

**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

STAFF'S NINTH QUARTERLY STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its Ninth Quarterly Status Report on Mill Creek Sewers, Inc. (Company) states the following:

1. On September 29, 2005, the Commission issued its *Order Approving Tariff and Agreement* approving an increase in the Company's monthly sewer rate effective October 12, 2005. The Commission also ordered the Staff to file status reports.
2. On June 15, 2009, the Commission granted Staff's request for an extension to file its quarterly status report due June 15, 2009 to July 1, 2009.
3. Attached as Attachment A, hereto, is the Staff's Ninth Quarterly Status Report outlining the Company's activities for the months of March, April, May and June 2009.
4. Staff notes that it will file an updated status report by July 31, 2009, as Staff has been unable to make contact with the Company since June 10, 2009. Furthermore, it has come to Staff's attention that three customers have not been billed since March 2009, while bills are apparently due and outstanding by the Company to vendors and Staff is continuing to investigate.

WHEREFORE, the Staff respectfully submits Staff's Ninth Quarterly Status Report for the Commission's information and consideration in this case.

Respectfully submitted,

/s/ Shelley Syler Brueggemann
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record and/or parties of record this 30th day of June 2009.

/s/ Shelley Syler Brueggemann

Public Service Commission Staff's Ninth Quarterly Status Report for Mill Creek Sewers, Inc.

June 30, 2009

Prepared by Lisa Hanneken

ORDER REGARDING STATUS REPORTS

As part of its Order Regarding Status Reports (Order), effective April 3, 2007, the Commission granted the Staff permission to reduce the frequency of filing of its Status Reports for Mill Creek Sewers, Inc.'s (Mill Creek's or Company) status reports from a monthly basis to a quarterly basis. Staff's last monthly Mill Creek status report was filed on March 15, 2007 and the first quarterly status report was filed on June 15, 2007. Also, as part of its Order, the Commission directed the Staff to immediately notify the Commission if at any time changes are made regarding the operation or management of Mill Creek, particularly a change in the management company from Testing, Analysis and Control, Inc. (TAC) to a different entity.

EXTENSION TO FILE REPORT

The Staff was scheduled to file its ninth quarterly status report on June 15, 2009. However, on June 12th, 2009, Staff filed its motion for extension to file its quarterly report requesting the Commission to grant Staff an extension to file its quarterly status report regarding Mill Creek Sewers, Inc. to July 1, 2009. The Staff's request for extension was granted by the Commission in its Order Granting Motion for Extension of Time to File Report issued on June 15th. The Staff's request for this extension was necessary because of the Company's inability to meet with the Staff. The Quarterly review requires the Staff to gather all necessary documents and information regarding the reporting period. The data required for the report cannot be gathered until the week following the end of the quarterly reporting period in this case May 31, 2009. The Company had originally agreed to meet with Staff on June 5, 2009. However Staff received an email on the morning of the meeting, requesting that the meeting to be rescheduled for June 10th due to health problems experienced by the Company's manager, Mr. Charles Stroud. Staff was prepared to meet with the Company on June 10th; but the Company failed to attend the meeting. Later that day the Company contacted Staff via email and indicated that it would need to again reschedule the meeting but did not offer any alternative meeting times. Since June 10th, the Staff has tried to reach the Company numerous times via email, and by telephone. To date the Company has not responded to Staff's efforts to reschedule or obtain information from the Company in any way.

CURRENT STATUS OF MILL CREEK'S OPERATIONS

Staff noted in its last quarterly report filed March 12, 2009, the status of the change in the day-to-day management of Mill Creek. To Staff's knowledge Mill Creek is still being

managed by Mr. Charlie Stroud. In addition, Staff is aware of the following items of information which are discussed below.

CONTACT WITH COMPANY

Mr. Joe Afshari, the owner of the Company, indicated to Staff in March that he planned on retiring and was in the process of divesting all his properties. Staff is currently aware of the fact that Mr. Afshari is in the state of California and has not responded to voicemail messages left by Staff. In addition, Staff has been unsuccessful in contacting Mr. Stroud, the manager, since his last email regarding the cancellation of the meeting planned for June 10, 2009. Despite numerous attempts to contact him via email and the Company's voicemail, as well as his personal cell phone voicemail, Mr. Stroud has been unresponsive.

STATUS OF THE SALE OF COMPANY

In March 2009, Staff received documentation from Mr. Stroud indicating that an "Agreement to Sell Business," referred to herein as the Agreement, had been reached regarding his purchase of the system; however, Staff has been unable to confirm whether any aspects of the Agreement were executed in order to complete the sale. The Staff also believes that approval of the Commission is required in order to accomplish the type of sale represented in the Agreement. The Staff also notes that in completing the Annual Registration Report to the Missouri Secretary of State the Company lists Mr. Stroud as president and as the registered agent of Mill Creek, and Mr. Stroud signed the report as the authorized representative of the Company. A copy of the Agreement provided by Mr. Stroud is attached to this status report as Attachment A.

COMMISSION FILINGS AND ASSESSMENT

While the Company has submitted its 2008 Statement of Revenues to the Commission, Staff is aware of the fact that the Company is delinquent in filing its 2008 Annual Report with the Commission. In addition, Mill Creek is past due on its FY2009 annual assessment payments. Of the total assessment of \$2,424.34, a balance of \$1,212.16 remains past due.

OPERATIONS OF THE COMPANY

Currently, TAC, the third party operator contracted to maintain the system, is performing its duties and the system is operational. However, Staff has learned that the last payment to TAC was received on March 9th. Mill Creek currently owes TAC approximately \$4,000. In addition, Staff has discovered that Mill Creek has not issued payment to AmerenUE for the electricity to operate the plant since February; the current balance due is approximately \$900. AmerenUE has issued a disconnection notice, but has not scheduled a disconnection at this time. Also, during its last review, in March, Staff was aware that Mr. Afshari controlled the Company's checking account and required Mr. Stroud to obtain his signature on each payment remitted to vendors. However, Mr. Stroud

indicated he was attempting to convince Mr. Afshari to allow the addition of Mr. Stroud's name to the account so that he could make payments when Mr. Afshari was unavailable to sign checks. Mr. Stroud has not informed the Staff of the current status of this situation.

CUSTOMER BILLING

On June 26th and June 29th, Staff contacted three of Mill Creek's customers and confirmed that the Company has not billed these individual customers since March. The last bill the customers have received was for the March billing period for services rendered during February. Two of these customers have continued to pay their monthly payment, but have stated that they don't believe their checks have been cashed. In addition, Staff is aware of an informal complaint being filed on June 29th, from one of the Company's customers stating that she has not received a bill for the past four months and has been unable to contact the Company regarding the issue.

CONCLUSION

The Staff will continue to monitor Mill Creek's payment and billing through contact with its vendors and customers. Assuming that Mr. Stroud is still managing the Company, the Staff will continue in its efforts to establish communication with Mr. Stroud and schedule a time to perform a complete review of Mill Creek's books and records. Once such a review is completed the Staff will file an updated Status Report. Staff will file any such review results by July 31, 2009 in order to advise the Commission of Staff's continued efforts to contact the Company and to complete its quarterly review. Staff will continue to investigate whether any situation exists which indicates that the Company is no longer being managed by Mr. Stroud; that the Company has been sold to Mr. Stroud; or that the Company has been abandoned, Staff will inform the Commission of its findings immediately.