

**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	)	<b><u>Case No. WM-2011-0030</u></b>
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 October 17, 2011, the Commission issued its *Order* directing Staff to file a status report by December 14, 2011.

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 due to completion of certain plant upgrades required by the Missouri Department of Natural Resources (DNR), as the Staff has reported in previous status reports. The construction of plant upgrades is nearing completion, but fulfillment of certain DNR requirements, and DNR approval, need to

occur prior to close of sale. If the construction is completed as scheduled, the Company believes the aforementioned events are expected to occur within 90 days.

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 March 30, 2012, to allow for construction completion and DNR approval to occur within the timeframe given by the Company.

**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 March 30, 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 14th day of December, 2011.

**/s/ Meghan E. McClowry**