

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

In the Matter of the Extension of Time)	
for U.S. Water Company to File the)	Case No. WE-2007-0412
2006 Annual Report)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through its attorney and, for its Staff Recommendation, states to the Missouri Public Service Commission as follows.

1. On April 20, 2007, U.S. Water Company ("Company") filed a request for a 60-day extension of the time by which it must file its 2006 Annual Report. This request was not timely filed, and the Commission issued a Notice of Deficiency on April 24, 2007.

2. On April 30, 2007, the Company filed an unsigned Request for Extension of Time (and Response to Proposed Notice of Deficiency), without attachments, in which it agreed to pay a penalty of \$100 for late-filing the annual report, but requested a waiver and relief from other charges and penalties. The Company apparently amended this pleading by filing a signed copy of the pleading, with one attachment. The amended pleading was dated April 30, 2007, but was not filed until May 3, 2007.

3. By order issued on May 3, 2007, the Commission granted the Company leave to late-file its application for extension of time. Also on May 3, the Commission ordered the Staff to file, by no later than May 10, 2007, its recommendation regarding the Company's April 30, 2007 application for extension.

4. In support of its request, the Company stated that it is in the process of assembling the data necessary for its annual report.

5. Section 393.140 (6), RSMo 2000, which requires that every corporation under the supervision of the Commission shall file an annual report, provides that the Commission may extend the time prescribed for filing the annual report “for cause shown.” Furthermore, Rule 4 CSR 240-2.050 (3) provides that when a Commission rule requires that an act be done within a specified time, the Commission, at its discretion, may, after the expiration of the specified period, permit the act to be done where the failure to act was the result of excusable neglect.

6. Upon reviewing the Company’s request, the Staff concludes that U.S. Water Company has stated a cause for the granting of an extension of the time to file its annual report and that its failure to act was the result of excusable neglect.

7. The Staff notes that the Company’s Application does not comply with the requirements of Rule 4 CSR 240-2.060 (1) in the following respects: it does not include the Company’s electronic mail address, as required by Paragraph (A); it does not contain a clear statement of the principal office or place of business of the Company, as also required by Paragraph (A); it does not include a Certificate of Good Standing, as required by Paragraph (B); and it does not include a statement that no annual report or assessment fees are overdue, as required by Paragraph (L). However, the Company did provide the Staff with a certificate of good standing that was issued on May 1, 2007, and the Staff has ascertained that no annual report or assessment fees are overdue. Moreover, Rule 4 CSR 240-2.015 provides that a rule in 4 CSR 240-2 may be waived by the Commission for good cause. The Staff believes that good cause exists to waive the requirements of Rule 4 CSR 240-2.060 (1) that are cited above.

8. In the Request for Extension of Time (and Response to Proposed Notice of Deficiency) that it filed on May 3, 2007, the Company agreed “to pay the initial \$100.00

penalty but [requested] a waiver and relief from other charges and penalties.” Staff believes that this payment is in proportion to the harm caused, because the Company has had minimal revenues during the short period of time between the date that the annual report was due and the date on which the Company filed its Request for Extension of Time. The Staff suggests that this amount is reasonable and proportionate and will encourage the Company and others to timely file their annual reports in the future. The Staff requests that the Commission order the Company to remit a penalty in the amount of \$100, payable to the Director of Revenue, to transmit to the Public School Fund within ten (10) days after the Commission enters its order. The Staff will file a pleading in this case when the payment has been received.

WHEREFORE, the Staff respectfully reports that it has no objection to an order granting U.S. Water Company an extension of time to file its annual report, until June 14, 2007, requests that the Commission direct U.S. Water Company to attach a copy of the Commission’s order in this case to its filing, whenever it takes place, and requests that the Commission order U.S. Water Company to remit a penalty in the amount of \$100 to the Director of Revenue, for deposit to the Public School Fund.

Respectfully submitted,

/s/ Keith R. Krueger
Keith R. Krueger
Deputy General Counsel
Missouri Bar No. 23857
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-4140 (Telephone)
(573) 751-9285 (Fax)
keith.krueger@psc.mo.gov (e-mail)

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or e-mailed to all counsel of record on this 9th day of May 2007.

/s/ Keith R. Krueger