

FILED

JUN 30 2008

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the Matter of Lincoln County Utilities Co.'s)
Application to Sell Its Sewer/Treatment Facility)
to the Public Water Supply District No. 1 of)
Lincoln County, Missouri.)

Case No. SM-2006-0369

MEMORANDUM

Comes now the Applicant, **Lincoln County Utilities Co.** and by and through their attorney, Patrick S. Flynn of Flynn & Davenport, LLC and files with the Public Service Commission its Memorandum in response to Commission's Order dated June 25, 2008 as follows:

1) The Lincoln County Utilities Co. has mailed customer notice to their current customers per the attached *Notice to Customers of Lincoln County Utilities Company Regarding Sewer Service*.

2) Applicant is aware of the following impact the sale and transfer of the assets will have on the tax revenue of the political subdivisions in which the proposed sale of property is located: Loss of Real Estate Property Tax paid to Lincoln County in the approximate amount of \$1,206.98 (based on 2007 assessment).

3) Applicant states that if any items required under this rule have not been met upon this application that Applicant will furnish same prior to the granting of authority sought.

Wherefore, Applicant, Lincoln County Utilities Co., prays that the Public Service Commission grant its application to sell its assets to the Public Water Supply District No. 1 of Lincoln County, Missouri.

FLYNN & DAVENPORT LLC



PATRICK S. FLYNN, #38465
FLYNN & DAVENPORT, LLC

Attorney for Applicant

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Troy, Missouri 63379

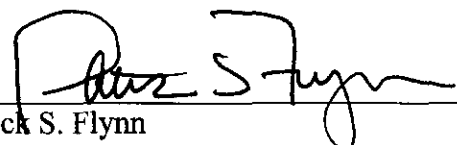
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was hand-delivered to the Office of Public Counsel and General Counsel of the Commission at 200 Madison Jefferson City, Missouri 65101 and by mail to Mark C. Piontek, Lewis, Rice & Fingersh, L.C. 1200 P.O. Box 1040 Washington, Missouri 63090 this 30th day of June, 2008.


Patrick S. Flynn

NOTICE TO CUSTOMERS OF LINCOLN COUNTY UTILITIES COMPANY
REGARDING SEWER SERVICE

June 25, 2008

Dear Customer:

On March 27, 2006, Lincoln County Utilities Company submitted an application to the Missouri Public Service Commission (Commission) to sell and transfer its sewer system assets to the Public Water Supply District No. 1 of Lincoln County. This is the same water district that provides water service in this area.

Improvements to the sewage treatment facility is desperately needed to meet newer and more stringent treatment requirements of the Missouri Department of Natural Resources. If this sale is approved, then the District is committed to immediately undertake interim improvements to the lagoon, and also develop an improved treatment facility.

Approval of this sale will result in an increase in your sewer bills. Lincoln County Utilities Company's rates are \$6.50 per month, which have been in effect since 1978. The District's monthly rate for residential sewer service is \$27 plus \$2.36 per 1,000 gallons of water usage during the months of October through March, which excludes most outdoor use such as lawn watering. This would result in a bill of \$38.80 per month for customers with water usage of 5,000 gallons per month during those months winter.

You may make comments about this sale if you wish. To submit your comments in writing:

Public Service Commission
Attn: Water/Sewer Dept.
P.O. Box 360
Jefferson City, MO 65102
Phone: 800-392-4211
Fax: 573-751-1847
E-Mail: water.sewer@psc.mo.gov

Office of the Public Counsel
Attn: Water/Sewer Dept.
P.O. Box 2230
Jefferson City, MO 65102
Phone: 866-922-2959
Fax: 573-751-5562
E-Mail: mopco@ded.mo.gov

To submit your comments via the Commission's Website:

- (1) go to <http://www.psc.mo.gov>;
- (2) click on "EFIS / Case Filings" on the menu bar on the left side of the page;
- (3) on the next page, click on the "Public Comment" icon under Submit Public Comments; and
- (4) fill out and submit the Public Comments form, please include the Case Number, SM-2006-0369.

Sincerely,

Lincoln County Utilities Company