

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File, Case No. WA-2023-0284 & SA-2023-0285
Confluence Rivers Utility Operating Company, Inc.

FROM: Sarah Fontaine – Customer Experience Department
Randall Jennings – Financial Analysis Department
Keri Roth – Water, Sewer & Steam Department
Adam Stamp – Water, Sewer & Steam Department

<u>/s/ Keri Roth</u>	<u>06/20/2023</u>	<u>/s/ Ron Irving</u>	<u>06/20/2023</u>
Senior Research/Data Analyst	/Date	Staff Counsel's Office	/Date

SUBJECT: Staff's Recommendation to Approve Request for Certificate of Convenience and Necessity

DATE: June 20, 2023

Case Background

On March 14, 2023, Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”) filed an *Application and Motion for Waiver* (“Application”) with the Missouri Public Service Commission (“Commission”) requesting a Certificate of Convenience and Necessity (“CCN”) authorizing it to construct, install, own, operate, maintain, control and manage the water and sewer system assets currently owned by Four Seasons North MHP, LLC (“Four Seasons”) in Johnson County, Missouri. These systems are currently unregulated. Confluence Rivers proposes to acquire all or substantially all of the water and sewer system assets for an agreed upon purchase price of ** [REDACTED] **.

The Application was docketed in two separate cases, Case Nos. WA-2023-0284 and SA-2023-0285. On March 15, 2023, Confluence Rivers filed a *Motion to Consolidate*, and on March 28, 2023, the Commission issued its *Order Granting Motion to Consolidate*, with Case No. WA-2023-0284 being designated the lead case. On March 15, 2023, the Commission issued its *Order Directing Notice, Setting Dates for Intervention Requests, and Directing Filing of Staff Recommendation* ordering Staff to file its recommendation, or status report stating when it expects to file a recommendation, by May 3, 2023. On May 1, 2023, Staff filed its *Status Report*, requesting additional time to file its recommendation by June 21, 2023. The Commission issued

an order on May 10, 2023, approving Staff's request for additional time to file its recommendation by June 21, 2023.

Confluence Rivers has no overdue Commission annual reports or assessment fees. Additionally, no parties sought to intervene in the case and, to date, no public comments have been submitted.

Background of Confluence Rivers Utility Operating Company, Inc.

Confluence Rivers is a regulated water and sewer utility currently providing service in Missouri. Confluence Rivers is a subsidiary of Central States Water Resources, LLC ("CSWR"), which also owns and operates several other water and sewer companies in Missouri, as well as several other operating companies in several other states. In its Application, Confluence Rivers states it currently provides water service to approximately 12,000 customers and sewer service to approximately 12,600 Missouri customers in several counties; however, it is Staff's understanding that Confluence actually provides service to 4,830 water connections and 5,053 sewer connections.¹

Background of Four Seasons

Four Seasons is a Missouri limited liability company in active status with the Missouri Secretary of State. Four Seasons provides water and sewer service to approximately 35 mobile home customers in Johnson County, Missouri. The mobile home park is at full capacity and does not anticipate any future growth. Four Seasons does not currently charge for water or sewer services.

Staff's Investigation

Water System Background

The water distribution system (permit #MO1041228) serves an 11 acre area consisting of 35 mobile homes. It consists of a single deep well located south of NW 215th Road. Per Missouri Department of Natural Resources ("DNR") records, total well depth is 510 feet, with casing depth being 400 feet. The site is equipped with four 119-gallon composite hydro pneumatic tanks operating between 40 and 60 psi at an approximate elevation of 785 feet, providing a total of 476 gallons of gross pressurized storage and 128 gallons of useable volume. The motors can be turned up or down based on necessity, allowing the booster pumps to keep up during periods

¹ Case No. WR-2023-0006, Staff Data Request No. 0100.

of high demand. Storage is provided by a 9,000-gallon concrete ground storage tank that is connected to the booster pump house where the tanks are located. A duplex booster pump system located inside of the pump house is used for transferring water from the storage tank to the pressure tanks that then feed the distribution system. The booster pumps have a flow range of 6 to 40 gallons per minute (“gpm”). The storage tank is used for disinfection contact time following pumping from the deep well to the surface-level disinfection system inside of the well house, where it is chlorinated with a sodium hypochlorite dosing system. The submersible well pump has a capacity of 10 gpm per DNR. The well casing is 6” steel. The site operates on single phase 240V power and has a transfer switch enabled backup generator in the event of a power outage.

