

**KMB UTILITY CORPORATION**  
5108 Dulin Creek Rd.  
House Springs, MO 63051  
(636) 671-3310

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Records  
Public Service Commission

April 28, 2005

Secretary of the Commission  
Missouri Public Service Commission  
Attn: Data Center  
P. O. Box 360  
Jefferson City, MO 65102

RE: Requests for Increases in Annual Sewer and Water System Operating Revenues  
MO PSC Sewer Utility & Water Utility Small Company Rate Increase Procedures

Dear Secretary:

KMB Utility Corporation (the Company) holds certificates of public convenience and necessity granted by the Missouri Public Service Commission (the Commission), under which the Company provides sewer collection and treatment services to one system in Cape Girardeau County and water supply and distribution services to seven separate systems in Jefferson County and Franklin County. The Commission first authorized the Company to provide regulated sewer utility service in December of 1992 and regulated water utility service in November of 1990. The Company currently provides service to approximately 187 sewer customers and approximately 460 water customers within its certificated areas under the provisions of its Commission-approved tariffs. The Company's customer rates for sewer and water service were last changed in May of 2003.

Pursuant to 4 CSR 240-3.330 and 4 CSR 240-3.635, the Commission's rules pertaining to rate increase requests made by small sewer and water utilities, respectively, the Company is hereby requesting an increase of \$17,121 in its annual sewer system operating revenues and an aggregate increase of \$152,229 in its annual water system operating revenues. Specifically, the requested increase in the annual water system operating revenues by system are: Cedar Hill Estates in Jefferson County \$26,269; Crestview Acres in Franklin County \$15,808; High Ridge Manor in Jefferson County \$9,253; Hillside Acres & Sunshine areas in Franklin County \$6,868; Lakewood Hills area in Jefferson County \$65,291; Scotsdale area in Jefferson County \$19,790; and Warren Woods area in Jefferson County \$8,950. Based upon current customer rates and customer numbers, these increases represent changes of approximately 26.46% in the Company's annual sewer system operating revenues and approximately 104.86% in the Company's annual

Missouri Public Service Commission  
Re: Increase in Operating Revenues  
April 28, 2005 – Page 2 of 2

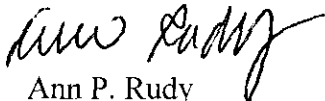
water system operating revenues. The Company understands that the design of its customer rates, its service charges, its customer service practices, its general business practices and its tariff provisions will also be reviewed during the Commission Staff's review of the rate requests, and may thus be the subject of Staff recommendations at the conclusion of the rate increase process.

The specific reasons for the requested increases in the Company's annual operating revenues for both its sewer service and water service include increases in operation and maintenance expenses and to provide an adequate return on investment.

Lastly, I wish to advise you that the Company is current on the payment of its Commission annual assessments (all assessments have been paid in full and the current assessment is being paid quarterly) and the filing of its Commission annual reports. Additionally, the Company will remain current on these items during this small company rate increase procedure.

Thank you for your attention in this important matter. Please contact me at your convenience if you need additional information regarding this request.

Sincerely,



Ann P. Rudy  
Owner

Copies: Jim Russo – Commission Staff  
John Coffman – Office of the Public Counsel