

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

The Office of the Public Counsel	)	
	)	
Complainant,	)	
	)	
v.	)	<b><u>File No. WC-2015-0340</u></b>
	)	
Fawn Lake Water Corp., and	)	
Rachel Hackman,	)	
	)	
Respondents.	)	

**ORDER DIRECTING RESPONDENTS TO FILE AN ANSWER**

Issue Date: July 27, 2016

Effective Date: July 27, 2016

On June 19, 2015, the Office of the Public Counsel filed a complaint with the Missouri Public Service Commission against Fawn Lake Water Corp. and Rachel Hackman. Public Counsel's complaint alleged the Respondents are operating a water utility to serve the public without having obtained the required authorization from the Commission. Public Counsel asked the Commission to order the respondents to apply for and obtain a certificate of convenience and necessity and to refund past unlawful charges for water service. Public Counsel also asks the Commission to authorize its General Counsel to pursue statutory penalties against the Respondents in Circuit Court.

Initially, Respondents' answer to Public Counsel's complaint was due by July 20, 2015, but Respondents failed to file an answer. The Commission granted Public Counsel's motion for a default judgment on September 16, 2015, but set aside that default at the request of the Respondents on October 8, 2015, and ordered the Respondents to file an answer to Public Counsel's complaint by October 22, 2015. Instead, the Respondents filed

a motion asking the Commission to stay the complaint to allow time to negotiate an amicable resolution. Public Counsel did not oppose the Respondents' request for a stay, and on November 3, 2015, the Commission stayed these proceedings indefinitely and directed the parties to file reports regarding the status of their negotiations.

The periodic status reports filed by the parties indicate the Respondents have been attempting to negotiate a sale of the water system to a new buyer who would apply to the Commission for the required certificate of convenience and necessity. In the most recent status report, filed by Staff on July 15, 2016, Staff reports the Respondents continue to indicate their intention to sell the water system, but Staff is concerned that this matter has now been pending for over a year and needs to be moved toward resolution. Staff asks the Commission to order the Respondents to file either a finalized asset purchase agreement or a proposed procedural schedule within 60 days. Neither the Respondents, nor Public Counsel have replied to Staff's request.

The Commission agrees with Staff that this matter needs to be moved toward a resolution. However, the Respondents have not yet filed their answer, so a proposed procedural schedule would be premature. The Commission will order the Respondents to file their answer. Of course, if the Respondents are able to satisfy Public Counsel's complaint in some other manner, then no answer will be necessary.

**THE COMMISSION ORDERS THAT:**

1. Fawn Lake Water Corp. and Rachel Hackman shall file their answer to Public Counsel's Complaint no later than September 26, 2016.

2. This order shall be effective when issued.



**BY THE COMMISSION**

A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

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

Dated at Jefferson City, Missouri,  
on this 27<sup>th</sup> day of July, 2016.