

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

In the Matter of the Application of Confluence Rivers)	
Utility Operating Company, Inc., for Authority to)	File Nos. W_-2021-_____
Acquire Certain Water and Sewer Assets and for)	S_-2021-_____
Certificates of Convenience and Necessity)	

APPLICATION AND MOTION FOR WAIVER

COMES NOW Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”) pursuant to Sections 393.170 and 393.190, RSMo, 20 CSR 4240-2.060, 20 CSR 4240-3.305, 20 CSR 4240-3.600, 20 CSR 4240-4.017, and 20 CSR 4240-10.105, and for its *Application and Motion for Waiver*, states as follows to the Missouri Public Service Commission (“Commission”):

I. Introduction

1. Confluence Rivers is a Missouri corporation with its principal office and place of business at 1650 Des Peres Rd., Suite 303, St. Louis, MO 63131. Confluence Rivers is a Missouri corporation in good standing. A certified copy of Confluence Rivers’ certificate of good standing was filed in File No. WM-2018-0116 and is incorporated herein by reference.

2. Confluence Rivers provides water service to approximately 2,440 customers and sewer service to approximately 2,102 customers in Boone, Cole, Franklin, Greene, Lincoln, Montgomery, Jefferson, Perry, Phelps, Perry, Taney, Audrain, Madison, St. Francois, and Washington Counties, Missouri, pursuant to certificates of convenience and necessity previously granted in Commission Files Nos. WM-2018-0116, SM-2018-0117, and WA-2019-0299. Confluence Rivers is a “water corporation,” a “sewer corporation,” and a “public utility,” as those terms are defined in Section 386.020, RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law.

3. Confluence Rivers has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against Confluence Rivers from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Application.

4. Communications regarding this application should be addressed to the undersigned counsel and to:

Josiah Cox
Confluence Rivers Utility Operating Company, Inc.
1650 Des Peres Rd., Suite 303
St. Louis, MO 63131
Phone: (314) 380-8544
E-mail: jcox@cswrgroup.com

II. The Proposed Sale Transactions

5. Confluence Rivers proposes to acquire all or substantially all of the water and/or sewer system assets of the currently unregulated systems of The Missing Well, Inc. (water and sewer), Shelton Estates Sewer Company (sewer), Ozark Clean Water Company (used to serve Spring Branch Subdivision) (water), Prairie Heights, L.L.C. (sewer), and Clemstone Sewer District of Platte County (sewer). Confluence Rivers seeks Certificates of Convenience and Necessity (“CCN”) to operate the systems and provide service to the public. Confluence Rivers also seeks to acquire all or substantially all of the water and sewer system assets of Cedar Green Land Acquisition, LLC, which is currently regulated by the Commission.

The Missing Well, Inc.

6. The Missing Well, Inc. (“Missing Well”) is a not-for-profit corporation formed in 2002 and is in good standing with the Missouri Secretary of State. Missing Well provides water and sewer services to approximately 73 customers in Benton County, Missouri.

7. On July 8, 2020, Central States Water Resources, Inc. (“CSWR”) entered into an *Agreement for Sale of Utility System* with Missing Well. A copy of the *Agreement for Sale of Utility System* is attached as **Appendix A-C** and marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. CSWR proposes to purchase substantially all the water and sewer system assets of Missing Well, as specifically described in, and under the terms and provisions of, the *Agreement for Sale of Utility System*.

8. Pursuant to Paragraph 18 of the *Agreement for Sale of Utility System*, CSWR plans to assign its rights under the agreement to Confluence Rivers at closing. **Appendix B** verifies the authority of Josiah Cox, the President of Confluence Rivers, to enter into the *Agreement for Sale of Utility System* and seek Commission approval of the transaction.

9. Confluence Rivers requests permission, approval and a CCN to construct, install, own, operate, maintain, control and manage water and sewer systems for the public in an area of Benton County, Missouri, as an addition to its existing service territories. A legal description of the area sought to be certificated is attached hereto as **Appendix C**. A map of the area sought to be certificated is attached as **Appendix D**.

