

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

In the Matter of the Application of)
Confluence Rivers Utility Operating)
Company, Inc., for Certificates of) **File No. WA-2023-0092**
Convenience and Necessity to Provide)
Water and Sewer Service in an Area of St.)
Charles County, Missouri (Stone Ridge)
Meadows))

STAFF’S RECOMMENDATION

COMES NOW COMES NOW the Public Service Commission Staff (“Staff”), by and through counsel, and recommends that the Commission grant to Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers” or the “Company”) a Certificate of Convenience and Necessity (“CCN”) to provide regulated water and sewer services to the residents currently served by the Stone Ridge Meadows Home Owners Association, Inc., (“Stone Ridge Meadows”) in an area of St. Charles County, Missouri. The requested CCN would allow Confluence Rivers to acquire Stone Ridge Meadows’ water and sewer assets. The application also requests a variance of the 60-day notice requirement contained in Commission Rule 20 CSR 4240-4.017. In support of this *Recommendation*, Staff states as follows:

1. On September 9, 2022, Confluence Rivers filed an application requesting that the Commission grant it a CCN to construct, install, own, operate, maintain, control, and manage the water system and sewer system assets of Stone Ridge. Confluence Rivers also requested waiver of the Commission’s rule requiring sixty days’ notice prior to filing an application.

2. On September 15, 2022, the Commission ordered Staff to file a recommendation regarding the application, or a request for additional time,

by October 31, 2022. Staff filed a Request for Additional Time to File Staff Recommendation on October 31, 2022, requesting that the deadline for filing a recommendation be extended to November 30, 2022. On October 31 the Commission granted Staff's request and ordered Staff's recommendation due November 30.

3. On November 30, 2022, Staff requested an additional 22 days to complete its analysis. The request was granted, and the Commission ordered Staff to file its recommendation no later than December 22, 2022.

4. Pursuant to § 393.170.2, RSMo, no water or sewer corporation shall provide service to consumers without first having obtained approval from the Commission. In determining whether or not to grant such approval, the Commission has traditionally applied the five "Tartan Criteria" established in *In the Matter of Tartan Energy Company, et al.*, 3 Mo. PSC 3d 173, 177 (1994): (1) there must be a need for the service; (2) the applicant must be qualified to provide the service; (3) the applicant must have the financial ability to provide service; (4) the applicant's proposal must be economically feasible; and (5) the service must promote the public interest.

5. As explained in the Staff *Memorandum*, attached hereto as Appendix A, Staff conducted an investigation into Confluence Rivers' request. Based upon its review, Staff concludes that Confluence Rivers fulfills the requirements of the Tartan Criteria.

6. Accordingly, Staff finds that approving the utilities' sale to Confluence Rivers and that issuance of a CCN to Confluence Rivers is necessary or convenient for the public service. Staff recommends that the Commission authorize Confluence Rivers to enter into, execute, and perform in accordance with the *Agreement for Sale and Continued Operation of Utility System*, attached as Appendix A-C to Confluence Rivers' Application. Staff further

recommends the Confluence Rivers be granted a CCN, with conditions described in the Staff *Memorandum*, to provide water and sewer service in the territory currently served by the Stone Ridge Meadows.

7. The Commission need not hold a hearing if, after proper notice and opportunity to intervene, no party requests such a hearing. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494 (Mo. App. W.D. 1989). No party or individual has requested a hearing, so the Commission need not hold a hearing to grant a CCN to the Company.

8. Staff is not opposed to the Commission granting Confluence Rivers the requested waiver from the requirements of Commission Rule 20 CSR 4240-4.017(1).

WHEREFORE, Staff respectfully submits this Staff Recommendation for the Commission's information and consideration, and requests the Commission authorize Confluence Rivers to enter into the purchase agreement and grant Confluence Rivers a CCN, with conditions described in the Staff *Memorandum*, to provide water and sewer service to the requested service area.

Respectfully submitted,

/s/ Eric Vandergriff
Eric Vandergriff
Legal Counsel
Missouri Bar No. 73984
P.O. Box 360
Jefferson City, MO 65012
(573) 229-9524 (Telephone)
(573) 751-9285 (Fax)
Eric.Vandergriff@psc.mo.gov

Staff Counsel for the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 22nd day of December, 2022.

/s/ Eric Vandergriff