

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Joint Application of Stoddard)
County Sewer Company, Inc., R.D. Sewer Co.,)
LLC and the Staff of the Missouri Public Service) **CASE NO: SO-2008-0289**
County Sewer Co., Inc., to Transfer its Assets to)
R.D. Sewer Co. Inc. to Transfer its Assets to)
R.D. Sewer Col, LLC and for an Interim)
Rate Increase)

STAFF’S INSPECTION REPORT

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through its attorney and, for its Staff Inspection Report states to the Missouri Public Service Commission (“Commission”) as follows:

1. In its Report and Order in Case NO. SO-2008-0298, effective November 2, 2008, the Commission ordered as follows:

15. Beginning on November 1, 2009, the Staff of the Missouri Public Service Commission shall commence annual inspections of R.D. Sewer Company, L.L.C. and shall within thirty days of completing those inspection file with the Commission a report describing the operating conditions of R.D. Sewer Company, L.L.C.’s waste water treatment plant.

2. On November 9, 2010, Staff conducted an inspection of the wastewater treatment plant.

3. Attached please find a Memorandum prepared by Steve G. Loethen, Utility Operations Technical Specialist II, reporting the operating conditions as of the Staff’s November 9, 2010 inspection.

WHEREFORE, Staff respectfully submits this *Inspection Report* in compliance with the Commission’s *Report and Order*.

Respectfully submitted,

/s/ Rachel M. Lewis
Rachel M. Lewis
Deputy Counsel
Missouri Bar No. 56073

Attorney for the
Staff of the Missouri
Public Service Commission
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 9th day of December, 2010.

/s/ Rachel M. Lewis

Memorandum

Regarding: Case No. SO-2008-0289

From: Steve Loethen
Utility Operations Technical Specialist II
Water and Sewer Department

On November 9th, 2010 I performed an inspection on R. D. Sewer Company (Company) pursuant to the Commission's Report and Order in Case No. SO-2008-0289 which included the following ordered paragraph:

15. Beginning on November 1, 2009 the Staff of the Missouri Public Service Commission shall commence annual inspections on R.D. Sewer Company, L.L.C. and shall within thirty days of completion those inspections file with the Commission a report describing the operating conditions of R.D. Sewer Company, L.L.C.'s waste water treatment plant.

The wastewater treatment plant was in the best condition I have ever seen it. The Company has made many needed improvements to the treatment plant and collection system which has improved the operations and overall appearance of the plant.

I contacted the Missouri Department of Natural Resources (DNR) and the Company has had violations in 2010 but is currently in compliance. One violation was for failure to sample for oil and grease. The other violation occurred due to high flows from infiltration. The Company has been inspecting the collection system and has found and repaired some significant infiltration problems. The Company has made arrangements with the City of Dexter to use its equipment to smoke test the collection system in 2011. The smoke test should reveal other areas of infiltration which after repaired will continue to improve the performance of the treatment plant. Staff plans to be on site to inspect and offer assistance during the smoke test.

The Company is still negotiating a settlement with DNR and the AG's office regarding violations that occurred during the previous owner, Stoddard County Sewer.

Although the Company has had some violations in 2010 I believe safe and adequate services is being provided to the customers.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of) Case No. SO-2008-0289
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In the Matter of the Joint Application of Stoddard County Sewer Company, Inc., R.D. Sewer Co., L.L.C. and the Staff of the Missouri Public Service Commission for an Order Authorizing Stoddard County Sewer Co., Inc. to Transfer its Assets to R.D. Sewer Co., L.L.C., and for an Interim Rate Increase.

AFFIDAVIT OF STEVEN G. LOETHEN

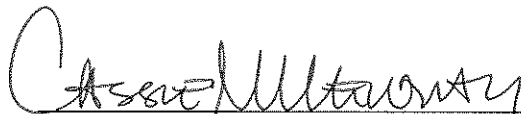
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

I, Steven G. Loethen, of lawful age, on oath states: that he has participated in the preparation of the foregoing written report; that he has knowledge of the matters set forth in such report; and that such matters are true and correct to the best of his/her knowledge and belief.



Steven G. Loethen

Subscribed and sworn to before me this 9th day of December 2010.



Notary Public

My commission expires October 30, 2011



CASSIE M. MELLOWAY
My Commission Expires
October 30, 2011
Cole County
Commission #07337959