

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY**

FEBRUARY 21, 1997

CASE NO: WR-97-100; SR-97-101

Gary W. Duffy, Brydon, Swearngen & England, 312 E. Capitol Ave., P.O. Box 456,
Jefferson City, MO 65102-0456

John B. Coffman, Senior Public Counsel, Office of the Public Counsel, P.O. Box 7800,
Jefferson City, MO 65102

Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,

A handwritten signature in black ink, appearing to read "Cecil I. Wright", with a stylized flourish at the end.

**Cecil I. Wright
Executive Secretary**

Uncertified Copy:

Danny E. Dowell, President, KMB Utility Corporation, P.O. Box 403, Imperial, MO 63052

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of KMB Utility Corporation's)	
Tariff Sheets Designed to Increase Water)	<u>CASE NO. WR-97-100</u>
Rates Pursuant to the Small County Rate)	
Procedure.)	

In the Matter of KMB Utility Corporation's)	
Tariff Sheets Designed to Increase Sewer)	<u>CASE NO. SR-97-101</u>
Rates Pursuant to the Small Company Rate)	
Procedure.)	

ORDER DENYING MOTION TO CANCEL OR
RESCHEDULE EARLY PREHEARING CONFERENCE

On February 7, 1997, the Commission issued an Order Further Suspending Tariffs and Setting Early Prehearing Conference in this case. The Commission did this based upon the belief that numerous problems exist pertaining to the service currently being provided by KMB Utility Corporation (KMB or company). The Commission had previously received a Staff recommendation which suggested approval of a rate increase for KMB but the Commission found that the proposed disposition of this case did not adequately address the service concerns which KMB's customers raised at the public hearing.

The Commission has reservations about approving a rate increase of the type requested herein in light of the service problems which have been alleged. At the same time, the Commission has reservations about requiring KMB to incur substantial rate case expenses, which may or may not be allowed when this rate case is finally concluded. The Commission is also concerned that KMB has apparently denied any service problems in light of almost overwhelming public comment to the contrary.

The Commission would urge KMB to take full advantage of the prehearing conference and use this opportunity wisely. The Commission

finds that time is of the essence and a delay in this process may ultimately harm the customers as well as the company.

On February 18, 1997, KMB filed an application which requested, *inter alia*, that the Commission cancel or reschedule the early prehearing conference. The Commission has previously ordered the parties to appear for this hearing and does not find good cause for reconsidering that order. The Commission believes that non-availability of KMB's attorney may easily be remedied in that KMB has retained the services of one of the larger law firms in the community. Past experience with this law firm, as well as other law firms which appear before the Commission, has shown that substitution of individual attorneys for these types of hearing is a common practice.

It has also been suggested to the Commission that one of the primary employees of KMB has been directed to appear for jury duty on or about the date of the prehearing conference. The Commission finds in the first instance that as with many corporations, there may be other representatives who will be able to appear with the corporation's legal counsel on the date of the hearing. In addition, the affected individual may well be excused from jury duty for the date of the hearing by providing that jurisdiction with a copy of this order along with the Commission's order of February 7, 1997, which ordered the parties to appear for this hearing.

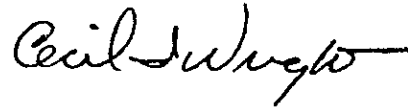
Based upon the foregoing reasons and based upon the importance which the Commission places upon this particular hearing, the Commission will deny KMB's request to cancel or reschedule the early prehearing conference.

IT IS THEREFORE ORDERED:

1. That KMB Utility Corporation's motion to cancel or reschedule the early prehearing conference is hereby denied.

2. That this Order shall become effective on the date hereof.

BY THE COMMISSION

A handwritten signature in cursive script, appearing to read "Cecil I. Wright".

Cecil I. Wright
Executive Secretary

(S E A L)

Dale Hardy Roberts, Chief Administrative
Law Judge, by delegation of authority under
Commission Directive of January 3, 1995,
pursuant to Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 21st day of February, 1997.

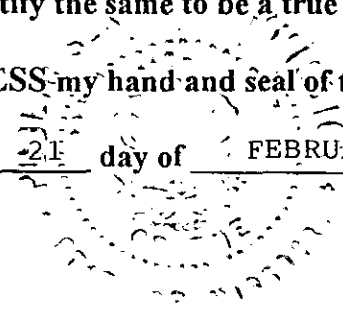
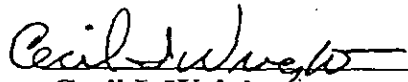
**STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION**

I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,

Missouri, this 21 day of FEBRUARY, 1997.



Cecil I. Wright
Executive Secretary