

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Central)
Jefferson County Utilities, Inc. for an)
Order Authorizing the Transfer and) Case No. SO-2007-0071, et al.
Assignment of Certain Water and Sewer)
Assets to Jefferson County Public Sewer)
District and in Connection Therewith,)
Certain Other Related Transactions.)

**PROPOSED LIST OF ISSUES, ORDER OF WITNESSES,
AND ORDER OF CROSS-EXAMINATION**

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), on its own behalf and on behalf of Central Jefferson County Utilities, Inc. (“Company”), Jefferson County Public Sewer District (“Sewer District”), the Office of the Public Counsel (“OPC”), the Missouri Department of Natural Resources (“DNR”), and Raintree Plantation Property Owners Association (“Raintree”), and submits the following Proposed List of Issues, Order of Witnesses and Order of Cross-Examination for the evidentiary hearing to be held in this case December 19-20, 2006.

1. On October 10, 2006, the Commission issued its Order Adopting Procedural Schedule, in which it ordered the parties to agree upon, and the Staff to file, a list of the issues to be heard, the witnesses to appear on each day of the hearing and the order in which they will appear, and the order of cross-examination of each witness, by no later than November 22, 2006. The Commission subsequently amended the procedural schedule to allow the Staff to file the said pleading by no later than December 1, 2006.

2. The Commission issued an order on December 4, 2006, making Environmental Management Corporation (“EMC”) a party to this case. The other parties assumed that EMC

would be made a party to this case, and that it would participate in the hearing in this case, and have prepared this List of Issues accordingly. EMC did not, however, participate in the drafting of this List of Issues.

3. The parties (other than EMC) have conferred and have unanimously agreed upon the following list of issues, order of witnesses, and order of cross-examination, as directed by the Commission. The said parties have also agreed upon the order of opening statements set forth in Section IV below.

I. LIST OF ISSUES

The parties (other than EMC) have agreed that there are only two “Ultimate Issues of Fact” that need to be resolved in order for the Commission to make its decision in this case. Those issues are set forth in Section A, below. However, in order to resolve the two ultimate issues some of the parties believe the Commission should consider a number of other factual issues. The said parties will refer to these latter issues as the “Preliminary Issues of Fact.” Those issues are set forth in Section B, below.

A. Ultimate Issues of Fact.

1. Would the proposed transfer of the Company’s water and sewer assets to the Sewer District be detrimental to the public interest?
2. If the transfer of assets, as proposed, would be detrimental to the public interest, could the Commission impose conditions such that the transfer, as approved, would not be detrimental to the public interest?

B. Preliminary Issues of Fact.

1. What connection fees and recurring rates does the Sewer District anticipate that the residents of Raintree Plantation Subdivision will have to pay for water and sewer services immediately after transfer of the assets to the Sewer District?
2. Would such fees and rates thereafter be increased according to a schedule, or upon the occurrence of some event, and if so, how would the amount of such increase be determined?

3. What ability would the residents of Raintree Plantation Subdivision have to control the operation, management, services and rates associated with the water and sewer services that the Sewer District provides to them?
4. If EMC's initial investment of up to \$1.8 million is not sufficient to build and operate the facilities that are, or will be, needed to provide service to the residents of Raintree Plantation Subdivision, how will the Sewer District fund additional facilities and insure that they are built and available for service when they are needed?
5. What are the terms of the agreement between the Sewer District and EMC for the operation and maintenance of, any improvements to, and the investment in, the water and sewer facilities that serve Raintree Plantation Subdivision?
6. Will the Company transfer to the Sewer District all of the assets, including real property, that are necessary to provide water and sewer services to Raintree Plantation Subdivision?
7. Will the owners of lots in Raintree Plantation Subdivision be obliged, by their Lot Sales Agreements, to pay a water and sewer connection fee of approximately \$1100? If so, identify the entity to whom this obligation is owed and state whether all or part of it will be paid to Raintree Plantation, Inc.
8. What is the status of, and what are the terms of, the "Compliance Agreement" between the DNR, the Sewer District, and EMC, with regard to the facilities serving Raintree Plantation Subdivision?
9. What are the qualifications of the Sewer District and its contractor, EMC, to operate, maintain, and improve the water and sewer facilities that serve Raintree Plantation Subdivision?
10. Once the moratorium on sewer connections is lifted, who will decide which property owners shall be given priority in connecting to the Raintree Plantation sewer system, and how will that priority be established?

II. ORDER OF WITNESSES

Set forth below is the anticipated order of appearance of witnesses, along with an estimate as to the day and time each will testify. The parties desire to expedite the hearing and therefore agree to make all of the witnesses available to testify immediately following the conclusion of the testimony by the preceding witness.

- A. **EMC Witness**
Todd Thomas (Tuesday morning)¹
- B. **Sewer District Witness**
Martin Toma (Tuesday morning)
- C. **Central Jefferson County Utilities, Inc. Witness**
Ken McClain (Tuesday morning)
- D. **Staff Witnesses**
Dale Johansen (Tuesday afternoon)
Greg Meyer (Tuesday afternoon)
- E. **Raintree Plantation Property Owners Association Witness**
Fred Rommel (Wednesday morning)
- F. **DNR Witness**
Lance Dorsey (Wednesday morning)
- G. **OPC Witness**
Ted Robertson (Wednesday afternoon)

III. ORDER OF CROSS-EXAMINATION

The order of cross-examination shall be as follows:

- A. **EMC Witness**
 - 1. Sewer District
 - 2. Company
 - 3. Staff
 - 4. Raintree
 - 5. DNR
 - 6. OPC
- B. **Sewer District Witness**
 - 1. EMC
 - 2. Company
 - 3. Staff
 - 4. Raintree
 - 5. DNR
 - 6. OPC
- C. **Company Witness**
 - 1. EMC

¹ It is our understanding that Mr. Thomas is only available until 3:00 p.m. on Tuesday.

2. Sewer District
3. Staff
4. Raintree
5. DNR
6. OPC

D. Staff Witnesses

1. DNR
2. Raintree
3. OPC
4. EMC
5. Sewer District
6. Company

E. Raintree Witnesses

1. DNR
2. Staff
3. OPC
4. EMC
5. Sewer District
6. Company

F. DNR Witness

1. Raintree
2. Staff
3. OPC
4. EMC
5. Sewer District
6. Company

G. Office of the Public Counsel Witness

1. DNR
2. Raintree
3. Staff
4. EMC
5. Sewer District
6. Company

ORDER OF OPENING STATEMENTS

The order of opening statements shall be as follows:

A. Company

B. Sewer District

- C. EMC
- D. Staff
- E. Raintree
- F. DNR
- G. OPC

WHEREFORE, based on the foregoing, the Staff, on behalf of itself, Central Jefferson County Utilities, Inc., Jefferson County Public Sewer District, the Office of the Public Counsel, the Missouri Department of Natural Resources, and Raintree Plantation Property Owners Association, submits this Proposed List of Issues, Order of Witnesses and Order of Cross-Examination to the Commission for its consideration.

Respectfully submitted,

/s/ Keith R. Krueger
Keith R. Krueger
Deputy General Counsel
Missouri Bar No. 23857

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-4140 (Telephone)
(573) 751-9285 (Fax)
keith.krueger@psc.mo.gov (e-mail)

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 4th day of December, 2006.

/s/ Keith R. Krueger