

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

Staff of the Missouri Public Service
Commission,

Petitioner,

vs.

House Springs Sewer Company,

Respondent.

Case No. SC-99-135

FILED²
SEP 14 2004
Missouri Public
Service Commission

**REPLY OF HOUSE SPRINGS SEWER DISTRICT
TO ORDER TO SHOW CAUSE**

This Reply is filed in response to an Order issued by Public Service Commission, State of Missouri, by Dale Hardy Roberts, Secretary/Chief Regulatory Law Judge.

Respondent, House Springs Sewer Company, acknowledges that it entered into a Stipulation and Settlement Agreement with the Commission in July 1999 (the "*Agreement*") requiring House Springs Sewer Company to pay three (3) years annual assessments upon terms and conditions as provided in the Agreement.

As the Commission is aware, House Springs Sewer Company is owned and operated by EPCO, Inc. Imperial Sewer Company was also owned by EPCO, Inc. EPCO, Imperial Sewer Company, and House Springs Sewer Company are currently operating under receivership by Order of the Circuit Court of St. Louis County, Missouri; Pat Fribis is currently acting as the receiver.

All proceeds resulting from the sale of Imperial Utility Company were deposited pursuant to Court Order in an escrow account and funds paid therefrom only upon approval of the Circuit Court of St. Louis County to third parties after petition and hearing before the Supervising Court.

Included in such payments were funds for federal and state taxes. At no time were any net proceeds of the Imperial sale distributed to the owners of Imperial.

Since entering into the Agreement, House Springs Sewer Company has remained current on its payments of assessments and has reduced other arrearages.

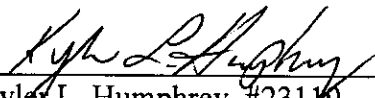
For purposes of clarification, one of the Plaintiffs that initiated the receivership has settled its case with EPCO, House Springs, and Imperial Utility Co.; which settlement is pending approval by the Circuit Court of St. Louis County. The cash proceeds of the funds used to settle with this Plaintiff (Collins) is provided by the owners of EPCO and not from the sale proceeds of Imperial Utility Co.

Respondent, House Springs Sewer Company, believes that all substantial claims and obligations of EPCO, Imperial, and House Springs have been satisfied and that sufficient funds from the sale of House Springs Sewer Company will be made available for the payment of the obligations evidenced by the Agreement.

Respondent has further filed a report with the Circuit Court of St. Louis County advising the Court that any sale of the franchise, works, or system of House Springs Sewer Company will require approval of the Missouri Public Service Commission and that the obligations under the Stipulation and Agreement be satisfied and complied with.

This Reply is respectfully submitted this 9th day of September, 2004.

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