

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

May 23, 2005

*RECEIVED*

**MAY 26 2005**

*Records  
Public Service Commission*

Secretary of the Commission  
Missouri Public Service Commission  
**Attn: Data Center**  
P. O. Box 360  
Jefferson City, MO 65102

RE: Initial Customer Notice  
Small Company Rate Increase Request  
MO PSC Case/Tracking Nos. QS-2005-0005 and QW-2005-0006

Dear Secretary:

Enclosed for placement in each of the above-referenced Commission case/tracking files is a copy of the Company's initial customer notice regarding the Company's small company rate increase requests.

This notice was mailed to the Company's customers today, and was approved by the Commission's Water & Sewer Department Staff before it was mailed.

Please let me know if you need anything further regarding this matter.

Sincerely,



Ann P. Rudy

Owner - KMB Utility Corporation

Enclosure

Copies (w/enclosure):

Jim Russo - Commission Staff  
Ruth O'Neill - Public Counsel

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

May 23, 2005

Dear Cape Rock Village Customer:

On May 2, 2005, KMB Utility Corporation (Company) submitted a request for permanent increases in its current sewer rates to the Missouri Public Service Commission (Commission), under the provisions of the Commission's small company rate increase procedure.

By its request, the Company is seeking an increase in its customer rates intended to generate an increase in its aggregate annual sewer operating revenues of \$17,121 (approximately 26.46%). The Company believes this increase in its operating revenue is necessary due to increases in operation and maintenance expenses and to provide an adequate rate of return. In its request, the Company recognized that changes to its general business practices, customer service practices and general tariff provisions, and the design of its customer rates, might occur.

The example monthly bill shown below set out a comparison of the Company's current residential customer rates for sewer service as if they were increased by the requested percentage increase. No taxes or other charges are included in the example below.

**Sewer Rates**

Total Current Monthly Bill	\$26.52
Proposed Increase Percentage	26.46%
Proposed Monthly Bill	\$33.54

In the near future, the Staff of the Public Service Commission (Commission Staff) will conduct an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon that audit and investigation, the Commission Staff will develop its positions regarding the Company's requested increase in its annual operating revenues. Additionally, the Commission Staff will develop positions regarding the need for changes in the Company's service charges, connection fees, general tariff provisions, business operations and system operations, and in the design of the Company's customer rates.

The Office of the Public Counsel (OPC), a state agency responsible for representing the interests of utility consumers before the Commission, may also conduct its own audit and investigation, but at a minimum will review the results of the Commission Staff's audit and investigation.

Any customer who has questions or comments regarding the Company's rate increase request, or who has comments regarding recent service-related problems, should contact the Commission Staff and/or the OPC, within 30 days of the date of this notice. To do so, please use the mailing addresses, telephone numbers, fax numbers or e-mail addresses shown below, and please also include a reference to request numbers QS-2005-0005 or QW-2005-0006. As a part of their investigations into the Company's rate increase request, the Commission Staff and the OPC will review all customer comments they receive in response to this notice.

Public Service Commission  
Attn: Water/Sewer Dept.  
P. O. Box 360  
Jefferson City, MO 65102  
Phone: 800-392-4211  
Fax: 573-751-1847  
E-Mail: [pscisd@psc.mo.gov](mailto:pscisd@psc.mo.gov)

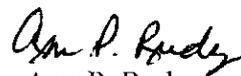
Office of the Public Counsel  
Attn: John Coffman  
P. O. Box 2230  
Jefferson City, MO 65102  
Phone: 573-751-4857  
Fax: 573-751-5562  
E-Mail: [mopco@ded.mo.gov](mailto:mopco@ded.mo.gov)

Upon completion of the Commission Staff's and the OPC's investigations, the Company may be required to send out a second customer notice regarding the results of the investigations. Additionally, the OPC may request that the Commission hold a local public hearing. However, neither a second customer notice nor a local public hearing will happen automatically. Therefore, please take the time now to express your views about the Company's rate increase request, and its business and system operations, to the Commission Staff and the OPC.

Regardless of whether the Company sends out a second customer notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the specific approval of the Public Service Commission.

If you have questions about this notice, or about anything else with which I may be of assistance, please feel free to contact me at the telephone number listed at the top of the first page of this notice.

Sincerely,



Ann P. Rudy  
Owner – KMB Utility Corporation

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

May 23, 2005

Dear Cedar Hill Customer:

On May 2, 2005, KMB Utility Corporation (Company) submitted a request for permanent increases in its current water rates to the Missouri Public Service Commission (Commission), under the provisions of the Commission's small company rate increase procedure.

