

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

In the Matter of the Application of)	
Confluence Rivers Utility Operating)	
Company, Inc. to Acquire Certain)	<u>Case No. WM-2018-0116</u>
Water and Sewer Assets, For a Certificate)	
Of Convenience and Necessity, and, in)	<u>Case No. SM-2018-0117</u>
Connection Therewith, To Issue)	
Indebtedness and Encumber Assets)	

STAFF'S RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Supplemental Recommendation* in this matter hereby states:

1. Confluence Rivers Utility Operating Company, Inc. (CRU) filed an *Application* November 2, 2017, to purchase all of the water and/or sewer assets of Missouri Public Service Commission-regulated utilities: Smithview H2O Company, M.P.B., Inc., Mill Creek Sewers, Inc., Roy-L Utilities, Inc., Port Perry Service Company, Gladlo Water & Sewer Co., Inc., The Willows Utility Company, Inc., and Evergreen Lakes Water Supply Co. CRU also sought to purchase all of the water and sewer assets of non-Missouri Public Service Commission-regulated Majestic Lakes Homeowners Association, Inc. (Majestic Lakes) and requested a Certificate of Convenience and Necessity (CCN) for the systems. CRU has since filed a *Motion for Leave to Amend Application and Amendment to Application* on July 3, 2018, adding all of the water and sewer assets of Missouri Public Service Commission-regulated utilities Calvey Brook Water, Inc. and Calvey Brook Sewer, Inc., and the water and sewer assets of non-Missouri Public Service Commission-regulated Eugene, Wolf Creek Crossing, and Auburn Lake Estates to the list of systems CRU intended to purchase and

requested a CCN for each of the systems. CRU has expressed to Staff that it no longer intends to purchase the Wolf Creek system but to date nothing reflecting this modification has been filed. Staff recommends the Commission not approve CRU's requests regarding the Wolf Creek system.

2. Staff conducted a full investigation of the additional water and sewer systems CRU seeks to acquire in its *Amended Application* and provides details regarding each of them for the Commission's consideration. The additional utilities and systems involved in the *Amended Application* each have unique characteristics, and are in various states of ownership as outlined in Staff's attached *Memorandum* and accompanying attachments.

3. Staff's overall recommendation is that CRU should be permitted to acquire the utility systems included in its *Amended Application* along with the systems included in its original *Application*, and should be granted a CCN to operate the Majestic Lakes, Eugene, and Auburn Lake Estates systems. This filing is not intended to supersede Staff's original *Recommendation* and Staff asks that the Commission continue to consider the recommendations contained in that filing as well. Specifically, Staff proposes the following:

- 1) Authorize each of the regulated Sellers to sell and transfer utility assets to CRU, and transfer the CCN's currently held by the regulated Sellers to CRU upon closing on any of the respective systems;
- 2) Authorize each respective Seller to cease providing service, and authorize CRU to begin providing service, upon closing on each of the water and sewer systems;
- 3) Authorize CRU to provide service by applying, on an interim basis, the existing rates, rules and regulations as outlined in the tariff document(s) of the respective regulated Sellers upon closing on each of the water and sewer systems, until the effective date of respective adoption notice tariff sheets to be filed as recommended herein;

- 4) Require CRU to file adoption notice tariff sheets for each tariff currently in effect for the regulated Sellers, as 30-day filings, within ten (10) days of closing on the respective assets;
- 5) Deny approval of the issuance of a CCN to CRU for the Wolf Creek Crossing service area, for the reasons outlined above in this memorandum;
- 6) Issue a new CCN to CRU to provide water and sewer service in the proposed Majestic Lakes service area, as depicted in Staff's Recommendation, with CRU to begin providing such service upon closing on the assets;
- 7) Approve rates of \$35 per month for water service, and \$35 per month for sewer service, for CRU applicable to customers in the Majestic Lakes service area;
- 8) Issue a new CCN to CRU to provide water and sewer service in the proposed Auburn Lake Estates service area, as requested in the Amended Application, with CRU to begin providing such service upon closing on the assets;
- 9) Approve rates of \$37.50 per month flat rate for water service, and \$37.50 per month flat rate for sewer service, for CRU applicable to customers in the Auburn Lake Estates service area;
- 10) Issue a new CCN to CRU to provide water service in the proposed Eugene service area, as requested in the Amended Application, with CRU to begin providing such service upon closing on the assets;
- 11) Approve rates of \$26.00 for the first 1,999 gallons per month, plus \$6.00 per 1,000 gallons for all usage above 1,999 gallon, for water service, for CRU applicable to customers in the Eugene service area;
- 12) Authorize CRU to provide water and sewer service in the Majestic Lakes service area and Auburn Lake Estates service area, and water service in the Eugene service area, in accordance with the rules and regulations within the water and sewer tariffs applicable to Roy-L upon closing on any of those assets;
- 13) Require CRU to submit new tariff maps and written descriptions of the Majestic Lakes service area, the Auburn Lake Estates service area and the Eugene service area, with the appropriate respective information for each service area as described herein, prior to closing on any of these assets, with these or similar replacement tariff sheets to ultimately become a part of the adopted Roy-L water and sewer tariff documents, as described in this memorandum;
- 14) Order CRU to submit to Staff the confidential post-closing rate base information within sixty (60) days following closing on the Mill Creek assets;
- 15) Order CRU to submit to Staff the confidential, actual-purchase price of the Auburn Lake Estates systems, within ten (10) days after closing on those assets;

- 16) Approve depreciation schedules for CRU, as addressed in Staff's Recommendation and as addressed herein, and order CRU to depreciate its plant accounts for the appropriate systems as specified by the depreciation schedules;
- 17) Require CRU to provide an example of its actual communication with each of the Sellers' service areas regarding its acquisition and operations of the CRU system assets, and how customers may reach CRU regarding water and sewer matters, within ten (10) days after closing on the assets;
- 18) Require CRU to distribute to the Sellers' customers prior to the first billing from CRU an informational brochure detailing the rights and responsibilities of the utility and customers regarding its water and/or sewer service, consistent with the requirements of Commission Rule 4 CSR 240-13.040(2)(A-L) within ten (10) days after closing on the assets;
- 19) Require CRU to provide adequate training for the correct application of rates and rules to all customer service representatives including those employed by contractors prior to the Seller's customers receiving their first bill from CRU;
- 20) Require CRU to provide to the Customer Experience Department staff a sample of five (5) billing statements of bills issued to the Sellers' customers (from each service area acquired) within thirty (30) days of such billing;
- 21) Require CRU to file notice in this case once Staff Recommendations regarding customer communications and customer billing, above, have been completed;
- 22) Authorize CRU to finance ** _____ ** consistent with Appendix R-C to the original Application; and,
- 23) Make no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the transfers or granting of the CCN to CRU, including past expenditures or future expenditures related to providing service in any of the applicable service areas, in any later proceeding.

