

**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, 2005¹, 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 weekly 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

¹ Unless noted otherwise, all dates herein refer to the year 2005.

commitment, the Staff filed its sixth and seventh status reports on April 29 and May 6, respectively, and a Notice Regarding Status Report on May 13.

Status Updates

5. Regarding the status of the potential transfer of Mill Creek's sewage treatment and collection system to the MSD, the Staff offers the following information.

(a) On May 16, Dale Johansen of the Commission's Water & Sewer Department sent an e-mail message to Joe Bindbeutel at the Attorney General's Office, asking whether Mr. Bindbeutel would be available to meet during the week of May 16 to discuss the potential transfer of Mill Creek's system to the MSD.

(b) On May 17, Mr. Bindbeutel responded to Mr. Johansen's May 16 e-mail message. In his response, Mr. Bindbeutel stated it was his understanding that the MSD would be conducting an additional inspection of Mill Creek's sewage treatment and collection system, specifically to observe the operation of the treatment plant, prior to making a final decision regarding its potential takeover of the system. Mr. Bindbeutel further stated it was his position that a meeting to discuss the potential transfer of the system to the MSD should be held after the MSD had conducted that inspection. Mr. Bindbeutel also noted that he had asked a representative of the DNR whether any samples of the treatment plant's effluent had been taken, and also asked whether the Staff knew if Mill Creek was submitting discharge monitoring reports to the DNR.

6. Regarding the status of the actions being taken with regard to the operation of Mill Creek's sewage treatment plant, the Staff offers the following information.

(a) On May 17, Steve Loethen of the Commission's Water & Sewer Department met representatives of Commercial Pumping (Commercial) at Mill Creek's sewage

treatment plant, as he had previously been advised that Commercial would be there to pump out the plant's clarifier on that date. During the time Mr. Loethen was at the plant, Jim Holmes of Mill Creek was also present at various times.

(b) Mr. Loethen reported that upon his arrival at the treatment plant Commercial had already hauled two loads (3,500 gallons per load) of sludge out of the clarifier. Mr. Loethen then tried to unclog the clogged sludge return, but could not do so. Commercial then "jetted out" the clogged sludge return, as well as the air line to the sludge return, and Mr. Loethen was then able to get this sludge return operating. Mr. Loethen then wasted sludge into the sludge holding basin, from which Commercial then pumped out three more loads of sludge. Various operational adjustments were then made to the plant, including the wasting of sludge from the clarifier to the sludge holding tank.

(c) Mr. Loethen also reported that the plant looked considerably better overall. Mr. Loethen also noted he was confident the plant's effluent would be meeting the discharge limits in a few days, if the sludge returns do not clog back up and if the correct amount of sludge is being wasted to the sludge holding tank.

Planned Staff Actions

7. Mr. Loethen will return to Mill Creek's sewage treatment plant this Friday (May 20) for a follow-up inspection of the plant to see if further operational adjustments are needed. Mr. Loethen will also be conducting inspections of another sewer utility in the St. Louis area during the week of May 23, and will again check on the operation of the treatment plant sometime during that week. Additionally, Mr. Loethen will check with representatives of Mill Creek to see if discharge monitoring reports are being submitted to the DNR.

8. A representative of the Staff will contact a representative of the MSD regarding the status of the MSD's review of the potential takeover of Mill Creek's system. A representative of the Staff will also contact Mr. Bindbeutel about setting up a meeting to discuss the potential transfer of Mill Creek's system to the MSD.

Future Status Reports

9. 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 eighth Status Report for the Commission's information and consideration in this case.

Respectfully Submitted,

DANA K. JOYCE
General Counsel

/s/ Keith R. Krueger

Keith R. Krueger
Deputy General Counsel
Missouri Bar No. 23857

Attorney for the Staff of the
Missouri Public Service Commission

P.O. Box 360
Jefferson City, MO 65102
573-751-4140 (telephone)
573-751-9285 (facsimile)
keith.krueger@psc.mo.gov (e-mail)

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 20th day of May 2005.

/s/ Keith R. Krueger

Keith R. Krueger