

**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       )  
Water Supply District No. 1 of Lincoln        )  
County, Missouri.                                    )

Case No. SM-2006-0369

**SEVENTEENTH STATUS REPORT**

**COMES NOW** the Staff of the Missouri Public Service Commission (Staff), and for its Seventeenth Status Report states the following to the Missouri Public Service Commission (Commission):

1. After Staff had filed a Status Report on May 9, 2006<sup>1</sup>, the Commission issued its Order Directing Staff to File Status Reports (Order) on May 12<sup>th</sup>, in which it ordered Staff to submit monthly status reports on or before the 15<sup>th</sup> 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, Staff has timely submitted a status report each month since June of 2006.

3. For this Seventeenth Status Report, Staff reports that after negotiations and discussion between Public Water Supply District No. 1 of Lincoln County (the District) and Lincoln County Utilities (LCU), an officer of LCU signed a revised draft of the Missouri Department of Natural Resources (DNR) compliance agreement, and returned the draft to the District. The District's Board of Directors needs to formally accept the draft compliance agreement before it gets submitted to DNR, for that agency's final acceptance and approval. The District board is not expected to take this action until additional "due diligence" work is accomplished with regard to utility property title.

---

<sup>1</sup> Unless otherwise specified, all dates referred herein are in the year 2006.

Staff believes the original approval period referred to in the contract is September 20, 2007; this is the date by which all background work and approvals were originally contemplated to be finished when the contract was signed in March of 2006. However, this matter has not progressed sufficiently to accomplish all necessary approvals from DNR and the Commission by that date. The District expects to negotiate an extension to its contract with LCU by six (6) months, which would re-set the approval period to approximately March 30, 2008. Staff expects to be able to submit a recommendation with regard to approval of this proposed transfer of assets after 1) the compliance agreement is accepted by DNR; 2) the district has completed its due diligence work and is ready to proceed with closing, and; 3) the district officially determines the immediate rate impact the transfer will have upon LCU customers.

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

Respectfully Submitted,

**/s/ Jennifer Heintz**

Jennifer Heintz  
Assistant 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) 526-7779 (Telephone)  
(573) 751-9285 (Fax)  
[jennifer.heintz@psc.mo.gov](mailto:jennifer.heintz@psc.mo.gov) (e-mail)

**CERTIFICATE OF SERVICE**

I hereby certify that copies of this Seventeenth 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 10<sup>th</sup> day of September 2007.

**/s/ Jennifer Heintz**