

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 3rd day of
April, 2007.

In the Matter of the Small Company Rate)
Increase Request of Mill Creek Sewers, Inc.) **Case No. SR-2005-0116**

ORDER REGARDING STATUS REPORTS

Issue Date: April 3, 2007

Effective Date: April 3, 2007

On September 28, 2005, Mill Creek Sewers, Inc., the Staff of the Commission and the Office of the Public Counsel filed an agreement regarding the disposition of Mill Creek's rate increase. Because of reservations the Commission had about Mill Creek's owner, Joseph Afshari, the Commission held an on-the-record presentation. Only after the Commission was assured that Mr. Afshari would have no association with managing the company's money and that it would be operated by someone other than Mr. Afshari, did the Commission approve the rate increase.

Upon approving the increase, the Commission understood that St. Louis Metropolitan Sewer District was a potential buyer of the company. Hence, the Commission directed its Staff to file a monthly report concerning all of aspects of the company's operations and any developments toward its sale.

The sale of the company has not come to fruition. However, since the Commission issued its order approving the agreement and rate increase on September 29, 2005, Staff has continued to file monthly status reports. The Commission understands that Testing,

Analysis and Control, Inc., is the management company of Mill Creek. However, Jim Holmes manages the company's day-to-day activities and generally, Staff has reported that he has done so properly. There have been very few complaints and the company's customer-past-due balance has gone from \$10,445 in October of 2005, to a low of \$4,670 in June of 2006 to \$6,100 as of January of 2007. Also, the Department of Natural Resources imposes an annual permit fee of \$2,500. In June of 2006, the company owed \$9,850 to the DNR for the permit fees. On March 15, 2007, the company owed \$2,950 for past-due operating fees.

In light of the company operating regularly and responsibly, Staff filed a motion to reduce the frequency of its status reports. Staff points out that the company has complied with the Commission's orders and has not diverted any funds to shareholders or owners. Staff adds that there have been no significant new developments to report in any recent monthly status reports. Although Staff requests that this case remain open to continue to monitor the company toward a transfer to a new owner, Staff moves the Commission to direct Staff to discontinue or file fewer status reports.

The Commission has reviewed Staff's motion and, finding it reasonable, will direct that Staff file quarterly, rather than monthly, status reports. The Commission will also direct its Staff to notify the Commission if at any time the management of Mill Creek changes.

IT IS ORDERED THAT:

1. The Staff of the Missouri Public Service Commission's motion to discontinue or reduce the frequency of filing status reports is granted.
2. The Staff of the Missouri Public Service Commission shall file quarterly status reports, the first of which is to be filed on June 15, 2007.

3. If, at any time, changes are made regarding the operation or management of Mill Creek Sewers, Inc., particularly a change in the management company from Testing, Analysis and Control, Inc., to a different entity, the Staff of the Commission shall immediately notify the Commission by filing a notice of such change in this matter.

4. This order shall become effective on April 3, 2007.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton,
and Appling, CC., concur.

Jones, Senior Regulatory Law Judge