

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

In the Matter of Application of Canyon)	
Treatment Facility, LLC for permission,)	
approval and a Certificate of)	
Convenience and Necessity Authorizing)	Case No. SA-2010-0219
it to Acquire, Construct, Install, Own,)	
Operate, Control, Manage, and/or)	
Maintain a Sewer System for the public)	
in located Stone County, Missouri.)	

**Canyon Treatment Facility LLC's
Response to Staff's Recommendation**

Comes now Canyon Treatment Facility, LLC (Canyon) and for its Response to the Missouri Public Service Commission Staff's (Staff) Recommendation filed in the above-referenced matter, states to the Missouri Public Service Commission (Commission) as follows:

1. The Staff correctly notes that this case involves the application of Canyon for a certificate of public convenience and necessity to provide sewer service in an unincorporated area of Stone County, Missouri. The Staff also correctly notes that since the filing of the application (on January 21, 2010), circumstances have changed dramatically for Ms. Kandis Davis, owner of Canyon such that she no longer has the financial wherewithal to fund the necessary upgrades to the existing sewer system. However, these changed circumstances (i.e., the economic recession and downturn in the real estate market) were beyond Ms. Davis' control and Canyon strongly disagrees with Staff's characterization that Ms. Davis made imprudent business decisions or lacks the necessary technical ability or business acumen to properly manage a sewer system.

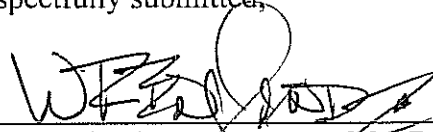
2. Nevertheless, Canyon agrees that the long term best interests of the customers it proposes to serve is for Canyon to be acquired by an entity that has both the financial

wherewithal and the technical expertise to operate a sewer system. In that regard, Canyon entered into a Contingent Agreement for Transfer with the Stone County Sewer District No. 1, whereby it would purchase and acquire the existing sewer system. However, a definitive asset purchase agreement has, to date, not been consummated primarily because the Sewer District must wait for the necessary funding from the United States Department of Agriculture. Canyon understands there may be other entities, including regulated water and sewer utilities, that may have an interest in acquiring Canyon and/or its assets. Accordingly, there appears to be one or more qualified entities who are interested in acquiring Canyon or its assets.

3. Given these circumstances, Canyon does not object to Staff's Recommendation that it be awarded a certificate and that an interim receiver be appointed to manage the day-to-day operations of the sewer company as long as: 1) the interim receiver is a properly qualified person or entity and is not otherwise objectionable to Canyon; and 2) it is clear that the interim receivership will last only so long as is necessary to obtain a suitable purchaser for either Canyon or its assets.

WHEREFORE, Canyon respectfully states that while it disagrees with some of the factual statements and conclusionary opinions contained in the Staff Recommendation, it does not object to the general course of action proposed by Staff, as long as the interim receiver is properly qualified and 2) the interim receivership does not last longer than necessary in order to find a suitable purchaser of Canyon or its assets.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W.R. England', is written over a horizontal line.

W.R. England Mo. Bar 23975
BRYDON, SWEARENGEN & ENGLAND P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456
Telephone: (573) 635-7166
Facsimile: (573) 635-0427
trip@brydonlaw.com

ATTORNEYS FOR
CANYON TREATMENT FACILITY, LLC

CERTIFICATE OF SERVICE

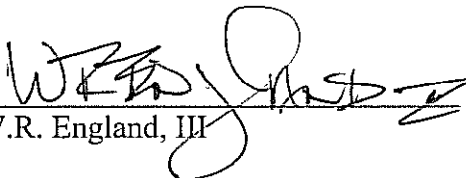
I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 27th day of January, 2012, to:

General Counsel's Office
P.O. Box 360
200 Madison Street, Suite 800
Jefferson City MO 65102
gencounsel@psc.mo.gov

Christina Baker
Office of the Public Counsel
P.O. Box 2230
200 Madison Street, Suite 650
Jefferson City MO 65102
Christina.baker@ded.mo.gov

David Woodsmall
807 Winston Court
Jefferson City, Missouri 65101
(573) 797-0005
Facsimile (573) 635-7523
david.woodsmall@woodsmalllaw.com

Kenneth N. Hall
Reece, Moore, Pendergraft LLP
75 N. East Avenue, Suite 500
Fayette, AR 72701
Phone: (479) 443-2705
Fax: (479) 443-2718
khall@rmpllp.com


W.R. England, III