

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 27th day of June, 2006.

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

**ORDER REGARDING RESPONDENTS' MOTION TO SUSPEND
PROCEEDINGS**

Issue Date: June 27, 2006 Effective Date: June 27, 2006

In August and September, 2005, the eight individual complainants filed complaints against Folsom Ridge, LLC, owning and controlling the Big Island Homeowners Association. The complaints alleged that Folsom Ridge, a property development company, was illegally operating a water and sewer system providing service to the public without a certificate of convenience and necessity from this Commission. The complaints alleged that the Homeowners Association was merely a captive entity doing the bidding of Folsom Ridge. As the case progressed, Big Island Homeowners Water and Sewer Association, f/k/a Big Island Homeowners Association, Inc., was added as a separate respondent. The complaints are currently set for hearing on July 17 through July 21, 2006.

On June 16, 2006, Big Island Water & Sewer Company, Inc., filed an application for a certificate of convenience and necessity to operate the water and sewer system currently being operated by Folsom Ridge and the Homeowners Association. That application is currently pending in Case No. WA-2006-0480. Notice of the filing of the application was provided to the public in an order issued June 19, and an intervention deadline of July 10 was established.

Folsom Ridge and the Homeowners Association filed a motion in this case on June 16, asking the Commission to suspend the proceedings in the complaint cases until the certificate case is resolved. The respondents argue that the complaints are founded on the principle that water and sewer service on Big Island should be provided by a regulated entity. If Big Island Water and Sewer Company is granted a certificate, the respondents contend that argument will be moot. They argue that proceeding to hear the complaints while that issue is pending in another case would be a waste of resources.

The Staff of the Commission filed a response to the respondents' motion on June 20. Staff suggests that if the Commission grants the motion to suspend the complaint cases, the individual complainants should be made parties in the certificate case. None of the complainants have responded to the motion to suspend proceedings.

The complaints against Folsom Ridge are founded on the contention that Folsom Ridge is providing water and sewer service that is subject to regulation by the Commission. Any determination that the Commission could make regarding that question would be impacted by the resolution of Big Island Water & Sewer's application for a certificate. Until that case is resolved, any decision in the complaint cases would be pointless.

Big Island Water & Sewer is affiliated with the owners of Folsom Ridge. The complainants have made it clear that they oppose the granting of a certificate to any company affiliated with Folsom Ridge. However, their opposition can best be expressed within the context of the certificate case, and not in the complaint cases.

Staff suggests that the Commission automatically make the complainants parties to the certificate case. The Commission will not do so because it is not clear that any, or all, of the complainants want to be parties in that case. The Commission has established a deadline for request to intervene in the certificate case and if any of the complainants wish to intervene in that case they may apply to do so by July 10.

IT IS ORDERED THAT:

1. The procedural schedule, including the hearing and all discovery activity, is suspended until further order of the Commission.
2. This order shall become effective on June 27, 2006.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

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

Woodruff, Deputy Chief Regulatory Law Judge