

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

In the Matter of the Small Company Rate)
Increase Request of KMB Utility Corporation)

Case No. WR-2006-0286

**NOTICE OF AGREEMENT REGARDING DISPOSITION
OF SMALL COMPANY RATE INCREASE REQUEST**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its Notice of Agreement Regarding Disposition of Small Company Rate Increase Request ("Agreement Notice") states the following to the Missouri Public Service Commission ("Commission").

1. On January 4, 2006, (unless noted otherwise, all dates herein refer to the year 2006) KMB Utility Corporation ("Company") submitted to the Commission revised tariff sheets to implement increases in its water service rates and charges, and other tariff changes, and the instant case was established.

2. As is noted in the Company's tariff filing transmittal letter, the changes contained in the subject revised tariff sheets are based upon a *Company/Staff Agreement Regarding Disposition of Small Water Company Rate Increase Request* ("Company/Staff Agreement") entered into by the Company and the Staff. As is also noted in the Company's tariff filing transmittal letter, the Company/Staff Agreement pertains to the small company rate increase request that the Company submitted to the Commission on May 2, 2005 (Tracking File No. QW-2005-0006).

3. Included in the document that is attached hereto and identified as Appendix A are copies of the above-referenced Company/Staff Agreement and related attachments.

4. Included as a part of the Company/Staff Agreement is acknowledgement of the Company/Staff agreements regarding extensions of the 150-day tariff filing period that normally

applies to small company rate increase requests (3rd paragraph on page 5 of the agreement). Additionally, copies of the extension agreements are included in the above-referenced tracking file for the Company's rate increase request as Item Nos. 3, 5 and 6.

5. Consistent with established internal procedures regarding small company rate increase requests, the Staff intends to file its recommendation in this case by the end of business on February 14, 2006.

WHEREFORE, the Staff respectfully submits this Agreement Notice for the Commission's information and consideration in this case.

Respectfully Submitted,

/s/ Keith R. Krueger

Keith R. Krueger
Deputy General Counsel
Missouri Bar No. 23857

Attorney for the Staff of the
Missouri Public Service Commission

P.O. Box 360
Jefferson City, MO 65102
573-751-4140 (telephone)
573-751-9285 (facsimile)
keith.krueger@psc.mo.gov (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of this Agreement Notice have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 13th day of January 2005.

/s/ Keith R. Krueger

AFFIDAVIT OF DALE W. JOHANSEN

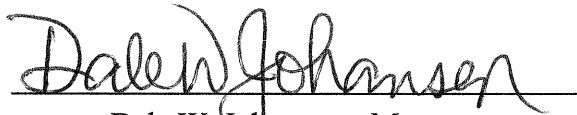
STATE OF MISSOURI)

) ss

Case No. WR-2006-0286

COUNTY OF COLE)

Dale W. Johansen, of lawful age, on his oath states: (1) that he is a member of the Staff of the Missouri Public Service Commission; (2) that he participated in the preparation of this Notice of Agreement Regarding Disposition of Small Company Rate Increase Request (Agreement Notice) and the documents included in the attached appendix; (3) that he has knowledge of the matters set forth in this Agreement Notice and the documents included in the attached appendix; and (4) that the matters set forth in this Agreement Notice and the documents included in the attached appendix are true and correct to the best of his knowledge and belief.



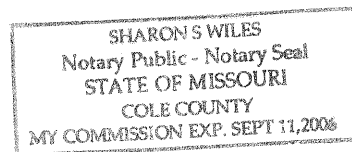
Dale W. Johansen – Manager
Water & Sewer Department
Utility Operations Division

Subscribed and sworn to before me this 13th day of January 2006.



Notary Public

My Commission Expires: _____



APPENDIX A

DISPOSITION AGREEMENT & ATTACHMENTS

CASE NO. WR-2006-0286

Note: To browse through this document by item, click on the "Bookmark" tab at the top of the menu bar to the left of the screen and then click on the item that you want to see.

Table of Contents

Company/Staff Disposition Agreement

Agreement Attachment A:	Example Tariff Sheets
Agreement Attachment B:	Ratemaking Income Statement
Agreement Attachment C:	Rate Design Worksheet
Agreement Attachment D:	Schedule of Depreciation Rates

Company/Staff Disposition Agreement

COMPANY/STAFF AGREEMENT REGARDING DISPOSITION
OF SMALL WATER COMPANY RATE INCREASE REQUEST

KMB UTILITY CORPORATION

MO PSC WORK I.D. No. QW-2005-0006

BACKGROUND

KMB Utility Corporation ("Company") initiated the small company rate increase request ("Request") for water service that is the subject of the above-referenced Missouri Public Service Commission ("Commission") tracking file by submitting a letter to the Secretary of the Commission in accordance with the provisions of Commission Rule 4 CSR 240-3.635, Water Utility Small Company Rate Increase Procedure ("Small Company Rate Increase Procedure"). In its request letter, which was received at the Commission's offices on May 2, 2005, the Company set forth its request for an aggregate increase of \$152,229 in its total annual water service operating revenues. More specifically, the requested increases in the annual water system operating revenues for each of its service areas were as follows: Cedar Hill Estates service area in Jefferson County – \$26,269; Crestview Acres service area in Franklin County – \$15,808; High Ridge Manor service area in Jefferson County – \$9,253; Hillshine Community service area in Franklin County – \$6,868; Lakewood Hills service area in Jefferson County – \$65,291; City of Scotsdale service area in Jefferson County – \$19,790; and Warren Woods service area in Jefferson County – \$8,950. In its request letter, the Company also stated its understanding that the design of its customer rates, its service charges, its customer service practices, its general business practices and its general tariff provisions would also be reviewed during the Commission Staff's review of the rate increase request, and could thus be the subject of Staff recommendations at the conclusion of the rate increase process.

In the aggregate, the Company provides service to approximately 460 customers, the vast majority of which are residential customers.

Upon receipt of the Company's request letter, personnel in the Commission's Data Center entered the letter into the Commission's electronic filing and information system and Work I.D. No. QW-2005-0006 was assigned to the Request. The Request was then routed to the Commission's Water & Sewer Department for processing under the Small Company Rate Increase Procedure.

