

**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)	<u>Case No. WR-2023-0006</u>
Increase for Water Service and Sewer)	Tariff Nos. YW-2023-0113
Service Provided in Missouri Service)	and YS-2023-0114
Areas.)	

STAFF'S STATEMENT OF DISCOVERY DISAGREEMENTS AND CONCERNS

COMES NOW the Staff of the Missouri Public Service Commission and for its *Statement of Discovery Disagreements and Concerns*, states as follows:

1. Staff submits this *Statement* for the Discovery Conference set for June 14, 2023.
2. Staff's concerns are as follows:
 - A. Confluence has objected and refused to respond to Staff's DR 0425 concerning Exit Interviews. The DR inquired as follows:
 1. How are exit interviews conducted for employees that end employment with the company? List and explain each method that is used to conduct an exit interview. For example, telephone, virtual meeting, online via survey or email, US mail, in-person, etc.
 2. For each method identified in item 1 above, explain how human resources (and/or any other employees) maintain a record of each exit interview completed. For example, electronically, hardcopy, voice recording, etc.
 3. For the period covering October 1, 2019 through January 31, 2023, identify each former employee by job title and provide a complete copy of each completed exit interview (this should include, but not be limited to, all questions that were asked and all answers that were provided) separately for each employee that ended employment with the company. All former employee names may be redacted in copies of the completed exit interviews. If a copy does not exist provide access to virtual

conferences, voice recordings and all other methods that have not been transcribed either electronically or in hardcopy format.

- B. Confluence objected that the DR is irrelevant, not proportional, overly broad, and unduly burdensome.
- C. The Company's objections are not well-taken. The DR is hardly irrelevant -- frequent employee turnover costs ratepayers money and signals a lack of sound management practices that may indicate other needlessly expensive inefficiencies. Even more concerning, frequent employee turnover may evidence an institutional culture of bigotry, discrimination and intolerance that exposes the Company to expensive litigation. This is a legitimate area of concern in a rate case. The Company's assertion that it has no employees is absurd – a fictitious legal entity can only act through human agents. Someone is doing the Company's work and Staff has a right to know, on behalf of the Commission, who they are and what their working environment is. The objection of "not proportional" is frankly nonsense. As for the objection of overly broad and unduly burdensome, if Company runs its affairs in a reasonably business-like manner, then the responsive documents will be readily found in the Company's files. Or is Company admitting that it does not run its affairs in a reasonably business-like manner? That would be a fact that supports a significant reduction in revenue requirement, particularly compensation and rate of return.
- D. Staff DR 262 requested budget documents for 2020, 2021, 2022, and 2023. The Company has provided responsive documents only for 2021. Staff requires the documents for 2020, 2022, and 2023.

- E. Staff DR 231.1 requested access to Board of Directors' materials, as follows:
- F. Confluence objected that the DR is irrelevant, not proportional, concerns unregulated entities, and requests information not within its custody or control.
- G. Again, the Company's objections are not well-taken. The DR is hardly irrelevant -- upon review of the pay rates and pay increases in the confidential spreadsheet attached to the response to DR 79, Staff noticed that pay increases for Josiah Cox, Martin Moore, and Forrest Thomas were marked as "Per Board." Since the referenced "Board" is approving salaries for CSWR employees and those costs are then allocated down to Confluence Rivers' ratepayers, there is a clear connection between: (1) the "Board" (whether for US Water or CSWR – whichever level it exists), (2) the amount of pay for some employees that are approved by the Board, and (3) the amount of pay that is then allocated down to the revenue requirement for Confluence Rivers. The objection of "not proportional" is frankly nonsense: how is executive compensation, charged to ratepayers, not "proportional"? Finally, everything that Staff has learned about CSWR and its affiliates and parental entities indicates that Josiah Cox has complete control of these documents.

3. The requested information is necessary for Staff to prepare its case and to audit the Company's compliance with applicable Missouri statutes, Commission regulations, orders, and approved stipulations. In a general rate case such as this one, all of the necessary information is in the possession of the utility. Without the cooperation of the requesting utility, Staff cannot determine whether or not a rate increase is needed or how much of an increase is actually needed. Such a situation is necessarily deeply prejudicial to the Company's ratepayers and cannot be permitted. Company's failure to cooperate will

inevitably result in Staff's disallowances of such portions of the revenue requirement as are not well-supported by evidence.

WHEREFORE, Staff prays that the Commission will overrule Company's fatuous objections and order full responses to Staff's DRs; and grant such other and further relief as is just.

Respectfully submitted,

/s/ Kevin A. Thompson
KEVIN A. THOMPSON
Chief Staff Counsel
Mo. Bar No. 36288

Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-6514 (Telephone)
(573) 522-6969 (Facsimile)
kevin.thompson@psc.mo.gov

Attorney for the Staff of the
Missouri Public Service Commission.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this **8th day of June, 2023**, to all parties and/or counsels of records.

/s/ Kevin A. Thompson