WHEREFORE, Staff prays that the Commission will accept this *Supplemental Recommendation*; issue an order consistent with Staff's numbered recommendations included in its *Memorandum* attached to this *Supplemental Recommendation* as well as Staff's original *Recommendation*; and grant such other and further relief as the Commission considers just in the circumstances.

Respectfully submitted,

/s/ Whitney Payne

Whitney Payne

Assistant Staff Counsel

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Missouri Public Service Commission

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 17th day of September, 2018, to all counsel of record.

/s/ Whitney Payne

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File, Case Nos. WM-2018-0116 and SM-2018-0117

FROM: James A. Merciel, Jr - Water and Sewer Department
Natelle Dietrich – Commission Staff Director
Kimberly K. Bolin – Auditing Department
Deborah Duncan - Auditing Department
Scott J. Glasgow - Customer Experience Department
Dana R. Parish – Customer Experience Department

/s/ James A. Merciel, Jr. 09-17-18
Case Coordinator / Date

/s/ Whitney Payne 09-17-18
Staff Counsel's Office / Date

SUBJECT: Supplemental Recommendation of Approval on Amended Application

DATE: September 17, 2018

EXECUTIVE SUMMARY

Staff submits this *Supplemental Staff Recommendation* to address the *Motion for Leave to Amend Application and Amendment to Application* (Amended Application, ref. EFIS item No. 43) filed on July 3, 2018, by Confluence Rivers Utility Operating Company, Inc. (CRU). All of the entities involved with transferring or selling assets to CRU in this case are collectively referred to as the “Sellers,” or “Seller” if referring generally to any one of the entities.

CRU’s Amended Application seeks relief in addition to its *Application and Motion for Waiver* (Application, or original Application) that was filed on November 2, 2017. That Application was addressed by Staff on March 6, 2018, in its *Staff’s Recommendation* (Recommendation, ref. EFIS item No. 16). The Amended Application encompasses six (6) water and sewer systems from two regulated utilities and three entities that are not regulated.

The Sellers and applicable service areas named in the Amended Application are:

- Silas Properties, LLC – sewer system serving Wolf Creek Crossing subdivision
- Calvey Brook Estates Homeowners Association, Inc. – water system formerly owned by a regulated utility Calvey Brook Water, Inc., and a sewer system formerly owned by a regulated utility Calvey Brook Sewer, Inc.
- Forest Ridge, LLC – water and sewer systems serving Auburn Lake Estates subdivision
- Cole County, Missouri – water system serving the former City of Eugene

Of note, after it filed the Amended Application, CRU expressed to Staff that it will no longer purchase the Wolf Creek Crossing service area from Silas Properties, LLC. However, CRU has not filed anything reflecting this modification. Therefore, Staff recommends the Commission not approve CRU's request for approval or a Certificate of Convenience and Necessity (CCN) regarding the Wolf Creek Crossing system.

Staff outlined its description of CRU, its analysis of CRU's Technical, Managerial, and Financial Capacities (TMF), CRU's request seeking authority for long-term financing, and specific recommendation items in its Recommendation. CRU requests no change to its financing proposal in the Amended Application. Staff's positions on the matters addressed in the Recommendation remain unchanged and unaffected by the Amended Application.

Based on its review Staff recommends approval of the transfer of assets of the regulated Sellers, transfer of the affected existing CCNs, issuance of new CCNs, and financing as CRU requested in the Application and the Amended Application, with the conditions and actions as outlined below.

Although Staff observes that CRU's stated planned improvements as discussed herein, Staff takes no firm position regarding the improvements and the costs at this time. This information is presented for information, to outline possible capital expense items that are likely to be addressed in future rate cases.

BACKGROUND AND STAFF INVESTIGATION OF THE SELLERS AND SELLERS' UTILITY SYSTEMS

Calvey Brook Estates Homeowners Association, Inc. – Calvey Brook Subdivision

Calvey Brook Water, Inc. obtained a CCN in Case No. WA-2004-0280, and Calvey Brook Sewer, Inc. obtained a CCN in Case No. SA-2004-0279. These two corporations, referred to together as the "Calvey Brook regulated utilities," were created by a developer to provide water and sewer service in Calvey Brook Estates, a 36-lot subdivision in Franklin County near Robertsville, MO. However, development and homebuilding in the subdivision was unsuccessful in the early years and the Calvey Brook regulated utilities never provided service to any customers. A bank foreclosed on the developer's land and the assets owned by the Calvey Brook regulated utilities, which are now defunct as corporate entities, prior to any development or homebuilding occurring in the subdivision. The water and sewer systems are now used to provide service to customers, but are owned and operated by an entity named Calvey Brook Estates Homeowners Association, Inc. There was no approval from the Commission for any transfer of assets. Staff attempted to work with this entity for the past several years, to resolve the regulatory issues regarding the water and sewer assets, to no avail.

Pursuant to CRU's Amended Application, Staff conducted a field visit and observed that there currently are approximately nine (9) homes in the subdivision. The Calvey Brook water system consists of a single well with a submersible pump intended, according to documents from WA-2004-0280, to produce 64 gallons per minute (gpm), a ground storage tank of 12,500 gallons volume, two high service pumps to pressurize the distribution system, one of which is currently out of service, and a 1,000 gallon hydropneumatic (pressure) tank to normalize pressure.

Approved water rates for Calvey Brook Water, Inc. consists of a \$36.36 per month customer charge that includes 3,000 gallons, plus \$2.05 per 1,000 gallons over 3,000 gallons usage. There is also a connection fee of \$600 to pay for a water meter and installation of water meter setting components.

The Calvey Brook sewer system includes a 10,000 gallons per day manufactured media recirculation filter treatment facility. Each customer must utilize a septic tank at the premises that partially treats sewage and allows solids to settle, and discharge what is referred to as "grey water" to small diameter gravity collecting sewers that transport the grey water to the treatment facility.

The approved flat rate for Calvey Brook Sewer, Inc. is \$33.78 per month. There is a connection charge of \$2,600 to pay for installation of the required septic tank along with connection to the collecting sewer.

