

**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, fifteenth, sixteenth and seventeenth Status Reports on July 29, August 5, August 12 and August 19, respectively.

STATUS UPDATES

5. Regarding the current condition of Mill Creek's sewage treatment plant, the Staff notes that Steve Loethen of the Water & Sewer Department visited the plant on August 18 and noted that the blower motor that was not operating during his August 5 visit to the plant had been repaired and that both blowers and motors were operational. Mr. Loethen also noted that the air filter for the blower motors still needed to be replaced, and that sludge needed to be hauled as the sludge holding tank was nearly full. Mr. Loethen notified a representative of Mill Creek of both of these matters.

6. Regarding the status of the St. Louis MSD's determination of whether it will take over Mill Creek's system, the Staff notes that it does not have any updated information to provide at this time.

7. Regarding the possibility that Missouri-American Water Company (MAWC) might be interested in taking over Mill Creek's system, the Staff notes that it provided a representative of MAWC with information about the system and Mill Creek's pending rate case on August 24, but has not yet received a response from MAWC regarding this matter.

FUTURE STAFF ACTIONS

8. The Staff will continue to periodically monitor the operation of Mill Creek's sewage treatment plant and will make recommendations to Mill Creek and/or its contract operator for any changes in the operation of the plant that are considered necessary. Additionally, the Staff will contact a representative of Mill Creek to see whether the air filter for the blower motors has been replaced and whether sludge has been hauled from the plant.

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 if it desires to do so.

10. The Staff will continue to monitor MAWC's consideration of whether it is interested in taking over Mill Creek's system. Additionally, the Staff will advise MAWC of any future planned joint PSC/DNR inspections, as far in advance as possible, so that MAWC will have the opportunity to participate in such inspections if it desires to do so.

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 eighteenth 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 26th day of August 2005.

/s/ Keith R. Krueger