

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

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

Case No. SR-2010-0346

**FILING OF EXTENSION AGREEMENT AND UPDATED TIMELINE**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and pursuant to 4 CSR 340-3.050(12) files its Filing of Extension Agreement and Updated Timeline ("Filing") and in support of this Filing states as follows:

1. On May 21, 2010, the Missouri Public Service Commission ("Commission") received a Rate Increase Request Letter ("Request Letter") from KMB Utility Corporation ("KMB" or "the Company") pursuant to the Small Utility Rate Case Procedure ("Small Company Procedure").

2. The Small Company Procedure provides, in pertinent part, as follows:

(11) No later than one hundred fifty (150) days after a case is opened, the staff shall file a disposition agreement between at least the staff and the utility providing for a full or partial resolution of the utility's revenue increase request. At any time prior to the filing of the disposition agreement, the assigned regulatory law judge may be called upon to meet with the participants and mediate discussions to assist them in reaching at least a partial agreement. If the disposition agreement filed by the staff provides for only partial resolution of the utility's request, it may contain provisions whereby the signatories request that the assigned regulatory law judge initiate an arbitration procedure regarding unresolved issues identified in the agreement.

3. The Small Company Procedure also provides, in pertinent part, as follows:

(12) The staff and the small utility may agree that the deadlines set out in sections (9), (10) and (11) be extended for up to two (2) months. If an extension is agreed upon, the staff shall file a written agreement regarding the extension and an updated timeline reflecting the extension in the case file.

4. On October 18, 2010, day 150, Staff filed a Motion for Extension of Time citing that KMB recently discovered that guide rails in the lift station at the Cape Rock Village location need to be replaced immediately. KMB received two bids and accepted one and has signed a contract to have this work performed in the near future. The installation of this major investment should be part of this case.

5. Attached and incorporated by reference herein, as Exhibit A, is an executed Company/Staff Agreement for 60 Day Extension.

6. Also attached and incorporated by reference herein, as Exhibit B, is an Updated Timeline.

7. KMB and Staff agree that a sixty (60) day extension is appropriate pursuant to Commission Rule 3.050 (12).

**WHEREFORE**, Staff respectfully submits this Filing of Extension Agreement and Updated Timeline and requests the Commission grant KMB and Staff sixty (60) days in which to file with the Commission a Notice of Disposition Agreement between Staff and KMB; and Staff respectfully requests the Commission adopt the Updated Timeline in this matter as proposed in Exhibit B to this Filing.

Respectfully submitted,

/s/ RACHEL M. LEWIS

Rachel M. Lewis  
Deputy Counsel  
Missouri Bar No. 56073

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### **Certificate of Service**

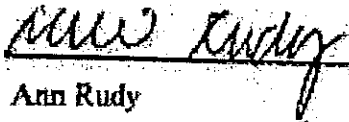
I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 19th day of October, 2010.

**/S/ RACHEL M. LEWIS**

**COMPANY/STAFF AGREEMENT FOR 60 DAY EXTENSION**

KMB Utility Corporation ("KMB" or "the Company") and the Staff of the Missouri Public Service Commission ("Staff") agree to the following:

1. KMB filed for a small company sewer rate increase request on May 21, 2010.
2. The Company recently discovered that the guide rails in the lift station at the Cape Rock Village location needed to be replaced immediately. KMB received two bids and accepted one. The Company has signed a contract to have this work completed in the near future.
3. Commission Rule 4 CSR 240.3.050(12) allows the Company and Staff to extend the deadlines set out in sections (9), (10) and (11) for up to two (2) months.
4. Staff has attached for filing in this case an updated timeline reflecting this extension.
4. KMB and Staff agree that it is necessary to extend the Small Utility Rate Increase process for sixty (60) days.