Pursuant to the provisions of the Small Company Rate Increase Procedure and related internal operating procedures, the Staff of the Commission ("Staff") initiated an audit of the Company's books and records, a review of certain of the Company's general business practices, an inspection of the Company's facilities and a review of the Company's operation of its facilities. (Hereafter, these activities will be collectively referred to as the Staff's "investigation" of the Company's Request.)

Upon completion of its investigation of the Company's Request, the Staff provided the Company and the Office of the Public Counsel ("OPC") various information regarding the results of the investigation, as well as its initial recommendations for resolution of the Company's Request.

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

Pursuant to negotiations held subsequent to the Company's and the OPC's receipt of the above-referenced information regarding the Staff's investigation of the Company's Request, the Staff and the Company hereby state the following agreements.

- (1) That for the purpose of implementing the agreements set out herein, the Company will file tariff revisions with the Commission containing the rates, charges and language set out in the example tariff sheets that are included in Attachment A hereto.
- (2) That the ratemaking income statements that are included in Attachment B hereto accurately reflect the Company's annualized revenues generated by its current

customer rates, the Company's total annualized cost of providing service and the agreed-upon annualized water operating revenue aggregate increase of \$9,221.

(3) That the rates set out in the attached example tariff sheets, the development of which are shown on the rate design worksheets that are included in Attachment C hereto, are designed to generate revenues sufficient to recover the agreed-upon annualized water operating revenue aggregate increase of \$9,221, and that the provisions of the attached example tariff sheets also properly reflect all other agreements set out herein, where necessary.

(4) That the rates included in the attached example tariff sheets are just and reasonable.

(5) That the schedule of water plant depreciation rates that is included in Attachment D hereto should be the prescribed schedule of water plant depreciation rates for the Company, as the depreciation rates set out in that schedule were the rates used by the Staff in its revenue requirement analysis.

(6) That the Company will make adjustments to its books and records regarding plant-in-service, depreciation reserves and CIAC necessary to reflect the agreed-upon overall revenue requirement.

(7) That the Company will submit amended entries for its most recently submitted annual report regarding plant-in-service, depreciation reserves and CIAC necessary to reflect the agreed-upon overall revenue requirement.

(8) That the Company will implement a ten-year replacement program for its existing meters and a program for installing meters in currently unmetered systems where meter yokes are available, and will implement a meter replacement/installation surcharge in accordance with the relevant language in the example tariff sheets included in Attachment A hereto.

(9) That in connection with the meter replacement surcharge the Company will maintain a separate and complete listing of all customers who have received a new meter. This listing will include the meter type installed (bronze or plastic), the brand name of the meter installed and the installation date. The Company shall also maintain adequate billing and collection records to allow for an exact determination of the amount of meter replacement surcharge funds that it has collected from each customer who has received a new meter. All of these records will be subject to review by the Staff and the OPC upon request.

(10) Example journal entries detailing how the Company is to record the collection of the meter replacement surcharge on its books and records are shown below:

Debit Cash \$1.00

Credit Contributions in Aid of Construction \$1.00

Debit Cash (or Accounts Receivable) \$0.50

Credit Revenue \$0.50

Debit Account 346 Meters \$ Cost of materials to install meter

Credit Cash (or Accounts Payable) \$ Cost of materials to install meter

(11) That the Company will develop and utilize a series of procedures to make contact with customers receiving consecutive estimated bills, including an effort to schedule an appointment to access the meter. Customers located on two of KMB's water systems, Hillshine and Crestview Acres, have indoor meters. As a result, customers in these systems will be provided the option of reading their own meters for eleven months each year, with the Company's field operator reading those meters once each year to make any corrections that may be needed. If necessary, the Company's operator will schedule the meter readings after normal business hours.

(12) That the Company will document all customer complaints and inquiries and retain the information for at least two years, pursuant to Commission rule 4 CSR 240-13.040(5).

(13) That the Company will maintain proper documentation regarding the utilization of all outside contractors, including all affiliated company contractors. For capital improvements or repair projects that exceed \$4,000 and that are also performed by a non-affiliated outside contractor, the Company will obtain at least three competitive bids. With regard to its affiliated company contractor, the Company will retain copies of all records detailing competitive bids submitted by its affiliated company to any other water or sewer utility of any type and copies of all contracts awarded to its affiliated company by any other water or sewer utility of any type. The Company will make all of these records available for review upon request by the Staff or the OPC.

(14) That the Company will develop a customer informational brochure to be distributed to all customers informing them of the rights and responsibilities of the customer and the Company. The procedures utilized by the Company for delinquent accounts will be included in this brochure.

(15) That the Company will evaluate the use of deposits for new customers, consistent with the provisions of Commission rule 4 CSR 240-13.050, to assist the Company in its management of bad debt.

(16) During each visit to the water system, the Company operator will read the master meter and record the reading in a master meter log. The master meter recordings must be accurate and complete. These records will be subject to review by the Staff and the OPC upon request.

(17) That for future rate increase requests the Company will submit the requests for all of its service areas concurrently.

(18) That the above agreements satisfactorily resolve all issues identified by the Staff, the Company and the OPC regarding the Company's Request, except as otherwise specifically stated herein.

ADDITIONAL MATTERS

This Disposition Agreement is only between the Staff and the Company, in which case the Small Company Rate Increase Procedure requires that the Company send a notice to its customers regarding the rates and charges that would result from implementation of the provisions of this Disposition Agreement. In compliance with the Small Company Rate Increase Procedure, that notice will provide the Company's customers an opportunity to send comments to the OPC and the Staff within twenty (20) days after the date of the notice. In addition to that customer notice, the Company acknowledges that the OPC also has the right to request that the Commission hold a local public hearing regarding the Company's Request and the provisions of this Disposition Agreement.

Other than the specific conditions agreed upon and expressly set out herein, the terms of this Disposition Agreement reflect compromises between the Staff and the Company, and neither party has agreed to any particular ratemaking principle in arriving at the amount of the annual operating revenue increase specified herein.

The Company and the Staff acknowledge that they have previously agreed on extensions of the normal 150-day tariff filing date for small company rate increase requests because of delays related to the following: (1) the purchase and installation of a new billing system; (2) the installation of a booster pump in the Lakewood Hills service area; and (3) the verification of the completion of these projects by the Staff.