By its request, the Company is seeking an increase in its customer rates intended to generate an increase in its aggregate annual water operating revenues of \$26,269 (approximately 66.80%). The Company believes this increase in its operating revenue is necessary due to increases in operation and maintenance expenses and to provide an adequate rate of return. In its request, the Company recognized that changes to its general business practices, customer service practices and general tariff provisions, and the design of its customer rates, might occur.

The example monthly bill shown below set out a comparison of the Company's current residential customer rates for water service as if they were increased by the requested percentage increase. The example water bill is presented for a customer who uses 6,000 gallons per month. No taxes or other charges are included in the example below.

**Water Rates**

Total Current Monthly Bill (using 6,000 gallons)	\$18.13
Proposed Increase Percentage	66.80%
Proposed Monthly Bill (using 6,000 gallons)	\$30.24

In the near future, the Staff of the Public Service Commission (Commission Staff) will conduct an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon that audit and investigation, the Commission Staff will develop its positions regarding the Company's requested increase in its annual operating revenues. Additionally, the Commission Staff will develop positions regarding the need for changes in the Company's service charges, connection fees, general tariff provisions, business operations and system operations, and in the design of the Company's customer rates.

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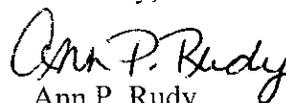
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Regardless of whether the Company sends out a second customer notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the specific approval of the Public Service Commission.

If you have questions about this notice, or about anything else with which I may be of assistance, please feel free to contact me at the telephone number listed at the top of the first page of this notice.

Sincerely,



Ann P. Rudy  
Owner - KMB Utility Corporation

# KMB UTILITY CORPORATION

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

May 23, 2005

Dear Crestview Acres Customer:

On May 2, 2005, KMB Utility Corporation (Company) submitted a request for permanent increases in its current water rates to the Missouri Public Service Commission (Commission), under the provisions of the Commission's small company rate increase procedure.

By its request, the Company is seeking an increase in its customer rates intended to generate an increase in its aggregate annual water operating revenues of \$15,808 (approximately 166.52%). The Company believes this increase in its operating revenue is necessary due to increases in operation and maintenance expenses and to provide an adequate rate of return. In its request, the Company recognized that changes to its general business practices, customer service practices and general tariff provisions, and the design of its customer rates, might occur.

The example monthly bill shown below set out a comparison of the Company's current residential customer rates for water service as if they were increased by the requested percentage increase. The example water bill is presented for a customer who uses 6,000 gallons per month. No taxes or other charges are included in the example below.

## Water Rates

Total Current Monthly Bill (using 6,000 gallons)	\$23.37
Proposed Increase Percentage	166.52%
Proposed Monthly Bill (using 6,000 gallons)	\$62.29

In the near future, the Staff of the Public Service Commission (Commission Staff) will conduct an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon that audit and investigation, the Commission Staff will develop its positions regarding the Company's requested increase in its annual operating revenues. Additionally, the Commission Staff will develop positions regarding the need for changes in the Company's service charges, connection fees, general tariff provisions, business operations and system operations, and in the design of the Company's customer rates.

The Office of the Public Counsel (OPC), a state agency responsible for representing the interests of utility consumers before the Commission, may also conduct its own audit and investigation, but at a minimum will review the results of the Commission Staff's audit and investigation.

Any customer who has questions or comments regarding the Company's rate increase request, or who has comments regarding recent service-related problems, should contact the Commission Staff and/or the OPC, within 30 days of the date of this notice. To do so, please use the mailing addresses, telephone numbers, fax numbers or e-mail addresses shown below, and please also include a reference to request numbers QS-2005-0005 or QW-2005-0006. As a part of their investigations into the Company's rate increase request, the Commission Staff and the OPC will review all customer comments they receive in response to this notice.

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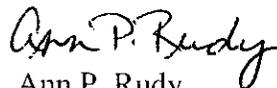
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Upon completion of the Commission Staff's and the OPC's investigations, the Company may be required to send out a second customer notice regarding the results of the investigations. Additionally, the OPC may request that the Commission hold a local public hearing. However, neither a second customer notice nor a local public hearing will happen automatically. Therefore, please take the time now to express your views about the Company's rate increase request, and its business and system operations, to the Commission Staff and the OPC.

Regardless of whether the Company sends out a second customer notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the specific approval of the Public Service Commission.

If you have questions about this notice, or about anything else with which I may be of assistance, please feel free to contact me at the telephone number listed at the top of the first page of this notice.

Sincerely,



Ann P. Rudy  
Owner – KMB Utility Corporation

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

May 23, 2005

Dear High Ridge Manor Customer:

On May 2, 2005, KMB Utility Corporation (Company) submitted a request for permanent increases in its current water rates to the Missouri Public Service Commission (Commission), under the provisions of the Commission's small company rate increase procedure.

