BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

Cathy J. Orler, et al.)
Complainants,)
V.) Case No. WC-2006-0082, et al.
Folsom Ridge, LLC,)
and))
Big Island Homeowners)
Water and Sewer Association, Inc.,)
f/k/a Big Island Homeowners)
Association, Inc.)
Respondents.)))
In the matter of the Application of)
Folsom Ridge LLC and Big Island)
Homeowners Water and Sewer Association	n,)
Inc. for an order authorizing the transfer) Case No. WO-2007-0277
and Assignment of Certain Water and)
Sewer Assets to Big Island Water)
Company and Big Island Sewer)
Company, and in connection therewith)
certain other related transactions.)

RESPONDENTS' RESPONSE TO REQUEST FOR HEARING

COME NOW Folsom Ridge LLC and Big Island Homeowners Water and Sewer Association, Inc. (sometimes collectively referred to as "Respondents" or "Applicants") and in response to the request for hearing filed by the complainants/ interveners submit the following to the Commission:

1. Respondents contend that the ancillary procedural schedule was for the limited purposes of allowing them to provide testimony in response to the live testimony by Mr. MacEachen about 1) the flexible piping he discussed at hearing with Commissioner Gaw and 2) its relationship to the service lines on Big Island. The order approving the ancillary procedural schedule did not restrict any of the parties to a particular witness but in Respondents' estimation restricted any testimony to the subject of the flexible pipe and Mr. MacEachen's assumptions about it. Respondents submit that the order approving the ancillary procedural schedule was not permission to reopen the record to matters which could have been raised in a party's direct case.

2. Pursuant to the ancillary procedural schedule, the Respondents submitted the written direct testimony of Mr. James Crowder. His testimony is limited to discussion of the specifications of the flexible piping and the way it was installed as part of the water line replacement project which is referred to already in the evidence. In their request for hearing, the complainants/interveners inventory subjects that are not addressed by Mr. Crowder in his testimony but seem to be asking for a hearing in which Mr. Crowder and Mr. Carroll, the contractor on the water line replacement project (who has not filed any testimony), would provide testimony on those unaddressed subjects.

3. Respondents have no intention of calling Mr. Carroll as a witness and have no intention of supplementing Mr. Crowder's direct testimony. Respondents contend that the scope of this added procedure in the case, for which Respondents are grateful, is limited to what Mr. Crowder has testified to in his direct testimony. Respondents assert that Mr. Crowder's direct testimony addresses the limited topic identified in the order approving the ancillary procedure, and complies fully with that order.

4. The rebuttal testimony filed by Mr. Pugh and Ms. Orler on March 19, 2007 refers to matters that go far beyond the subjects discussed by Mr. Crowder and far beyond what was allowed in the Commission's order approving this procedure. To the extent the rebuttal testimony exceeds the scope of Mr. Crowder's direct and the boundary of the Commission's

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order, it is objectionable. The complainants/interveners have misunderstood the scope of the ancillary proceeding.

5. Regarding the portions of Mr. Pugh's and Ms. Orler's March 19, 2007 rebuttal testimony that are properly directed to the flexible piping and its characteristics, Respondents submit that such testimony does not warrant a special hearing.

WHEREFORE, Respondents respectfully request that the Commission deny complainants'/interveners' requests to 1) expand the compass of this ancillary proceeding to include witnesses who have not testified, on subjects beyond its intended scope; and 2) conduct a hearing.

Respectfully submitted,

/s/ Mark W. Comley

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ATTORNEYS FOR FOLSOM RIDGE AND BIG ISLAND HOMEOWNERS WATER AND SEWER ASSOCIATION, INC.

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via e-mail on this 21st day of March, 2007, to General Counsel's Office at gencounsel@psc.mo.gov; and Office of Public Counsel at <u>opcservice@ded.mo.gov</u> and via U.S. Mail, postage prepaid, to:

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/s/ Mark W. Comley