Ann Rudy

Owner

KMB Utility Corporation



James Busch

Manager

Water & Sewer Department

Missouri Public Service Commission

# Small Utility Rate Case Timeline

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## MO PSC Case No. SR-2010-0346

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|  |   |
|--|---|
| <b>Utility Name &amp; Contact Info</b> | <b>KMB Utility Corporation</b>                  |
| Contact Person                         | Ann Rudy  |
| Mailing Address                        | 5108 Dulin Creek Road<br>House Springs MO 63051 |
| Phone Contact (land line)              | (636) 671-3310                                  |
| Phone Contact (mobile)                 |   |
| Fax Contact                            | (636) 671-0580                                  |
| E-Mail Address                         |   |
| <b>Date Case Opened</b>                | <b>May 21, 2010</b>                             |
| <b>Agreement Filing Due Date</b>       | <b>October 18, 2010</b>                         |
| <b>9-Month Deadline</b>                | <b>February 21, 2011</b>                        |
| <b>11-Month Deadline</b>               | <b>April 21, 2011</b>                           |

Set out on the following pages is the activities timeline pertaining to the processing of the above-referenced small utility revenue increase request. This timeline assumes that the Staff's investigation of the revenue increase request will result in a conclusion that an increase in the subject utility's operating revenues is needed, that at least the Utility and Staff will reach an agreement regarding the overall resolution of the request without the need for time extensions, and that the request will be resolved without an arbitration process being used or an evidentiary hearing being held. For cases where an arbitration process is going to be used or an evidentiary hearing is going to be held, it is anticipated that a procedural schedule will be set when that becomes known. In such instances, the 9-month and 11-month deadlines will need to be considered in setting the procedural schedule.

The schedule set out in the timeline establishes the Target Due Date for the completion of certain activities needed to process the request in a timely manner. Extensions of the disposition agreement filing deadline, which is 150 days after the date the utility files its request, and certain other deadlines are allowed (and under some circumstances are required) and if executed will result in changes to the timeline. Agreements for such extensions, which are limited to a maximum of 60 days, will be reduced to writing and filed in the case file, along with an updated timeline.

The entries in the Target Day column represent the number of days from the date the utility filed its request. The entries in the Target Due Date column show the date when the Target Day hits the calendar. To determine the entries for the Calendar Due Date column, Target Due Dates falling on a weekend or a holiday are moved to the next regular working day, except that the effective dates for pending revised tariff sheets cannot be adjusted.

| Target Day | Target Due Date | Calendar Due Date | Case Activity   | Responsible "Party"                        | Rule Section |
|------------|-----------------|-------------------|---|--|--------------|
| 0          | 05/21/10        | N/A               | Request Letter Filed and Case Opened (agreement filing due date calculated from this date)  | Utility                                    | 3            |
| 5          | 05/26/10        | 05/26/10          | Compliance with Section 4 of Rule Confirmed (case can be dismissed in case of non-compliance)   | Case Coordinator                           | 4            |
| 7          | 05/28/10        | 05/28/10          | Case Activities Timeline Filed in Case File   | Case Coordinator                           | 5            |
| 10         | 05/31/10        | 06/01/10          | Draft of Initial Customer Notice Sent to Utility & OPC  | Case Coordinator                           |              |
|            |                 |                   | Letter Sent to Utility & OPC Regarding Expected Staff Activities and Identifying Participating Staff Members  | Case Coordinator                           |              |
| 20         | 06/10/10        | 06/10/10          | Requests for Information Needed for Audit Communicated to Utility by Assigned Staff (if done in writing, copies also sent to OPC)   | Assigned Staff                             |              |
| 30         | 06/20/10        | 06/21/10          | Initial Customer Notice Mailed to Customers (copy sent to Case Coordinator for filing in case file)   | Utility                                    | 7            |
| 40         | 06/30/10        | 06/30/10          | Responses to Requests for Information Provided to Staff by Utility (staff provides copies of information received to OPC) <b>OR</b> Extension of Agreement Filing Due Date Agreed to by Utility <b>OR</b> Staff May File Motion to Dismiss Case               | Utility & Assigned Staff                   | 4            |
|            |                 |                   | Copy of Initial Customer Notice Filed in Case File  | Case Coordinator                           | 7            |
| 50         | 07/10/10        | 07/12/10          | Follow-Up Requests for Information Communicated to Utility by Assigned Staff (if done in writing, copies also sent to OPC)  | Assigned Staff                             |              |
| 60         | 07/20/10        | 07/20/10          | End of Response Period for Initial Customer Notice  | N/A  | 7            |
| 70         | 07/30/10        | 07/30/10          | Responses to Follow-Up Requests for Information Provided to Staff by Utility (staff provides copies of information received to the OPC) <b>OR</b> Extension of Agreement Filing Due Date Agreed to by Utility <b>OR</b> Staff May File Motion to Dismiss Case | Utility & Assigned Staff; Case Coordinator | 4            |
| 75         | 08/04/10        | 08/04/10          | Deadline for Completion of Construction Projects to be Included in Case <b>OR</b> Agreement Filing Due Date Extended So Projects Can be Included in Case  | Utility; Case Coordinator                  | 4            |
|            |                 |                   | Continued Compliance with Section 4 of Rule Confirmed (case can be dismissed in case of non-compliance)   | Case Coordinator                           |              |
|            |                 |                   | Unless Notified Otherwise, or Unless Extensions Have Been Agreed Upon, Utility & OPC Can Assume the Process is On-Track for Timely Completion   | Case Coordinator                           |              |