The Company acknowledges that the Staff will be making an additional filing with the Commission regarding this matter, with that filing including the following: (a) the Staff's recommendation for approval of the subject tariff revisions, and any related recommendations; (b) background information regarding the Company's Request and the Staff's investigation thereof; (c) the Staff's audit workpapers; (d) a general overview of the Company, including an overview of

the Company's customer service procedures and practices; (e) information regarding the status of the Company's payment of its Commission assessments; (f) the status of the Company's submission of its Commission annual reports; (g) the status of the Company's submission of its Commission annual statement of operating revenues; (h) any other pending cases that the Company may have before the Commission; (i) any recent Notices of Violations issued to the Company by the Missouri Department of Natural Resources; and (j) the status of the Company's corporate standing with the Missouri Secretary of State.


Additionally, the Company agrees that the Staff shall have the right to provide whatever oral explanation the Commission may request regarding the rate case that will be created when the Company files the tariff revisions called for in this agreement, at any agenda meeting at which that case is noticed to be considered by the Commission. To the extent reasonably practicable, the Staff will provide the Company with advance notice of any such agenda meeting so that it may have the opportunity to also be represented at the meeting.

Small Company Rate Case Disposition Agreement
MO PSC Work I.D. No. QW-2005-0006
KMB Utility Corporation - Page 7 of 7 Pages

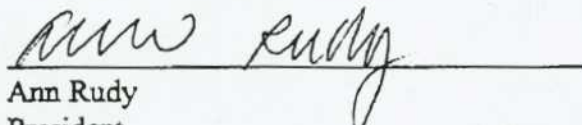
EFFECTIVE DATE AND SIGNATURES

This Disposition Agreement shall be considered effective as of the date that the Company files the tariff revisions required herein with the Commission.

Agreement Signed and Dated:


Dale W. Johansen
Manager - Water & Sewer Department
Missouri Public Service Commission Staff

12/13/05
Date


Ann Rudy
President
KMB Utility Corporation

12/13/05
Date

List of Attachments

Attachment A - Example Tariff Sheets
Attachment B - Ratemaking Income Statement
Attachment C - Rate Design Worksheet
Attachment D - Schedule of Depreciation Rates

Agreement Attachment A

Example Tariff Sheets

4th Revised Sheet No. 3

P.S.C. MO No. 1

3rd Revised Sheet No. 3

KMB Utility Corporation
Name of Issuing Company

For: Cedar Hill Estates (Jefferson County) +
Certificated Service Area

Rules Governing Rendering of Water Service

SCHEDULE OF WATER RATES

Availability:

The following rate is applicable to all customers located in the Company's Cedar Hills Estates certificated service area that are adjacent to the Company's distribution mains using standard water service.

Rate Schedule:

Customer Charge	¾" meter	\$ 8.68 per Month	+
Customer Charge	1" meter	\$14.47 per Month	+
Commodity Charge (all customers)		\$ 1.84 per 1,000 gallons	+

The Customer Charge will be billed to each customer monthly on a monthly basis regardless of actual usage.

Non-metered Customers will be billed monthly at a maximum of \$ 8.62 per month. +

Flat Rate Credit:

The Company will include in its customer billing a \$.64 credit to each bill for each premise whereby the Company has billed such premise as non-metered for any period during the past 18 months (for the period ending February 10, 2003). The Company will apply this credit to each such premise for an 18-month period. The Company shall start this refunding no later than its May 2003 customer billing.

Taxes:

Any applicable Federal, State or local taxes shall be in addition to above charges.

Late Charges:

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which payment will then be considered delinquent is 21 days after rendition of the bill. A charge of \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: January 4, 2006
Month/Day/Year

Effective Date: February 21, 2006
Month/Day/Year

Issued By: Ann Rudy President
Name & Title of Issuing Officer

510 Dulin Creek Road House Springs MO 63501
Company Mailing Address

Canceling

Cedar Hills Estates Water Co., Inc.
Name of Issuing Company

For: Cedar Hills Estates (Jefferson County)
Certificated Service Area

**Rules Governing
Rendering of Water Service**

METER REPLACEMENT SURCHARGE *

Meter Replacement/Installation Surcharge: A monthly surcharge of \$1.50 will be added to the bills of any customer that has a meter replaced or that has a meter installed where one did not previously exist. The total proceeds from this surcharge will be accounted for separately from other Company funds and the portion of the proceeds that is equivalent to \$1.00/month/customer will be used to offset the Company's investment in meter installations for ratemaking purposes. The surcharge proceeds collected will be reviewed annually and the surcharge will be subject to change based upon changes in the cost of replacing or installing meters, billing and collection history, or other such good cause as may exist; provided, however, that the Commission must approve any changes to the surcharge. The surcharge will terminate for each affected meter replacement or installation when the Company's rates change as a result of a rate case, or eight years after the date of the subject replacement or installation, whichever occurs first.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: January 4, 2006
Month/Day/Year

Effective Date: February 21, 2006
Month/Day/Year

Issued By: Ann Rudy President
Name & Title of Issuing Officer

510 Dulin Creek Road House Springs MO 63501
Company Mailing Address

P.S.C. MO No. 1	2nd Revised Sheet No. 4	
Canceling	P.S.C. MO No. 1	1 st Revised Sheet No. 4
<u>KMB Utility Corporation</u> Name of Issuing Company	For: <u>Cedar Hill Estates (Jefferson County)</u> + Certificated Service Area	

**Rules Governing
Rendering of Water Service**

SCHEDULE OF SERVICE CHARGES

Bad Check Charge:
A bad check charge of \$20 per check will be paid by customers on all checks returned from the bank for insufficient funds.

Door Collection Charge:
A door collection charge of \$15.00 will be applicable when a customer pays the serviceman at the time of scheduled disconnection (turn-off) of service to prevent such disconnection.

Emergency Call Out Charge:
An Emergency Call-Out Charge of \$25.00 per occurrence will be assessed where a customer requests a shut-off of service and the emergency exists entirely on customer owned facilities.

Reconnection Charge:
After Company Discontinuance of Service: \$50.00

Temporary Turn-off Charge

At meter for customer's convenience:
 \$25.00 during 8:00 am to 5 pm, and
 \$35.00 before 8:00 am and after 5 pm. +

New Service Connection Fee:
This fee is applicable for installation of a new service line, from the Company's main to the customer's property line: Actual cost not to exceed \$900.00 +

Taxes:
Any applicable Federal, State or local taxes shall be in addition to above charges.