In a data request response, CRU stated a proposal to adopt existing rates that are on file for the Calvey Brook regulated utilities. It is Staff's understanding, based on available information, that Calvey Brook Estates Homeowners Association, Inc. is presently charging its customers water and sewer rates that are the same as those that were approved for the Calvey Brook regulated utilities. As such, this proposed transfer of assets would have no immediate impact upon customers with regard to monthly rates.

CRU stated to Staff that water system improvements it intends to undertake include:

** _____

_____ . ** Improvements for the sewage treatment facility

CRU intends to undertake include: ** _____

_____ . **

Staff takes the position that approval of the proposed transfer of assets and CCNs, through the agreement between the current owner of the Calvey Brook water and sewer systems and CRU,

would resolve the regulatory issues, in that if the Commission approves the proposed transfer, the water and sewer systems would be placed into ownership by a functioning regulated water and sewer utility.

Forest Ridge, LLC – Auburn Lake Estates

Auburn Lake Estates is a relatively new development located in Lincoln County south of the City of Troy. The subdivision project actually began approximately ten (10) years ago, but home construction is just now getting started. At present there are approximately five (5) homes under construction. One customer, an existing home at the subdivision entrance, is connected to the water system. There are no customers connected to the sewer system yet, and the sewage treatment facility is not running at present. The subdivision presently consists of 180 platted lots according to CRU, with additional available undeveloped land.

The water system consists of one well with a submersible pump with 100 gpm production capacity. This well could support a much larger pump, which if needed could replace the existing pump if the subdivision and customer level grows as intended. At present a 4,000 gallon pressure tank is used for pressure normalization. Future plans include construction of a storage tank that would be designed to provide for a one-day water supply during a well pump outage.

The sewer system consists of gravity sewers and a 90,000 gallon per day extended aeration treatment facility. By conservative design criteria, that capacity would be adequate for more than 240 residential customers.

A homeowners association entity is presently responsible for operations and charging rates. Current rates are \$75 per month for combined water and sewer service, but the sole customer receiving water service only is being charged one-half of that amount. CRU's proposal to adopt the existing water and sewer flat rates is reasonable, except that the existing \$75 rate for combined water and sewer service should be separated into a monthly flat rate for water service of \$37.50, and a monthly flat rate for sewer service of \$37.50. Staff recommends the Commission approve these water and sewer rates.

CRU is seeking new CCNs for its proposed Auburn Lake Estates water and sewer service areas. CRU will be required by Commission regulations to have approved rates for service, and for the water and sewer service areas to be specified by metes and bounds descriptions and maps. Staff reviewed the proposed description and map for the Auburn Lake Estates water and sewer service areas, included with the Amended Application as Appendices DD and EE, respectively. Staff recommends approval of these service areas.

The Auburn Lake Estates water system needs no immediate repairs or modifications, though it may be desirable to install remote monitoring devices. Since the Auburn Lake Estates sewage

treatment facility has existed for approximately 10 years but has not been running, the mechanical, aeration and electrical components could require minor repairs and cleaning when the plant is started. The total cost of plant start-up cannot be accurately estimated at this time. Equipment for flow measurement and remote monitoring might also be desired in the future.

Cole County, MO – Eugene

The City of Eugene, disincorporated as a city in the late 1990s, is located in southwestern Cole County approximately 20 miles from Jefferson City. It owned and operated a municipal water system until disincorporation, at which time Cole County assumed ownership and operations. The water system dates to 1962 according to information on file with the Missouri Department of Natural Resources (DNR). There currently are 41 customers, according to the Amended Application. The system has two wells each with a submersible pump with 70 gallons per minute (gpm) and 190 gpm production capacity respectively, one 25,000 gallon 40-foot tall standpipe storage tank that maintains water pressure by gravity, and meters for each customer.

CRU informed Staff that Cole County presently charges the Eugene customers \$26.00 for the first 1,999 gallons per month, plus \$6.00 per 1,000 gallons for all usage above 1,999 gallons. Staff recommends approval of these water rates for CRU's Eugene service area.

CRU is seeking a new CCN for its proposed Eugene water service area. CRU will be required by Commission regulations to have approved rates for service, the service area to be specified by metes and bounds description, and a map for the service area. Staff has reviewed CRU's proposed description and map for its proposed Eugene water service area, included with the Amended Application as Appendices U and V respectively. Staff recommends approval of this service area.

CRU states to Staff that water system improvements it intends to undertake include:

**

_____ . **

Silas Properties, LLC - Wolf Creek Crossing

The Wolf Creek Crossing subdivision is located southeast of Farmington, MO in St. Francois County. The sewer system consists of gravity sewers and a 21,090 gallons per day extended aeration sewage treatment facility, with chlorine disinfection. There are currently 35 sewer customers according to the Amended Application. According to information provided by CRU, after it filed the Amended Application approximately 50 unsold lots were foreclosed or

otherwise acquired by a bank from Silas Properties, LLC. Subsequent to this action, the bank, according to CRU, sold these lots to an individual. CRU states to Staff that for this proposed transfer of assets, since the bank is no longer involved it is now working with the lot owners of the subdivision, however, the homeowners are reluctant to sign any sale pertaining to the sewer system. CRU had sent a message to the homeowners, with a copy of an email to Staff and DNR stating a date by which they will cease contract operations, and requesting a commitment from them regarding a sale of the sewer system. CRU informed Staff that the homeowners did not positively respond, and as a result it will no longer purchase the Wolf Creek Crossing service by the terms of the sale agreement with Silas Properties, LLC.

In consideration of recent information regarding CRU's ability to purchase this system, Staff recommends against approval of a CCN granted to CRU applying to the Wolf Creek Crossing service area. Staff will address this service area in a future filing, if circumstances change again and such a need arises.

Tariff and Rate Impact

CRU proposes to adopt the existing Commission-approved tariffs for water service and sewer service on file for Calvey Brook Water, Inc. and Calvey Brook Sewer, Inc. Staff recommends that within ten (10) days after closing on any of the assets, CRU file Tariff Adoption Notice tariff sheets for the Calvey Brook regulated utilities' water and sewer tariffs, and that the Commission authorize CRU to provide water and sewer service in Calvey Brook Estates by the terms of those tariffs on an interim basis until the effective date of such Adoption Notices.