| Target Day | Target Due Date | Calendar Due Date | Case Activity   | Responsible "Party"          | Rule Section |
|------------|-----------------|-------------------|---|------------------------------|--------------|
| 80         | 08/09/10        | 08/09/10          | Basic Audit/Investigation Work Completed  | Assigned Staff               | 9            |
| 85         | 08/14/10        | 08/16/10          | Initial Audit/Investigation Reports Completed and Provided to Case Coordinator  | Assigned Staff               |              |
| 90         | 08/19/10        | 08/19/10          | Overview of Staff's Initial Audit/Investigation Results Provided to the Utility & OPC   | Case Coordinator             |              |
| 100        | 08/29/10        | 08/30/10          | Utility & OPC Submit Responses Regarding Staff's Case Overview to Case Coordinator (errors/ommissions to be identified and suggested changes to be included) <b>OR</b> Staff Assumes Information Provided is Acceptable <b>(Staff's audit considered "complete" at this time)</b> | Utility & OPC                |              |
| 120        | 09/18/10        | 09/20/10          | Staff's Settlement Proposal Packet Sent to Utility & OPC and Arrangements Made for Conference Call or Meeting to Discuss the Proposal   | Case Coordinator             | 10           |
| 130        | 09/28/10        | 09/28/10          | Conference Call or Meeting Held with Utility & OPC to Discuss Staff's Settlement Proposal   | Utility, OPC & Staff         | 4            |
| 135        | 10/03/10        | 10/04/10          | Utility & OPC Notify Staff of Whether They Agree with the Settlement Proposal (if not, the reasons for that and suggested changes to the settlement proposal documents are provided to the Case Coordinator)  | Utility & OPC                |              |
|            |                 |                   | Utility Must Respond <b>OR</b> Agree to Extension of Agreement Filing Due Date <b>OR</b> Staff May File Motion to Dismiss Case  | Utility; Case Coordinator    |              |
| 200        | 12/07/10        | 12/07/10          | Agreed-Upon Changes to Settlement Proposal Documents Completed and Final Disposition Agreement Sent to Company for Signing (copy also sent to OPC; OPC may or may not sign)   | Case Coordinator             | 4            |
|            |                 |                   | Continued Compliance with Section 4 of Rule Confirmed (case can be dismissed in case of non-compliance)   | Case Coordinator             |              |
| 205        | 12/12/10        | 12/13/10          | Signed Disposition Agreement Returned to Staff  | Utility; OPC (if applicable) |              |
|            |                 |                   | Staff Sends Revised Tariff Sheets and Draft Tariff Filing Transmittal Letter to the Utility   | Case Coordinator             |              |
| 210        | 12/17/10        | 12/17/10          | Staff Files Executed Disposition Agreement  | Case Coordinator             | 11           |

Activities needed from this point forward vary based on the approach taken by the OPC. The next three sections set out the activities needed based on the different OPC approaches that are possible.

