

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

In Re the Matter of the Joint Petition of	)	
Frimel Water System, Inc. and Lake	)	
Lorraine Property Owners' Association	)	
for Authority For Frimel Water System,	)	<b><u>Case No. WM-2006-0459</u></b>
Inc., to Transfer its Assets and Cease	)	
Operations	)	

**PUBLIC COUNSEL'S RESPONSE TO STAFF'S RECOMMENDATION FOR  
APPROVAL OF TRANSFER OF ASSETS AND CANCELLATION OF  
CERTIFICATE OF CONVENIENCE AND NECESSITY**

COMES NOW the Office of the Public Counsel and for its Response to Staff's Recommendation for Approval of Transfer of Assets and Cancellation of Certificate of Convenience and Necessity states as follows:

1. On June 5, 2006, Frimel Water Systems, Inc. ("Frimel") and Lake Lorraine Property Owners' Association (the "Association") filed a joint petition with the Missouri Public Service Commission ("Commission") requesting authority to transfer Frimel's assets to the Association and to cease Frimel's operations. The parties have also requested permission to cancel the certificate of convenience and necessity currently held by Frimel.

2. On September 7, 2006, the Staff of the Missouri Public Service Commission ("Staff") recommended that the Commission issue an order approving the requested transfer of assets, but with that order being conditioned on the following:

- a. That Frimel's past-due assessment of \$165.48 for fiscal year 2007 be paid;
- b. That the Association be required to submit evidence of changes to its Constitution & By-Laws that will allow all water utility customers to vote on water utility matters, regardless of membership in general;

- c. That, in conjunction with item subpart b above, the Association be required to submit evidence that the notice to its members regarding the proposed changes to its Constitution & By-Laws clearly stated that approval of the changes would result in the water system no longer being regulated by the Commission; and
- d. That the Association be required to inform the Commission when the transactions related to the transfer of assets have been completed.

In addition to the above, Staff also noted that after the transfer of assets is complete, the Commission will need to issue an order canceling Frimel's Certificate and Tariff.

3. Public Counsel agrees with the Staff recommendation that the Commission issue an order approving the requested transfer of assets, but only if that order is conditioned as stated above. Public also agrees with Staff's notation that after the transfer of assets is complete, the Commission will need to issue an order canceling Frimel's Certificate and Tariff.

**WHEREFORE,** Public Counsel respectfully submits its agreement to Staff's Recommendation for Approval of Transfer of Assets and Cancellation of Certificate of Convenience and Necessity as conditioned.

Respectfully submitted,

OFFICE OF THE Public Counsel

**/s/ Christina L. Baker**

By: \_\_\_\_\_

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 18<sup>th</sup> day of September 2006:

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**/s/ Christina L. Baker**

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