Since Auburn Lake Estates and Eugene are not regulated and have no currently effective tariffs, Staff recommends that CRU include the service areas and rates for these systems in the water and sewer tariffs of Roy-L. Such tariff sheets will need to be in effect prior to CRU closing on the assets and providing service. Staff and CRU will need to work together after approval and as the closing schedules develop, in order to get the appropriate tariff sheets and tariff documents timely filed and in effect for CRU to be able to provide service.

Tartan Energy Criteria

When considering a request for a new CCN, the Commission applies criteria originally developed in a CCN case filed by the Tartan Energy Company and referred to now as the "Tartan criteria." The Tartan criteria contemplate 1) need for service; 2) the utility's qualifications; 3) the utility's financial ability; 4) the feasibility of the proposal; and, 5) promotion of the public interest. For its reviews, Staff also analyzes whether or not other utility entities are available to provide similar service. Staff has studied these points in the past as they relate to the situations and abilities involving new CCNs and several transfer cases

pertaining to CRU's affiliates. As related to the new CCN requests in CRU's Amended Application for Auburn Lake Estates and the City of Eugene, Staff takes the position that it is feasible for CRU to operate and manage these water and sewer operations, and it is in the public interest for it to do so. No other utilities are readily available to provide water and sewer services in these service areas, and the existing owners of these utility systems do not wish to remain in the utility business.

Staff's conclusion for this case is that the criteria regarding TMF and the Tartan Energy criteria are all met for the entities contained in both CRU's Application and Amended Application.

Rate Base

The price proposed to be paid for the assets named in the Amended Application is ** _____ **. The proposed purchase price for the Auburn Lake Estates systems, by the terms of the *Agreement for Sale of Utility System* included with the Amended Application as Appendix CC-C, ** _____

_____ ** Staff recommends CRU report the actual purchase price when it is finalized and after closing.

The total price for all of the assets in this case proposed to be purchased in the Application and the Amended Application by CRU is ** _____ **. This total amount is determined by adding the purchase prices in all of the sale documents between CRU and each of the Sellers, attached as confidential documents labeled Appendices B-C through K-C to the Application, and Appendices BB-C, CC-C and W-C to the Amended Application.

Staff reviewed information provided by CRU in response to Staff's data requests, its Amended Application with included sale agreement documents, CRU's work papers, the effective tariffs and Annual Reports for the Seller that is currently regulated, and field observations, to determine a rate base scenario for CRU for this case¹.

Because the Calvey Brook regulated entities never commenced utility operations, and the existing owner of these systems for regulatory purposes does not have adequate and complete

¹ Rate base as determined by Staff for this case is for information only, and reflects only a scenario as determined by Staff based on its review of this case and available information. No rate base amount has been reviewed by other interested parties including CRU and the Office of the Public Counsel. Rate base determination is subject to change based on future positions of Staff, positions of other parties, or by additional information not available during Staff's review of this case. Rate base will also change with future plant investment. Actual rate base would likely be determined in a future rate case to be filed by CRU or a successor.

records², Staff is relying upon the aforementioned CCN cases, WA-2004-0280 and SA-2004-0279, with depreciation, for rate base information. Staff, however, takes the position that this amount of rate base, as it exists at present and as determined by information in the CCN case should also be subject to a “capacity adjustment,” because the developed service area is less than one-third built-out. A capacity adjustment would not necessarily apply to CRU’s future repairs and investment that is necessary to provide service to existing customers. Staff’s estimated current rate base and capacity adjustment for the Calvey Brook water system is \$22,481.94, as shown on Attachment A. Staff’s estimated current rate base and capacity adjustment for the Calvey Brook sewer system is \$6,950.00, as shown on Attachment B.

Staff’s position with regard to the Auburn Lake Estates systems is that a capacity adjustment applying to this initial depreciated rate base amount will likely be appropriate, because at present there is only one water customer with only a few potential additional customers, while these systems are designed for more than the 180 platted lots. Even if a capacity adjustment is made regarding existing rate base, a capacity adjustment may or may not necessarily apply to additional capital investment to be undertaken by CRU in the future. Staff’s estimated Auburn Lake Estates’ rate base for the water system, is \$1,112.93, as shown on Attachment C. Staff’s estimated Auburn Lake Estates’ rate base for the sewer system, is \$6,034.37, as shown on Attachment D. However, since Staff’s rate base calculations are premised upon capacity adjustments, and since there is at present only one water customer and no sewer customers, these stated amounts are based upon including the additional new customers that will, presumably, occupy the homes that are under construction in the service area. Further, rate base would increase as additional customers connect, but with additional depreciation offset. If there is not substantial customer growth, CRU’s rate base for the Auburn Lake Estates systems should not be less than the purchase price, to avoid non-viability.

Staff estimated Eugene’s rate base is \$4,000, as shown on Attachment E. Much of the Eugene system is completely depreciated. However, electrical well pump components may constitute rate base due to their likely age.

DEPRECIATION RATES

The City of Eugene and Auburn Lake Estates systems have no previously approved depreciation rates since they are not owned by regulated utilities. Staff is proposing system-specific depreciation schedules for CRU, to be applicable to the Eugene and Auburn Lake Estates systems as shown on Attachment F for water utility assets, and Attachment G for sewer utility assets.

² Annual reports appear to have been submitted for the Calvey Brook regulated entities by Calvey Brook Estates Homeowners Association, Inc. However, some of the annual reports include revenue and basic operating expense information, but there is no plant-in-service account information reported.

In its Recommendation, Staff recommended that CRU maintain existing depreciation rates for the Plant Accounts that were previously ordered by the Commission for the regulated Sellers. Staff now extends that recommendation to include the Calvey Brook regulated utilities' assets. Staff recommends, however, that the Commission modify the depreciation schedules by adding additional depreciation rates for Plant Accounts, because CRU intends to make substantial upgrades to the purchased systems that will require Plant Accounts that do not currently have depreciation rates ordered by the Commission. Staff also notes one caveat: the previously ordered rates for Calvey Brook Water do not utilize the Water Class D classification of plant accounts assigned by the 1973 NARUC USOA and prescribed by 4 CSR 240-50.030 (1) and (2). In contrast, Staff's proposed depreciation schedule uses the Class D classification system of plant accounts. This change in classification only effects the depreciation rate of the general plant accounts, in which Calvey Brook Water does not currently hold any plant. For this reason, no current assets will be depreciated differently on a moving-forward basis, but any new assets placed in the general plant accounts in the future will conform to Staff's recommended revised depreciation schedules for the Calvey Brook systems, also shown in Attachment F for water utility assets, and Attachment G for sewer utility assets.

