

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., and Gerald Johnston,

Respondents.

Case No. WC-2006-0363

ORDER DIRECTING FILING

Issue Date: April 23, 2007

Effective Date: April 23, 2007

On February 2, 2007, the Staff of the Commission filed its recommendation in this matter. As part of its recommendation and with the understanding that Gerald Johnston is no longer involved in the management of the assets involved in this case, Staff dismisses its complaint against Gerald Johnston.

Upon review of the Amended Operating Agreement, the Commission notes that Gerald Johnston has signed the document as the Melody Lake Water & Sewer, LLC's President and Manager. The Commission will require that Staff filed a pleading explaining this discrepancy.

Additionally, Staff recommends that the Commission no longer exercise its jurisdiction over the LLC. The Commission has been guided by the following in making this determination:

- (a) The Association was organized as a not-for-profit corporation for the benefit of the property owners.
- (b) All customers currently served by the subject water utility assets are members of the Association.
- (c) Only members of the Association will be served by the subject water utility assets.
- (d) The Association's action regarding water utility matter will be under the control of the members that are also the customers served by the subject water utility assets.
- (e) The Association owns the subject water assets and this has control over such assets.

It is not clear from Staff's recommendation or from a reading of the Amended Operating Agreement that all of these points are satisfied. The Commission will therefore require that Staff file a pleading pointing out how the LLC satisfies the above requirements.

IT IS ORDERED THAT:

1. The Staff of the Commission shall file no later than May 15, 2007, a pleading as set forth in the body of this order.
2. This order shall become effective on April 23, 2007.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Kennard L. Jones, Senior Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 23rd day of April, 2007.