

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on January 26,  
2011.

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

**File No. WR-2010-0345**

Tracking No. YW-2011-0214

**ORDER APPROVING A SMALL COMPANY RATE INCREASE  
AND ORDERING THE FILING OF TARIFF SHEETS**

Issue Date: January 26, 2011

Effective Date: January 26, 2011

The Missouri Public Service Commission is granting the *Motion for Expedited Consideration and Approval of Tariff Sheets Filed on Less Than Thirty Days' Notice* ("motion"), except that it is reserving approval of the tariff sheets until they are filed in compliance with this order. The Commission is also incorporating the terms of the *Unanimous Agreement Regarding Disposition of Small Water Company Revenue Increase Request* ("unanimous agreement") into this order. The unanimous agreement and example tariff sheets ("tariff") provide a revenue increase of \$22,890.

**A. Procedure**

This action began on May 21, 2010, when KMB Utility Corporation ("the company") filed a letter asking the Commission for a revenue increase of \$18,500 per year. Such action is subject to 4 CSR 240-3.050. That regulation allows for the resolution of this action by the filing of a disposition agreement and an accompanying tariff.<sup>1</sup> On October 18, 2010, Staff filed the *Company/Staff Agreement Regarding Disposition of Small Water Company*

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<sup>1</sup> 4 CSR 240-3.050(14).

*Revenue Increase Request* (“partial agreement”) executed by Staff and the company. The company filed revised tariff sheets on October 22, 2010.

On November 23, 2010, the Office of the Public Counsel [OPC] filed [OPC]’s *Request for Local Public Hearing* (“request”). The request required the Commission to suspend the tariff,<sup>2</sup> which the Commission did by order dated December 1, 2010. Suspending the tariff began a contested case.<sup>3</sup> But on January 24, 2011, the parties filed the motion and the unanimous agreement executed by all parties. Because OPC’s execution of the unanimous agreement is mutually exclusive with OPC’s request,<sup>4</sup> OPC’s execution of the unanimous agreement constitutes a withdrawal of the request. Therefore, the Commission will lift the suspension, decide this action as a non-contested case, and determine all issues without separately stating its findings of fact.

On January 25, 2011, Staff filed *Staff’s Response to Order Directing Filing* (“report”), with a supporting affidavit. The report sets forth the effects of the unanimous agreement and tariff on the rates of an average member of each customer class in each service territory. It also listed the specific tariff sheets that the parties will ask the Commission to approve.

### B. Merits

The company provides water service to 539 customers in five service territories. Under the tariff and unanimous agreement, rates of average customers will increase per

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<sup>2</sup> 4 CSR 240-3.050(20).

<sup>3</sup> Section 393.150.1, RSMo 2000.

<sup>4</sup> 4 CSR 240-3.050(13), (14), and (15).

month as follows.<sup>5</sup> All rates are residential and assume 6,000 gallons usage per year, except Town of Scotsdale, which has a customer charge that includes 10,000 gallons.

<i>Differences per Service Territory between Current Rates and . . .</i>	<i>Partial Agreement (%)</i>	<i>Unanimous Agreement (%)</i>	<i>Partial Agreement (\$)</i>	<i>Unanimous Agreement (\$)</i>
Crestview Acres	45.72	41.21	11.16	10.06
Lakewood Hills	10.91	9.74	3.44	3.07
Hillshine Community	42.43	38.44	9.47	8.58
Town of Scotsdale Residential	44.61	40.37	13.48	12.20
Town of Scotsdale Commercial	44.61	40.39	16.36	14.81
Warren Woods Subdivision	89.09	81.11	27.12	24.69

The unanimous agreement also includes provisions for site visits, testing, and maintenance; billing practices; accounting and recordkeeping.

### C. Ruling

The Commission may approve a tariff to become effective in less than 30 days on a showing of good cause.<sup>6</sup> Based on the affidavits, the Commission independently finds and concludes that:

- The tariff and the unanimous agreement describe service that is safe and adequate at rates that are just and reasonable.
- Good cause exists to approve the tariff to become effective in less than 30 days.

Therefore, the Commission will adopt the terms of the unanimous agreement, and order the company to file the tariff sheets as described in the unanimous agreement and listed in the

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<sup>5</sup> Staff provides a detailed comparative breakdown in the report at Attachments A and B.

<sup>6</sup> Section 393.140(11), RSMo 2000.

report. The Commission will reserve ruling on the tariff pending the filing of tariff sheets in compliance with this order.

**THE COMMISSION ORDERS THAT:**

1. The Commission approves the *Unanimous Agreement Regarding Disposition of Small Water Company Revenue Increase Request* ("unanimous agreement"). The Commission incorporates the terms of the unanimous agreement into this order as if fully set forth; and orders the parties to comply with terms of the unanimous agreement. This paragraph shall become effective on February 1, 2011.

2. No later than January 27, 2011, KMB Utility Corporation shall file tariff sheets as described in the unanimous agreement and bearing effective dates of February 1, 2011. This paragraph shall become effective immediately upon issuance.

( S E A L )

**BY THE COMMISSION**



Steven C. Reed  
Secretary

Clayton, Chm., Davis, Jarrett, Gunn,  
and Kenney, CC., concur.

Jordan, Senior Regulatory Law Judge