

**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)	Case No. WA-2023-0026
Convenience and Necessity to)	
Provide Water and Sewer Service in)	
an Area of Lincoln County, Missouri)	

**PUBLIC COUNSEL’S RESPONSE
TO STAFF’S RECOMMENDATION**

COMES NOW the Office of the Public Counsel (“Public Counsel”) and for its Response to the Staff’s Recommendation, states:

1. On November 10, 2022, the Staff of the Missouri Public Service Commission (“Staff”) filed its Recommendation in this matter. The Staff recommends approval of the application, but notes:

According to the Agreement the proposed purchase price of the system is... above Staff’s rate base calculation, as well as Confluence’s rate base calculation provided to Staff. As rate base does not need to be established in this CCN case, if Confluence uncovers additional information Staff will consider any additional information it receives as part of its rate base calculation to determine revenue requirement in Confluence’s subsequent rate case filing.

2. Public Counsel offers this response to note its opposition to Confluence Rivers Utility Operating Company, Inc. recovering an acquisition premium (amount above rate base) from ratepayers. There is a long history of Commission decisions rejecting recovery of an acquisition premium from ratepayers. Public Counsel opposes rate recovery of the acquisition premium

here for the same reasons the Staff has repeatedly recommended rejection of acquisition premiums, and, similarly, the Commission has repeatedly denied rate recovery of acquisition premiums.

3. Because this is not a rate case and rate recovery of an acquisition premium is not before the Commission in this matter, Public Counsel does not request an evidentiary hearing, and will address this issue in a future rate case if/when Confluence Rivers attempts to recover the acquisition premium from ratepayers.

WHEREFORE, the Office of the Public Counsel respectfully offers this Response to the Staff Recommendation.

Respectfully submitted,

/s/ Marc Poston

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 21st day of November 2022.

/s/ Marc Poston