10. Attached hereto and marked as **Appendix E-C** is a list of ten residents or landowners within the proposed service area. **Appendix E-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(1), as it contains customer-specific information.

Shelton Estates Sewer Company

11. Shelton Estates Sewer Company (“Shelton Estates”) is a not for profit corporation formed in 2004 and is in good standing with the Missouri Secretary of State. Shelton Estates provides sewer services to approximately 20 customers in Clay County, Missouri.

12. On June 1, 2020, CSWR entered into an *Agreement for Sale of Utility System* with Shelton Estates. A copy of the *Agreement for Sale of Utility System* is attached as **Appendix F-C** and marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. CSWR proposes to purchase substantially all the sewer system assets of Shelton Estates, as specifically described in, and under the terms and provisions of, the *Agreement for Sale of Utility System*.

13. Pursuant to Paragraph 18 of the *Agreement for Sale of Utility System*, CSWR plans to assign its rights under the agreement to Confluence Rivers at closing. **Appendix B** verifies the authority of Josiah Cox, the President of Confluence Rivers, to enter into the *Agreement for Sale of Utility System* and seek Commission approval of the transaction.

14. Confluence Rivers requests permission, approval and a CCN to construct, install, own, operate, maintain, control and manage sewer systems for the public in an area of Clay County, Missouri, as an addition to its existing service territories. A legal description of the area sought to be certificated is attached hereto as **Appendix G**. A map of the area sought to be certificated is attached as **Appendix H**.

15. Attached hereto and marked as **Appendix I-C** is a list of ten residents or landowners within the proposed service area. **Appendix I-C** has been identified as “Confidential”

in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(1), as it contains customer-specific information.

Ozarks Clean Water Company/Spring Branch Subdivision

16. Ozarks Clean Water Company is a not-for-profit organization formed in 2002 and is in good standing with the Missouri Secretary of State. Ozarks Clean Water Company provides water services to approximately 131 customers in Spring Branch Subdivision in Benton County, Missouri.

17. On June 19, 2020, CSWR entered into an *Agreement for Sale of Utility System* with Ozarks Clean Water Company. A copy of the *Agreement for Sale of Utility System* is attached as **Appendix J-C** and marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. CSWR proposes to purchase substantially all of Ozarks Clean Water Company's water system assets serving Spring Branch Subdivision, as specifically described in, and under the terms and provisions of, the *Agreement for Sale of Utility System*.

18. Pursuant to Paragraph 18 of the *Agreement for Sale of Utility System*, CSWR plans to assign its rights under the agreement to Confluence Rivers at closing. **Appendix B** verifies the authority of Josiah Cox, the President of Confluence Rivers, to enter into the *Agreement for Sale of Utility System* and seek Commission approval of the transaction.

19. Confluence Rivers requests permission, approval and a CCN to construct, install, own, operate, maintain, control and manage the water system for the public in Spring Branch Subdivision in Benton County, Missouri, as an addition to its existing service territories. A legal

description of the area sought to be certificated is attached hereto as **Appendix K**. A map of the area sought to be certificated is attached as **Appendix L**.

20. Attached hereto and marked as **Appendix M-C** is a list of ten residents or landowners within the proposed service area. **Appendix M-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(1), as it contains customer-specific information.

Prairie Heights, L.L.C./Sullivan

21. Prairie Heights, L.L.C. (“Prairie Heights”) is a limited liability company organized in 2004 and listed as active with the Missouri Secretary of State. Prairie Heights provides sewer services to approximately 19 customers in Prairie Heights Subdivision in Pettis County, Missouri.

