

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

In the Matter of Confluence Rivers Utility            )  
Operating Company, Inc.’s Request for                )  
Authority to Implement a General Rate                )  
Increase for Water and Sewer Service                )  
Provided in Missouri Service Areas                 )  
**File No. WR-2023-0006**

**UNANIMOUS PARTIAL STIPULATION AND AGREEMENT**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), through counsel, and on behalf of itself, Confluence Rivers Utility Operating Company (“Confluence”), and the Office of the Public Counsel (“OPC”) (collectively the “Signatories”), presents to the Missouri Public Service Commission (“Commission”) for approval this *Unanimous Partial Stipulation and Agreement* (“Stipulation”) commemorating certain agreements between the Signatories in this case. In support of this Stipulation, the Signatories respectfully state as follows:

**BACKGROUND**

1. On December 21, 2022, Confluence filed tariff sheets designed to implement a general rate increase for its water and sewer service territory, together with supporting testimony.<sup>1</sup> An evidentiary hearing was ultimately scheduled to begin on August 10, 2023, and to continue through August 17, 2023.

2. The Signatories held their first settlement conference on July 13, 2023, and have worked to determine whether a resolution of issues could be mutually reached in advance of and throughout the evidentiary hearing. As a result of these discussions, the

---

<sup>1</sup> Confluence simultaneously filed tariff sheets to implement a general rate increase for its sewer service territory under File No. SR-2023-0007. The Commission consolidated the filings under File No. WR-2023-0006 via Commission order on January 4, 2023.

Signatories have agreed to a series of compromises to determine mutually acceptable resolutions to the issues as set forth in more detail below.<sup>2</sup>

### **SPECIFIC TERMS AND CONDITIONS**

3. The Signatories agree to an increase of \$275,000 to the final aggregate revenue requirement for the settlement of the following issues: Uncollectible Expense (issue 2), Rate Case Expense (issue 3), Accounting Services (issue 7), Customer Feedback (issue 9), Fire Protection (issue 10), Cell Phone/Internet Reimbursement (issue 12), Call Center Expense (issue 14), Meter Testing (issue 15), Payroll (issue 19), Employee Benefits (issue 20), Capital Improvement Plan (issue 22), Late Fees (issue 23), Budget Billing (Issue 24), and Depreciation Expense (issue 26). This aggregate figure was derived as a result of extensive negotiations among the Signatories regarding the appropriate value of these issues individually, and in the opinion of all Signatories, represents a just and reasonable settlement with respect to these issues.

4. Capital Improvement Plan. Confluence shall develop a 5-year Capital Improvement Plan (“CIP”) in Excel format that is filed in EFIS by January 30 of each year. The 5-year CIP will provide budgetary (forecasted) costs for planned capital improvements on a yearly basis for years 1 through 5 for systems owned by Confluence as of September 30 of the previous year. For each water system, each yearly plan will be divided between plant and transmission systems. For each sewer system, each yearly plan will be divided between treatment plant and collection system. The CIP is a working

---

<sup>2</sup> Referencing the *Amended Joint List of Issues, List and Order of Witnesses, Order of Cross-Examination, and Order of Opening Statements*, filed by Staff on behalf of the parties on August 8, 2023. This Stipulation resolves Issues 2, 3, 7, 9, 10, 12, 14, 15, 19, 20, 22, 23, 24, and 26 from that filing.

document that is reviewed and updated not less than annually to reflect the addition of systems, changing customer needs, priorities, and associated funding opportunities to ensure that the infrastructure exists to provide safe and reliable water and sewer service. While not binding on Confluence, the CIP will also be generally used as a timeline for design, procurement, and construction. The CIP will be filed as a confidential document in EFIS within this docket, in Excel format, beginning on March 31, 2024, and updated annually thereafter in EFIS until the conclusion of the next Confluence rate case.

5. Meter Testing. Confluence shall proceed with meter testing in compliance with Commission Rule 20 CSR 4240-10.030(38). For meters which Confluence does not have accurate age data for, Confluence will test 10% of all such customer meters in year one. Similarly, Confluence would test another 10% of all such customer meters in year two. Therefore, by the end of the ten-year period, all customer meters will have been tested and, if necessary, replaced.<sup>3</sup>

6. Late Fees. There shall be no late fee for water customers. Late fees of \$5 or 3% (whichever is greater) shall be applied to sewer-only customers. This late fee shall not apply to sewer customers that are also water customers.

