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February 8, 2001

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Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

FILED³

FEB 08 2001

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. SC-99-135 - House Springs Sewer Company, Inc.

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF'S SECOND REPORT ON CASE STATUS**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Cliff E. Snodgrass

Senior Counsel

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CES:sw

Enclosure

cc: Counsel of Record

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

FILED³

FEB 08 2001

**Missouri Public
Service Commission**

Staff of the Missouri Public
Service Commission,)

Complainant,)

v.)

House Springs Sewer Company,)

Respondent.)

Case No. SC-99-135

STAFF'S SECOND REPORT ON CASE STATUS

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through one of its attorneys, and for its Second Report on Case Status states the following:

1. On January 9, 2001, the Missouri Public Service Commission (Commission) issued its Second Order Directing Filing, whereby it directed the Staff to file a report on the status of this case.

2. In response to a previous Commission Order, the Staff filed an initial case status report in this matter on September 22, 2000.

3. In its initial case status report, the Staff noted that a Stipulation and Agreement (Agreement) approved by the Commission in this case provided, among other things, that House Springs Sewer Company (House Springs) would pay its past due Commission assessments upon the sale of its assets. The Staff further noted in its initial status report that House Springs would pay its past due assessments if and when the net proceeds of the sale of the assets of Imperial Utility Corporation (Imperial), an affiliate of House Springs, were distributed to its owners.

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4. In its initial status report, the Staff also advised the Commission that House Springs was operating under the terms of a court-approved consent decree, to which the Missouri Department of Natural Resources (MDNR) is a party, whereby House Springs' assets were to be sold no later than December 31, 2000. However, proposed revisions to the terms of this consent decree have recently been sent to the Circuit Court of Jefferson County for the Judge's approval. Under those revisions, House Springs' obligation to the MDNR to sell its assets will be extended by six months, up to and including June 30, 2001.

5. In addition to the conditions regarding the payment of House Springs' delinquent assessments imposed upon it in the instant case, the payment of both past and future assessments were also addressed in House Springs' recently completed rate case, Case No. SR-2001-303. As a result of that rate case, House Springs has agreed to make quarterly payments on its fiscal year 2002 assessment when that assessment is received. Additionally, House Springs is currently in litigation with a former large customer regarding monies it claims it is owed for past services rendered to that customer. If that litigation is successful, House Springs has committed to make a lump sum payment toward its delinquent assessments, with that payment to be equal to one-third of the proceeds of the litigation or \$30,000, whichever is greater.

6. The Staff respectfully reports to the Commission that House Springs' assets have not yet been sold, the proceeds of the sale of Imperial's assets have not yet been distributed to its owners because of ongoing litigation, nor has the litigation with the former large customer yet been completed. The Staff has been advised that House Springs continues to actively seek a buyer for its assets, but that a promising prospective buyer does not currently exist.

7. The Staff will continue to monitor the situations surrounding this case and will advise the Commission when a change in factual circumstances occurs.

Respectfully Submitted,

DANA K. JOYCE
General Counsel



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Attorney for the Staff of the
Missouri Public Service Commission

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record, as shown on the attached service list, this 8th day of February 2001.


Cliff Snodgrass

Service List for
Case No. SC-99-135
Revised: February 8, 2001 (SW)

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