

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

In the Matter of the Application of Confluence Rivers Utility Operating Company, Inc., for a Certificate of Convenience and Necessity and to Acquire Certain Sewer Assets))))	File No. SA-2022-_____
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APPLICATION AND MOTION FOR WAIVER

COMES NOW Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”) pursuant to Section 393.170, 20 CSR 4240-2.060, 20 CSR 4240-3.305, and 20 CSR 4240-4.017, and for its *Application and Motion for Waiver*, states as follows to the Missouri Public Service Commission (“Commission”):

I. Introduction

1. Confluence Rivers is a Missouri corporation with its principal office and place of business at 1630 Des Peres Rd., Suite 140, St. Louis, MO 63131. Confluence Rivers is a Missouri corporation in good standing. A certified copy of Confluence Rivers’ certificate of good standing was filed in File No. WM-2018-0116 and is incorporated herein by reference.

2. Confluence Rivers provides water service to approximately 4,389 customers and sewer service to approximately 4,548 customers in several counties in Missouri. Confluence Rivers is a “water corporation,” a “sewer corporation,” and a “public utility,” as those terms are defined in Section 386.020, RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law.

3. Confluence Rivers has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against Confluence Rivers from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this Application.

4. Communications regarding this application should be addressed to the undersigned counsel and to:

Josiah Cox
Confluence Rivers Utility Operating Company, Inc.
1630 Des Peres Rd., Suite 140
St. Louis, MO 63131
Phone: (314) 380-8544
E-mail: jcox@cswrgroup.com

II. The Proposed Sale Transactions

5. Confluence Rivers proposes to acquire all or substantially all of the sewer system assets of the currently unregulated system of the Deer Run Estates Property Owners' Association. Confluence Rivers seeks a Certificate of Convenience and Necessity ("CCN") to operate the system and provide service to the public.

III. Deer Run Estates Property Owners' Association

6. Deer Run Estates Property Owners' Association ("Deer Run") is a nonprofit corporation formed in 1998, with its principal office located at 1175 Beach Drive, Fredericktown, MO 63645, and is in good standing with the Missouri Secretary of State. Deer Run provides sewer services to approximately 50 customers in Madison County, Missouri.

7. On August 13, 2021, Central States Water Resources, Inc. ("CSWR") entered into an *Agreement for Sale of Utility System* with Deer Run. A copy of the *Agreement for Sale of Utility System* is attached as **Appendix A-C** and marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. CSWR proposes to purchase substantially all the sewer system assets of Deer Run, as specifically described in, and under the terms and provisions of, the *Agreement for Sale of Utility System*.

8. Pursuant to Paragraph 17 of the *Agreement for Sale of Utility System*, CSWR plans to assign its rights under the agreement to Confluence Rivers at closing. **Appendix B** verifies the authority of Josiah Cox, the President of Confluence Rivers, to enter into the *Agreement for Sale of Utility System* and seek Commission approval of the transaction.

9. Confluence Rivers requests permission, approval and a CCN to construct, install, own, operate, maintain, control and manage a sewer system for the public in an area of Madison County, Missouri, as an addition to its existing service territories. A legal description of the area sought to be certificated is attached hereto as **Appendix C**. A map of the area sought to be certificated is attached as **Appendix D**.

10. Attached hereto and marked as **Appendix E-C** is a list of ten (10) residents or landowners within the proposed service area. **Appendix E-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(1), as it contains customer-specific information.

IV. Additional Information

11. Attached hereto and marked as **Appendix F-C** is a feasibility study for the unregulated sewer system for which Confluence Rivers seeks CCNs, including estimates of the number of customers, expenses and revenues during the first three (3) years of operation by Confluence Rivers. **Appendix F-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. To provide service to the proposed areas, Confluence Rivers will purchase an existing sewer system and will not construct systems. Thus, Confluence Rivers asks for a waiver of any requirement to provide plans

and specifications related to the construction of the distribution and collection systems.

12. Confluence Rivers is not aware of any franchises or permits from municipalities, counties, or other authorities that would be required in order to provide service in the requested areas.

13. The sale and purchase of the referenced assets may increase the tax revenues of relevant political subdivisions, as Confluence Rivers is a private entity, while seller was a non-profit entity.

V. Tariff/Rates

14. Confluence Rivers proposes to charge a flat rate of \$20 per month for sewer service, consistent with the current charges in its DeGuire service area. Confluence Rivers proposes to utilize the rules governing the rendering of service that are currently found in Confluence Rivers' existing Commission-approved tariffs for sewer service (PSC Mo No. 13), until such time as the rates and rules are modified according to law.