22. On November 20, 2020, CSWR entered into an *Agreement for Sale of Utility System* with Prairie Heights. A copy of the *Agreement for Sale of Utility System* is attached as **Appendix N-C** and marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. CSWR proposes to purchase substantially all of Prairie Heights’ sewer system assets serving Prairie Heights Subdivision, as specifically described in, and under the terms and provisions of, the *Agreement for Sale of Utility System*.

23. Pursuant to Paragraph 18 of the *Agreement for Sale of Utility System*, CSWR plans to assign its rights under the agreement to Confluence Rivers at closing. **Appendix B** verifies the authority of Josiah Cox, the President of Confluence Rivers, to enter into the *Agreement for Sale of Utility System* and seek Commission approval of the transaction.

24. Confluence Rivers requests permission, approval and a CCN to construct, install, own, operate, maintain, control and manage the sewer system for the public in Prairie Heights Subdivision in Pettis County, Missouri, as an addition to its existing service territories. A legal description of the area sought to be certificated is attached hereto as **Appendix O**. A map of the area sought to be certificated is attached as **Appendix P**.

25. Attached hereto and marked as **Appendix Q-C** is a list of ten residents or landowners within the proposed service area. **Appendix Q-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(1), as it contains customer-specific information.

Clemstone Sewer District of Platte County

26. Clemstone Sewer District of Platte County (“Clemstone”) is a public sewer district, incorporated by the Circuit Court of Platte County, Missouri, on or around January 6, 1983, organized and existing under the laws of the State of Missouri. Clemstone provides sewer services to approximately 75 customers in Platte County, Missouri.

27. On March 29, 2021, CSWR entered into an *Agreement for Sale of Utility System* with Clemstone. A copy of the *Agreement for Sale of Utility System* is attached as **Appendix R-C** and marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. CSWR proposes to purchase substantially all the sewer system assets of Clemstone, as specifically described in, and under the terms and provisions of, the *Agreement for Sale of Utility System*.

28. Pursuant to Paragraph 18 of the *Agreement for Sale of Utility System*, CSWR plans

to assign its rights under the agreement to Confluence Rivers at closing. **Appendix B** verifies the authority of Josiah Cox, the President of Confluence Rivers, to enter into the *Agreement for Sale of Utility System* and seek Commission approval of the transaction.

29. Confluence Rivers requests permission, approval and a CCN to construct, install, own, operate, maintain, control and manage sewer systems for the public in an area of Platte County, Missouri, as an addition to its existing service territories. A legal description of the area sought to be certificated is attached hereto as **Appendix S**. A map of the area sought to be certificated is attached as **Appendix T**.

30. Attached hereto and marked as **Appendix U-C** is a list of ten residents or landowners within the proposed service area. **Appendix U-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(1), as it contains customer-specific information.

Cedar Green Land Acquisition, LLC

31. Cedar Green Land Acquisition, LLC (“Cedar Green”) is a Missouri limited liability company and a “water corporation,” “sewer corporation,” and a “public utility” as defined by Section 386.020, RSMo. Cedar Green is subject to the jurisdiction and supervision of the Commission as provided by law. On June 19, 2013, the Commission granted Cedar Green a CCN to provide water and sewer services in Commission Files Nos. WA-2013-0117 and SA-2013-0354. Pursuant to that CCN, Cedar Green provides sewer services to approximately 54 customers and water services to approximately 54 customers in Camden County, Missouri.

32. On May 12, 2020, CSWR entered into an *Agreement for Sale of Utility System* with Cedar Green. A copy of the *Agreement for Sale of Utility System* is attached as **Appendix V-C**

and marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. CSWR proposes to purchase substantially all the sewer and water system assets of Cedar Green, under the terms and provisions of, the *Agreement for Sale of Utility System*.

33. Pursuant to Paragraph 18 of the *Agreement for Sale of Utility System*, CSWR plans to assign its rights under the agreement to Confluence Rivers at closing. **Appendix B** verifies the authority of Josiah Cox, the President of Confluence Rivers, to enter into the *Agreement for Sale of Utility System* and seek Commission approval of the transaction.

