

**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.)	

SIXTEENTH STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its Sixteenth 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 has timely submitted fifteen status reports.

3. For this Sixteenth Status Report, the Staff reports that the District has received comments back from the Missouri Department of Natural Resources (DNR) with regard to the draft compliance agreement, and the draft is scheduled to be reviewed and possibly approved by the District's board of directors at a meeting scheduled for Thursday August 16, 2007. Since LCU is in fact the current owner of the system, DNR and the District anticipate that LCU will need to also be a party to the compliance agreement. LCU has not provided any input to the agreement, and its willingness to enter into the agreement is uncertain at this time. A problem with closing by the

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

proposed September 2007 end of contract date is a problem, especially if there are delays in finalizing the compliance agreement, and also considering that the Commission will need to grant its approval before closing takes place. Thus the District will likely need to negotiate an extension with LCU.

WHEREFORE, the Staff respectfully submits this Sixteenth 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 (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of this Sixteenth 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 August 2007.

/s/ Jennifer Heintz