

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

The Staff of the Missouri Public)	
Service Commission,)	
)	
Complainant,)	
)	
v.)	
)	
Franklin County Service Company,)	
Melody Lake Water & Sewer, LLC,)	
Melody Lake Ranch Associates, Inc.,)	
Gerald Johnston.)	
)	
Respondents.)	

Case No. WC-2006-0363

**STAFF'S RESPONSE TO RESPONDENTS' RESPONSE TO STAFF
RECOMMENDATION**

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and respectfully submits as follows:

1. On August 8, 2006, Staff filed its Staff Recommendation in this case. The Staff Recommendation provided options for resolving this case. Staff believes that a proper response to Staff's Recommendation should specify what options, if any, that Respondents wish to pursue. Such a response is required because some of the options are mutually exclusive.

2. On September 19, 2006, Respondents filed their Response to Staff Recommendation. Staff believes that this Response is helpful but does not fully resolve the matter. Respondents seem, without specifics, to have a preference to be deregulated. However, Respondents do not state what changes have been made in the Amended Operating Agreement nor do they specify how or why any such changes would support such deregulation.

3. The problems in this case are compounded by the fact that Counsel for Respondents has filed a “Motion to Withdraw.” If the Commission grants this Motion pursuant to 4 CSR 240-2.040(6), then Respondents are not represented by Counsel and most of the Respondents are entities that must be represented by Counsel before the Commission. The cover letter attached to the Motion to Withdraw specifies that Jonathan L. Downard will no longer be representing Melody Lake Water & Sewer, LLC, Melody Lake Ranch Associates, Inc. or Franklin County Service Company. The cover letter does not specify whether Mr. Downard will continue to represent Gerald Johnston, another Party to the case. However, the Motion to Withdraw asks leave to withdraw as Counsel for all of the Respondents. Accordingly, it is unknown whether Mr. Downard is wanting completely out of the case or will continue to represent Gerald Johnston.

4. Staff cannot work on a resolution of this case without knowing further information about the intent of Respondents regarding various matters in a possible agreement to resolve the case. Respondents have failed to identify new counsel. Staff requests that the Commission issue an Order to Respondents directing them to state their intention regarding representation by Counsel if Mr. Downard is allowed to withdraw from the case. Staff further requests that the Regulatory Law Judge then conduct a phone conference with the attorneys in this case regarding matters in this case.

WHEREFORE, Staff respectfully requests that the Commission order each of the Respondents to state their intent regarding representation by Counsel if Mr. Downard is allowed to withdraw and then conduct a phone conference with the attorneys in this case.

Respectfully submitted,

/s/ Robert V. Franson

Robert V. Franson

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 26th day of September, 2006.

/s/ Robert V. Franson