This section pertains to the situation where the Utility, Staff & OPC reach an agreement on the overall disposition of the request, and is thus based on the fact that the Utility will not send out a second customer notice. In this situation, a minimum of 30 days is needed between the filing date and the proposed effective date of the Utility's tariff revisions. The dates shown assume that the Utility will make a 30-day tariff filing on Day 155.

| Target Day | Target Due Date | Calendar Due Date | Case Activity  | Responsible "Party" | Rule Section |
|------------|-----------------|-------------------|--|---------------------|--------------|
| 215        | 12/22/10        | 12/22/10          | Utility Files Necessary Tariff Revisions   | Utility             | 13           |
| 225        | 01/01/11        | 01/03/11          | Staff Recommendation Filed if applicable <b>OR</b> ordered by the Commission. (includes confirmation of Utility's continued compliance with Section 4 of Rule <b>OR</b> motion for suspension of tariff revisions requesting correction of the deficiencies will be submitted) | Case Coordinator    |              |
| 235        | 01/11/11        | 01/11/11          | Order Approving Tariff Revisions Issued  | Assigned RLJ        |              |
| 245        | 01/21/11        | 01/21/11          | Tariff Revisions Effective "On and After" this Date  | N/A                 | 13           |
| 250        | 01/26/11        | 01/26/11          | Draft of Final Customer Notice Sent to Utility & OPC   | Case Coordinator    |              |
| 260        | 02/05/11        | 02/05/11          | Final Customer Notice Mailed to Customers (copy sent to Case Coordinator for filing in case file)  | Utility             | 22           |
| 270        | 02/15/11        | 02/15/11          | Copy of Final Customer Notice Filed in Case File   | Case Coordinator    | 22           |
| 285        | 03/02/11        | 03/02/11          | Notice Closing Case Issued   | Assigned RLJ        |              |



This section pertains to the situation where only the Utility and Staff reach an agreement on the overall disposition of the request, and is thus based on the fact that the Utility will send out a second customer notice. This section is also based on the assumption that the OPC will not request a local public hearing. In this situation, a minimum of 45 days is needed between the filing date and the proposed effective date of the Utility's tariff revisions. The dates shown assume that the Utility will make a 45-day tariff filing on Day 155.

| Target Day | Target Due Date | Calendar Due Date | Case Activity  | Responsible "Party" | Rule Section |
|------------|-----------------|-------------------|--|---------------------|--------------|
| 210        | 12/17/10        | 12/17/10          | Draft of Second Customer Notice Sent to Utility & OPC  | Case Coordinator    |              |
| 215        | 12/22/10        | 12/22/10          | Utility Files Necessary Tariff Revisions   | Utility             | 14           |
| 220        | 12/27/10        | 12/27/10          | Second Customer Notice Mailed to Customers<br>(copy sent to Case Coordinator for filing in case file)  | Utility             | 14           |
| 230        | 01/06/11        | 01/06/11          | Copy of Second Customer Notice Filed in Case File  | Case Coordinator    | 14           |
| 240        | 01/16/11        | 01/16/11          | End of Response Period for Second Customer Notice  | N/A                 | 14           |
| 247        | 01/23/11        | 01/24/11          | OPC Files Its Position Statement   | OPC                 | 15           |
| 248        | 01/24/11        | 01/24/11          | Staff Recommendation Filed if applicable <b>OR</b> ordered by the Commission. (includes confirmation of Utility's continued compliance with Section 4 of Rule <b>OR</b> motion for suspension of tariff revisions requesting correction of the deficiencies will be submitted) | Case Coordinator    |              |
| 250        | 01/26/11        | 01/26/11          | Order Approving Tariff Revisions Issued  | Assigned RLJ        |              |
| 260        | 02/05/11        | 02/07/11          | Tariff Revisions Effective "On and After" this Date  | N/A                 | 14           |
| 265        | 02/10/11        | 02/10/11          | Draft of Final Customer Notice Sent to Utility & OPC   | Case Coordinator    |              |
| 275        | 02/20/11        | 02/21/11          | Final Customer Notice Mailed to Customers<br>(copy sent to Case Coordinator for filing in case file)   | Utility             | 22           |
| 285        | 03/02/11        | 03/02/11          | Copy of Final Customer Notice Filed in Case File   | Case Coordinator    | 22           |
| 290        | 03/07/11        | 03/07/11          | Notice Closing Case Issued   | Assigned RLJ        |              |