CUSTOMER NOTICE/CUSTOMER SERVICE

CRU sent letters to customers in Calvey Brook and Eugene, and sent Staff copies that were received on August 3, 2018. A copy of the letter to Auburn customers was received by Staff on August 31, 2018. These letters informed customers of this proposal for CRU to own the water and sewer systems and provide service, stating that existing rates would initially be adopted. The letters also provided information on how to submit a Public Comment to the Commission. Staff reviewed Public Comments and reached out to a couple of customers who stated they had service issues.

OTHER ISSUES

The Calvey Brook regulated entities each are "administratively dissolved or revoked" by the Missouri Secretary of State according to its website, as of December 29, 2011, for failure to file a correct and current annual report. The Calvey Brook regulated entities are current with annual report filings with the Commission through calendar year 2017, according to information on the EFIS³. The Calvey Brook regulated entities are current with annual assessment payments through fiscal year 2019, as reported by the Commission's Budget and Fiscal Services Department. There are no other formal cases before the Commission involving the Calvey Brook regulated utilities. The current owner of the Calvey Brook systems which is one of the Sellers is not currently a regulated entity.

³ See the above footnote in the "Rate Base" section of this memorandum, about the Calvey Brook annual reports being submitted by Calvey Brook Estates Homeowners Association, Inc.

Forest Ridge, LLC, as the owner of the Auburn Lake Estates water and sewer systems, and Cole County, MO as the owner of the Eugene water system, are not presently regulated by the Commission. Neither of these Sellers have any obligation to the Commission regarding annual assessments or annual reports. There are no other pending cases before the Commission involving either of these Sellers.

STAFF'S RECOMMENDATION SUMMARY AND CONCLUSIONS

Staff's conclusion, is that the proposed transfers of assets and granting of new CCNs as requested in CRU's Amended Application are not detrimental to the public interest, and are necessary and convenient for the public service.

Staff's recommendations regarding CRU's proposal to adopt the existing tariffs, rates and charges of the Calvey Brook regulated entities is reasonable.

CRU's proposed Auburn Lake Estates water and sewer service areas and proposed Eugene water service area, its proposal to adopt the existing rates charged to customers in Auburn Lake Estates and Eugene, and to include Auburn Lake Estates and Eugene within the Roy-L water and sewer tariffs after adoption by CRU, are all reasonable.

Staff recommends that CRU provide notice to the Commission of closing on the assets of each of the Sellers that are addressed in the Amended Application, and status reports as necessary describing the status of closing on the assets.

Staff recommends approval of the transfers of assets of Sellers, transfers of the affected CCNs, and issuance of new CCNs, as requested in the Application and Amended Application, and as described herein and in the Recommendation, with the conditions and actions as outlined herein.

A summary of all of the systems, with general location and rates, to be owned and operated by CRU, is shown in Attachment H.

In summary, Staff recommends that the Commission:

- 1) Authorize each of the regulated Sellers to sell and transfer utility assets to CRU, and transfer the CCN's currently held by the regulated Sellers to CRU upon closing on any of the respective systems;
- 2) Authorize each respective Seller to cease providing service, and authorize CRU to begin providing service, upon closing on each of the water and sewer systems;
- 3) Authorize CRU to provide service by applying, on an interim basis, the existing rates, rules and regulations as outlined in the tariff document(s) of the respective regulated Sellers upon closing on each of the water and sewer systems, until the effective date of respective adoption notice tariff sheets to be filed as recommended herein;

- 4) Require CRU to file adoption notice tariff sheets for each tariff currently in effect for the regulated Sellers, as 30-day filings, within ten (10) days of closing on the respective assets;
- 5) Deny approval of the issuance of a CCN to CRU for the Wolf Creek Crossing service area, for the reasons outlined above in this memorandum;
- 6) Issue a new CCN to CRU to provide water and sewer service in the proposed Majestic Lakes service area, as depicted in Staff's Recommendation, with CRU to begin providing such service upon closing on the assets;
- 7) Approve rates of \$35 per month for water service, and \$35 per month for sewer service, for CRU applicable to customers in the Majestic Lakes service area;
- 8) Issue a new CCN to CRU to provide water and sewer service in the proposed Auburn Lake Estates service area, as requested in the Amended Application, with CRU to begin providing such service upon closing on the assets;
- 9) Approve rates of \$37.50 per month flat rate for water service, and \$37.50 per month flat rate for sewer service, for CRU applicable to customers in the Auburn Lake Estates service area;
- 10) Issue a new CCN to CRU to provide water service in the proposed Eugene service area, as requested in the Amended Application, with CRU to begin providing such service upon closing on the assets;
- 11) Approve rates of \$26.00 for the first 1,999 gallons per month, plus \$6.00 per 1,000 gallons for all usage above 1,999 gallon, for water service, for CRU applicable to customers in the Eugene service area;
- 12) Authorize CRU to provide water and sewer service in the Majestic Lakes service area and Auburn Lake Estates service area, and water service in the Eugene service area, in accordance with the rules and regulations within the water and sewer tariffs applicable to Roy-L upon closing on any of those assets;
- 13) Require CRU to submit new tariff maps and written descriptions of the Majestic Lakes service area, the Auburn Lake Estates service area and the Eugene service area, with the appropriate respective information for each service area as described herein, prior to closing on any of these assets, with these or similar replacement tariff sheets to ultimately become a part of the adopted Roy-L water and sewer tariff documents, as described in this memorandum;
- 14) Order CRU to submit to Staff the confidential post-closing rate base information within sixty (60) days following closing on the Mill Creek assets;
- 15) Order CRU to submit to Staff the confidential, actual-purchase price of the Auburn Lake Estates systems, within ten (10) days after closing on those assets;
- 16) Approve depreciation schedules for CRU, as addressed in Staff's Recommendation and as addressed herein, and order CRU to depreciate its plant accounts for the appropriate systems as specified by the depreciation schedules;

- 17) Require CRU to provide an example of its actual communication with each of the Sellers' service areas regarding its acquisition and operations of the CRU system assets, and how customers may reach CRU regarding water and sewer matters, within ten (10) days after closing on the assets;
- 18) Require CRU to distribute to the Sellers' customers prior to the first billing from CRU an informational brochure detailing the rights and responsibilities of the utility and customers regarding its water and/or sewer service, consistent with the requirements of Commission Rule 4 CSR 240-13.040(2)(A-L) within ten (10) days after closing on the assets;
- 19) Require CRU to provide adequate training for the correct application of rates and rules to all customer service representatives including those employed by contractors prior to the Seller's customers receiving their first bill from CRU;
- 20) Require CRU to provide to the Customer Experience Department staff a sample of five (5) billing statements of bills issued to the Sellers' customers (from each service area acquired) within thirty (30) days of such billing;
- 21) Require CRU to file notice in this case once Staff Recommendations regarding customer communications and customer billing, above, have been completed;
- 22) Authorize CRU to finance ** _____ ** consistent with Appendix R-C to the original Application; and,
- 23) Make no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the transfers or granting of the CCN to CRU, including past expenditures or future expenditures related to providing service in any of the applicable service areas, in any later proceeding.