III. Additional Information

34. Attached hereto and marked as **Appendix W-C** are feasibility studies for the unregulated water and sewer systems for which Confluence Rivers seeks CCNs, including estimates of the number of customers, expenses and revenues during the first three years of operation by Confluence Rivers. **Appendix W-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. To provide service to the proposed areas, Confluence Rivers will purchase existing water and sewer systems and will not construct systems. Thus, Confluence Rivers asks for a waiver of any requirement to provide plans and specifications related to the construction of the distribution and collection systems.

35. A balance sheet and income statement with adjustments showing the results of the acquisition of the Cedar Green property for Confluence Rivers is attached as **Appendix X-C**. **Appendix X-C** has been identified as “Confidential” in accordance with Commission Rule 20

CSR 4240-2.135(2)(A)(3) and (6), as it contains market-specific information and information representing strategies employed in contract negotiations.

36. Confluence Rivers is not aware of any franchises or permits from municipalities, counties, or other authorities that would be required in order to provide service in the requested areas.

37. The sale and purchase of the referenced assets should have no impact on the tax revenues of relevant political subdivisions, as Confluence Rivers and the sellers are private entities and their status as taxpaying entities will not change as a result of these transactions.

IV. Tariff/Rates

38. Confluence Rivers proposes to adopt the existing rates for each of the unregulated systems (with the exception of Missing Well) and utilize the rules governing the rendering of service that are currently found in Confluence Rivers' existing Commission-approved tariffs for water and sewer, until such time as the rates and rules are modified according to law. As to Missing Well, Confluence Rivers proposes to charge a flat rate of \$20 per month for water service and a flat rate of \$20 per month for sewer service as Missing Well has no customer meters. Confluence Rivers proposes to adopt the existing tariffs and rates of Cedar Green.

39. Missing Well currently does not separately charge for either water or sewer service.

40. The current sewer rates for Shelton Estates are: \$35 per month or \$350 per year.

41. The current water rates for Ozarks Clean Water Company/Spring Branch Subdivision are: \$30.99 per month.

42. The current sewer rates for Prairie Heights are: \$25 per month.

43. The current sewer rates for Clemstone are: \$60 per month.

44. The current rates for these systems do not reflect the current cost of providing service. Additionally, these systems will require investment after the purchase by Confluence Rivers that will necessarily result in a request for a rate increase of some amount after those additions have been completed.

V. Public Interest

45. The grant of the requested CCNs (and approval of the underlying transactions) and the proposed transfer is in the public interest and will result in regulated water and/or sewer services provided to the current and future residents of these service areas. The systems would be acquired by Confluence Rivers, a Missouri public utility, and be subject to the jurisdiction of the Commission. to own and operate the water and sewer systems for which the approval is sought. As it has demonstrated to the Commission in past cases, Confluence Rivers, with the support and assistance of its affiliates, is fully qualified, in all respects, to own and operate the water and sewer systems for which the certificates are sought. Confluence Rivers' successful operation of other water and sewer systems in Missouri demonstrates its ability to provide safe and reliable service to customers and to comply with the Commission's rules, regulations, and decisions governing the ownership and operation of such systems. Confluence Rivers also has the financial strength and resources necessary to make expenditures and investments required to maintain the systems.

VI. Motion for Waiver

46. Commission Rule 20 CSR 4240-4.017(1) requires "[a]ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case." Because it did not file such a notice within the time period prescribed by that rule, Confluence Rivers seeks a waiver of the 60-day pre-filing notice requirement.

47. Under Rule 20 CSR 4240-4.017(1)(D), a waiver of the pre-filing notice requirement may be granted for good cause. In this regard, Confluence Rivers declares, as verified below, that it has had no communication with the Office of the Commission (as defined in 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case. Good cause for the requested waiver exists in accordance with Commission Rule 20 CSR 4240-4.017(1)(D) (“Good cause for waiver may include, among other things, a verified declaration from the filing party that it has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case....”)