This section pertains to the situation where only the Utility and Staff reach an agreement on the overall disposition of the request, and is thus based on the fact that the Utility will send out a second customer notice. This section is also based on the assumption that the OPC will request a local public hearing and that one will be held. In this situation, a minimum of 45 days is needed between the filing date and the proposed effective date of the Utility's tariff revisions. The dates shown assume that the Utility will make a 45-day tariff filing on Day 155. The dates also assume that the tariff revisions will be suspended for 45 days past the proposed effective date, and that the local public hearing will be held 30 days before the end of the suspension period.

| Target Day | Target Due Date | Calendar Due Date | Case Activity  | Responsible "Party" | Rule Section |
|------------|-----------------|-------------------|--|---------------------|--------------|
| 210        | 12/17/10        | 12/17/10          | Draft of Second Customer Notice Sent to Utility & OPC  | Case Coordinator    |              |
| 215        | 12/22/10        | 12/22/10          | Utility Files Necessary Tariff Revisions   | Utility             | 14           |
| 220        | 12/27/10        | 12/27/10          | Second Customer Notice Mailed to Customers (copy sent to Case Coordinator for filing in case file)   | Utility             | 14           |
| 230        | 01/06/11        | 01/06/11          | Copy of Second Customer Notice Filed in Case File  | Case Coordinator    | 14           |
| 240        | 01/16/11        | 01/16/11          | End of Response Period for Second Customer Notice  | N/A                 |              |
| 247        | 01/23/11        | 01/24/11          | OPC Files Request for Local Public Hearing   | OPC                 | 15           |
| 250        | 01/26/11        | 01/26/11          | Order Setting Local Public Hearing and Suspending Tariff Revisions Issued  | Assigned RLJ        |              |
| 255        | 01/31/11        | 01/31/11          | Draft of LPH Customer Notice Sent to Utility & OPC   | Case Coordinator    |              |
| 260        | 02/05/11        | 02/07/11          | Notice of Local Public Hearing Mailed to Customers (copy sent to Case Coordinator for filing in case file)   | Utility             | 18           |
| 270        | 02/15/11        | 02/15/11          | Copy of LPH Customer Notice Filed in Case File   | Case Coordinator    | 18           |
| 275        | 02/20/11        | 02/22/11          | Local Public Hearing Held  | Assigned RLJ        |              |
| 282        | 02/27/11        | 02/28/11          | Staff Files Notice re: Possible Changes to the Disposition Agreement Based on Info Provided at the Local Public Hearing (includes motion to suspend tariff revisions if needed) <b>5 WORKING DAYS</b>  | Case Coordinator    | 19           |
| 289        | 03/06/11        | 03/07/11          | OPC Files Its Position Statement** <b>10 WORKING DAYS</b>  | OPC                 | 19           |
| 290        | 03/07/11        | 03/07/11          | Staff Recommendation Filed if applicable <b>OR</b> ordered by the Commission. (includes confirmation of Utility's continued compliance with Section 4 of Rule <b>OR</b> motion for suspension of tariff revisions requesting correction of the deficiencies will be submitted) | Case Coordinator    |              |
| 295        | 03/12/11        | 03/14/11          | Order Approving Tariff Revisions Issued  | Assigned RLJ        |              |
| 305        | 03/22/11        | 03/22/11          | Tariff Revisions Effective "On and After" this Date  | N/A                 | 14           |
| 310        | 03/27/11        | 03/28/11          | Draft of Final Customer Notice Sent to Utility & OPC   | Case Coordinator    |              |
| 320        | 04/06/11        | 04/06/11          | Final Customer Notice Mailed to Customers (copy sent to Case Coordinator for filing in case file)  | Utility             | 22           |
| 330        | 04/16/11        | 04/18/11          | Copy of Final Customer Notice Filed in Case File   | Case Coordinator    | 22           |
| 335        | 04/21/11        | 04/21/11          | Notice Closing Case Issued   | Assigned RLJ        |              |