* Indicates New Rate or Text
+ Indicates Changed Rate or Text

Issue Date: <u>January 4, 2006</u> Month/Day/Year	Effective Date: <u>February 21, 2006</u> Month/Day/Year
Issued By: <u>Ann Rudy President</u> Name & Title of Issuing Officer	<u>510 Dulin Creek Road House Springs MO 63501</u> Company Mailing Address

P.S.C. MO No. 1

6th Revised Sheet No. 6

Canceling P.S.C. MO No. 1

5th Revised Sheet No. 6

KMB Utility Corporation
Name of Issuing Company

For: High Ridge Manor (Jefferson County)
Certificated Service Aea

Rules Governing Rendering of Water Service

SCHEDULE OF WATER RATES

Availability:

The following rate is applicable to all customers located in the Company's High Ridge Manor certificated service area that are adjacent to the Company's distribution mains using standard water service.

Rate Schedule:

Customer Charge \$ 6.54 per month +

Commodity Charge \$ 2.44 per Month +

The Customer Charge will be billed each customer monthly regardless of actual usage.

Taxes:

Any applicable Federal, State or local taxes shall be in addition to above charges.

Late Charges:

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which payment will then be considered delinquent is 21 days after rendition of the bill. A charge of \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

Returned Check Charge

+

A returned check charge of \$20 per check will be paid on all checks returned from the bank for insufficient funds.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: January 4, 2006
Month/Day/Year

Effective Date: February 21, 2006
Month/Day/Year

Issued By: Ann Rudy President
Name & Title of Issuing Officer

510 Dulin Creek Road House Springs MO 63501
Company Mailing Address

P.S.C. MO No. 1	3rd Revised Sheet No. 6A
Canceling P.S.C. MO No. 1	2nd Revised Sheet No. 6A
<u>KMB Utility Corporation</u> Name of Issuing Company	For: <u>Crestview Acres (Franklin County)</u> Certificated Service Area

Rules Governing
Rendering of Water Service

SCHEDULE OF WATER RATES

Availability:

The following rate is applicable to all customers located in the Company's Crestview Acres certificated service area that are adjacent to the Company's distribution mains using standard water service.

Rate Schedule:

Customer Charge	\$ 8.81 per month	+
Commodity Charge	\$ 2.60 per Month	+

The Customer Charge will be billed each customer monthly regardless of actual usage.

Taxes:

Any applicable Federal, State or local taxes shall be in addition to above charges.

Late Charges:

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which payment will then be considered delinquent is 21 days after rendition of the bill. A charge of \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

Returned Check Charge

+

A returned check charge of \$20 per check will be paid on all checks returned from the bank for insufficient funds.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date:	<u>January 4, 2006</u> Month/Day/Year	Effective Date:	<u>February 21, 2006</u> Month/Day/Year
Issued By:	<u>Ann Rudy President</u> Name & Title of Issuing Officer		<u>510 Dulin Creek Road House Springs MO 63501</u> Company Mailing Address

P.S.C. MO No. 1	5th Revised Sheet No. 6B	
Canceling P.S.C. MO No. 1	4th Revised Sheet No. 6B	
<u>KMB Utility Corporation</u> Name of Issuing Company	For: <u>Lakewood Hills (Jefferson County)</u> Certificated Service Area	

**Rules Governing
Rendering of Water Service**

SCHEDULE OF WATER RATES

Availability:
The following rate is applicable to all customers located in the Company's Lakewood Hills certificated service area that are adjacent to the Company's distribution mains using standard water service.

Rate Schedule:

Customer Charge	\$12.32 per month	+
Commodity Charge	\$ 3.20 per Month	+

The Customer Charge will be billed each customer monthly regardless of actual usage.

Taxes:
Any applicable Federal, State or local taxes shall be in addition to above charges.

Late Charges:
Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which payment will then be considered delinquent is 21 days after rendition of the bill. A charge of \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

Returned Check Charge +
A returned check charge of \$20 per check will be paid on all checks returned from the bank for insufficient funds.

* Indicates New Rate or Text
+ Indicates Changed Rate or Text

Issue Date: <u>January 4, 2006</u> Month/Day/Year	Effective Date: <u>February 21, 2006</u> Month/Day/Year
Issued By: <u>Ann Rudy President</u> Name & Title of Issuing Officer	<u>510 Dulin Creek Road House Springs MO 63501</u> Company Mailing Address

P.S.C. MO No. 1

4th Revised Sheet No. 6C

Canceling P.S.C. MO No. 1

3rd Revised Sheet No. 6C

KMB Utility Corporation
Name of Issuing Company

For: Hillshine Community (Jefferson County)
Certificated Service Area

Rules Governing Rendering of Water Service

SCHEDULE OF WATER RATES

Availability:

The following rate is applicable to all customers located in the Company's Hillshine Community certificated service area that are adjacent to the Company's distribution mains using standard water service.

Rate Schedule:

Customer Charge	\$10.32 per month	+
Commodity Charge	\$ 2.00 per Month	+
The Customer Charge will be billed each customer monthly regardless of actual usage.		

Taxes:

Any applicable Federal, State or local taxes shall be in addition to above charges.

Late Charges:

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which payment will then be considered delinquent is 21 days after rendition of the bill. A charge of \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

Returned Check Charge

+

A returned check charge of \$20 per check will be paid on all checks returned from the bank for insufficient funds.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: January 4, 2006
Month/Day/Year

Effective Date: February 21, 2006
Month/Day/Year

Issued By: Ann Rudy President
Name & Title of Issuing Officer

510 Dulin Creek Road House Springs MO 63501
Company Mailing Address

P.S.C. MO No. 1

4th Revised Sheet No. 6D

Canceling P.S.C. MO No. 1

3rd Revised Sheet No. 6D

KMB Utility Corporation
Name of Issuing Company

For: Town of Scotsdale (Jefferson County)
Certificated Service Area

Rules Governing Rendering of Water Service

SCHEDULE OF WATER RATES

Availability:

The following rate is applicable to all customers located in the Company's Town of Scotsdale certificated service area that are adjacent to the Company's distribution mains using standard water service.

