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January 5, 2007

Marc Ellinger
301 East High Street, Suite 301
Jefferson City, MO 65101

RE: Quail Valley

Dear Marc:

FILED³

NOV 21 2007

Missouri Public
Service Commission

Petitioners Exhibit No. 48
Case No(s) WC-2007-0303
Date 10-30-07 Rptr pan

I am writing this letter as a last-ditch effort to attempt to settle this. The content of your letter of December 21, 2006, makes me question whether this can be done. Many of the items raised in your letter have been addressed in Greg's report, and either you or your client is misinterpreting some of the data therein.

Your statement that "Aqua Missouri will not accept the census data" is mind boggling to me. What you're telling me is that Aqua Missouri is going to go by assumptions rather than facts. If there were 500 residents at Quail Valley, would Aqua Missouri go by the actual census data or would it go by DNR assumptions? Of course they would go by the actual census. There is simply no reason not to work from the actual number of people living there. We understand that there is no ability to control the average number of persons per household; however, this is one of the reasons we're only asking for 10 hookups at this time rather than the 40 that the data indicates the plant could handle. If the demographics at Quail Valley would change significantly, there is plenty of margin there in the way of plant capacity and the plant would not be overloaded. By the way, the *St. Louis Post Dispatch* recently quoted a U.S. Census Bureau's statistics that the average person per home in the United States has dropped from 3.3 in 1982 to 2.6 in 2004; would your client prefer to use that standard in its calculations? If so, the plant could probably handle another 50 homes.

In regard to your comments on the flow information data, I would point out that the flow information is not based on four grabs but is based on over 160 readings. I might point out that these are not Mr. Haug's readings; these are readings made by your client. The four grabs you discuss are the BOD and TSS readings. What readings does your client have? Furthermore, Mr. Haug informs me that there really are not in-flow and infiltration issues at Quail Valley. If your client has hard evidence to the contrary rather than simple questions, please share that data with us. Your question about the number of homes varying from 75 to 78 is irrelevant as to the flow data since you're not measuring

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the flow from each home but the flow at the plant itself.

Your questions about the infrastructure concerns are also irrelevant. The size of the piping leading to the treatment plant has absolutely nothing to do with plant capacity.

The septic tanks are in fact controlled and owned by the individual landowners. However, the by-laws require the septic tanks to be pumped once every three years and said pumping is ordered and paid for by the Homeowners Association. This pumping schedule was arrived at in a meeting with DNR representatives who indicated once every three years was more than sufficient to take care of their concerns. I might point out that even without the pumping we were well within the load capacity of the plant and, even without the pumping, our request for an additional 10 hookups would be supported by objective data.

Finally, we are not agreeable to approval of one hookup at a time. Our study shows the plant has the capacity for an additional 40 homes assuming consistent flow and census data per home. We are only asking for 10 additional homes at this time. This would allow Mr. Storey to sell more than one lot at a time. As a practical matter, it would be hard to imagine that more than two or three homes would be built per year even if we were able to sell 10 lots. It is doubtful that any single builder would buy all 10 lots, or that 10 separate builders would buy the 10 lots and build homes on all lots at once. Our request for approval of 10 additional hookups is so conservative based on the data that it is incomprehensible that your client will not agree to it. Selling lots one at a time, waiting for a home to be built, and then having your client require us to jump through all these hoops and spend all this money for engineering studies after each is ridiculous.

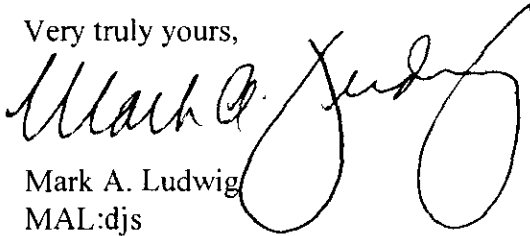
Your client's position is unsupportable. Your client has provided no objective data justifying its refusal to grant Mr. Storey's request. Your client's motive was and continues to be its desire to have Mr. Storey build them a new wastewater treatment plant or expand on the present one. Your client's position has cost Mr. Storey a significant sum of money and lost sales of lots during a period of time when new home construction was booming. Mr. Storey has been significantly damaged, and continues to be damaged.

Mr. Storey wants me to file suit immediately. I have asked him to give this one last shot. We will give you 10 days from the date of this letter to approve our request for 10 additional hookups so Mr. Storey can regain the ability to sell lots. If we have not come to an agreement within those 10 days, I will be filing suit for actual and punitive damages against Aqua Missouri. Aqua Missouri thus far has done nothing but delay and put up roadblocks and Mr. Storey's patience has run thin.

I look forward to hearing from you.

Marc Ellinger
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Very truly yours,

A handwritten signature in black ink, appearing to read "Mark A. Ludwig". The signature is fluid and cursive, with the first name "Mark" being more legible than the last name "Ludwig".

Mark A. Ludwig
MAL:djs
cc: Ed Storey