

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

In the Matter of Lincoln County Utilities Co.'s)
Application to Sell Its Sewer/Treatment)
Facilities to the Public Water Supply District)
No. 1 of Lincoln County, Missouri.)

Case No. SM-2006-0369

SECOND STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its Second Status Report states the following to the Missouri Public Service Commission ("Commission"):

1. On May 9, 2006¹, the Staff filed a Status Report in this case, outlining certain activities with respect to engineering plans for treatment facility upgrades or replacement that need to take place before this case is resolved, along with a time frame that could be necessary in handling this case and arriving at a recommendation. The Staff also recommended that monthly status reports be submitted.

2. On May 12, the Commission issued its ORDER DIRECTING STAFF TO FILE STATUS REPORTS (Order), in which it ordered the Staff to submit monthly status reports on or before the 15th of each month until such time as a recommendation can be filed, or unless otherwise ordered by the Commission.

3. In compliance with the Commission's May 12 Order, the Staff reports that the Missouri Department of Natural Resources (DNR) is working on a water quality report that is necessary in order for the purchaser's consulting engineer to begin formulating a facility plan proposal. DNR anticipates the report will be ready in approximately two (2) weeks.

¹ Unless otherwise specified, all dates referred herein are in the year 2006.

WHEREFORE, the Staff respectfully submits this Second Status Report for the Commission's information.

Respectfully Submitted,

/s/ Shelley E. Syler

Shelley E. Syler
Senior Counsel
Missouri Bar No. 52173

Attorney for the Staff of the
Missouri Public Service Commission

P.O. Box 360
Jefferson City, MO 65102
573-526-7393 (telephone)
573-751-9285 (facsimile)
shelley.syler@psc.mo.gov (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of this Response have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 15th day of June 2006.

/s/ Shelley E. Syler