

**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, Inc., to Transfer Its )  
Assets and Cease Operations )

**Case No. WM-2006-0459**

**ORDER DIRECTING FILING**

Issue Date: September 20, 2006

Effective Date: September 20, 2006

On June 5, 2006, Frimel Water System, Inc. ("Frimel") and Lake Lorraine Property Owners' Association ("Association") filed a Joint Petition seeking authority for Frimel to transfer its assets to the Association. On June 8, 2006, the Commission issued notice and set an intervention deadline of July 10, 2006. The Commission also directed that any requests for a hearing should be filed by July 10, 2006. No requests for intervention or for a hearing were filed.

On September 7, 2006, the Staff of the Public Service Commission filed its verified memorandum stating that after fully reviewing the proposed sale of Frimel's assets to the Association that the sale is not detrimental to the public interest if certain conditions the Staff recommends are implemented. First, Frimel must pay its overdue fiscal year 2007 assessment. Second, the Association must make certain changes to its Constitution and By-Laws in order to operate the water system free from the jurisdiction of the Commission.

On September 18, 2006, the Office of the Public Counsel filed its response to Staff's recommendation. Public Counsel states that it agrees with the Staff's recommendation for

approval of the transfer of assets, but only if the Commission's order includes the conditions recommended by the Staff. No other party filed a response to Staff's recommendation.

The conditions recommended by Staff must be satisfied prior to the Commission issuing an order approving the transfer of Frimel's assets to the Association.

**IT IS ORDERED THAT:**

1. Frimel Water System, Inc., shall pay its past-due assessment of \$165.48 for fiscal year 2007.

2. Lake Lorraine Property Owners' Association shall 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.

3. Lake Lorraine Property Owners' Association shall submit evidence that it provided notice to its members regarding the changes to its Constitution & By-Laws clearly stating that approval of the changes would result in the water system no longer being regulated by the Commission.

4. Lake Lorraine Property Owners' Association shall submit a copy of the notice provided to its members regarding the changes to its Constitution & By-Laws.

5. Frimel Water System, Inc., and Lake Lorraine Property Owners' Association shall comply with the above orders no later than October 20, 2006.

6. This order shall become effective on September 20, 2006.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', with a stylized, cursive script.

Colleen M. Dale  
Secretary

( S E A L )

Harold Stearley, Regulatory Law Judge,  
by delegation of authority pursuant to  
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 20th day of September, 2006.