

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

In the Matter of the Application of U.S.)	
Water Company to Sells its Water System)	<u>Case No. WM-2011-0030</u>
Located in Lafayette County to the City of)	
Lexington, Missouri.)	

STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through its attorney, and submits to the Missouri Public Service Commission ("Commission") its *Status Report* as follows:

1. On August 3, 2010, U.S. Water Company ("Company") filed an *Application* with the Commission seeking approval to sell and transfer its water system assets located in Lafayette County, Missouri to the City of Lexington, Missouri.

2. The Commission approved the *Application* on October 6, 2011, subject to the condition that the Commission be notified of the date on which the City of Lexington takes possession of the system.

3. On December 15, 2011, the Commission issued its *Order* directing Staff to file a status report by March 30, 2012.

4. This pleading is meant to apprise the Commission of the status of the Company's sale of its assets to the City of Lexington.

5. Staff has received notice from the Company that the sale has not yet closed. However, as Staff understands, the closing of the sale is imminent, and all that is left to be completed are minor finishing details of the plant improvements and final approval from the Missouri Department of Natural Resources ("DNR"). The Company and the City of Lexington expect the closing will occur in April 2012.

6. Staff requests leave to file a further status report regarding the sale of U.S. Water Company's water system to the City of Lexington, Missouri no later than May 31, 2012, in the event there are unexpected delays with regard to closing of the transfer of assets. If there are no delays, this time frame will allow for project completion, DNR approval, and the closing to occur.

WHEREFORE, Staff respectfully submits this *Status Report* for the Commission's information and consideration, and further requests leave to make a further filing on or before May 31, 2012, consistent with the above.

Respectfully submitted,

/s/ Meghan E. McClowry

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed, sent by facsimile or hand-delivered to all counsel of record this 29th day of March, 2012.

/s/ Meghan E. McClowry