

**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

THIRD STATUS REPORT AND
MOTION TO STAY PROCEDURAL SCHEDULE AND FILE STATUS REPORTS

COME NOW the Staff of the Missouri Public Service Commission (Staff), Canyon Treatment Facility, LLC, (Canyon Treatment or Company), the Office of the Public Counsel, VPG Partners VI, LLC, Royal Vista, LLC, known collectively herein as the “Parties”, and by and through the undersigned counsel respectfully state the following to the Missouri Public Service Commission (Commission):

1. On September 8, 2010, the Staff filed a status report with the Commission. The report advised the Commission that the Parties were continuing to discuss plant expansion and the development of a stipulation and agreement to present to the Commission for its consideration. It was further advised that should the Staff become aware that the Parties could not reach an agreement, the Staff would notify the Commission and work with the Parties to develop a procedural schedule for an evidentiary hearing.

2. On September 21, 2010, the Staff advised the Commission in its second status report that it did not anticipate an agreement between the Parties, and requested that the Commission convene a prehearing conference.

3. On October 14, 2010, the Commission convened a prehearing conference, whereby the Parties participated in discussions either in person or by telephone.

4. Since the prehearing, the Parties have continued discussions on several potential options for compromise or resolution, including a potential transfer of the sewer system at issue to the Stone County Sewer District (Sewer District). The Parties are optimistic that Canyon Treatment and the Sewer District can reach a contingent agreement for the transfer of the system by the end of November 2010.

5. With the consent of the Sewer District, Canyon Treatment agrees to allow the Staff and the Office of Public Counsel to review a final draft of any and all transfer documents prior to executing the same with the Sewer District. The Staff will continue to actively monitor the case and file status reports with the Commission.

6. The agreements contained within this status report shall neither reflect a Commission finding of jurisdiction over Canyon Treatment, nor a waiver of any argument by any party on the question of whether the Commission has jurisdiction over Canyon Treatment's operations and/or the transfer of the sewer system's assets to the Sewer District.

7. As such, the Staff requests that the Commission stay the filing of a new procedural schedule to allow the Parties to explore the transfer option further, and allow the Staff to file status reports every thirty (30) days to move this case towards a resolution.

WHEREFORE the Parties request that the Commission stay the filing of a procedural schedule in this case, and allow the filing of further joint status reports every thirty (30) days, with the next report due on or before December 8, 2010.

Respectfully submitted,

/s/Jennifer Hernandez

Jennifer Hernandez

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Missouri Public Service Commission

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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 3rd day of November 2010.

/s/ Jennifer Hernandez