48. Therefore, as authorized by Rule 20 CSR 4240-4.017(1)(D), Confluence Rivers moves for a waiver of the 60-day notice requirement and acceptance of this application at this time.

WHEREFORE, for the reasons previously stated, Confluence Rivers respectfully requests the Commission issue an order:

(A) Waiving the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) for good cause shown;

(B) Authorizing Confluence Rivers to acquire the system assets of The Missing Well, Inc., Shelton Estates Sewer Company, Ozarks Clean Water Company, Prairie Heights, L.L.C., Clemstone Sewer District of Platte County, and Cedar Green Land Acquisition, LLC, as described in this Application;

(C) Authorizing Confluence Rivers to enter into, execute, and perform, in accordance with the terms described in the agreements attached to this application, and take any and all other actions that may be deemed necessary and appropriate to accomplish the purposes of the agreements and the Application and to consummate related transactions in accordance with the agreements;

(D) Granting Confluence Rivers a CCN authorizing it to install, acquire, build, construct, own, operate, control, manage, and maintain water and sewer systems for the public within the specified areas currently served by The Missing Well, Inc.;

(E) Granting Confluence Rivers a CCN authorizing it to install, acquire, build, construct, own, operate, control, manage, and maintain a sewer system for the public within the areas currently served by Shelton Estates Sewer Company;

(F) Granting Confluence Rivers a CCN authorizing it to install, acquire, build, construct, own, operate, control, manage, and maintain a water system for the public within the areas currently served by Ozarks Clean Water Company as described herein; and

(G) Granting Confluence Rivers a CCN authorizing it to install, acquire, build, construct, own, operate, control, manage, and maintain a sewer system for the public within the areas currently served by Prairie Heights, L.L.C.

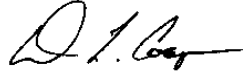
(H) Granting Confluence Rivers a CCN authorizing it to install, acquire, build, construct, own, operate, control, manage, and maintain a sewer system for the public within the areas currently served by Clemstone Sewer District of Platte County.

(I) Authorizing Cedar Green to sell and Confluence Rivers to acquire the assets identified herein; to include the CCNs held by Cedar Green or, in the alternative, grant Confluence Rivers new CCNs to provide water and sewer service in the area now served by Cedar Green.

(J) Granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the agreements and the Application and to consummate related

transactions in accordance with the agreements.

Respectfully submitted,



Dean L. Cooper MBE #36592
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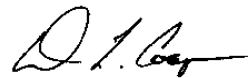
**ATTORNEYS FOR CONFLUENCE RIVERS
UTILITY OPERATING COMPANY, INC.**

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on June 25, 2021, to the following:

Office of the General Counsel
Governor Office Building
Jefferson City, MO 65101
staffcounsel@psc.mo.gov

Office of the Public Counsel
Governor Office Building
Jefferson City, MO 65101
opcservice@opc.mo.gov



AFFIDAVIT

State of Missouri)
)
County of St. Louis) ss

I, Josiah Cox, having been duly sworn upon my oath, state that I am the President of Confluence Rivers Utility Operating Company, Inc. ("Confluence Rivers"), that I am duly authorized to make this affidavit on behalf of Confluence Rivers, that I have knowledge of the matters stated herein, and that said matters are true and correct to the best of my information, knowledge, and belief. Additionally, no representative of Confluence Rivers has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the one hundred fifty (150) days immediately preceding the filing of the Application regarding any substantive issue likely to be addressed in this case.



MERANDA K. KEUBLER
My Commission Expires
November 13, 2022
St. Louis County
Commission #14631487



Expires on 11/13/2022 10:21:03 AM

Subscribed and sworn before me this 24th day of June, 2021.



Notary Public

My Commission Expires 11/13/2022