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October 5, 2001

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Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED²
OCT 05 2001
Missouri Public
Service Commission

RE: Case No. SC-99-135 - House Springs Sewer Company, Inc.

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF'S CASE STATUS REPORT**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Cliff E. Snodgrass
Senior Counsel
(573) 751-3966
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CES:sw
Enclosure
cc: Counsel of Record

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

Staff of the Missouri Public
Service Commission,)
)
)
Complainant,)
)
v.)
)
House Springs Sewer Company,)
)
Respondent.)

Case No. SC-99-135

FILED²
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Service Commission

STAFF'S THIRD CASE STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through one of its attorneys, and for its Third Case Status Report states the following:

1. On September 5, 2001, the Commission issued an Order directing the Staff to file a report on the status of the case by no later than October 5, 2001.

2. In response to previous Commission Orders, the Staff previously filed its first status report and its second status report on September 22, 2000 and February 8, 2001.

3. In its first status report, the Staff indicated that pursuant to a Stipulation and Agreement (Agreement) approved by the Commission in this case, that House Springs Sewer Company (House Springs) would pay its past due Commission assessments upon the sale of its assets. The Staff also stated in the first report that House Springs would pay its past due assessments if and when the net proceeds of the sale of the assets of Imperial Utility Corporation (Imperial), an affiliate of House Springs, were distributed to its owners.

4. In the first status report, the Staff also advised the Commission that House Springs was operating under the terms of a court-approved consent decree that involved the Missouri Department of Natural Resources (MDNR) as a party. The terms of that decree were, among other things, that House Springs' assets were to be sold no later than December 31, 2000.

5. In its second status report, the Staff advised the Commission that proposed revisions to the terms of the above-referenced consent decree had been sent to the Circuit Court of Jefferson County for the Judge's approval. Under those revisions, which were approved by the Court, House Springs' obligation to the MDNR to sell its assets was extended by six months to June 30, 2001.

6. The Staff now advises the Commission that it believes the obligation of House Springs to sell its assets under the consent decree has been extended for another six months by the Court until December 31, 2001. Staff has not, however, been able to specifically verify this extension as of the date of this report.

7. In its second status report, the Staff advised the Commission that the payment of both past and future assessments were addressed in House Springs' most recent rate case, Case No. SR-2001-303. The agreements reached in that rate case, which were in addition to the conditions regarding the payment of House Springs' delinquent assessments imposed in this case, were as follows: (a) that House Springs was to make quarterly payments on its fiscal year 2002 assessment, upon its receipt of that assessment; and (b) that upon successful resolution of certain pending litigation House Springs was to make a lump sum payment toward its delinquent assessments,

with that payment to be equal to one-third of the proceeds of the litigation or \$30,000, whichever was greater.

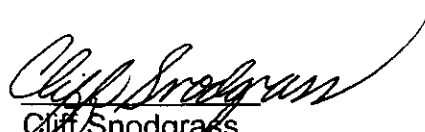
8. With regard to the conditions pertaining to the payment of House Springs' delinquent assessments that were imposed in this case and the agreements pertaining to the payment of House Springs' past and future assessments that were reached in its most recent rate case, the Staff respectfully reports to the Commission the following:

(a) that House Springs' assets have not yet been sold; (b) that the proceeds of the sale of Imperial's assets have not yet been distributed to its owners because of ongoing litigation; (c) that House Springs has not yet made any payments toward its fiscal year 2002 assessment; (d) that the litigation referenced in paragraph 7 above has not yet been completed; and (e) that the Staff has been advised that House Springs continues to actively seek a buyer for its assets, but that a current prospective buyer does not currently exist.

9. The Staff will continue to monitor the situations surrounding this case and will advise the Commission when a change in factual circumstances occurs.

Respectfully Submitted,

DANA K. JOYCE
General Counsel


Cliff Snodgrass
Senior Counsel
Missouri Bar No. 52302

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all parties of record, as shown on the attached service list, this 5th day of October, 2001.


Cliff Snodgrass

Service List for
Case No. SC-99-135
Revised: October 5, 2001 (SW)

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