

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

In the Matter of Lincoln County Utilities)	
Co.'s Application to Sell Its)	
Sewer/Treatment Facilities to the Public)	<u>Case No. SM-2006-0369</u>
Water Supply District No. 1 of Lincoln)	
County, Missouri.)	

NINETEENTH STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its Nineteenth Status Report respectfully states as follows:

1. After the Staff had filed a Status Report on May 9, 2006¹, the Commission issued its *Order Directing Staff To File Status Reports* (Order) on May 12th, in which it ordered the Staff to submit monthly status reports on or before the 15th of each month until such time as a recommendation can be filed, or unless otherwise ordered by the Commission.

2. In compliance with the Commission's Order, the Staff timely submitted monthly status reports.

3. On September 11, 2007 the Commission issued its *Order Directing Staff To File Quarterly Status Reports* directing Staff to submit quarterly status reports beginning on January 15, 2008, on which date Staff submitted its Eighteenth Status Report.

4. For this Nineteenth Status Report, Staff reports that Lincoln County Utilities (LCU) and Public Water Supply District No. 1 of Lincoln County (the District) (collectively the parties), entered into a First Amendment to Purchase and Sale Agreement (Amended Agreement), signed on March 20, 2008. It is now contemplated, per the Amended Agreement, that the District will complete its due diligence, necessary approvals will be obtained by July 1, 2008, and then

¹ Unless otherwise specified, all dates referred herein are in the year 2006.

closing on the utility assets would occur on or before July 11, 2008. However, although the Amended Agreement is in place, the District is also expecting LCU to agree on a revised Settlement Agreement with the Missouri Department of Natural Resources (DNR) before resuming its work toward acquisition of these assets. The Parties and DNR have worked on a revised Settlement Agreement, and much of the discussion on this document, reportedly, has centered upon past due fees owed to DNR, as well as fees becoming due in 2008. This work has resulted in a draft which, reportedly also, to which the District and DNR have agreed in principle, but LCU has not agreed to the existing draft. If LCU does not either agree to the existing draft or propose an alternate draft acceptable to the District and DNR, then ultimately the Amended Agreement could expire, and this proposed transaction might not take place. Assuming a revised Settlement Agreement is finalized and accepted by the Parties and by DNR and the Office of the Attorney General representing DNR within a reasonable time, then the District will resume and complete its due diligence work, primarily involving real estate title research, and notify Staff with regard to customer rates and plant construction schedule, at which time Staff expects to be in a position to submit a recommendation for approval of this proposed transaction..

WHEREFORE, Staff respectfully submits this Nineteenth Status Report for the Commission's information.

Respectfully Submitted,

/s/ Jennifer Heintz

Jennifer Heintz
Associate General Counsel
Missouri Bar No. 57128

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

(573) 751-8701 (Telephone)

(573) 751-9285 (Fax)

jennifer.heintz@psc.mo.gov (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of this Nineteenth Status Report 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 15th day of April 2008.

/s/ Jennifer Heintz