Rate Schedule:

Customer Charge		
Residential Service	\$30.22 per month	+
Commercial Service	\$36.67 per month	+
Commodity Charge	\$ 3.93 per 1,000 gallons for all gallons in excess of 10,000 a month	

The Customer Charge will be billed each customer monthly regardless of actual usage.

Taxes:

Any applicable Federal, State or local taxes shall be in addition to above charges.

Late Charges:

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which payment will then be considered delinquent is 21 days after rendition of the bill. A charge of \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

Returned Check Charge

+

A returned check charge of \$20 per check will be paid on all checks returned from the bank for insufficient funds.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: January 4, 2006
Month/Day/Year

Effective Date: February 21, 2006
Month/Day/Year

Issued By: Ann Rudy President
Name & Title of Issuing Officer

510 Dulin Creek Road House Springs MO 63501
Company Mailing Address

P.S.C. MO No. 1	3rd Revised Sheet No. 6E
Canceling P.S.C. MO No. 1	2nd Revised Sheet No. 6E
<u>KMB Utility Corporation</u> Name of Issuing Company	For: <u>Warren Woods Subdivision (Jefferson County)</u> Certificated Service Area

Rules Governing
Rendering of Water Service

SCHEDULE OF WATER RATES

Availability:

The following rate is applicable to all customers located in the Company's Warren Woods Subdivision certificated service area that are adjacent to the Company's distribution mains using standard water service.

Rate Schedule:

Customer Charge

\$38.51 per month

+

The Customer Charge will be billed each customer monthly regardless of actual usage.

Taxes:

Any applicable Federal, State or local taxes shall be in addition to above charges.

Late Charges:

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which payment will then be considered delinquent is 21 days after rendition of the bill. A charge of \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

Returned Check Charge

+

A returned check charge of \$20 per check will be paid on all checks returned from the bank for insufficient funds.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date:	<u>January 4, 2006</u> Month/Day/Year	Effective Date:	<u>February 21, 2006</u> Month/Day/Year
Issued By:	<u>Ann Rudy President</u> Name & Title of Issuing Officer		<u>510 Dulin Creek Road House Springs MO 63501</u> Company Mailing Address

Canceling

KMB Utility Corporation

Name of Issuing Company

For: Franchised Areas

Certificated Service Area

**Rules Governing
Rendering of Water Service**

METER REPLACEMENT SURCHARGE *

Meter Replacement/Installation Surcharge: A monthly surcharge of \$1.50 will be added to the bills of any customer that has a meter replaced or that has a meter installed where one did not previously exist. The total proceeds from this surcharge will be accounted for separately from other Company funds and the portion of the proceeds that is equivalent to \$1.00/month/customer will be used to offset the Company's investment in meter installations for ratemaking purposes. The surcharge proceeds collected will be reviewed annually and the surcharge will be subject to change based upon changes in the cost of replacing or installing meters, billing and collection history, or other such good cause as may exist; provided, however, that the Commission must approve any changes to the surcharge. The surcharge will terminate for each affected meter replacement or installation when the Company's rates change as a result of a rate case, or eight years after the date of the subject replacement or installation, whichever occurs first.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: January 4, 2006
Month/Day/YearEffective Date: February 21, 2006
Month/Day/YearIssued By: Ann Rudy President
Name & Title of Issuing Officer510 Dulin Creek Road House Springs MO 63501
Company Mailing Address

P.S.C. MO No. 1

4th Revised Sheet No. 7

Canceling P.S.C. MO No. 1

3rd Revised Sheet No. 7

KMB Utility Corporation

Name of Issuing Company

For: Franchised Area's

Certificated Service Area

SCHEDULE OF SERVICE CHARGES

These charges are applicable to the Company's services provide for in the corresponding rules:

Service Fee:

Service fee shall be charged to any customer for which service was requested or discontinued when there is a Company owned meter setting or lockable valve located outside the customers dwelling.

Turn-On Charge after service disconnection by Company for violation of the Company's Rules and Regulations (see Rule 7). \$ 50.00

Turn-Off or Turn-On Charges applicable to customers requesting temporary disconnection of service (see Rule 8). \$ 25.00

Disconnection/Reconnection Fee:

Disconnection/Reconnection fee with meter installed \$x.xx +

(Applicable for metered Customer that does not have Company owned meter)

Disconnection/Reconnection fee with meter idler installed \$

Disconnection/Reconnection fee shall be charged to any existing customer for which service was discontinued for non-payment of water bill or other Rules violation and there is no Company owned meter, meter setting or lockable valve located outside the customers dwelling. The fee may be collected by the Company a single time for each service. To avoid being charged the Disconnection/Reconnection Fee, payment in full for delinquent water service must be made prior to Company's work crew arriving at the customers service location to disconnect. If payment is rendered at the start of disconnection, the Company will complete the meter setting and the customer must pay the delinquent bill in addition to the Disconnection/Reconnection fee.

New Service Connection:

Charge for new service connection with meter installed (Metered Customer):

Actual cost not to exceed \$900.00

Charge for new service connection with meter idler installed (Flat Rate Customer):

Actual cost not to exceed \$865.00

Includes materials: Corporation stop, saddle, pipe couplings, up to 50' of 3/4" service pipe, 5/8" x 3/4" meter yoke, meter or meter idler, meter box and lid.

Actual cost of extra pipe required over 50 feet, or cost due to larger pipe size, parts, or meter as may be required to provide service shall be an additional charge. Any rock excavation or road crossings shall be billed to the customer at Company's cost, including supervision and overhead.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: January 4, 2006
Month/Day/Year

Effective Date: February 21, 2006
Month/Day/Year

Issued By: Ann Rudy President
Name & Title of Issuing Officer

510 Dulin Creek Road House Springs MO 63501
Company Mailing Address

Agreement Attachment B

Ratemaking Income Statement

KMB UTILITY CORPORATION-CEDAR HILLS ESTATES

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	39,636
2	Other Operating Revenues *	\$	2,240
3	Total Operating Revenues	\$	41,876
4	* See "Revenues - Current Rates" for Details		

