

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Folsom Ridge,)
LLC, and Big Island Homeowners Water and Sewer)
Association, Inc., for an Order Authorizing the)
Transfer and Assignment of Certain Water and) **Case No. WO-2007-0277**
Sewer Assets to Big Island Water Company and)
Big Island Sewer Company, and in Connection)
Therewith Certain Other Related Transactions.)

ORDER DIRECTING NOTICE AND SETTING DATE FOR SUBMISSION OF INTERVENTION REQUESTS

Issue Date: January 25, 2007

Effective Date: January 25, 2007

On January 23, 2007, Folsom Ridge, LLC, and Big Island Homeowners Water and Sewer Association, Inc., filed a joint application asking the Commission to approve the transfer of water and sewer system assets to the Big Island Water Company and the Big Island Sewer Company, recently formed non-profit corporations. The assets to be transferred are currently used to provide water and sewer service to approximately 60 customers on Big Island, a residential development located on the Lake of the Ozarks in Camden County, Missouri.

Folsom Ridge and the Homeowners Association deny that they are currently subject to regulation by the Commission. However, multiple complaints pending before the Commission in Case No. WC-2006-0082 allege that Folsom Ridge and the Homeowners Association are operating public water and sewer utilities without a certificate of authority from this Commission. Section 392.190.1, RSMo 2000 provides that water and sewer

utilities may not sell their water and sewer systems without approval from the Commission. Furthermore, that statute states that any such sale of assets made without the approval of the Commission is void. In an effort to avoid future questions about the validity of the transfer of assets, the applicants ask the Commission to approve the proposed transaction in time to allow the transfer to occur effective no later than March 31, 2007.

The Commission finds that notice of the application filed by Folsom Ridge and the Homeowner's association should be given to the general public and other interested persons. Furthermore, the Commission finds that a date for intervention of proper parties should be set. The Commission's data center shall mail a copy of this notice to the County Commission of Camden County, to the Department of Natural Resources of the State of Missouri, and to all parties in Case No. WC-2006-0082. In addition, the Commission's public information officer shall make notice of this order available to the media serving Camden County and to the members of the General Assembly representing Camden County.

The requirement of a hearing has been fulfilled when all those having a desire to be heard are offered an opportunity to be heard. If no proper party is granted intervention and neither the Commission's Staff nor the Office of the Public Counsel request a hearing, the Commission may determine that a hearing is not necessary.

IT IS ORDERED THAT:

1. The Missouri Public Service Commission's Data Center is ordered to serve notice as set out herein.
2. The Missouri Public Service Commission's information officer is ordered to serve notice as set out herein.

3. Any proper person wishing to intervene shall file an application to do so no later than February 2, 2007. Such applications shall be filed with:

Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

with a copy served on:

Mark W. Comley
Newman, Comley & Ruth, P.C.
601 Monroe Street, Suite 301
P.O. Box 537
Jefferson City, Missouri 65102-0537

and

Charles E. McElyea
Phillips, McElyea, Carpenter & Welch, P.C.
85 Court Circle
P.O. Box 559
Camdenton, Missouri 65020

Attorneys for Folsom Ridge, LLC, and Big Island Homeowners Water and Sewer Association, Inc.

and:

Office of the Public Counsel
P.O. Box 2230
Jefferson City, Missouri 65102

4. This order shall become effective on January 25, 2007.

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)

Morris L. Woodruff, Deputy Chief Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 25th day of January, 2007.