Staff will submit further recommendations as necessary regarding Public Comments, and regarding the tariff sheets to be filed by CRU in this matter.

ATTACHMENTS

- A. Calvey Brook Water Rate Base
- B. Calvey Brook Sewer Rate Base
- C. Auburn Lake Estates Water Rate Base
- D. Auburn Lake Estates Sewer Rate Base
- E. Eugene Rate Base
- F. Schedule of Depreciation - Water Assets
- G. Schedule of Depreciation - Sewer Assets
- H. Summary of All Proposed CRU Systems

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

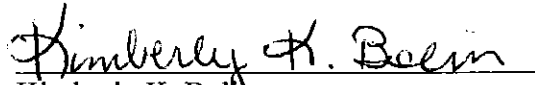
In the Matter of the Application of)
Confluence Rivers Utility Operating)
Company, Inc. to Acquire Certain) Case No. WM-2018-0116
Water and Sewer Assets, For a Certificate) SM-2018-0117
Of Convenience and Necessity, and, in)
Connection Therewith, To Issue)
Indebtedness and Encumber Assets)

AFFIDAVIT OF KIMBERLY K. BOLIN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW Kimberly K. Bolin, and on her oath states that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation; and that the same is true and correct according to her best knowledge and belief.

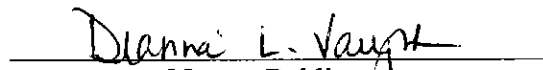
Further the Affiant sayeth not.



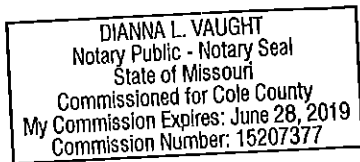
Kimberly K. Bolin

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 17th day of September, 2018.



Notary Public



Calvey Brook Water

WM-2018-0116

Supplemental Recommendation

based on 2004 CCN case and current field observations

Staff estimated rate base

Account Description	Acct No	In Service Balance Begin	Prior Ordered Annual Deprec Rate %	Calculated Deprec Expense Mid Yr Conv 12 months	Reserve Balance 2018	NET Plant 2018
Land and Land Rights	301-310	\$15,000.00	0.0			\$15,000.00
Structures and Improvements	Note A	\$19,500.00	2.5	\$487.50	\$6,825.00	\$12,675.00
Wells and Springs	314	\$60,000.00	2.0	\$1,200.00	\$16,800.00	\$43,200.00
Supply mains	316		2.0			
Electric Submersible Pumping	325.1	\$5,000.00	10.0	\$500.00	\$7,000.00	\$0.00
Booster Pump Equip	325.2	\$5,000.00	6.7	\$335.00	\$4,690.00	\$310.00
Shaft Driven Pumping Equip	325.3		5.0			
Water Treatment Equip	332		2.9			
Dist Reservoirs and Standpipe:	342	\$15,000.00	2.5	\$375.00	\$5,250.00	\$9,750.00
Trans & Dist Mains	343	\$58,000.00	2.0	CIAC		\$0.00
Services	345		2.5			
Meters see NOTE B	346		10.0			
Meter Installation Cost (Pits)	347		2.5			
Hydrants	348		2.0			
Office Furniture & Equip	391/372		5.0			
Office Computer Equip	391.1/372.1		14.3			
Transportation Equip	392/373		13.0			
Stores Equipment	393/NA2		4.0			
Tools, Shop , Garage Equip	394/NA2		5.0			
Laboratory Equip	395/NA2		5.0			
Power Operated Equip	396/NA2		6.7			
Communications Equip	397/NA2		6.7			
Other General Equipment	none/379		6.7			
TOTALS		\$177,500.00		\$2,897.50	\$40,565.00	\$80,935.00

capacity adjustment

36 lots total

\$ 2,248.19 per customer

10 customers at present including treatment facility

2018 Plant in Service	\$	177,500.00
2018 Rate Base	\$	80,935.00
2018 Customer adjusted rate base	\$	22,481.94

Calvey Brook Sewer

SM-2018-0117
 based on 2004 CCN case and current field observations

Staff estimated rate base

Account Description	Acct No	In Service Balance Begin	2018 Note	Prior Ordered Annual Deprec Rate %	Calculated Deprec Expense using % 12 Months	Reserve Balance 2018	Net Plant 2018
OrganizationLand and Land Rights	301-310	\$5,000.00		0.0			\$5,000.00
Structures and Improvements	351/311			4.0			
Collection Sewers, Force	352.1			2.0	ciac		
Collection Sewers, Gravity	352.2			2.0	ciac		
Services to Customers	354/353			2.0			
Flow Measuring Devices	355			3.3			
Structures (Pumping Plant)	361			4.0			
Receiving Wells (Pump Pits)	362			4.0			
Pumping Equipment	363	\$4,000.00		10.0	\$400.00	\$ 5,600.00	\$0.00
Structures (Treatment Plant)	371			3.7			
Oxidation Lagoons	372			4.0			
Treatment and Disposal Equip	372/373	\$76,000.00		5.0	\$3,800.00	\$ 53,200.00	\$22,800.00
Plant Sewers	373/374			2.5			
Outfall Sewers	374/375			2.0			
Structures (General Plant)	390			2.5			
Office Furniture and Equipment	391			5.0			
Office Computer Equipment	391.1			14.3			
Transportation Equipment	392			13.0			
Stores Equipment	393/NA1			4.0			
Tools Shop & garage Equip	394/NA1			5.0			
Laboratory Equipment	395/NA1			5.0			
Power Operated Equipment	396/NA1			6.7			
Communications Equip.	397/NA1			6.7			
TOTALS		\$85,000.00			\$4,200.00	\$58,800.00	\$27,800.00

