

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Kenneth Jaeger and
Blue Lagoon Sewer Corp.

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Case No. SO-2008-0358

ORDER SCHEDULING A HEARING

Issue Date: May 29, 2008

Effective Date: May 29, 2008

On May 1, 2008, the Office of the Public Counsel filed a motion asking the Commission to direct its Staff to file a petition in circuit court seeking appointment of a permanent receiver to take control of the assets of the Blue Lagoon Sewer System and to place that utility under the control and responsibility of the receiver. In addition, Public Counsel asked the Commission to appoint an interim receiver to take control of the sewer system while the petition for appointment of a permanent receiver is pending in circuit court.

Public Counsel alleges Blue Lagoon is an uncertificated sewer utility owned by Kenneth Jaeger. According to Public Counsel, Jaeger has effectively abandoned the Blue Lagoon sewer system. Furthermore, Jaeger filed a petition for bankruptcy in the Southern District of Texas on March 28, 2008.

On May 5, the Commission ordered Jaeger to file a response to Public Counsel's motion for appointment of a receiver by May 27. In the same order, the Commission ordered its Staff and Public Counsel to file pleadings by May 27, explaining how the automatic stay provisions of the US Bankruptcy Code may affect the Commission's actions regarding Public Counsel's motion.

Jaeger filed a response to Public Counsel's motion on May 21, indicating his willingness to transfer the sewer system to a receiver if that action is approved by the bankruptcy judge. On May 23, Public Counsel filed a response indicating its belief that the automatic stay provisions of the bankruptcy code would not prevent the Commission from acting to protect the public interest in the environment, consumer protection and public safety. Staff concurred in Public Counsel's position in a pleading filed on May 27.

In order to move this matter to a prompt resolution, the Commission will schedule an evidentiary hearing to consider Public Counsel's motion for appointment of an interim and permanent receiver. Because this hearing is being expedited, there will not be enough time to prefile testimony. Therefore, the parties shall present all testimony live at the hearing. The Commission will not permit post-hearing briefs. Rather, the parties shall present closing arguments at the end of the evidentiary hearing.

IT IS ORDERED THAT:

1. An evidentiary hearing is scheduled for June 23, 2008, at 9:00 a.m., at the Commission's office at the Governor Office Building, 200 Madison Street, Jefferson City, Missouri, Room 310. This building meets accessibility standards required by the Americans with Disabilities Act. If you need additional accommodations to participate in this hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 before the hearing.

2. This order shall become effective on May 29, 2008.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Morris L. Woodruff, Deputy Chief Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 29th day of May, 2008.