

Gerald and Joanne Reiersen,)
)
Complainants,)
)
v.)
)
Kenneth Jaeger and Blue Lagoon Sewer)
Corp.,)
)
Respondents.)

STAFF'S STATEMENT OF POSITIONS ON ISSUES

COMES NOW the Staff of the Missouri Public Service Commission and, for its Statement of Positions on Issues, states to the Missouri Public Service Commission as follows.

On April 27, 2007, the Commission issued its Order Directing Filing, in which it ordered the parties to file Statements of Position by no later than May 9, 2007. The Staff states that its positions on the issues identified in the List of Issues are as follows.

Issue No. 1: Is the Blue Lagoon sewer system, which is owned by the Respondents and serves the Lost Valley Subdivision, subject to regulation by the Missouri Public Service Commission?

Staff's Position: Yes.

Issue No. 2: If the Blue Lagoon sewer system is subject to regulation by the Commission, have the Respondents failed to provide safe and adequate service to their customers?

Staff's Position: Yes.

Issue No. 3: If the Blue Lagoon sewer system is subject to regulation by the Commission, should the Commission order the Respondents to make improvements to their system pursuant to the provisions of Section 393.140 (2), RSMo or Section 393.270.2, RSMo?

Staff's Position: Yes.

Issue No. 4: Have the Respondents been collecting or accepting fees for their services and, if so, have those fees been authorized by the Commission and found to be just and reasonable?

Staff's Position: The Respondents have charged, and may still be charging, rates for service, but the Commission has neither approved those rates, nor found them to be just and reasonable.

Issue No. 5: If the Blue Lagoon sewer system is subject to regulation by the Commission, should the Commission order Respondents to transfer their assets to Cannon Water District No. 1, pursuant to the provisions of Section 393.146, RSMo, or to transfer their assets to another third party?

Staff's Position: No. Cannon Water District No. 2 is not subject to Section 393.146. Since no entity has agreed to acquire the assets and operate the sewer system, the Commission cannot order the assets to be transferred.

Issue No. 6: If the Blue Lagoon sewer system is subject to regulation by the Commission, should the Commission order its general counsel to seek the imposition of penalties against the Respondents, pursuant to the provisions of Section 386.570, RSMo?

Staff's Position: No, not in this proceeding. However, the general counsel may seek such penalties by filing a new complaint against Respondents for that purpose.

Issue No. 7: If the Blue Lagoon sewer system is subject to regulation by the Commission, should the Commission order its general counsel to seek the appointment of a receiver for the Respondents pursuant to the provisions of Section 386.145, RSMo?

Staff's Position: No, not in this proceeding. However, the general counsel may seek the appointment of a receiver by filing a new complaint against Respondents for that purpose.

WHEREFORE, the Staff submits its Statement of Position on Issues to the Commission for its information and consideration.

Respectfully submitted,

/s/ Keith R. Krueger

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed with first-class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 9th day of May 2007.

/s/ Keith R. Krueger