7. Depreciation Expense. Confluence shall use the depreciation rates as outlined in Staff witness Amanda Coffey's Rebuttal testimony<sup>4</sup> and Schedule AC-r1, incorporated herein and attached as Exhibit A. In addition, due to the operating revenues of Confluence for water and sewer being in excess of \$500,000 for 2022, Confluence

---

<sup>3</sup> Exhibit No. 21, Rebuttal Testimony of Todd Thomas, pp. 6-9.

<sup>4</sup> Exhibit No. 114, Rebuttal Testimony of Amanda Coffey, pp. 4-5.

shall also align certain account numbers to the NARUC USOA Class A account numbers as detailed in the following table:<sup>5</sup>

Class D	Class A	Description
371	390	Structures & Improvements
372	391	Office Furniture & Equipment
372.1	391.1	Office Electronic & Computer Equip.
373	392	Transportation Equipment
379	394	Other General Equipment (tools, shop equip., backhoes, trenchers, etc.)
311/351	351	Structures & Improvements
372	370.1	Oxidation Lagoons
373	372	Treatment & Disposal Facilities
374	373	Plant Sewers
375	374	Outfall Sewer Lines

8. Rate Case Expense. This stipulation does not bind future parties' ability to argue the issue of rate base treatment for rate case expense.

9. Property Tax Tracker. Pursuant to Section 393.1275, RSMo, the amount of revenue requirement used to set rates for property tax shall be set at the amounts listed below, which can also be found within the following table:<sup>6</sup>

---

<sup>5</sup> *Id.*, pg. 4, ln. 1.

<sup>6</sup> Exhibit No. 105, Direct Testimony of Karen Lyons, pg. 8, ln. 6.

Property Tax Base	
System	Property Tax Base 2022 Actual
Confluence Rivers	\$ 4,520
Elm Hills	\$ 2,671
Osage	\$ 268
Raccoon Creek	\$ 3,728
Branson Cedars	\$ -
Cedar Green	\$ 780
Clemstone	\$ -
Deer Run	\$ -
Dequire	\$ 53
Fawn Lake	\$ -
Freeman Hills	\$ 144
Glen Meadows	\$ -
Hillcrest	\$ 392
Indian Hills Missing Well	\$ 9,361
Missing Well	\$ -
Port Perry	\$ 421
Prairie Heights	\$ 88
Prairie Heights (Sullivan)	\$ 6
Spring Branch	\$ 11
Terre Du Lac	\$ 4,759

10. Customer Feedback: Confluence, OPC, and Staff shall meet on a quarterly basis to review customer call center metrics and other service quality performance. These quarterly meetings will begin within ninety days after the implementation of newly authorized rates in this case.

Confluence will continue providing call center statistics to Staff and OPC as laid out in File No. WM-2021-0412. Confluence will add the following information and metrics to the monthly report:

- Total calls received at the call center;
  - Calls handled by an interactive voice response system (“IVR”) or an intelligent virtual agent (“IVA”) (if this technology is utilized);
  - Service level (with the definition of how the service level was determined);
- and

- List of CSWR employees dedicated to customer service along with their titles and responsibilities.<sup>7</sup>

Confluence shall also examine methods available to solicit the opinions of its customers regarding the service that they are receiving.<sup>8</sup> As part of its quarterly meetings, Confluence shall also work with Staff and OPC to develop a customer opinion survey(s) to solicit feedback from Confluence customers regarding the service(s) that they are receiving. At a minimum, this survey will be a random sampling of customers that have had contact with Confluence's call center and/or technicians. The previous year's survey results will be shared with Staff and OPC by January 31st of the following year.

11. Fire Protection: Confluence agrees to consider the availability of any federal or state grants that may be available for purposes of providing fire protection at its water systems and provide OPC and Staff updates on this issue, when appropriate, during the quarterly meetings identified in paragraph 10.

