

CEDAR HILL ESTATES WATER COMPANY

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

RECEIVED

APR 18 2003

UTILITY OPERATIONS
DIVISION

April 14, 2003

Executive Secretary
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

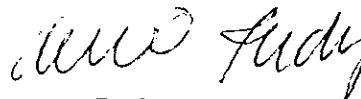
RE: Requests for an Increase in Water Rates
Informal Rate Case Procedure
Mo. PSC Tariff File Nos. QW 2003 0007 (Water)

Dear Executive Secretary:

Enclosed please find a copy of the second customer notice that was mailed to our customers on April 11, 2003 with regards to the above reference.

Should you have a need to confer with me, please call or contact me at the above telephone number or address.

Sincerely,



Ann Rudy
President

Enclosures

Cc: Wendell R. "Randy" Hubbs
Assistant Manager, Rates
Water & Sewer Dept.

Ruth O'Niell
Office of the Public Counsel

CEDAR HILL ESTATES WATER COMPANY, INC.
5108 Dulin Creek Rd.
House Springs, MO 63051
(636) 671-3310

April 11, 2003

Dear Customer:

On August 15, 2002, KMB Utility Corporation (Company) submitted a request for permanent increase in its current water rates, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request, the Company was seeking increases in its customer rates intended to generate an increase in the Company's annual operating revenues for water service of \$27,615. The Company believes these increases in its operating revenues are necessary to meet current operating expenses.

As a result of the Company's request, the Staff of the Public Service Commission (Commission Staff) conducted an investigation of the Company's books and records and the Company's operations. Based upon the results of its investigation, the Commission Staff is recommending an increase in the Company's annual operating water revenues of the total requested amount of \$26,052.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of consumers before the Commission, has reviewed the results of the Commission Staff's investigation. However, the Public Counsel has not yet taken a final position regarding the Commission Staff's recommended increase in the Company's annual operating revenues. Public Counsel has indicated that it will review the responses to this customer notice letter before making the determination of whether to request that the Commission hold a local public hearing.

Attached is a residential customer impact statement for a customer using 6,000 gallons per month. This example is shown without applicable taxes.

In addition to the monthly rate and commodity rate changes the following changes are also proposed:

- (1) The Late Payment Charge is to be modified;
- (2) A Bad Check Charge of \$20 per bad check is to be approved;

- (3) A Door Collection Charge modification of \$10 per regular working hours and \$15 for other than regular working hours, to avoid disconnection is to be approved;
- (4) An Emergency Call Out Charge of \$25 to shut off service where the emergency exists entirely on the customer owned facilities is to be approved;
- (5) The implementation of a Reconnection Charge of \$50.00 after Company discontinuance of service is to be approved;
- (6) The implementation of a Temporary Turn-off charge, totally for the customer's convenience, of \$25 during regular working hours and \$35 during all other hours is to be approved;
- (7) The meter test charge is to be increased from \$10 to \$25;
- (8) The New Service Connection Fee for the installation of a new service line from the Company's main to the customer's property line, from \$115 to \$475 is to be approved;
- (9) That a Temporary Turn-off Charge, for the customer's convenience is to be approved.

Any customer that has questions or comments about the Commission Staff's recommended rate increase should contact the Staff, and/or the Public Counsel, ***within 20 days of the date of this notice.*** To do so, please use the addresses, telephone numbers or fax numbers shown at the bottom of this notice. Depending upon the response to this notice, the Public Counsel may request that the Public Service Commission hold a local public hearing. ***Regardless of whether a local public hearing is held, no increase in rates will take effect without the approval of the Public Service Commission.***

Sincerely,



Ann Rudy
President

Missouri Public Service Commission
Water and Sewer Department
P. O. Box 360
Jefferson City, MO 65102
Phone: (573) 751-3437 or (800) 392-4211
Fax: (573) 751-1847

Office of the Public Counsel
ATTN: Ruth O'Neill
P. O. Box 7800
Jefferson City, MO 65102
Phone: (573) 751-1304
Fax: (573) 751-5562

AR:vja

Enclosure

KMB - Cedar Hill Estates Water Co.

Small Company Rate Filing - Water Service
Work ID # QW-2003-0007

W-1

Residential Water Customer Impact

Monthly Bill:

	Monthly Flat Charge			Total Bill	
Proposed Rates	\$7.00	\$1.89	6,000	\$10.17	\$18.16
Current Rates	\$4.28	\$0.64	6,000	\$3.84	\$8.12
Difference	\$3.71	\$1.05		\$6.33	\$10.04
Percentage Difference from Current Rates	86.7%	164.7%		164.7%	123.6%

January 23, 2003

Missouri Public Service Commission Staff

W. R. Hubbs

TOTAL: P.04