Cost of Service

Item	Amount
1 Water Treatment Expense-Chemicals	\$ -
2 Water Treatment -Testing/Laboratory Fees	\$ -
3 Operators Salary	\$ 5,990
4 Other Wages	\$ 68
5 Repairs and Maintenance Expense	\$ 1,000
6 Vehicle Fuel Expense	\$ 1,318
7 Electricity	\$ 1,707
7 Permit Fees-Miscellaneous	\$ 311
8 Administration & General - Salaries	\$ 9,740
9 Professional Services-Accounting	\$ 701
10 Professional Services-Legal	\$ 123
11 Office Supplies	\$ 137
12 Bank Charges	\$ 286
13 Office Rent	\$ 1,180
14 Telephones	\$ 518
15 Insurance	\$ 1,499
16 Postage	\$ 976
17 Employee Pensions & Benefits	\$ 956
18 Regulatory Commission Expense	\$ 239
19 Computer Maintenance Expense	\$ 148
20 Miscellaneous General Expenses	\$ 375
21 Sub-Total Operating Expenses	\$ 27,272
22 Property Taxes	\$ 1,102
23 MO Franchise Taxes	\$ -
24 Employer FICA Taxes	\$ 1,297
25 State & Federal Income Taxes	\$ -
26 Sub-Total Taxes	\$ 2,399
27 Depreciation Expense	\$ 7,983
28 Amortization of Utility Plant (tank painting)	\$ 1,870
29 Sub-Total Depreciation/Amortization	\$ 9,853
30 Return on Rate Base	\$ 5,782
31 Total Cost of Service	\$ 45,306
32 Overall Revenue Increase Needed	\$ 3,430

KMB UTILITY CORPORATION-CRESTVIEW ACRES

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	12,648
2	Other Operating Revenues *	\$	815
3	Total Operating Revenues	\$	13,463

4 * See "Revenues - Current Rates" for Details

Cost of Service

Item	Amount
1 Operators Salary	\$ 2,904
2 Other Wages	\$ 36
3 Electricity	\$ 1,209
4 Repairs and Maintenance Expense	\$ 1,500
5 Vehicle Fuel Expense	\$ 511
6 Other Assessments	\$ 241
7 Administration & General - Salaries	\$ 1,561
8 Professional Services-Accounting	\$ 197
9 Professional Services-Legal	\$ 35
10 Office Supplies	\$ 38
11 Bank Charges	\$ 80
12 Office Rent	\$ 331
13 Telephone	\$ 262
14 Postage	\$ 274
15 Insurance	\$ 421
16 Computer Maintenance Fee	\$ 41
17 Employee Pensions & Benefits	\$ 506
18 Regulatory Commission Expense	\$ 67
19 Miscellaneous General Expenses	\$ 204
20 Sub-Total Operating Expenses	\$ 10,418
21 Property Taxes	\$ 60
22 MO Franchise Taxes	\$ -
23 Employer FICA Taxes	\$ 347
24 Federal Unemployment Taxes	\$ -
25 State Unemployment Taxes	\$ -
26 State & Federal Income Taxes	\$ -
27 Sub-Total Taxes	\$ 407
28 Depreciation Expense	\$ 1,514
29 Amortization of Utility Plant (computer system)	\$ -
30 Sub-Total Depreciation/Amortization	\$ 1,514
31 Return on Rate Base	\$ 1,690
32 Total Cost of Service	\$ 14,029
33 Overall Revenue Increase Needed	\$ 566

KMB UTILITY CORPORATION-HIGH RIDGE MANOR

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	22,351
2	Other Operating Revenues *	\$	1,085
3	Total Operating Revenues	\$	23,436
4	* See "Revenues - Current Rates" for Details		

Cost of Service

Item	Amount
1 Operators Salary	\$ 2,506
2 Other Wages	\$ 28
3 Electricity	\$ 1,640
4 Repair and Maintenance Expense	\$ 1,750
5 Vehicle Fuel Expense	\$ 590
6 Permit Fees	\$ 269
7 Administration & General - Salaries	\$ 4,774
8 Professional Services-Accounting	\$ 299
9 Professional Services-Legal	\$ 52
10 Office Supplies	\$ 58
11 Bank Charges	\$ 122
12 Office Rent	\$ 504
13 Telephone	\$ 214
14 Postage	\$ 417
15 Insurance	\$ 640
16 Computer Maintenance Fee	\$ 63
17 Employee Pensions & Benefits	\$ 394
18 Regulatory Commission Expense	\$ 102
19 Miscellaneous General Expenses	\$ 136
20 Sub-Total Operating Expenses	\$ 14,558
21 Property Taxes	\$ 848
22 MO Franchise Taxes	\$ -
23 Employer FICA Taxes	\$ 607
24 Federal Unemployment Taxes	\$ -
25 State Unemployment Taxes	\$ -
26 State & Federal Income Taxes	\$ -
27 Sub-Total Taxes	\$ 1,455
28 Depreciation Expense	\$ 1,699
29 Amortization of Utility Plant (computer system)	\$ -
30 Sub-Total Depreciation/Amortization	\$ 1,699
31 Return on Rate Base	\$ 899
32 Total Cost of Service	\$ 18,611
33 Overall Revenue Increase Needed	\$ (4,825)

KMB UTILITY CORPORATION-HILLSHINE

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	7,526
2	Other Operating Revenues *	\$	425
3	Total Operating Revenues	\$	7,951
4	* See "Revenues - Current Rates" for Details		

Cost of Service

Item	Amount
1 Operators Salary	\$ 2,121
2 Other Wages	\$ 24
3 Electricity	\$ 496
4 Repairs and Maintenance Expense	\$ 600
5 Vehicle Fuel Expense	\$ 338
6 Other Assessments	\$ 251
7 Administration & General - Salaries	\$ 937
8 Professional Services-Accounting	\$ 118
9 Professional Services-Legal	\$ 21
10 Office Supplies	\$ 23
11 Bank Charges	\$ 48
12 Office Rent	\$ 199
13 Telephone	\$ 174
14 Postage	\$ 165
15 Insurance	\$ 253
16 Computer Maintenance Fee	\$ 25
17 Employee Pensions & Benefits	\$ 337
18 Regulatory Commission Expense	\$ 40
19 Miscellaneous General Expenses	\$ 107
20 Sub-Total Operating Expenses	\$ 6,277
21 Property Taxes	\$ 37
22 MO Franchise Taxes	\$ -
23 Employer FICA Taxes	\$ 251
24 Federal Unemployment Taxes	\$ -
25 State Unemployment Taxes	\$ -
26 State & Federal Income Taxes	\$ -
27 Sub-Total Taxes	\$ 288
28 Depreciation Expense	\$ 694
29 Amortization of Utility Plant (computer system)	\$ -
30 Sub-Total Depreciation/Amortization	\$ 694
31 Return on Rate Base	\$ 847
32 Total Cost of Service	\$ 8,106
33 Overall Revenue Increase Needed	\$ 155

