

**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 Water) File Nos. WM-2020-0282
and Sewer Assets, and For Certificates)
of Convenience and Necessity)

CONFLUENCE RIVERS’ RESPONSE TO STAFF RECOMMENDATION

COMES NOW Confluence Rivers Utility Operating Company, Inc., (“Confluence Rivers” or “Company”) and, as its *Response to Staff Recommendation*, states as follows to the Missouri Public Service Commission (“Commission”):

1. Confluence Rivers filed an *Application and Motion for Waiver* (“Application”) on March 11, 2020, requesting authority to acquire and operate certain water and sewer utility assets.

2. On July 17, 2020, the Staff of the Commission (“Staff”) filed a Staff Recommendation and an associated Memorandum. After the Office of the Public Counsel requested a public hearing, such a hearing was held on August 13, 2020. Thereafter, the Commission issued its *Order Directing Filing*, on August 14, 2020, directing that Confluence Rivers respond to the Staff Recommendation no later than August 24, 2020.

3. The Staff concludes and recommends as follows,

Staff concludes that the proposed transfers of assets are not detrimental to the public interest, the granting of the requested CCNs authorizing Confluence Rivers to install, acquire, build, construct, own, operate, control, manage, and maintain water and sewer systems are in the public interest, and Staff recommends approval with conditions described in the *Memorandum*.

(Staff Rec., pp. 3-4).

4. Staff's conditions are found in the list of Recommendations and Conclusions. (Staff Memo, pp. 21-23). Confluence Rivers has no objection to the proposed conditions found in this list.

5. Confluence Rivers does, however, disagree with Staff's specific determination of the net book value of the various regulated and non-regulated systems to be acquired. (Staff Memo, pp. 15-17).

6. Staff states as a part of this section that "[i]f the Commission approves Confluence Rivers' acquisition request in this case, Staff would expect that an updated rate base level will be established when Confluence Rivers files its next rate case for these systems." (Staff Memo, p. 17). Confluence Rivers agrees with this position. However, it also believes it should identify its disagreements with the net book values of the non-regulated systems at this time.¹ Accordingly, attached as **Appendix A** is a statement of Confluence Rivers' position as to the non-regulated system net book values.

WHEREFORE, Confluence Rivers Utility Operating Company, Inc., respectfully requests the Commission consider this *Response to Staff Recommendation* and, thereafter, issue its order granting Confluence Rivers' Application.

Respectfully submitted,

BRYDON, SWEARENGEN & ENGLAND P.C.



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¹ Confluence Rivers has no objection the identified net book value for Branson Cedars, a regulated system.

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

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail on this 24th day of August, 2020 to all counsel of record.


