In the Matter of the Application of Suburban )  
Water, Inc., d/b/a Suburban Water Company for )  
Approval of a Purchase Water Adjustment (PWA) )

Docket No. 10-SUBW-602-TAR

**AFFIDAVIT OF MAILING**

STATE OF KANSAS, COUNTY OF FRANKLIN, ss:

I, James G. Flaherty, of lawful age, being first duly sworn on oath, states:

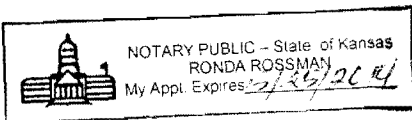
That I am an attorney for Suburban Water, Inc., d/b/a Suburban Water Company ("SWC").

That a copy of the Notice of Public Hearing and Comment Period Concerning Suburban Water's Application Proposing a Purchased Water Adjustment, a copy of which is attached hereto as Exhibit "A", was mailed to the customers of SWC, on the 7<sup>th</sup> day of July, 2010, regarding the inclusion of a proposed purchased water adjustment provision to SWC's tariffs.

Further affiant saith naught.

James G. Flaherty

SUBSCRIBED AND SWORN to before me this 15<sup>th</sup> day of July, 2010.



Notary Public

Appointment/Commission Expires:

**NOTICE OF PUBLIC HEARING AND COMMENT  
PERIOD CONCERNING SUBURBAN WATER'S APPLICATION  
PROPOSING A PURCHASED WATER ADJUSTMENT**

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**PUBLIC HEARING**

Suburban Water has applied to the Kansas Corporation Commission ("KCC") to be allowed to assess its customers a purchased water adjustment. The KCC has scheduled a public hearing to provide the public with information and to allow it to testify before the KCC on the application.

**Thursday, July 22, 2010, at 7:00 p.m.  
Bonner Springs Community Center  
200 East Third Street  
Bonner Springs, Kansas 66012**

The public hearing will take place in two parts. First, a question and answer period will allow the public to ask questions of a Suburban Water representative, the KCC's Staff, and the Citizens' Utility Ratepayer Board (CURB) staff. In the second part of the hearing, the public will be allowed to make formal statements to members of the KCC or their representative.

Any person requiring special accommodations under the Americans with Disabilities Act must give notice to the KCC at least 10 days before the scheduled hearing by calling 1-785-271-3166 or 1-800-662-0027.

**PURCHASED WATER ADJUSTMENT**

Suburban Water currently purchases approximately sixty percent (60%) of the water it supplies to its retail and wholesale customers from the Kansas City, Kansas Board of Public Utilities ("BPU"). Since Suburban Water's last rate case filing in 2007, BPU has increased the rate it charges Suburban Water for its water supply. That rate increase was not passed on to Suburban Water's customers. BPU recently announced it intends to incrementally increase the rate it charges Suburban Water by nearly 30% over the next four-year period; BPU announced increases for water sold to Suburban Water will be 5.3% effective July 1, 2010, 7.7% effective January 1, 2011, 7.2% effective January 1, 2012, and 7.9% effective January 1, 2013.

Suburban Water does not currently have a purchased water cost adjustment ("PWA") provision in its tariffs to allow Suburban Water to recover from its customers increases in its cost of water supplies without filing a rate case. Suburban Water does not want to incur the expenses of filing a rate case each time its wholesale water supply costs are increased by BPU.

Suburban Water is requesting permission to implement a PWA. The proposed PWA will allow Suburban Water to recover from customers increases in its cost of water, and to return to its customers decreases in its cost of water, as well. These adjustments would be calculated annually, as changes in costs occur. Each year Suburban Water will determine the amount of the surcharge based on projections of its total cost for purchased water for the next 12 months. The estimate will be based upon known changes in wholesale water rates and estimated changes in volumes of water from each supplier. At the end of the first year, and annually thereafter, the PWA will be adjusted to account for projected changes in Suburban Water's costs, and will also be adjusted to correct for any difference between the previous year's actual costs of purchased water and the amount recovered from customers in the PWA.

If the proposed PWA tariff is approved by the KCC, customers will see annual increases for four years. The average residential customer using 5,000 gallons per month will be charged an initial increase of \$0.74 per month. Beginning in 2011, the average customer will be charged another increase of \$1.10 per month. Effective 2012 customers will see an increase of \$0.74 per month. Effective in 2013, the increase to the average customer will be \$0.96 per month. All together, as a result of BPU increases, the average residential customer using 5,000 gallons per month will pay \$3.54 per month more in 2013 than in 2009.

**EXHIBIT**

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**PUBLIC COMMENT PERIOD**

The KCC has scheduled a public comment period concerning the requested PWA to provide an opportunity for customers to submit written comments to the KCC through September 3, 2010 at 5:00 p.m.

Comments regarding the PWA application should reference Docket No. 10-SUBW-602-TAR. All comments may be sent to the Kansas Corporation Commission, Office of Public Affairs and Consumer Protection, 1500 S.W. Arrowhead Road, Topeka, Kansas 66604, or emailed to [public.affairs@kcc.ks.gov](mailto:public.affairs@kcc.ks.gov), or you may call 1-800-662-0027. Information about how a customer may intervene in this matter may be obtained from the KCC as well.

You may also obtain additional information concerning the PWA by contacting Suburban Water at 1-913-724-1800.

**TECHNICAL HEARING**

A technical hearing will begin on September 8, 2010, at 9:00 a.m., in the KCC's first floor hearing room at 1500 S.W. Arrowhead Road in Topeka, Kansas. The KCC must issue an order on or before November 15, 2010, and, if approved, will become effective after that date.