

**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 assignment of)	
certain water and sewer assets to Jefferson)	<u>Case No. SO-2007-0071 et al.</u>
County Public Sewer District and in)	
connection therewith, certain other related)	
transactions.)	

PRELIMINARY RESPONSE TO APPLICATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its Preliminary Response to Application ("Preliminary Response") states the following to the Missouri Public Service Commission ("Commission").

1. On August 17, 2006, the Commission issued its **Order Consolidating Cases, Adding Parties, Directing Notice and Directing Filing** ("08/17/06 Order") in the instant case, wherein, among other things, it directed the Staff to file its recommendation or a preliminary response to the application that is the subject of this consolidated case no later than September 18, 2006.

2. In compliance with the Commission's 08/17/06 Order, the Staff submits the following for its Preliminary Response to the subject application:

a. Since there are multiple parties to this consolidated case, the case is not logically subject to resolution through the filing of a Staff recommendation, rather the case will most likely be resolved through the filing of a Stipulation and Agreement, or through an evidentiary hearing process;

b. The Staff has identified several issues that it believes must be addressed in order for a satisfactory resolution of the case to be reached, but has not yet initiated any discovery with regard to those issues;

c. Based upon discussions with representatives of the Office of the Public Counsel and the Department of Natural Resources, with certain members of the State Legislature that represent the area served by the applicant in this case, and with members of the public that will be affected by the proposed transactions, the Staff believes that it is appropriate for the Commission to hold a local public hearing regarding the case; and

d. So that this case may move forward as quickly as possible, the Staff believes the suggested local public hearing should be held no later than the end of October, if at all possible.

WHEREFORE, the Staff respectfully submits this Preliminary Response for the Commission's information and consideration in this case.

Respectfully Submitted,

/s/ Keith R. Krueger

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CERTIFICATE OF SERVICE

I hereby certify that copies of this Preliminary Response 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 18th day of September 2006.

/s/ Keith R. Krueger