By its request, the Company is seeking an increase in its customer rates intended to generate an increase in its aggregate annual water operating revenues of \$9,253 (approximately 36.65%). The Company believes this increase in its operating revenue is necessary due to increases in operation and maintenance expenses and to provide an adequate rate of return. In its request, the Company recognized that changes to its general business practices, customer service practices and general tariff provisions, and the design of its customer rates, might occur.

The example monthly bill shown below set out a comparison of the Company's current residential customer rates for water service as if they were increased by the requested percentage increase. The example water bill is presented for a customer who uses 6,000 gallons per month. No taxes or other charges are included in the example below.

**Water Rates**

Total Current Monthly Bill (using 6,000 gallons)	\$27.00
Proposed Increase Percentage	36.65%
Proposed Monthly Bill (using 6,000 gallons)	\$36.80

In the near future, the Staff of the Public Service Commission (Commission Staff) will conduct an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon that audit and investigation, the Commission Staff will develop its positions regarding the Company's requested increase in its annual operating revenues. Additionally, the Commission Staff will develop positions regarding the need for changes in the Company's service charges, connection fees, general tariff provisions, business operations and system operations, and in the design of the Company's customer rates.

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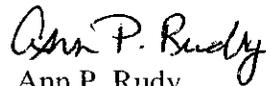
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Sincerely,



Ann P. Rudy

Owner – KMB Utility Corporation

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

May 23, 2005

Dear Hillshine Acres Customer:

On May 2, 2005, KMB Utility Corporation (Company) submitted a request for permanent increases in its current water rates to the Missouri Public Service Commission (Commission), under the provisions of the Commission's small company rate increase procedure.

By its request, the Company is seeking an increase in its customer rates intended to generate an increase in its aggregate annual water operating revenues of \$6,868 (approximately 82.73%). The Company believes this increase in its operating revenue is necessary due to increases in operation and maintenance expenses and to provide an adequate rate of return. In its request, the Company recognized that changes to its general business practices, customer service practices and general tariff provisions, and the design of its customer rates, might occur.

The example monthly bill shown below set out a comparison of the Company's current residential customer rates for water service as if they were increased by the requested percentage increase. The example water bill is presented for a customer who uses 6,000 gallons per month. No taxes or other charges are included in the example below.

**Water Rates**

Total Current Monthly Bill (using 6,000 gallons)	\$21.87
Proposed Increase Percentage	82.73%
Proposed Monthly Bill (using 6,000 gallons)	\$39.96

In the near future, the Staff of the Public Service Commission (Commission Staff) will conduct an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon that audit and investigation, the Commission Staff will develop its positions regarding the Company's requested increase in its annual operating revenues. Additionally, the Commission Staff will develop positions regarding the need for changes in the Company's service charges, connection fees, general tariff provisions, business operations and system operations, and in the design of the Company's customer rates.

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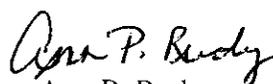
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Sincerely,



Ann P. Rudy  
Owner - KMB Utility Corporation

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

May 23, 2005

Dear Lakewood Hills Customer:

On May 2, 2005, KMB Utility Corporation (Company) submitted a request for permanent increases in its current water rates to the Missouri Public Service Commission (Commission), under the provisions of the Commission's small company rate increase procedure.

By its request, the Company is seeking an increase in its customer rates intended to generate an increase in its aggregate annual water operating revenues of \$65,291 (approximately 166.39%). The Company believes this increase in its operating revenue is necessary due to increases in operation and maintenance expenses and to provide an adequate rate of return. In its request, the Company recognized that changes to its general business practices, customer service practices and general tariff provisions, and the design of its customer rates, might occur.

The example monthly bill shown below set out a comparison of the Company's current residential customer rates for water service as if they were increased by the requested percentage increase. The example water bill is presented for a customer who uses 6,000 gallons per month. No taxes or other charges are included in the example below.

**Water Rates**

Total Current Monthly Bill (using 6,000 gallons)	\$24.62
Proposed Increase Percentage	166.39%
Proposed Monthly Bill (using 6,000 gallons)	\$65.59

In the near future, the Staff of the Public Service Commission (Commission Staff) will conduct an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon that audit and investigation, the Commission Staff will develop its positions regarding the Company's requested increase in its annual operating revenues. Additionally, the Commission Staff will develop positions regarding the need for changes in the Company's service charges, connection fees, general tariff provisions, business operations and system operations, and in the design of the Company's customer rates.

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Sincerely,



Ann P. Rudy  
Owner - KMB Utility Corporation

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

May 23, 2005

Dear Scotsdale Customer:

On May 2, 2005, KMB Utility Corporation (Company) submitted a request for permanent increases in its current water rates to the Missouri Public Service Commission (Commission), under the provisions of the Commission's small company rate increase procedure.

