

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

In the Matter of the Application of KMB       )  
Utility Corporation for a Sewer Rate       )       File Nos. SR-2010-0346  
Increase.   )

**THE OFFICE OF THE PUBLIC COUNSEL'S POSITION STATEMENT**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Position Statement states as follows:

1. On May 21, 2010, KMB Utility Corporation (KMB) initiated a small company rate increase proceeding with the Missouri Public Service Commission (Commission) requesting an increase in its sewer rates of \$12,100 (approximately 17.75%) per year.
2. On December 9, 2010, the Staff of the Missouri Public Service Commission (Staff) filed a Notice of Agreement Regarding Disposition of Small Company Rate Increase Request (Company/Staff Agreement) indicating an agreement between Staff and KMB for a sewer rate increase of \$1,905 annually (approximately 2.87%). Public Counsel did not join in the agreement.
3. Revised tariff sheets reflecting the proposed rates agreed to in the Company/Staff Agreement were filed by KMB on December 13, 2010.
4. As the Company/Staff Agreement was executed by only KMB and Staff, 4 CSR 240.3-050(15) requires Public Counsel to file a pleading stating its position regarding the Company/Staff Agreement and the related tariff revisions, or requesting a local public hearing or an evidentiary hearing no later than five (5) working days after the end of the comment period for the written customer notice contemplated in 4 CSR 240-3.050(14).

5. Public Counsel states that it did not sign the Company/Staff Agreement because, although Public Counsel agreed with most of Staff's audit positions, Public Counsel had concerns regarding the calculation of depreciation reserve.
6. However, Public Counsel now states its position that while it does not agree with the Company/Staff Agreement and related tariff revisions, it will not oppose their approval by the Commission.
7. As stated above, 4 CSR 240-3.050(14) requires a written notice of the proposed tariff revisions no later than five (5) working days after the utility makes its tariff filing.
8. Additionally, 4 CSR 240-3.050(22) requires a final written notice of Commission approval of any tariff revisions resulting from a small utility rate case.
9. Given that Public Counsel does not oppose the Company/Staff Agreement, Public Counsel believes that it would be burdensome to KMB and its customers to require a written customer notice as contemplated in 4 CSR 240-3.050(14) as well as a final written notice per 4 CSR 240-3.050(22) if the Commission approves the Company/Staff Agreement and the related tariff revisions. Consequently, Public Counsel requests a waiver of the written customer notice as contemplated in 4 CSR 240-3.050(14). The final written notice per 4 CSR 240-3.050(22) would still be required.
10. Therefore, in compliance with 4 CSR 240.3-050(15), Public Counsel now states its position that while it does not agree with the Company/Staff Agreement and the related tariff revisions, Public Counsel will not oppose their approval by the Commission. Additionally, if the Commission approves the Company/Staff Agreement and the related tariff revisions, Public Counsel requests a waiver of the second customer notice as contemplated in 4 CSR 240-3.050(14). The final written notice per 4 CSR 240-3.050(22) would still be required.

**WHEREFORE,** Public Counsel respectfully submits its Position Statement.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

**/s/ Christina L. Baker**

By:\_\_\_\_\_

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 13<sup>th</sup> day of December 2010:

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**/s/ Christina L. Baker**

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