

**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 ) **File No. WR-2023-0006**  
Service and Sewer Service Provided in Missouri )  
Service Areas. )

**RESPONSE TO CLARIFICATION ORDER**

COMES NOW Confluence Rivers Utility Operating Company, Inc. ("Confluence Rivers") and for its response to the Missouri Public Service Commission ("Commission") *Order Clarifying a Commission Order and Directing a Response ("Clarification Order")*, respectfully states as follows to the Missouri Public Service Commission ("Commission"):

1. On August 2, 2023, the Commission issued its Clarification Order wherein it directed as follows:

1. Staff's Second Motion's request for clarification is granted. As stated in the July 12 Order, Confluence Rivers shall respond fully to DR 231.1, which includes three requests: 1) board meeting documents from the 2021 meeting; 2) the name of the company that held the 2021 meeting (stated by Confluence Rivers on July 28 to be US Water); and 3) all other board meeting documents for the company that held the 2021 meeting (US Water) between October 1, 2019, and April 30, 2023. Confluence Rivers shall respond no later than August 4, 2023.

2. Staff's Second Motion's request for the list of all US Water and CSWR, Inc. board meeting dates between October 1, 2019, and April 30, 2023, and the identity of those present at each of these meetings is granted. Confluence Rivers shall provide the lists no later August 4, 2023.

2. In response to Ordered paragraph 2 of the *Clarification Order*, Confluence Rivers has obtained documents reflecting the Consent Actions of the Board of Directors of Central States Water Resources, Inc. for the period from October 1, 2019, to April 30, 2023. A Missouri corporation, such as Central States Water Resources, Inc., may use the consent of board members in lieu of a board of directors meeting pursuant to Section 351.340.2, RSMo. Central States Water

Resources, Inc. consistently has utilized this process in lieu of board meetings. Thus, there have been no formal board of directors meetings and, thus, no board of directors meeting minutes kept for the period described. The referenced consents, which are dated December 31, 2020, December 31, 2021, November 22, 2022, and December 31, 2022, and list the names of directors providing their consent, and have been provided to Staff.

3. As to US Water Systems, LLC, Confluence Rivers, a water corporation and sewer corporation, and party to this case, is unable to unilaterally provide the information identified in the *Clarification Order* because it does not possess or have access to any of that information. This Commission has previously recognized that the power and control in a corporate structure flows down, and not up, the corporate chain:

As to Staff's suggestion that Missouri-American should be required to attempt to obtain the information Staff seeks on the theory that, as an affiliate or subsidiary, Missouri-American enjoys superior access to the information in question, such superior access is an assumption and has not been demonstrated. Certainly, Missouri-American has no legal authority to obtain information and documents from its corporate parent and affiliates. An order requiring Missouri-American to attempt to acquire the information and documents from its parent and affiliates is likely to be unworkable in practice.

*In the Matter of Missouri-American Water Company's Tariff, et al.*, Case No. WR-2003- 0500, 2003 Mo. PSC LEXIS 1552, \*19 (Mo. P.S.C. December 2, 2003) (emphasis added).

4. Moreover, in a prior decision, the Commission recognized that a holding company is a non-regulated entity, even where it owns entities that ultimately own an electric corporation that is subject to the Commission's statutory authority. Order Dismissing Joint Application, *In the Matter of the Joint Application of GridLiance High Plains LLC, et al.*, File No. EM-2021-0114 (February 17, 2021). *See also*, Order Closing Case, *In the Matter of the Proposed Acquisition of Missouri-American Water Company and American Water Works Company by the German Corporation RWE AG*, Case No. WO-2002-206 (December 13, 2001) (Generally indicating that

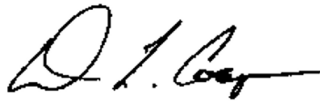
although Missouri-American Water Company operates as a regulated utility in Missouri, and would be under the jurisdiction of the Missouri Commission, the parent company, American Water Works Company is not a regulated utility.).

5. There are discovery procedures that purport to allow Staff to seek relevant information from non-parties to a case, which include non-regulated entities such as US Water Systems, LLC. However, the use of a Commission data request directed to a subsidiary, such as Confluence Rivers, is not one of them.

6. With its provision of the information referenced above, Confluence Rivers has provided all the documents related to the *Clarification Order* that are within its ability to provide.

**WHEREFORE**, Confluence Rivers Utility Operating Company, Inc. respectfully requests the Commission issue such orders as it shall find to be reasonable and just.

Respectfully submitted,



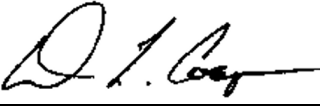
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**ATTORNEYS FOR CONFLUENCE  
RIVERS UTILITY OPERATING  
COMPANY, INC.**

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 4<sup>th</sup> day of August 2023, to all counsel of record.

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