

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

Application of KMB Utility Corporation for	)	
Authority to File a Proposed Tariff to Increase	)	<b><u>Case No. WR-2006-0286</u></b>
Water Service Rates	)	

**ORDER DIRECTING FILINGS AND ADDING A PARTY**

Issue Date: January 13, 2006

Effective Date: January 13, 2006

On January 4, 2006, KMB Utility Corporation filed a proposed tariff that will result in increased water service rates. The tariff carries an effective date of February 21, 2006. Along with the tariff, KMB filed a letter indicating that it has reached an agreement in this matter with the Commission's Staff. The Office of the Public Counsel is not a party to that agreement. On January 13, 2006, Staff filed the *Company/Staff Agreement Regarding Disposition of Small Water Company Rate Increase Request*.

The Commission will direct Staff to file the agreement and its recommendation and memorandum in this matter. Although Staff indicated that it intends to file its recommendation by February 14, 2006, the Commission finds that that date does not allow sufficient time for Commission consideration prior to the effective date of the tariff. Therefore, the Commission shall direct filing of Staff's recommendation at an earlier date.

Subsection (D) of Commission rule 4 CSR 240-3.635, which establishes the procedure for consideration of small water company rate increases, requires the

company to notify its customers in writing of the proposed rates resulting from the agreement with Staff. That notice must inform the customers that they have 20 days in which to respond to the Commission or to the Public Counsel. KMB will be directed to send the required notice to its customers.

The Commission has also determined that it would like additional information from the Missouri Department of Natural Resources (DNR). Specifically, the Commission will direct DNR to file a pleading indicating whether KMB is in compliance with DNR's requirements regarding water service. If the company is not in compliance with DNR's requirements, DNR shall outline what steps the company has taken to come into compliance. The Commission will also add DNR as a party in this case.

Finally, in accordance with 4 CSR 240.3.330(E), the Office of the Public Counsel shall file any request for a local public hearing no later than 20 days after the tariff sheets were filed. Public Counsel must then file a pleading indicating whether it objects to the tariff within seven days after any local public hearing.

**IT IS THEREFORE ORDERED:**

1. That no later than January 18, 2006, KMB Utility Corporation shall send written notice to its customers informing them of the proposed rates that will result from its agreement with the Staff of the Commission. The notice must inform the customers that they may send responses to the notice to Staff or to the Office of the Public Counsel within 20 days of the date shown on the notice. KMB Utility Corporation shall file a copy of the notice in this case.

2. That the Missouri Department of Natural Resources is added as a party to this case.

3. That the Commission's Data Center is directed to serve a copy of this order on the Missouri Department of Natural Resources, and to add that agency to the service list.

4. That no later than January 30, 2006, the Missouri Department of Natural Resources shall file a pleading as directed above.

5. That the Commission's Staff shall file its recommendation and memorandum no later than February 8, 2006.

6. That any responses to Staff's recommendation and memorandum shall be filed no later than February 14, 2006.

7. That the Office of the Public Counsel shall file any request for a local public hearing no later than January 24, 2006.

8. That this order shall become effective on January 13, 2006.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale  
Secretary

( S E A L )

Nancy Dippell, Deputy Chief Regulatory Law  
Judge, by delegation of authority pursuant  
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 13th day of January, 2006.