Capacity adjustment
 36 lots total
9 customers at present \$ 772.22 per customer

2018 Plant in Service	\$ 85,000.00
2018 Rate base	\$ 27,800.00
2018 capacity adjusted rate base	\$ 6,950.00

Item	Account	Year Installed	Handy-Whitman	Reference Cost	Est Original cost	Reference Source	Depreciation Rate	Reserve	CIAC	Rate Base	Notes
Land		2008	N/A	\$7,500.00	\$ 7,500	Professional Judgement		0		\$7,500.00	
Well House (Block)	311	2008	0.735353535	\$15,000.00	\$11,030	Professional Judgement	2.50%	\$2,757.58	\$0.00	\$8,272.73	block wellhouse
Well	314	2008	0.675126904	\$100,000.00	\$67,513	Professional Judgement	2.00%	\$13,502.54	\$0.00	\$54,010.15	15 inch hole, 900 feet, 550 feet casing
Well Pump - electrical	325.1	2008	0.639018692	\$20,000.00	\$12,780	Professional Judgement	10.00%	\$12,780.37	\$0.00	(\$0.00)	100gpm pump production
Pressure Tank	342	2008	0.735353535	\$8,000.00	\$5,883	Professional Judgement	2.50%	\$1,470.71		\$4,412.12	4000 gallon pressure tank
Distribution System	343	2008				Professional Judgement			all ciac	\$0.00	
				total orig cost	\$ 104,706				Total:	\$74,195.00	
										\$ 185.49	per customer

Capacity adjustment
based on well/wellhouse serving

400 customers

1 customer

5 potential customer

6 potential 2018 customers (assuming homes under construction will be occupied)

2018 Plant in Service	\$ 104,706.20
2018 Rate Base	\$ 74,195.00
2018 Customer Adjusted Rate Base	\$ 1,112.93

Item	Account	Year Installed	Handy-Whitman	Reference Cost	Est Original cost	Reference Source	Depreciation Rate	Reserve	CIAC	Rate Base	Notes
Land				\$7,500	\$7,500	Professional Judgement	0.0%	0	0	\$ 7,500.00	
Sewage Plant	371 - S & I	2008	0.675126904	\$15,000	\$10,127	Professional Judgement	4.0%	\$4,050.76	\$0.0	\$6,076.14	300 ft fence and blower building
	373 - Tr. & Dis. Eq.	2008	0.644832606	\$1,350,000	\$870,524	Professional Judgement	4.5%	\$391,735.81	\$0.0	\$478,788.21	Assumed \$15/gal and a daily flow of 90,000 gallons
	374 - Plant Sewers	2008	0.554269175	\$3,000	\$1,663	Professional Judgement	2.5%	\$415.70	\$0.0	\$1,247.11	based on influent sewer, manhole, effluent sewer
Collection System	352 - Collection Sewers	2008			ciac	Professional Judgement			all ciac	\$ -	Assume all CIAC, no rate base. Details unknown.
					\$889,814				Total:	\$493,611.5	

\$ 1,206.87 per customer

Capacity adjustment

90000 gpd
 220 assumed gallons per customer for capcity calculation
 409 customers hydraulic plant capacity
 no customers
5 potential customers (assuming homes under construction will be occupied)

2018 Original Cost	\$ 889,813.73
2018 Rate Base	\$ 493,611.46
2018 Customer Adjusted Rate Base	\$ 6,034.37

Item	Account	Year Installed	Handy-Whitman	Estimated Original Cost	Reference Source	Depreciation Rate	Reserve	CIAC	Rate Base	Notes
Land		2017	N/A		Professional Judgement	0			\$0.00	
Well House 1	311	1962	N/A	\$2,000	Professional Judgement	2.50%	\$2,000.00	\$0.00	\$0.00	Assume item is fully depreciated due to age
Well House 2		unknown		\$10,000		2.50%	\$10,000.00	\$0.00	\$0.00	
Well 1	314	1962	0.136690647	\$4,073	Professional Judgement	2.00%	\$4,073.38	\$0.00	\$0.00	Assume fully depreciated due to age.
Well 2		Unknown		\$50,000		2.00%	\$50,000.00	\$0.00	\$0.00	
Well Pump/electrical 1	325.1	2012	est	\$4,000	Professional Judgement	10.00%	\$2,400.00	\$0.00	\$1,600.00	Assumed midlife pumps. 15 HP, \$4,000 pump for smaller well
Well Pump/electrical 2		2012	est	\$6,000		10.00%	\$3,600.00		\$2,400.00	
25000 Gnd storage at 2	342	unknown		\$25,000	Professional Judgement	2.50%	\$25,000.00	\$0.00	\$0.00	
Distribution System	343	1962	N/A		Professional Judgement			all ciac	\$0.00	Assume fully depreciated and not part of rate base.
Meters	346	Unknown			Professional Judgement				0	Assume fully depreciated and not part of rate base.

41 customers

Total/2018 Rate Base:	\$ 4,000.00
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rate base per customer \$ 97.56

Confluence Rivers Utility Operating Company
SCHEDULE of DEPRECIATION RATES
(WATER Class D)
WM-2018-0116

NARUC USOA ACCOUNT NUMBER	ACCOUNT DESCRIPTION	Calvey Brook	Auburn Lakes	Eugene
		Depreciation	Depreciation	Depreciation
		Rates	Rates	Rates
Source of Supply				
311	Structures & Improvements	2.5%	2.5%*	2.5%*
314	Wells & Springs	2.0%	2%*	2%*
Pumping Plant				
321	Structures & Improvements	2.5%	2.5%*	2.5%*
325/325.1	Elec. Submersible Pumping Equipment	10.0%	10.0%*	10.0%*
325.2	High Service or Booster Pumping Equip.	6.7%*	6.7%*	6.7%*
Water Treatment Plant				
331	Structures & Improvements	2.5%*	2.5%*	2.5%*
332	Water Treatment Equipment	2.9%*	2.9%*	2.9%*
Transmission and Distribution				
341	Structures & Improvements	2.5%	2.5%*	2.5%*
342	Distribution Reservoirs & Standpipes	2.5%	2.5%*	2.5%*
343	Transmission & Distribution Mains	2.0%	2.0%*	2.0%*
345	Customer Services	2.5%	2.5%*	2.5%*
346	Customer Meters, Bronze (Calibrate)	3.3%*	3.3%*	3.3%*
346.1	Customer Meters, Plastic (Throw Aways)	10.0%	10.0%*	10.0%*
347	Customer Meter Pits & Installation	2.5%	2.5%*	2.5%*
348	Hydrants	2.0%*	2.0%*	2.0%*
General Plant CLASS D				
371	Structures & Improvements	2.5%	2.5%*	2.5%*
372	Office Furniture & Equipment	5.0%	5.0%*	5.0%*
372.1	Office Electronic & Computer Equip.	14.3%	20.0%*	20.0%*
373	Transportation Equipment	13.0%*	13.0%*	13.0%*
379	Other General Equipment (tools, shop equip., backhoes, trenchers, etc.)	6.7%*	6.7%*	6.7%*

