

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 8th day of  
February, 2007.

Cathy J. Orlor,	)	
	)	
Complainant,	)	
	)	
v.	)	<b><u>Case No. WC-2006-0082, et al.</u></b>
	)	
Folsom Ridge, LLC, Owning and Controlling	)	
the Big Island Homeowners Association,	)	
	)	
Respondent.	)	

**ORDER DENYING MOTION TO AMEND PROCEDURAL SCHEDULE TO  
PERMIT LIVE TESTIMONY BUT ALLOWING ADDITIONAL TIME TO  
FILE WRITTEN DIRECT TESTIMONY**

Issue Date: February 8, 2007

Effective Date: February 8, 2007

On February 1, 2007, Cathy Orlor, one of the complainants, filed a motion asking the Commission to amend the procedural schedule to permit the presentation of live testimony in this case. On February 2, the Commission issued an order establishing February 6 as the deadline for filing a response to Orlor's motion. The Commission's Staff filed a response on February 5, indicating that Staff does not oppose Orlor's motion. On February 6, the Respondents, Folsom Ridge, LLC, and Big Island Homeowners Water and Sewer Association, Inc., filed a response opposing the motion to permit live testimony at the hearing.

The Commission has established a joint procedural schedule to hear this consolidated complaint case simultaneously with a related application for authority to transfer water and sewer system assets that is pending in Case No. WO-2007-0277. The cases are set for a joint hearing beginning on February 28, and the parties have been ordered to prefile direct, rebuttal and surrebuttal testimony.

This consolidated complaint case alleges that the Respondents, Folsom Ridge and the Big Island Homeowners Association, have been operating a public water and sewer utility without the required certificate of convenience and necessity from the Commission. The complaint has been pending before the Commission since August 2005, and was originally set for hearing in July 2006. That hearing was to proceed with live rather than prefiled testimony. But on June 27, the Commission canceled the hearing and ordered that the complaint case be suspended pending the resolution of Case No. WA-2006-0480, which concerned the application for a certificate of convenience and necessity filed by Big Island Water and Sewer Company, Inc., a new company that shared common ownership with Folsom Ridge. Big Island Water and Sewer Company wanted to take over operation of the water and sewer system serving Big Island, subject to regulation by this Commission.

Case No. WA-2006-0480 was proceeding toward hearing on February 5, 2007, using prefiled testimony, when Big Island Water and Sewer Company withdrew its application and the hearing in that case was canceled. The day before Big Island Water and Sewer Company withdrew its application, Folsom Ridge and Big Island Homeowners Water and Sewer Association filed a new application seeking authority to transfer the water and sewer system assets currently serving Big Island to two new non-profit corporations,

Big Island Water Company and Big Island Sewer Company. That application is pending in Case No. WO-2007-0277.

The complaint and the application to transfer assets share many common issues and it makes sense to hear the two cases in a single proceeding. The joint procedural schedule for the two cases requires the parties to prefile testimony. That is a change from the way the complaint case would have been handled if it had gone to hearing in July 2006 as originally scheduled. However, the Commission believes that the prefiling of testimony will greatly simplify the presentation of evidence in this proceeding.

At the time the complaint case was suspended, the parties were embroiled in an intense discovery dispute in which the pro se Complainants had refused to be deposed by the Respondents. The prefiling of testimony will allow opposing parties to know what allegations will be made before the hearing, greatly reducing the need for prehearing discovery. In addition, the prefiling of testimony will serve to organize these complaints and reduce the confusion that would result from live testimony being offered by some or all of the multiple Complainants. Furthermore, several of the Complainants, who were allowed to intervene in Case No. WA-2006-0480, successfully prefiled testimony in that case, demonstrating that the prefiling of testimony would not be unduly burdensome on the pro se parties.

The Commission concludes that the prefiling of testimony will be beneficial to the prompt resolution of these complaints. Since this order is being issued just one day before prefiled direct testimony is to be filed, the Commission will modify the procedural schedule to allow the parties until February 13 to file direct testimony. The schedule will remain unchanged in all other respects.

**IT IS ORDERED THAT:**

1. Cathy Orlor's Motion to Amend Procedural Schedule to Reflect Status Prior to Stay is denied.
2. The procedural schedule is modified to require all parties to file direct testimony on February 13, 2007.
3. This order shall become effective on February 8, 2007.

**BY THE COMMISSION**

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

Colleen M. Dale  
Secretary

( S E A L )

Davis, Chm., Murray, Gaw, Clayton and Appling, CC., concur

Woodruff, Deputy Chief Regulatory Law Judge