

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

In the Matter of the Small Company Rate)
Increase Request of Mill Creek Sewers, Inc.)

Case No. SR-2005-0116

STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through Counsel, and for its Status Report states the following to the Missouri Public Service Commission (Commission).

Procedural History

1. On March 23, 2005¹, the Commission issued an **Order Directing Filing** (March 23 Order), in which it directed the Staff to file two status reports regarding the potential transfer of the sewer collection and treatment system owned by Mill Creek Sewers, Inc. (Mill Creek) to the St. Louis Metropolitan Sewer District (MSD), with those reports to be filed on March 25 and April 1.

2. The Staff filed the two status reports required by the Commission's March 23 Order on March 25 and April 1, respectively.

3. As a part of its April 1 status report, the Staff stated that it would continue to file weekly status reports in this case. Consistent with that commitment, the Staff filed its third, fourth and fifth weekly status reports on April 8, April 15 and April 25, respectively.

4. As a part of its April 25 status report, the Staff stated that it would continue to file weekly status reports, or would advise the Commission that additional information is not available and that a status report would thus not be filed for a given week.

¹ Unless noted otherwise, all dates herein refer to the year 2005.

5. Consistent with the commitment that the Staff made in its April 25 status report, the Staff filed its sixth status report on April 29. In that report, the Staff advised the Commission that there was nothing new to report regarding either the potential transfer of Mill Creek's sewage treatment and collection system to the MSD or the operation of the treatment plant, since the Staff filed its April 25 report.

Status Updates

6. Regarding the status of the potential transfer of Mill Creek's sewage treatment and collection system to the MSD, the Staff provides the following information:

(a) On May 4, the undersigned counsel for the Staff contacted Ms. Susan Meyer, an attorney who works for the MSD, to inquire about the status of the MSD's review of its potential takeover of Mill Creek's system. Ms. Meyer stated that the MSD continued to be interested in the potential takeover, and that it was conducting its "due diligence" regarding the potential takeover. Ms. Meyer said she did not know how long it would take for MSD to conduct its "due diligence" review. She said she did not think the work needed to make a decision regarding the potential takeover would be completed by the end of May.

(b) Earlier today (May 6), Dale Johansen of the Commission's Water & Sewer Department sent an e-mail message to Joe Bindbeutel at the Attorney General's Office, asking whether Mr. Bindbeutel would be available to meet during the week of May 9 to discuss the potential transfer of Mill Creek's system to the MSD. However, as of the writing of this report, Mr. Johansen has not yet received a response to that message.

7. Regarding the status of the actions being taken with regard to the operation of Mill Creek's sewage treatment plant, the Staff provides the following information:

(a) On May 4, Steve Loethen of the Commission's Water & Sewer Department talked to a representative of Commercial Pumping (Commercial) to see if further arrangements had been made to pump sludge out of the clarifier of Mill Creek's sewage treatment plant. During that conversation, Mr. Loethen was advised that Commercial had sent a bid for that work to Mill Creek, but that it had not yet heard back from Mill Creek regarding the bid. Mr. Loethen then contacted Joe Afshari, the owner of Mill Creek, to inquire into the status of Mill Creek's response to the bid, but Mr. Afshari told Mr. Loethen that he had not yet seen the bid. Mr. Loethen then recontacted a representative of Commercial and asked that the bid be resent to Mr. Afshari, which he later confirmed had been done.

(b) Earlier today (May 6), Greg Meyer of the Commission's Auditing Department spoke with Jim Holmes at Mill Creek about the status of the sludge hauling bid. Mr. Holmes stated that Mr. Afshari had accepted the bid for this work and sent it back to Commercial, and that Commercial is scheduled to pump out the sewage treatment plant's clarifiers on Tuesday, May 10, weather permitting. Mr. Holmes also noted that the estimated cost of this work is approximately \$2,000.

Future Status Reports

8. Regarding future status reports, the Staff again notes that it will continue to file weekly status reports, or will advise the Commission that additional information is not available and that a status report will thus not be filed for a given week.

WHEREFORE the Staff respectfully submits its seventh Status Report for the Commission's information and consideration in this case.

Respectfully Submitted,

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General Counsel

/s/ Keith R. Krueger

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing 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 6th day of May 2005.

/s/ Keith R. Krueger

Keith R. Krueger