

**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 SEVENTH STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through the undersigned counsel, and respectfully provides *Staff's Seventh Status Report* (*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* to advise the Commission that the parties 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). Subsequent Status Reports informed the Commission of the status of the negotiations, both progress and delay, concerning this potential transfer.

2. The Staff has monitored the progress of the potential transfer and participated in several discussions since November 2010. On March 24, 2011, the Staff received a copy of a *Contingent Agreement For Transfer* (*Contingent Agreement*) between Canyon Treatment, Box Canyon Watershed Association, Inc. (Box Canyon), Horse Trading, LLC (Horse Trading), and the Sewer District for the transfer of the sewer system at issue in this case, as well as Case No. SC-2010-0161. The signatories to the *Contingent Agreement* anticipate entering into a definitive Asset Transfer Agreement no later than June 15, 2011.

3. The definitive transfer agreement is not an absolute certainty. Staff is concerned with some of the contingencies included in the *Contingent Agreement* and does not find it is in the best interest to continually delay the certificate case. Therefore, Staff has requested additional information from Canyon Treatment so that it may prepare a recommendation in the near future asserting its position as to Canyon Treatment's operation as a public utility for gain and the certificate required for such operation.

WHEREFORE the Staff submits this *Status Report* for the Commission's information and consideration.

Respectfully submitted,

/s/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 11th day of April 2011.

/s/ Jennifer Hernandez