

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

In the Matter of Application of Canyon Treatment)
Facility, LLC for Permission, Approval and a)
Certificate of Convenience and Necessity)
Authorizing it to Acquire, Construct, Install, Own,)
Operate, Control, Manage, and/or Maintain a Sewer)
System for the Public Located in Stone County,)
Missouri.)

Case No. SA-2010-0219

STAFF'S FIFTH STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through the undersigned counsel, and respectfully provides the following status report to the Commission:

1. On November 3, 2010, the Staff filed its *Third Status Report And Motion To Stay Procedural Schedule And File Status Reports*, which advised the Commission that the parties to this case continued to discuss several potential options for compromise or resolution, including a potential transfer of the Canyon Treatment Facility, LLC (Canyon Treatment), sewer system at issue to the Stone County Sewer District (Sewer District). At that time, the parties were optimistic that they could reach a contingent agreement for sale by the end of November 2010.

2. On December 10, 2010, the Staff updated the Commission that Canyon Treatment and the Sewer District were continuing to discuss an agreement, and that the Sewer District's Board of Directors (Board) had hired an appraiser to determine a fair market value of the sewer system. Also within the December 2010 filing, the Staff agreed to provide the Commission with an updated status report on or before February 7, 2011, which the undersigned inadvertently missed.

3. In January 2011, Canyon Treatment advised the Staff that the Board cancelled the meeting scheduled for December 15, 2010, to investigate a separate option for

Canyon Treatment's connection to the City of Branson's sewer treatment facility. Additionally, a time frame for completion of a sale or transfer of the system to the Sewer District is unknown at this time due to the connection option influencing the type of Engineering Report required by the United States Department of Agriculture (USDA). The USDA is the current entity funding any acquisition by the Sewer District of the facilities serving the Canyon Treatment Watershed.

4. Until the Sewer District determines whether it will pursue a sewage treatment agreement with the City of Branson (and perform the related Engineering Report for the USDA), the Sewer District is not in a position to finalize the appropriate terms of a sale agreement with Canyon Treatment.

5. Nevertheless, the Staff understands that the Sewer District is very interested in acquiring the treatment plant and related facilities of Canyon Treatment, regardless of whether the Sewer District will treat sewage from the Canyon Treatment Watershed, or enter into a sewage treatment agreement with Branson.

6. Finally, the Staff understands that the Board scheduled a meeting for January 17, 2011, although the Staff awaits an update from Canyon Treatment regarding this meeting.

WHEREFORE the Staff submits this status report for the Commission's information and consideration, and will file another status report to update the Commission on or before March 11, 2011.

Respectfully submitted,

/s/Jennifer Hernandez

Jennifer Hernandez

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CERTIFICATE OF SERVICE

I hereby certify that I have provided a true and correct copy of the above pleading via electronic mail to W.R. England III and Brian T. McCartney, attorneys for Canyon Treatment Facility, LLC, at trip@brydonlaw.com and bmccartney@brydonlaw.com; David Woodsmall, attorney for VPG Partners, VI, LLC, at dwoodsmall@fcplaw.com; Kenneth N. Hall, attorney for Royal Vista, LLC, at khall@rmpllp.com; and the Office of the Public Counsel at opcservice@ded.mo.gov this 9th day of February 2011.

/s/ Jennifer Hernandez