*Designates a rate proposed in this case, rather than a rate ordered by the

Confluence Rivers Utility Operating Company

SCHEDULE of DEPRECIATION RATES

(SEWER Class C & D)

SM-2018-0117

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	<u>Calvey Brook</u> <u>Depreciation</u> <u>Rates</u>	<u>Auburn Lakes</u> <u>Depreciation</u> <u>Rates</u>
COLLECTION PLANT			
311/351	Structures & Improvements	2.5%	4.0%*
352.1	Collection Sewers (Force)	2.0%	2.0%*
352.2	Collection Sewers (Gravity)	2.0%	2.0%*
354	Services	2.0%	2.0%*
355	Flow Measurement Devices	3.3%	3.3%*
PUMPING PLANT			
361	Structures and Improvements	4.0%*	4.0%*
362	Receiving Wells	4.0%	4.0%*
363	Electric Pumping Equipment	10.0%	10.0%*
TREATMENT & DISPOSAL PLANT			
371	Structures and Improvements	4.0%*	4.0%*
372	Oxidation Lagoons	4.0%*	4.0%*
373	Treatment & Disposal Facilities	5.0%	5.0%*
374	Plant Sewers	2.5%	2.5%*
375	Outfall Sewer Lines	2.0%	2.0%*
GENERAL PLANT			
390	Structures and Improvements	4.0%*	4.0%*
391	Office Furniture & Equipment	5.0%	5.0%*
391.1	Office Electronic & Computer Equip.	14.3%	14.3%*
392	Transportation Equipment	12.5%	13.0%*
393	Other General Equipment/Stores Equipment	4.0%	10.0%*
394	Tools/Shop/Garage Equip.	5.0%	5.0%*
395	Lab Equipment	5.0%	5.0%*
396	Power Operated Equipment	6.7%	6.7%*
397	Communication Equipment	6.7%	6.7%*

*Designates a rate proposed in this case,
rather than a rate ordered by the

WM-2018-0116 and SM-2018-0117

**Summary - Systems Proposed to be Owned and Operated by
Confluence Rivers Utility Operating Company, Inc.**

**Currently Regulated –
for Authorization to Transfer of Utility Assets:**

Calvey Brook Water, Inc. and Calvey Brook Sewer, Inc. – water and sewer
(Calvey Brook Estates Homeowners Association, Inc., Seller) - AMENDED APPLICATION

Service area in Franklin County, Calvey Brook Estates - 9 customers

Rates:

Water -- \$36.36 per month customer charge, includes 3,000 gallons
plus \$2.05 per 1,000 gallons over 3,000 gallons usage

Sewer -- \$33.78 per month flat rate

Smithview H2O Company – water

Service area in Boone County, Bon-Gor Lake Estates - 105 customers

Rates

\$5.31 per month customer charge
plus \$3.36 per 1,000 gallons

M.P.B., Inc. -- 2 sewer systems

Service area in Franklin County, Villa Ridge - 168 customers

Service area in Jefferson County, Lake Virginia - 37 customer

Rates:

Villa Ridge - \$24.24 monthly flat rate
Lake Virginia - \$13.33 monthly flat rate

Mill Creek Sewers, Inc. – sewer

Service area in St. Louis County, Castlereagh Estates - 75 customers

Rates

\$30.11 monthly flat rate

Roy-L Utilities, Inc. -- water and sewer

Service area in Montgomery County, Golden Eagle Reserve - 59 water and 56 sewer customers

Rates:

Water -- \$50.16 flat rate full-time, \$32.99 flat rate part-time

- Metered rates - customer charge \$33.24 full-time customers, \$29.92 part-time customers plus \$3.08 per 1,000 gallons

Sewer \$36.04 monthly flat rate full-time, \$32.58 monthly flat rate part-time

Port Perry Service Company -- water and sewer

Service area in Perry County, Port Perry -- 267 water customers and 107 sewer customers

Rates:

Water -- \$13.23 monthly customer charge includes 2,000 gallons (residential) plus \$3.58 per 1,000 gallons over 2,000 gallons

Sewer -- \$18.94 monthly flat rate full-time customers, \$14.21 part-time and camp sites

Gladlo Water & Sewer Co., Inc. -- water and sewer

Service area in Phelps County, Whispering Pines -- 69 water and 65 sewer customers

Rates:

Water -- \$17.25 monthly customer charge plus \$2.15 per 1,000 gallons

Sewer -- \$37.67 monthly flat rate

The Willows Utility Company -- water and sewer

Service area in Greene County, Chalet City - 151 water and 124 sewer customers

Rates:

Water -- \$5.23 monthly for the first 1,000 gallons plus \$1.23 per 1,000 gallons over 1,000

Sewer -- \$15.00 monthly flat rate

Evergreen Lake Water Company -- water
(Evergreen Lakes Water Supply Co., Seller)

Service area in Franklin County, Evergreen Lake - 52 customers

Rates
\$7.71 monthly customer charge
plus \$2.54 per 1,000 gallons

**Currently Not Regulated –
for issuance of Certificate of Convenience and Necessity:**

Auburn Lake Estates - water and sewer
(Forest Ridge, LLC, Seller) - AMENDED APPLICATION

Service area in Lincoln County, Auburn Lake Estates – 1 water customer, no sewer customers

Rates:
Water -- \$37.50 monthly flat rate
Sewer -- \$37.50 monthly flat rat

Eugene – water
(Cole County, MO, Seller) - AMENDED APPLICATION

Service area in Cole County, formerly City of Eugene – 41 customers

Rates:
\$26.00 per month customer charge, includes 1,999 gallons
plus \$6.00 per 1,000 gallons over 1,999 gallons

Majestic Lakes -- water and sewer
(Majestic Lakes Homeowners Association, Inc., Seller)

Service area in Lincoln County, Majestic Lakes – 60 customers

Rates:
Water -- \$35.00 monthly flat rate
Sewer -- \$35.00 monthly flat rate