KMB UTILITY CORPORATION-LAKEWOOD HILLS

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	37,066
2	Other Operating Revenues *	\$	1,170
3	Total Operating Revenues	\$	38,236
4	* See "Revenues - Current Rates" for Details		

Cost of Service

Item	Amount
1 Operators Salary	\$ 9,011
2 Other Wages	\$ 108
3 Electricity	\$ 2,739
4 Repairs and Maintenance Expense	\$ 5,250
5 Vehicle Fuel Expense	\$ 1,720
6 Other Assessments	\$ 301
7 Administration & General - Salaries	\$ 6,824
8 Professional Services-Accounting	\$ 445
9 Professional Services-Legal	\$ 78
10 Office Supplies	\$ 87
11 Bank Charges	\$ 181
12 Office Rent	\$ 749
13 Telephone	\$ 780
14 Postage	\$ 620
15 Insurance	\$ 951
16 Computer Maintenance Fee	\$ 94
17 Employee Pensions & Benefits	\$ 1,518
18 Regulatory Commission Expense	\$ 151
19 Miscellaneous General Expenses	\$ 368
20 Sub-Total Operating Expenses	\$ 31,975
21 Property Taxes	\$ 41
22 MO Franchise Taxes	\$ -
23 Employer FICA Taxes	\$ 1,257
24 Federal Unemployment Taxes	\$ -
25 State Unemployment Taxes	\$ -
26 State & Federal Income Taxes	\$ -
27 Sub-Total Taxes	\$ 1,298
28 Depreciation Expense	\$ 5,176
29 Amortization of Utility Plant (easement)	\$ 2,007
30 Sub-Total Depreciation/Amortization	\$ 7,183
31 Return on Rate Base	\$ 8,184
32 Total Cost of Service	\$ 48,640
33 Overall Revenue Increase Needed	\$ 10,404

KMB UTILITY CORPORATION-SCOTSDALE

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	14,855
2	Other Operating Revenues *	\$	545
3	Total Operating Revenues	\$	15,400
4	* See "Revenues - Current Rates" for Details		

Cost of Service

Item	Amount
1 Operators Salary	\$ 828
2 Other Wages	\$ 12
3 Electricity	\$ 1,277
4 Chemicals	\$ 241
5 Repairs and Maintenance Expense	\$ 1,200
6 Vehicle Fuel Expense	\$ 187
7 Other Assessments	\$ 231
8 Administration & General - Salaries	\$ 1,124
9 Professional Services-Accounting	\$ 142
10 Professional Services-Legal	\$ 25
11 Office Supplies	\$ 28
12 Bank Charges	\$ 58
13 Office Rent	\$ 239
14 Telephone	\$ 92
15 Postage	\$ 197
16 Insurance	\$ 303
17 Computer Maintenance Fee	\$ 30
18 Employee Pensions & Benefits	\$ 169
19 Regulatory Commission Expense	\$ 48
20 Miscellaneous General Expenses	\$ 92
21 Sub-Total Operating Expenses	\$ 6,523
22 Property Taxes	\$ 384
23 MO Franchise Taxes	\$ -
24 Employer FICA Taxes	\$ 153
25 Federal Unemployment Taxes	\$ -
26 State Unemployment Taxes	\$ -
27 State & Federal Income Taxes	\$ -
28 Sub-Total Taxes	\$ 537
29 Depreciation Expense	\$ 2,762
30 Amortization of Utility Plant (computer system)	\$ -
31 Sub-Total Depreciation/Amortization	\$ 2,762
32 Return on Rate Base	\$ 4,975
33 Total Cost of Service	\$ 14,797
34 Overall Revenue Increase Needed	\$ (603)

KMB UTILITY CORPORATION-WARREN WOODS

Rate Making Income Statement

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	9,609
2	Other Operating Revenues *	\$	325
3	Total Operating Revenues	\$	9,934
4	* See "Revenues - Current Rates" for Details		

Cost of Service

Item	Amount
1 Operators Salary	\$ 659
2 Other Wages	\$ 8
3 Electricity	\$ 1,289
4 Chemicals	\$ 141
5 Repairs and Maintenance Expense	\$ 500
6 Vehicle Fuel Expense	\$ 122
7 Other Assessments	\$ 220
8 Administration & General - Salaries	\$ 656
9 Professional Services-Accounting	\$ 83
10 Professional Services-Legal	\$ 15
11 Office Supplies	\$ 16
12 Bank Charges	\$ 34
13 Office Rent	\$ 139
14 Telephone	\$ 60
15 Postage	\$ 115
16 Insurance	\$ 177
17 Computer Maintenance Fee	\$ 17
18 Employee Pensions & Benefits	\$ 112
19 Regulatory Commission Expense	\$ 28
20 Miscellaneous General Expenses	\$ 49
21 Sub-Total Operating Expenses	\$ 4,440
22 Property Taxes	\$ 408
23 MO Franchise Taxes	\$ -
24 Employer FICA Taxes	\$ 109
25 Federal Unemployment Taxes	\$ -
26 State Unemployment Taxes	\$ -
27 State & Federal Income Taxes	\$ -
28 Sub-Total Taxes	\$ 517
29 Depreciation Expense	\$ 2,076
30 Amortization of Utility Plant (computer system)	\$ -
31 Sub-Total Depreciation/Amortization	\$ 2,076
32 Return on Rate Base	\$ 2,997
33 Total Cost of Service	\$ 10,030
34 Overall Revenue Increase Needed	\$ 96

Agreement Attachment C

Rate Design Worksheet

KMB UTILITY CORPORATION-CEDAR HILLS ESTATES

Development of Tariffed Rates-Water

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 39,636
Agreed-Upon Overall Revenue Increase	\$ 3,430
Percentage Increase Needed	8.654%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
3/4"	\$ 7.99	\$ 8.68	\$ 1.690	\$ 1.836
1"	\$ 13.32	\$ 14.47	\$ 1.690	\$ 1.836
		\$ -	\$ -	\$ -

