

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 5<sup>th</sup> day of  
January, 2011.

In the Matter of the Application of       )  
KMB Utility Corporation for a       )  
Sewer Rate Increase       )

**File No. SR-2010-0346**

Tariff No. JS-2011-0294

**ORDER APPROVING SMALL COMPANY RATE INCREASE  
AND APPROVING TARIFF**

Issue Date: January 5, 2011

Effective Date: February 1, 2011

The Missouri Public Service Commission is approving the *Company/Staff Disposition Agreement* (“agreement”) and the revised tariff sheet (“tariff”) providing a monthly rate increase for the Cape Rock Village service territory of \$0.77 for single-family customers and \$0.62 for multi-family customers.

A. Procedure

This action began on May 21, 2010, when KMB Utility Corporation (“the company”) filed a letter asking the Commission for rate relief. The company’s initial letter sought a revenue increase of \$12,100 per year. Such action is subject to 4 CSR 240-3.050. That regulation provides a schedule for the resolution of such request. At the request of Staff and the company, the Commission extended the schedule by order dated October 10, 2010. The regulation also provides for the filing of a disposition agreement and a tariff to implement the agreement.<sup>1</sup>

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<sup>1</sup> 4 CSR 240-3.050(14).

On December 9, 2010, Staff filed the agreement with supporting affidavits. Parties to the agreement are Staff and the company, but not the Office of the Public Counsel (“OPC”). To implement the agreement, the company filed the tariff on December 13, 2010. The tariff received tracking no. JS-2011-0294 and bears an effective date of February 1, 2011. On December 13, 2010, OPC filed *[OPC]’s Position Statement*. In OPC’s position statement OPC stated that OPC neither supports nor opposes the agreement, and requested no local public hearing and no evidentiary hearing, and requested the Commission to waive the second customer notice procedure. The Commission granted the request to waive the second customer notice procedure.<sup>2</sup>

The Commission may approve a tariff, or allow it to take effect by operation of law, without any other further procedure.<sup>3</sup> No provision of law requires a hearing, so this action is not a contested case. Therefore, the Commission’s decision need not include separately stated facts.

### B. Merits

The company provides water and sewer service to eight service territories. The agreement and tariff address sewer service to 218 residents in the Cape Rock Village service territory near Cape Girardeau, Missouri. The agreement and tariff increase annual revenue by 2.867%, which is \$1,905 per year. The company charges only a flat monthly service charge, so the revenue increase will affect rates as follows:

Monthly Service Charge (\$)	Current	Proposed	Increase
Single-Family	26.83	27.60	0.77
Multi-Family	21.46	22.08	0.62

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<sup>2</sup> Order dated \_\_\_\_, 2010.

<sup>3</sup> Section 393.150.1, RSMo 2000.

The agreement also requires the company to adjust its accounting, record keeping, and other business practices.

C. Conclusion

Based on the affidavits, the Commission independently finds and concludes that the agreement and the tariff describe service that is safe and adequate at rates that are just and reasonable, so the Commission will approve the agreement and the tariff.

**THE COMMISSION ORDERS THAT:**

1. The Commission approves the *Company/Staff Disposition Agreement* ("agreement"), incorporates the agreement's terms into this order as if fully set forth, and orders the parties to comply with the agreement's terms.

2. The tariff to which the Commission assigned Tracking No. JS-2011-0294 is approved to become effective on February 1, 2011. The specific tariff sheet approved is:

**P.S.C. MO. No. 1**  
**7<sup>th</sup> Revised Sheet No. 5, Cancelling 6<sup>th</sup> Revised Sheet No. 5**

3. This order shall become effective on February 1, 2011.

( S E A L )

**BY THE COMMISSION**



Steven C. Reed  
Secretary

Clayton, Chm., Davis, Jarrett, Gunn,  
and Kenney, CC., concur.

Jordan, Senior Regulatory Law Judge