By its request, the Company is seeking an increase in its customer rates intended to generate an increase in its aggregate annual water operating revenues of \$19,790 (approximately 140.13%). The Company believes this increase in its operating revenue is necessary due to increases in operation and maintenance expenses and to provide an adequate rate of return. In its request, the Company recognized that changes to its general business practices, customer service practices and general tariff provisions, and the design of its customer rates, might occur.

The example monthly bill shown below set out a comparison of the Company's current residential customer rates for water service as if they were increased by the requested percentage increase. No taxes or other charges are included in the example below.

**Water Rates**

Total Current Monthly Bill	\$31.50
Proposed Increase Percentage	140.13%
Proposed Monthly Bill	\$75.64

In the near future, the Staff of the Public Service Commission (Commission Staff) will conduct an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon that audit and investigation, the Commission Staff will develop its positions regarding the Company's requested increase in its annual operating revenues. Additionally, the Commission Staff will develop positions regarding the need for changes in the Company's service charges, connection fees, general tariff provisions, business operations and system operations, and in the design of the Company's customer rates.

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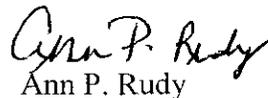
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Sincerely,



Ann P. Rudy

Owner – KMB Utility Corporation

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

May 23, 2005

Dear Warren Woods Customer:

On May 2, 2005, KMB Utility Corporation (Company) submitted a request for permanent increases in its current water rates to the Missouri Public Service Commission (Commission), under the provisions of the Commission's small company rate increase procedure.

By its request, the Company is seeking an increase in its customer rates intended to generate an increase in its aggregate annual water operating revenues of \$8,950 (approximately 94.73%). The Company believes this increase in its operating revenue is necessary due to increases in operation and maintenance expenses and to provide an adequate rate of return. In its request, the Company recognized that changes to its general business practices, customer service practices and general tariff provisions, and the design of its customer rates, might occur.

The example monthly bill shown below set out a comparison of the Company's current residential customer rates for water service as if they were increased by the requested percentage increase. No taxes or other charges are included in the example below.

**Water Rates**

Total Current Monthly Bill	\$38.13
Proposed Increase Percentage	94.73%
Proposed Monthly Bill	\$74.25

In the near future, the Staff of the Public Service Commission (Commission Staff) will conduct an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon that audit and investigation, the Commission Staff will develop its positions regarding the Company's requested increase in its annual operating revenues. Additionally, the Commission Staff will develop positions regarding the need for changes in the Company's service charges, connection fees, general tariff provisions, business operations and system operations, and in the design of the Company's customer rates.

The Office of the Public Counsel (OPC), a state agency responsible for representing the interests of utility consumers before the Commission, may also conduct its own audit and investigation, but at a minimum will review the results of the Commission Staff's audit and investigation.

Any customer who has questions or comments regarding the Company's rate increase request, or who has comments regarding recent service-related problems, should contact the Commission Staff and/or the OPC, within 30 days of the date of this notice. To do so, please use the mailing addresses, telephone numbers, fax numbers or e-mail addresses shown below, and please also include a reference to request numbers QS-2005-0005 or QW-2005-0006. As a part of their investigations into the Company's rate increase request, the Commission Staff and the OPC will review all customer comments they receive in response to this notice.

Public Service Commission  
Attn: Water/Sewer Dept.  
P. O. Box 360  
Jefferson City, MO 65102  
Phone: 800-392-4211  
Fax: 573-751-1847  
E-Mail: [pscisd@psc.mo.gov](mailto:pscisd@psc.mo.gov)

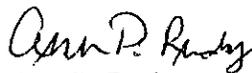
Office of the Public Counsel  
Attn: John Coffman  
P. O. Box 2230  
Jefferson City, MO 65102  
Phone: 573-751-4857  
Fax: 573-751-5562  
E-Mail: [mopco@ded.mo.gov](mailto:mopco@ded.mo.gov)

Upon completion of the Commission Staff's and the OPC's investigations, the Company may be required to send out a second customer notice regarding the results of the investigations. Additionally, the OPC may request that the Commission hold a local public hearing. However, neither a second customer notice nor a local public hearing will happen automatically. Therefore, please take the time now to express your views about the Company's rate increase request, and its business and system operations, to the Commission Staff and the OPC.

Regardless of whether the Company sends out a second customer notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the specific approval of the Public Service Commission.

If you have questions about this notice, or about anything else with which I may be of assistance, please feel free to contact me at the telephone number listed at the top of the first page of this notice.

Sincerely,



Ann P. Rudy  
Owner – KMB Utility Corporation