

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

The Staff of the Missouri Public Service Commission,	)	
	)	
	)	
Complainant,	)	
	)	
v.	)	<b><u>Case No. WC-2006-0363</u></b>
	)	
Franklin County Service Company,	)	
Melody Lake Water & Sewer, LLC,	)	
Melody Lake Ranch Associates, Inc.,	)	
and Gerald Johnston,	)	
	)	
Respondents.	)	

**ORDER DIRECTING FILING**

Issue Date: August 30, 2006

Effective Date: August 30, 2006

On March 22, 2006, the Staff of the Missouri Public Service Commission filed a complaint against the above-named Respondents. Staff asserted that Respondents transferred assets without Commission approval and have been providing water and sewer services without authority from the Commission.

On August 8, 2006, Staff filed a memorandum recommending the following:

1. That the Commission, on a prospective basis, approve the transfer of assets from Franklin County Service Company to Melody Lake Water & Sewer, LLC.
2. If Melody Lake can show a modification of its Operating Agreement so that it is consistent with the Rocky Ridge Ranch Points, then the certificates and tariffs of Franklin County may be canceled, and Melody Lake will operate as a utility that is not subject to Commission jurisdiction.

3. If Melody Lake cannot show such a modification of its Operating Agreement, then the Commission may issue a Certificate of Convenience and Necessity to Melody Lake, to become effective on the effective date(s) of tariff sheets adopting Franklin County's water and sewer tariffs, or the effective date(s) of new tariffs filed by Melody Lake.
4. If tariff sheets are filed, as contemplated by Paragraph 3 above, then Franklin County's certificate and tariffs may be canceled on the effective date of Melody Lake's tariff sheets, as appropriate; and
5. If the Commission approves the transfer of assets from Franklin County to Melody Lake, then after any and all matters ancillary to the transfer, certificates and tariff are completed, the Staff believes that other allegations with respect to this case, including Staff's complaint, could be considered resolved and closed.

Respondents have not filed a pleading in response to Staff's recommendation. If Respondents agree with Staff's recommended solution to this matter, then the Commission will direct the parties to file an agreement to be approved by the Commission. If Respondents do not agree with Staff's recommendation, then the Commission will require Respondents to file a responsive pleading.

**IT IS ORDERED THAT:**

1. If the parties to this matter agree that this complaint should be resolved as recommended by the Staff of the Commission, then the parties shall file an agreement reflecting Staff's recommendation.
2. If the Respondents to this matter do not agree that this matter should be resolved as the Staff of the Commission has recommended, then Respondent shall file, no later than September 19, 2006, a responsive pleading.

3. That this order shall become effective on August 30, 2006.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

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 30th day of August, 2006.