

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

In the Matter of the Application of KMB Utility)	
Corporation to Transfer the Assets of Cape Rock)	<u>Case No. SO-2009-0174</u>
Village Sewer System to Triple C Development,)	
LLC.)	

STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission, by and through the Commission's General Counsel, and for its Status Report, states as follows:

1. KMB Utility Corporation and Triple C Development, LLC, filed their Joint Application on November 17, 2008, seeking Commission approval of the transfer of the sewer system assets of Cape Rock Village Sewer System from KMB to Triple C.

2. Also on November 17, 2008, the Joint Applicants requested expedited treatment, in particular, requesting that the Commission act by December 15, 2009.

3. Accordingly, the Commission directed its Staff to file a recommendation not later than December 9, 2008, but also specifically stated that Staff "may file an appropriate motion requesting additional time" if it believes such to be necessary.

4. On December 8, 2008, Staff moved for additional time, advising the Commission that it was not yet in possession of information sufficient to allow it to make a recommendation either to approve or to disapprove the proposed transaction. Staff notes that transfers such as that contemplated here must be

allowed so long as they are not detrimental to the public interest. ***State ex rel. City of St. Louis v. Public Service Commission***, 335 Mo. 448, 73 S.W.2d 393, 400 (Mo. banc 1934); ***State ex rel. Fee Fee Trunk Sewer, Inc. v. Litz***, 596 S.W.2d 466, 468 (Mo. App., E.D. 1980). In order to determine whether a proposed transfer is, or is not, detrimental to the public interest, Staff must conduct a fairly extensive analysis. This analysis depends upon Staff's receipt of certain information from the applicant, all of which is listed in Commission Rule 4 CSR 240-3.310(1), to-wit:

(A) A brief description of the property involved in the transaction, including any franchises, permits, operating rights or certificates of convenience and necessity;

(B) A copy of the contract or agreement of sale;

(C) The verification of proper authority by the person signing the application or a certified copy of resolution of the board of directors of each applicant authorizing the proposed action;

(D) The reasons the proposed sale of the assets is not detrimental to the public interest;

(E) If the purchaser is subject to the jurisdiction of the commission, a balance sheet and income statement with adjustments showing the results of the acquisitions of the property; and

(F) A statement of the impact, if any, the sale, assignment, lease or transfer of assets will have on the tax revenues of the political subdivisions in which any structures, facilities or equipment of the companies involved in that sale are located.

5. With respect to the present proposed transfer, Staff stated in its motion of December 8 that the Joint Application was deficient in that the Joint Applicants had not satisfied the minimum filing requirements set out in Rule 4 CSR 240-3.310(1), items (D), (E) and (F). Without those items, Staff stated, it

was unable to proceed with its analysis of the public interest impact of the proposed transaction.

6. Staff now informs the Commission that the Joint Applicants still have not supplied all of the information required by the above-cited rule. The Joint Applicants are still pursuing negotiations and have stated to Staff that they will not supplement the Joint Application until the negotiations are completed.

7. Staff will file either its recommendation or a further status report within thirty days of this filing.

WHEREFORE, Staff prays that the Commission will accept its Status Report; and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

s/ Kevin A. Thompson
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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this **22nd day of January, 2009**, on the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

s/ Kevin A. Thompson