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JAN 31 2006

Missouri Public
Service Commission

KMB UTILITY CORPORATION

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

SECOND CUSTOMER NOTICE

RECEIVED

JAN 30 2006

UTILITY OPERATIONS
DIVISION

January 13, 2006

Dear Cape Rock Village Customer:

On May 2, 2005, KMB Utility Corporation (Company) submitted a request for a permanent increase in its current sewer rates, under the provisions of the Missouri Public Service Commission's small company rate increase procedure. By its request, the Company was seeking increases in its customer rates intended to generate an increase in its annual sewer operating revenues of **\$17,121 (approximately 26.46%)**.

As a result of the Company's request, the Staff of the Public Service Commission (Commission Staff) conducted an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon the results of its audit and investigation, the Commission Staff has concluded that **an increase of \$775 (approximately 1.17%)** in the Company's annual sewer operating revenues is warranted and that certain changes to the Company's system operations and business operations are warranted. The Company agrees with the Commission Staff's audit findings and conclusions, and has filed tariff revisions to implement those findings and conclusions. A table summarizing the Company's proposed revisions to its rates and including a monthly customer bill comparison for a residential customer is set out at the end of this notice.

The Office of the Public Counsel (OPC), a state agency responsible for representing the interest of utility consumers before the Commission, has reviewed the results of the Commission Staff's investigation.

Any customer that has questions or comments about the Company's proposed revisions to its rates, or that has comments regarding recent service-related problems, should contact the Commission Staff and/or the OPC **within 20 days of the date of this notice**. To do so, please use the mailing addresses, telephone numbers, fax numbers or e-mail addresses shown below, and please include a reference to Commission Case No. SR-2006-0285.

Public Service Commission
Attn: Water & Sewer Department
P. O. Box 360
Jefferson City, MO 65102
Phone: (800) 392-4211
Fax: (573) 751-1847
E-Mail: water.sewer@psc.mo.gov

Office of the Public Counsel
Attn: Water & Sewer Department
P. O. Box 2230
Jefferson City, MO 65102
Phone: (573) 751-4857
Fax: (571) 751-5562
E-Mail: mopco@ted.mo.gov

Second Notice re: Rate Increase Request
January 13, 2006

Page -2-

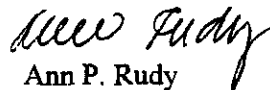
Depending upon the responses to this notice, the OPC may request that the Public Service Commission hold a local public hearing. However, regardless of whether a local public hearing is held, no increase in rates will take effect without the specific approval of the Public Service Commission.

Lastly, please be advised that all currently available information regarding the Company's rate increase request may be obtained via the Public Service Commission's Website as follows, and please also note that this information will be updated as the case moves forward.

- 1) Go the <http://www.psc.mo.gov>
- 2) On that page, click on the "EFIS" button near the top on the right side of the page
- 3) On the next page, after reading the disclaimer, click on "I agree to terms above"
(if you get a Security Alert dialog box at this point, click on "OK")
- 4) On the next page, click on "Resources" near the top right of the page
- 5) On the next page, click on "Case Information"
- 6) On the next page, click on "Case Filing/Submission"
(if you get a Security Information dialog box at this point, click on "Yes")
- 7) On the next page, check the box to the left of "Case No."; enter SR-2006-0285 in the box to the right of Case No.; scroll to the bottom of the page and click on "Search"
- 8) On the next page, click on the number in the left column to view a particular document (to better identify the documents that are in the case file, click on the underlined case number at the top of the page, this will take you to another page where you can also open individual documents)

If you have questions about this notice, or about anything else with which I may be of assistance, please feel free to contact me at the telephone at the top of the first page this notice.

Sincerely,



Ann P. Rudy
Owner - KMB Utility Corp.

<u>TYPE OF CHARGE</u>	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>
Monthly Charge	\$26.52	\$26.83