12. Budget Billing: Recognizing that sewer service is not metered and is billed based upon a flat monthly charge, no budget billing shall be undertaken for sewer service. Similarly, for non-metered water service, no budget billing shall be implemented. For metered water service, Confluence agrees to implement and tariff a budget billing program. Confluence will provide OPC and Staff information regarding the number of people who opt-into the budget billing program during the quarterly meetings identified in paragraph 10.

---

<sup>7</sup> Exhibit 104, Direct Testimony of Scott Glasgow, pg. 11, ln. 5-15.

<sup>8</sup> *Id.*, pg. 9, ln. 16-17; see also Exhibit 127, Surrebuttal Testimony of Scott Glasgow, pg. 6, ln. 1-4.

## **GENERAL PROVISIONS**

13. This Stipulation is intended to relate *only* to the specific matters referred to herein; no Signatory waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein. No Signatory will be deemed to have approved, accepted, agreed, consented, or acquiesced to any substantive or procedural principle, treatment, calculation, or other determinative issue underlying the provisions of this Stipulation except as otherwise specifically set forth herein. Except as specifically provided herein, no Signatory shall be prejudiced or bound in any manner by the terms of this Stipulation in any other proceeding, regardless of whether this Stipulation is approved.

14. This Stipulation has resulted from extensive negotiations among the Signatories and the terms hereof are interdependent. In the event the Commission does not approve this Stipulation, or approves it with modifications or conditions to which a Signatory objects, then this Stipulation shall be null and void, and no Signatory shall be bound by any of its provisions.

15. If the Commission does not approve this Stipulation unconditionally and without modification, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.090 RSMo 2000 or Article V, Section 18 of the Missouri Constitution. The Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval. Any suggestions or memoranda, testimony, or exhibits that have been offered or received in support of this

Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

16. If the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect only to the issues resolved herein: (1) their respective rights to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo; (3) their respective rights to the reading of the transcript by the Commission pursuant to Section 386.080.2, RSMo; (4) their respective rights to seek rehearing pursuant to Section 386.500, RSMo; and (5) their respective rights to judicial review pursuant to Section 386.510, RSMo. These waivers apply only to a Commission order respecting this Stipulation in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

17. The Signatories shall also have the right to provide, at any agenda meeting at which this Stipulation is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Signatories shall, to the extent reasonably practicable, provide the other Signatories with advance notice of the agenda meeting for which the response is requested. The Signatories' oral explanations shall be subject to public disclosure, except to the extent they refer to matters that are privileged or protected from disclosure pursuant to the Commission's rules on confidential information.



18. This Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein.

19. This Stipulation does not constitute a contract with the Commission and is not intended to impinge upon any Commission claim, right, or argument by virtue of the Stipulation's approval. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has or as an acquiescence of any underlying issue. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

20. The Signatories agree that this Stipulation should be received into the record without the necessity of any witness taking the stand for examination unless the Commission has questions concerning the issues resolved by this Stipulation.

**WHEREFORE**, the Signatories respectfully request that the Commission approve this Stipulation and grant such other and further relief as it deems just and equitable.

Respectfully Submitted,

**/s/ Travis J. Pringle**

Travis J. Pringle

Missouri Bar No. 71128

Senior Counsel

P. O. Box 360

Jefferson City, MO 65102-0360

(573) 751-5700 (Telephone)

(573) 526-1500 (Facsimile)

(Email) [travis.pringle@psc.mo.gov](mailto:travis.pringle@psc.mo.gov)

**/s/ Kevin A. Thompson**

Kevin A. Thompson  
Missouri Bar No. 36288  
Chief Staff Counsel  
P.O. Box 360  
Jefferson City, MO 65102-0360  
(573) 751-6514 (Telephone)  
(573) 526-1500 (Facsimile)  
(Email) [kevin.thompson@psc.mo.gov](mailto:kevin.thompson@psc.mo.gov)

**ATTORNEYS FOR THE STAFF  
OF THE MISSOURI PUBLIC  
SERVICE COMMISSION**

**/s/ David L. Woodsmall**

Missouri Bar No. 40747  
Central States Water Resources  
1630 Des Peres Rd., Suite 140  
Des Peres, MO 63131

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

**/s/ John Clizer**

John Clizer (#69043)  
Senior Counsel  
Missouri Office of the  
Public Counsel  
P.O. Box 2230  
Jefferson City, MO 65102  
Telephone: (573) 751-5324  
Facsimile: (573) 751-5562  
Email: [john.clizer@opc.mo.gov](mailto:john.clizer@opc.mo.gov)

**ATTORNEY FOR THE OFFICE OF  
THE PUBLIC COUNSEL**

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all parties and/or counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 29th day of August, 2023.

