

4. Pursuant to 4 CSR 240-3.240 (1)(D) Public Counsel states that it disagrees with the proposed increases reflected on the tariff sheets filed in this case. The Commission should schedule an evidentiary hearing to allow KMB, and the Commission Staff if it so desires, to present evidence in support of the proposed increase.

5. As the reason for its disagreement, Public Counsel suggests that while the implementation of a ten-year replacement program and a meter installation program may be a desirable operational change to the Company, Public Counsel contends that the responsibility to furnish the capital and equipment to implement the change lies directly within the franchised duties of the Company. At such time in the future that the Company files for an increase in its rates, any meter replacement/installation program costs it has incurred since the implementation date of its current rates can then be subjected to audit and, if appropriate, included in the determination of its revenue requirement on a going-forward basis.

6. Because the tariff effective date is February 21, 2006, the Commission should suspend the pending tariffs. Section 393.150 RSMo 2000 provides that the Commission may suspend tariff sheets for a maximum period of 120 days plus six months. In order to allow for adequate time for the Commission to determine whether the proposed rate increase is just and reasonable, the Commission should suspend them for the maximum period.

WHEREFORE, Public Counsel respectfully requests that the Commission issue an order: scheduling an evidentiary hearing and suspending the pending tariff sheets for the maximum period allowed by law.

Respectfully submitted,

OFFICE OF THE Public Counsel

/s/ Lewis R. Mills, Jr.

By: _____

Lewis R. Mills, Jr. (#35275)

Public Counsel

P O Box 2230

Jefferson City, MO 65102

(573) 751-1304

(573) 751-5562 FAX

lewis.mills@ded.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 10th day of February, 2006:

General Counsel
Missouri Public Service Commission
200 Madison Street, Suite 800
Jefferson City, MO 65102
GenCounsel@psc.mo.gov

Ann Rudy
KMB Utility Corporation
5108 Dulin Creek Rd.
House Springs, MO 63051
kmbutilitycorp@aol.com

Legal Department
Missouri Department of Natural Resources
205 Jefferson Street
Jefferson City, MO 65101

/s/ Lewis R. Mills, Jr.

Exhibit A to Public Counsel's Statement of Disagreement and Motion to Suspend

KMB Utilities Corporation Case No. WR-2006-0286

The substitute tariff sheets were filed with the Commission on January 18, 2006 with and issuance date of January 4, 2006 and an effective date of February 21, 2006.

The proposed Tariff Original Sheet No. 3A states:

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 account 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.

The current Tariff Sheet No. 27 states, in part:

(b) All meters and meter installation shall be furnished, installed, maintained and removed by the Company and shall remain its property;

(f) Company shall furnish, and install suitable metering equipment for each Customer except where installation in a special setting is necessary, in which case the excess cost of installation shall be paid by the Customer.