15. The current rate for this system does not reflect the current cost of providing service. Additionally, this system will require investment after the purchase by Confluence Rivers that will necessarily result in a request for a rate increase of some amount after those additions have been completed.

VI. Public Interest

16. The grant of the requested CCN (and approval of the underlying transaction) and the proposed transfer is in the public interest and will result in regulated sewer services provided to the current and future residents of the service area. The system would be acquired by Confluence Rivers, a Missouri public utility, and be subject to the jurisdiction of the Commission to own and

operate the sewer system for which approval is sought. As it has demonstrated to the Commission in past cases, Confluence Rivers, with the support and assistance of its affiliates, is fully qualified, in all respects, to own and operate the sewer system for which the certificate is sought. Confluence Rivers' successful operation of other water and sewer systems in Missouri demonstrates its ability to provide safe and reliable service to customers and to comply with the Commission's rules, regulations, and decisions governing the ownership and operation of such systems. Confluence Rivers also has the financial strength and resources necessary to make expenditures and investments required to maintain the system.

VII. Motion for Waiver

17. Commission Rule 20 CSR 4240-4.017(1) requires "[a]ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case." Because it did not file such a notice within the time period prescribed by that rule, Confluence Rivers seeks a waiver of the 60-day pre-filing notice requirement.

18. Under Rule 20 CSR 4240-4.017(1)(D), a waiver of the pre-filing notice requirement may be granted for good cause. In this regard, Confluence Rivers declares, as verified below, that it has had no communication with the Office of the Commission (as defined in 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case. Good cause for the requested waiver exists in accordance with Commission Rule 20 CSR 4240-4.017(1)(D) ("Good cause for waiver may include, among other things, a verified declaration from the filing party that it has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case....")

19. Therefore, as authorized by Rule 20 CSR 4240-4.017(1)(D), Confluence Rivers

moves for a waiver of the 60-day notice requirement and acceptance of this application at this time.

WHEREFORE, for the reasons previously stated, Confluence Rivers respectfully requests the Commission issue an order:

(A) Waiving the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) for good cause shown;

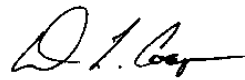
(B) Authorizing Confluence Rivers to acquire the system assets of Deer Run Estates Property Owners' Association, as described in this Application;

(C) Authorizing Confluence Rivers to enter into, execute, and perform, in accordance with the terms described in the agreement attached to this application, and take any and all other actions that may be deemed necessary and appropriate to accomplish the purposes of the agreement and the Application, and to consummate related transactions in accordance with the agreement;

(D) Granting Confluence Rivers a CCN authorizing it to install, acquire, build, construct, own, operate, control, manage, and maintain a sewer system for the public within the specified areas currently served by Deer Run Estates Property Owners' Association; and,

(E) Granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the agreements and the Application and to consummate related transactions in accordance with the agreements.

Respectfully submitted,



Dean L. Cooper MBE #36592
BRYDON, SWEARENGEN & ENGLAND P.C.
312 E. Capitol Avenue
P.O. Box 456
Jefferson City, MO 65012
(573) 635-7166 telephone

dcooper@brydonlaw.com

David L. Woodsmall MBE #40747
Central States Water Resources
1630 Des Peres Rd., Suite 140
Des Peres, MO 63131
dwoodsmall@cswrgroup.com

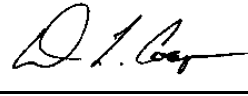
**ATTORNEYS FOR CONFLUENCE RIVERS
UTILITY OPERATING COMPANY, INC.**

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on April 28, 2022, to the following:

Office of the General Counsel
staffcounsel@psc.mo.gov

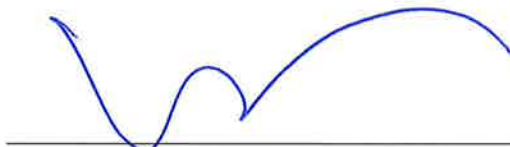
Office of the Public Counsel
opcservice@opc.mo.gov



AFFIDAVIT

State of Missouri)
)
County of St. Louis) ss

I, Josiah Cox, having been duly sworn upon my oath, state that I am the President of Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”), that I am duly authorized to make this affidavit on behalf of Confluence Rivers, that I have knowledge of the matters stated herein, and that said matters are true and correct to the best of my information, knowledge, and belief. Additionally, no representative of Confluence Rivers has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the one hundred fifty (150) days immediately preceding the filing of the Application regarding any substantive issue likely to be addressed in this case.



Subscribed and sworn before me this 28th day of April, 2022.



MERANDA K. KEUBLER
My Commission Expires
November 13, 2022
St. Louis County
Commission #14631487



Notary Public

My Commission Expires 11.13.2022