

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

In the Matter of the Application of Hickory)
Hills Water & Sewer Co., Inc., the Staff of)
the Missouri Public Service Commission)
and the Office of the Public Counsel for)
Approval of Their Unanimous Stipulation)
and Consent Order for Appointment of)
Interim Receiver and Order to General)
Counsel to Petition the Circuit Court of)
Cole County for Appointment of a)
Receiver.)

Case No. WO-2007-0036

PROPOSED COMPENSATION AGREEMENT

COME NOW the Staff of the Missouri Public Service Commission (Staff) and Mr. Gary V. Cover, interim receiver for Hickory Hills Water and Sewer Co., Inc., and for their Proposed Compensation Order respectfully state as follows:

1. On August 3, 2006 the Missouri Public Service Commission (Commission) issued its Order Approving Unanimous Stipulation and Consent Order. In its Order, the Commission appointed Mr. Gary V. Cover of Clinton, Missouri as the interim receiver for Hickory Hills Water & Sewer Co., Inc. pursuant to Section 393.145 RSMo (Supp. 2005). The Commission also ordered Staff to file a proposed compensation agreement no later than August 18, 2006.

2. Due to unforeseen delays in the procurement of an operator to oversee the day-to-day operations of the plant, Staff requested extensions of time in which to file the proposed compensation agreement on August 18 and August 25, 2006. On August 25, 2006, the Commission issued its Order Granting Extension of Time and Ordering Staff to File Progress Reports. Staff's first progress report was due on October 2, 2006.

3. On September 18, 2006, Mr. Cover accepted a bid from operator David Arl to oversee the day-to-day operations of the plant. Mr. Arl has agreed to perform these services for the amount of \$1,500 per month. Staff and Mr. Cover find this amount just and reasonable compensation for the services Mr. Arl will perform as operator.

4. Mr. Cover and Staff have agreed upon an hourly rate of \$150 per hour for Mr. Cover's services as receiver. Mr. Cover will also be requesting compensation in the amount of \$150 per hour if he is appointed as permanent receiver by the circuit court. Staff and Mr. Cover find this amount to be just and reasonable compensation for the services Mr. Cover will perform as receiver.

5. On September 25, 2006, Staff filed a petition in Cole County Circuit Court to have Mr. Cover appointed as permanent receiver in accordance with the Commission's Order of August 3, 2006.

WHEREFORE, Staff respectfully submits notice of its agreement for Mr. Arl to receive compensation in the amount of \$1,500 per month to perform services as the operator of Hickory Hills Water & Sewer Co., Inc. Staff also respectfully submits notice of its agreement for Mr. Cover to receive \$150 per hour as compensation for his services as receiver.

Respectfully submitted,

/s/ Peggy A. Whipple

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/s/ Gary V. Cover

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all parties of record this 25th day of September 2006.

/s/ Peggy A. Whipple