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Secretary/Chief Regulatory Law Judge

KEVIN A. THOMPSON
General Counsel

July 10, 2006

FILED⁴

JUL 10 2006

Hon. Cully Dale
Secretary and Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Missouri Public
Service Commission

Re: Case No. WM-2006-0459

Madam Secretary:

Enclosed please find Staff's Preliminary Response to the Joint Application for filing in the above-referenced case as ordered.

Sincerely,

KEVIN A. THOMPSON
Mo. Bar No. 36288
General Counsel
Missouri Public Service Commission
P.O. Box 360
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cc: Parties

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

FILED⁴
JUL 10 2006
Missouri Public
Service Commission

In Re the Matter of the Joint Petition of)
Frimel Water System, Inc., and Lake Lorraine)
Property Owners' Association for Authority)
For Frimel Water System, Inc., to Transfer its)
Assets and Cease Operations.)

Case No. WM-2006-0459

PRELIMINARY RESPONSE TO APPLICATION

COMES NOW the Staff of the Missouri Public Service Commission, and for its Preliminary Response to the Joint Application, states as follows:

1. On June 5, 2006, Frimel Water System, Inc., and Lake Lorraine Property Owners' Association filed a Joint Application with the Missouri Public Service Commission seeking authority to transfer the assets of Frimel Water System, Inc., to Lake Lorraine Property Owners' Association and to cease Frimel's operations.

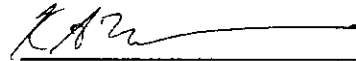
2. On June 8, 2006, the Commission issued its Order Directing Notice and Order Directing Filing wherein, among other things, the Commission directed Staff to file, not later than July 10, "its recommendation or a preliminary response to the application."

3. In its Order of June 8, the Commission also set an intervention period of thirty days; the effective intervention deadline is July 10, 2006. As of July 9, no persons had sought intervention.

4. Staff has reviewed the Joint Application and has identified some issues that require resolution. Staff is engaged in discussions of those issues with the Joint Applicants. Staff will file its final recommendation in this matter, assuming that there are no intervenors, within 60 days of today's date, unless otherwise directed by the Commission.

WHEREFORE, having provided as ordered its Preliminary Response to the Joint Application, Staff prays that the Commission will direct it to file its Memorandum and Recommendation herein within 60 days of the date of today's date.

Respectfully submitted,



KEVIN A. THOMPSON

Mo. Bar No. 36288

General Counsel

Missouri Public Service Commission

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Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing has been served according to the Commission's rules upon counsel for the Joint Applicants and the Public Counsel on this 10th day of July, 2006.

