

**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.)	

TWELFTH STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its Twelfth Status Report states the following to the Missouri Public Service Commission ("Commission"):

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 submitted its Second Status Report on June 15th, its Third Status Report on July 12th, its Fourth Status Report on August 15th, its Fifth Status Report on September 15th, and its Sixth Status Report on October 12th, its Seventh Status Report on November 15th, its Eighth Status Report on December 15th, and its Ninth Status Report on January 12th, 2007, its Tenth Status Report on February 15th, 2007, and its Eleventh Status Report on March 15th, 2007.

3. For this Twelfth Status Report, the Staff reports that the board of directors of Public Water Supply District No. 1 of Lincoln County (the District), Lincoln County Utilities Co. (Company), and the Missouri Department of Natural Resources (DNR) are currently reviewing

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

drafts of a compliance agreement, which would outline responsibilities for past alleged water pollution violations, and address needed improvements for future service after the District acquires the assets. The District reports that it intends to finalize this sale within the time frame as specified in the existing sale contract. Although the District has accepted an engineering report with regard to selection of a type of treatment facility to be constructed in the future, it still needs to calculate the monthly rates as well as charges to new customers for plant capacity, all of which will need to reflect the cost of interim improvements to the existing facility and its operation, then the cost of construction of a new replacement facility and its operation.

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

Respectfully Submitted,

/s/ Jennifer Heintz

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CERTIFICATE OF SERVICE

I hereby certify that copies of this Eleventh 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 13th day of April 2007.

/s/ Jennifer Heintz