BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Taney County Utilities Corporation for Authority to Transfer Certain Assets to Taney County Regional Sewer District And in Connection Therewith, Certain Other Related Transactions.

File No. SM-2017-0056

STAFF'S SECOND STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its *Status Report,* states as follows:

1. On August 23, 2016, Taney County Utilities Corporation ("TCUC") and Taney County Regional Sewer District ("District") (collectively "Applicants") filed their *Joint Application* ("Application") in which the parties seek to transfer certain assets and ultimate control of a wastewater system from TCUC to the District.

2. In Staff's October 11, 2016, *Status Report,* Staff indicated that the proposed transaction would take a significant amount of time, and would not be finalized until the completion of a new wastewater treatment plant. In addition, Staff stated that The District had yet to secure a construction permit for the new facility from the Department of Natural Resources ("DNR"), and that TCUC had yet to file annual reports for the years of 2013, 2014, and 2015. Because Staff anticipated that the transaction would take a significant amount of time, Staff requested that the Commission order Staff to file a Status Report on March 1, 2017, and monthly thereafter until such time Staff is prepared to file a its Recommendation. The Commission granted Staff's request on October 26, 2016.

3. Staff has been in contact with the Applicants, and they have provided to Staff the following information:

- a. On October 17, 2016, TCUC filed with the Commission its 2013, 2014, and 2015 Annual Reports, and currently has no overdue annual reports or assessment fees with the Commission.
- b. The District has also applied for a discharge permit to operate the wastewater treatment facility. On February 3, 2017, DNR issued a *Public Notice*, alerting the public that they may submit public comments on the proposed permit conditions and any effect on water quality. The comment period ends at 5:00 p.m. on March 6, 2017.
- c. The District has remained in contact with DNR, and is confident a construction permit will be issued in the near future.
- d. The District opened bids to construct the new wastewater treatment facility on February 17, 2017.
- e. The District expects that, if DNR issues a construction permit by mid-March 2017, it will be able to issue a notice to the contractor to proceed with construction by the end of March 2017.

4. However, as the timeline for completion of the project is still unclear, Staff is not prepared to provide a recommendation at this time. Staff will continue to file monthly status reports until such time it is able to provide a recommendation.

WHEREFORE, Staff respectfully requests that the Commission accept Staff's *Status Report*, and grant such other relief as the Commission deems appropriate.

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Respectfully Submitted,

/s/ Mark Johnson

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 1st day of March, 2017.

/s/ Mark Johnson