KMB UTILITY CORPORATION-CRESTVIEW ACRES

Development of Tariffed Rates-Water

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 12,648
Agreed-Upon Overall Revenue Increase	\$ 566
Percentage Increase Needed	4.478%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
3/4"	\$ 8.43	\$ 8.81	\$ 2.490	\$ 2.602
1"	\$ -	\$ -	\$ -	\$ -
2"	\$ -	\$ -	\$ -	\$ -
3"	\$ -	\$ -	\$ -	\$ -
4"	\$ -	\$ -	\$ -	\$ -
6"+	\$ -	\$ -	\$ -	\$ -

KMB UTILITY CORPORATION-HIGH RIDGE MANOR

Development of Tariffed Rates-Water

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 22,351
Agreed-Upon Overall Revenue Increase	\$ (4,825)
Percentage Increase Needed	-21.588%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
3/4"	\$ 8.34	\$ 6.54	\$ 3.110	\$ 2.439
1"	\$ -	\$ -	\$ -	\$ -
2"	\$ -	\$ -	\$ -	\$ -
3"	\$ -	\$ -	\$ -	\$ -
4"	\$ -	\$ -	\$ -	\$ -
6"+	\$ -	\$ -	\$ -	\$ -

KMB UTILITY CORPORATION-HILLSHINE

Development of Tariffed Rates-Water

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 7,526
Agreed-Upon Overall Revenue Increase	\$ 155
Percentage Increase Needed	2.059%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
3/4"	\$ 10.11	\$ 10.32	\$ 1.960	\$ 2.000
1"	\$ -	\$ -	\$ -	\$ -
2"	\$ -	\$ -	\$ -	\$ -
3"	\$ -	\$ -	\$ -	\$ -
4"	\$ -	\$ -	\$ -	\$ -
6"+	\$ -	\$ -	\$ -	\$ -

KMB UTILITY CORPORATION-LAKEWOOD HILLS

Development of Tariffed Rates-Water

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 37,066
Agreed-Upon Overall Revenue Increase	\$ 10,404
Percentage Increase Needed	28.069%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
3/4"	\$ 9.62	\$ 12.32	\$ 2.500	\$ 3.202
1"	\$ -	\$ -	\$ -	\$ -
2"	\$ -	\$ -	\$ -	\$ -
3"	\$ -	\$ -	\$ -	\$ -
4"	\$ -	\$ -	\$ -	\$ -
6"+	\$ -	\$ -	\$ -	\$ -

KMB UTILITY CORPORATION-SCOTSDALE

Development of Tariffed Rates-Water

Agreement is to decrease currently tariffed rates by a percentage equal to the agreed-upon overall revenue decrease divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 14,855
Agreed-Upon Overall Revenue Increase	\$ (603)
Percentage Increase Needed	-4.057%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
3/4"	\$ 31.50	\$ 30.22	\$ -	\$ -
Commercial	\$ 38.22	\$ 36.67	\$ 4.100	\$ 3.934
2"	\$ -	\$ -	\$ -	\$ -
3"	\$ -	\$ -	\$ -	\$ -
4"	\$ -	\$ -	\$ -	\$ -
6"+	\$ -	\$ -	\$ -	\$ -

KMB UTILITY CORPORATION-WARREN WOODS

Development of Tariffed Rates

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 9,609
Agreed-Upon Overall Revenue Increase	\$ 96
Percentage Increase Needed	1.002%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
3/4"	\$ 38.13	\$ 38.51	\$ -	\$ -
1"	\$ -	\$ -	\$ -	\$ -
2"	\$ -	\$ -	\$ -	\$ -
3"	\$ -	\$ -	\$ -	\$ -
4"	\$ -	\$ -	\$ -	\$ -
6"+	\$ -	\$ -	\$ -	\$ -

Agreement Attachment D

Schedule of Depreciation Rates

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT</u>	<u>PLANT TOTAL</u>	<u>COMPANY DEPRECIATION RATES %</u>	<u>STAFF DEPRECIATION RATES %</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>	<u>SALVAGE</u>	<u>DEPRECI ATION RESERVE</u>	<u>RESERVE BALANCE END OF YEAR</u>	<u>STAFF RECOMMEND ACCRUAL</u>	<u>CURRENT ACCRUAL</u>
301	Organization	32,544	10.00%	N/A	N/A	N/A	34,516	37,770	0	3,254
303	Miscellaneous Intangible Plant	15,269	15.00%	N/A	N/A	N/A	17,642	19,932	0	2,290
314	Wells & Springs	9,704	5.00%	0.0%	50	0	13,915	14,400	0	485
321	Structures & Improvements	21,727	2.50%	0.0%	40	0	39,322	39,865	0	543
325	Electric Pumping Equipment	98,609	10.00%	5.0%	20	0	35,258	45,118	4,930	9,861
328	Other Pumping Equipment	26,636	4.00%	4.0%	25	0	1,595	2,660	1,065	1,065
332	Water Treatment Equipment	884	2.90%	2.9%	35	0	2,104	2,130	26	26
342	Distribution Reservoirs & Standpipes	27,109	2.50%	0.0%	40	0	27,080	27,758	0	678
343	Transmission & Distribution Mains	77,832	2.00%	2.0%	50	0	25,659	27,216	1,557	1,557
345	Services	680	2.50%	0.0%	40	0	4,746	4,763	0	17
346.1	Meters - Bronze Chamber	29,294	2.70%	2.9%	35	0	1,762	2,553	850	791
346.2	Meters - Plastic Chamber			10.0%	10	0				
348	Hydrants	3,308	2.00%	2.0%	50	0	313	379	66	66
391	Office Furniture & Equipment	2,095	14.30%	5.0%	20	0	-2,051	-1,752	105	300
391.1	Office Computer Equipment			20.0%	5	0				
392	Transportation Equipment	12,492	12.50%	13.0%	8	0	2,365	3,927	1,624	1,562
394	Tools, Shop, Garage Equipment	2,473	5.00%	5.0%	20	0	240	364	124	124
395	Laboratory Equipment	387	5.00%	5.0%	20	0	28	48	19	19
397	Communication Equipment	85	6.70%	6.7%	15	0	5	11	6	6
ANNUAL TOTAL DEPRECIATION ACCRUAL >>>									10,371	22,643