

**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, 2005 (unless noted otherwise all dates herein refer to the year 2005), 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 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. Consistent with that commitment, the Staff filed its sixth and seventh Status Reports on April 29 and May 6, respectively, a Notice Regarding Status Report on May 13, its eighth and ninth Status Reports on

May 20 and May 27, respectively, a Notice Regarding Status Report on June 3, its tenth and eleventh Status Reports on June 10 and June 17, respectively, a Notice Regarding Status Report on June 24, its twelfth Status Report on July 1, a Notice Regarding Status Report on July 8, its thirteenth Status Report on July 15, a Notice Regarding Status Report on July 22, and its fourteenth and fifteenth Status Reports on July 29 and August 5, respectively.

STATUS UPDATES

5. Regarding Mill Creek's response to the DNR's report pertaining to the June 23 PSC/DNR joint inspection of Mill Creek's sewage treatment plant, a copy of which was included with the Staff's fifteenth Status Report, the Staff offers the following information. An attorney representing Mill Creek advised the Staff, via an e-mail message sent on August 11, that a representative of Mill Creek met with a contract operator on August 8 and showed the operator the sewage treatment plant, and that Mill Creek is now waiting to receive a proposal from the operator regarding the operation of the plant, including the required effluent sampling.

6. Regarding the condition of Mill Creek's sewage treatment plant, the Staff offers the following information. Steve Loethen of the Water & Sewer Department inspected the treatment plant on August 5 and found that the motor on one of the plant's two blowers was not operating and also noted that the air filter for the blower motors was nearly clogged. Mr. Loethen contacted a representative of Mill Creek, Jim Holmes, and informed him of his findings, and Mr. Holmes responded that he would contact someone to come to the plant as soon as possible to correct these two items. Mr. Loethen further noted that the plant's overall condition was fairly good considering that the one blower motor was not operating. As a follow-up to his August 5 inspection, Mr. Loethen attempted to contact Mr. Holmes on August 11 and August 12 to see if these items had been corrected but was not successful in doing so.

7. Regarding the status of the potential transfer of Mill Creek's sewage treatment and collection system to the MSD, the Staff notes that it does not have any updated information to provide at this time.

FUTURE STAFF ACTIONS

8. Steve Loethen and/or other Staff members will continue to periodically monitor the operation of Mill Creek's sewage treatment plant and will make recommendations to Mill Creek for any operational adjustments that may be needed. Mr. Loethen and/or other Staff members will also continue to monitor the actions that Mill Creek is taking with regard to sludge hauling, sampling of the plant's effluent, the hiring of a licensed plant operator, and the correction of the two problems identified during Mr. Loethen's August 5 inspection.

9. The Staff will continue to monitor the MSD's progress in making its determination of whether it will take over Mill Creek's system. Additionally, the Staff will advise the MSD of any future planned joint PSC/DNR inspections, as far in advance as possible, so that the MSD will have the opportunity to participate in such inspections.

10. The Staff will be contacting a representative of Missouri-American Water Company to discuss whether MAWC would be interested in taking over Mill Creek's system. (MAWC is the water service provider in Mill Creek's service area.)

FUTURE STATUS REPORTS

11. 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 sixteenth Status Report for the Commission's information and consideration in this case.

Respectfully Submitted,

DANA K. JOYCE
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 12th day of August 2005.

/s/ Keith R. Krueger