

**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 EIGHTH STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through the undersigned counsel, and respectfully provides *Staff's Eighth Status Report* (*Status Report*) to the Commission stating the following:

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 or Company) sewer system at issue to the Stone County Sewer District (Sewer District).

2. 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., Horse Trading, LLC, and the Sewer District for the transfer of the sewer system at issue in this case, as well as SC-2010-0161. The signatories to the *Contingent Agreement* had anticipated entering into a definitive Asset Transfer Agreement no later than June 15, 2011.

3. On April 11, 2011, Staff provided the above information to the Commission within the *Staff's Seventh Status Report*.

4. Canyon Treatment and the Sewer District did not enter into a definitive Asset Transfer Agreement by June 15, 2011. The Staff has continued to monitor the progress of this matter and understands that the Sewer District has made some progress towards acquiring financing for the purchase of the system. However, the Staff remains concerned with some of the contingencies included in the *Contingent Agreement* and, as a result, continues to investigate the Company's *Application* further in an effort to provide the Commission with a detailed response to the *Application*, or a status report, no later than September 30, 2011.

WHEREFORE the Staff submits this *Status Report* for the Commission's information and consideration, and states it will file a response or status report with the Commission no later than September 30, 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 19th day of August 2011.

/s/ Jennifer Hernandez