**/s/ Travis J. Pringle**

**Confluence Rivers Utility Operating Company**  
**SCHEDULE of DEPRECIATION RATES, WATER Class A**  
**WR-2023-0006**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE
<b>SOURCE OF SUPPLY</b>		
311	Structures & Improvements	2.5%
312	Collection Reservoirs	2%*
314	Wells & Springs	2.0%
316	Supply Mains	2%*
317	Other Water Source Plant	5.0%
<b>PUMPING PLANT</b>		
321	Structures & Improvements	2.5%
323	Other Power Equipment	4%*
325	Electric Pumping Equipment	10.0%
325.1	Electric Submersible Pumping Equipment	10.0%
325.2	High Service or Booster Pumping Equip.	6.7%
328	Other Pumping Equipment	4%*
<b>WATER TREATMENT EQUIPMENT</b>		
331	Structures & Improvements	2.5%
332	Water Treatment Equipment	2.9%
<b>TRANSMISSION &amp; DISTRIBUTION MAINS</b>		
341	Structures & Improvements	2.5%
342	Distribution Reservoirs & Standpipes	2.5%
343	Transmission & Distribution Mains	2.0%
344	Fire Mains	1.56%*
345	Customer Services	2.5%
346	Customer Meters, Bronze (Calibrate)	3.3%
346.1	Customer Meters, Plastic (Throw Aways)	10.0%
347	Customer Meter Pits & Installation	2.5%
348	Hydrants	2.0%
<b>GENERAL PLANT</b>		
390	Structures & Improvements	2.5%
391	Office Furniture & Equipment	5.0%
391.1	Office Electronic & Computer Equip.	20.0%
392	Transportation Equipment	13.0%
393	Other General Equipment/Stores Equipment	10%*
394	Tools/Shop/Garage Equip.	6.7%*
395	Lab Equipment	5%*
396	Power Operated Equipment	6.7%*
397	Communication Equipment	6.7%*
398	Miscellaneous Equipment	6.43%*

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

**Confluence Rivers Utility Operating Company**  
**SCHEDULE OF DEPRECIATION RATES, SEWER Class A**  
**WR-2023-0006**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATES
<b>COLLECTION PLANT</b>		
351	Structures & Improvements	4.0%
352.1	Collection Sewers (Force)	2.0%
352.2	Collection Sewers (Gravity)	2.0%
353	Services	2.0%
355	Flow Measurement Devices	3.3%
<b>PUMPING PLANT</b>		
361	Structures & Improvements	4.0%
362	Receiving Wells	4.0%
363	Electric Pumping Equipment	10.0%
365	Other Pumping Equipment	4.31%*
<b>TREATMENT &amp; DISPOSAL PLANT</b>		
370.1	Oxidation Lagoons	4.0%
371	Structures and Improvements	4.0%
372	Treatment & Disposal Facilities	5.0%
372.1	Sewer Collection Tanks	20%*
373	Plant Sewers	2.5%
374	Outfall Sewer Lines	2.0%
<b>GENERAL PLANT</b>		
390	Structures & Improvements	4.0%
391	Office Furniture & Equipment	5.0%
391.1	Office Electronic & Computer Equip.	14.3%
392	Transportation Equipment	13.0%
393	Other General Equipment/Stores Equipment	10.0%
394	Tools/Shop/Garage Equip.	5.0%
395	Lab Equipment	5.0%
396	Power Operated Equipment	6.7%
397	Communication Equipment	6.7%
398	Miscellaneous Equipment	6.43%*
399	Other Tangible Property	3.00%

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