

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

In the Matter of Confluence Rivers Utility)
Operating Company, Inc.’s Request for a) **File No. WR-2020-0053**
Water Rate Increase)

**RESPONSE TO ORDER DIRECTING RESPONSES
IN REGARD TO CONSOLIDATED RATES**

COMES NOW Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”), by and through the undersigned counsel, and responds as follows to the Missouri Public Service Commission’s (“Commission”) February 14, 2020 *Order Directing Responses* (“Order”), regarding consolidated rates:

1. Among other things, the Commission’s Order directed that Confluence Rivers respond by February 19, 2020, to the following inquiry:

The Commission also notes the application states, “[t]o mitigate the effects of possible rate shock, Confluence Rivers also seeks approval of a single tariff reflecting consolidated rates and service rules for its water and sewer customers.” The Commission would like Confluence Rivers to respond how it has demonstrated that this statement is true and how has it demonstrated that the Commission should authorize the consolidation of the water and sewer rates of these utility systems.

2. Confluence Rivers’ statement recited in the inquiry referred to the fact that each of these systems is, on its own, extremely small in terms of customer numbers and each has had varying levels of record keeping and upkeep over the years. Consolidating the systems for rate design purposes allows the costs to be spread over a greater number of customers and will provide a more stable rate for customers over time for what is a similar service from system to system.

3. In this case, the consolidation of rates per the Disposition Agreement results in a \$69.63/month rate for water customers and \$72.48/month for sewer customers. For comparison,

on a *non-consolidated* basis, some districts would have had rates as high as \$139.25/month for water; and \$144.84/month for sewer. It is the avoidance of such non-consolidated rates that Confluence Rivers believes shows the mitigation of rate shock through the use of consolidated rates.

WHEREFORE, Confluence Rivers Utility Operating Company, Inc., respectfully submits its response for the Commission’s consideration.

Respectfully submitted,

BRYDON, SWEARENGEN & ENGLAND P.C.

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ATTORNEYS FOR CONFLUENCE RIVERS
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served by electronic mail to counsel on this 19th day of February, 2020:

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