DNR Inspection of Water System

DNR has repeatedly found Four Seasons’ drinking water system to be in compliance with little to no instances of violation. Per a “Compliance Assistance Report” written by Environmental Specialist Roger Meyers in July of 2022, “All in all, there were no issues found. I also had a discussion with the purchaser about the need to update the Emergency Operation Plan and the Bacteriological Sampling Plan and Map when they take over -operation (as well as the Transfer of Permit to Dispense).”

Sewer System Background

The sewer system serves the same 11-acre area consisting of 35 mobile homes. The treatment system is an extended aeration mechanical plant, which operates under National Pollutant Discharge Elimination System (“NPDES”) permit number MO-0113603. It has a design flow of 9,000 gallons per day (“gpd”), with an actual flow of 2,700 gpd. Per the engineering report by 21 Design that Staff reviewed: “We believe the extended aeration package plant has adequate volume to handle existing flows, but will require process upgrades and operational adjustments to meet its NPDES effluent limits consistently.”

DNR Inspection of Sewer System

DNR has found the wastewater treatment plant to be exceeding effluent limits on multiple occasions. This appears to be an ongoing problem that is still not fully resolved. Upon expiration of the wastewater permit in February of 2022, Four Seasons has not been able to obtain a renewal. While small mechanical plants are capable of high quality treatment, they require routine

operational observation and maintenance to consistently achieve peak performance. If the commission approves the CCN, Confluence will need to take whatever steps are necessary to bring this system into compliance as soon as possible.

Staff's Observations of the Water and Sewer Systems

Water System

Staff inspected the water system on May 2, 2023. It consists of two separate buildings. The north building houses the wellhead, its associated controls, and the disinfection system. This building is in somewhat poor condition. The well room consists of a gravel floor and wood paneling on the walls and ceiling that will need to be repaired. This room is also used for chemical storage. The well components and disinfection system appear to be in good shape and operating properly.

The southern building contains a 9,000 gallon storage tank, booster pumps, control panels, and four hydro-pneumatic tanks. This room is well kept and in good condition.

Staff does have concern with the quality of material being used in older portions of the distribution system. While park management has replaced parts of the system with PVC piping, some sections still contain the black irrigation tubing that was installed originally. While this material is suitable for agricultural purposes, it is not designed for long-term drinking water distribution use.

Sewer System

Staff inspected the sewer system on May 2, 2023. Overall, the sewer system is in suitable condition, but the plant appears to be poorly maintained and operated. Current management has not been diligent in removing sludge, causing waste to pass through the plant rather than going through the treatment process. Additionally, the UV disinfection that was installed in 2020 is not being used, though it is functional and in good condition. Water quality issues are evident when looking at the creek below the plant outfall. Confluence has proposed the purchase of a generator to operate the plant in the event of an emergency, but Staff's current analysis is that correcting the plant's operational problems should take precedence.

Proposed Capital Investments

Water System

A summary of investments proposed by Confluence for the water system is as follows:

- Replace booster pumps and controls with a duplex panel that includes Variable Frequency Drives to allow the motor speed to adjust, allowing for discharge levels closer to actual demand. This will minimize the number of starts per hour, save money on energy costs, and extend the usable life of the pumps.
- Install a remote monitoring system equipped with a pressure transducer and a magnetic flow meter
- Addition and replacement of valves will be necessary throughout the system, as well as miscellaneous piping and hydrants
- Per 2012 Ten State Standards, all chemical feed equipment including sodium hypochlorite should be in a separate room to avoid any potential hazards and dust problems. Additionally, floor surfaces must be smooth and impervious, slip-proof and well-drained. Construct a separate room including a concrete floor with a drain and install a chlorine analyzer to determine chlorine residual upstream from the distribution system
- Cleanup of the electrical systems and wiring
- Place gravel and fencing around the well houses

Sewer System

A summary of investments proposed by Confluence for the sewer system is as follows:

- Empty the septic tank at the start of plant operations as there is a considerable buildup of solids
- Install a remote monitoring system featuring a pressure transducer and a magnetic flow meter
- Purchase backup generator for treatment plant emergency power supply
- Install a blower Variable Frequency Drive to improve consistency of treatment
- Replace diffusers in aeration basin as necessary
- Replace clarifier weir and baffle wall

- Make repairs to concrete tanks used for septic holding, aeration, clarification, and sludge holding
- Install grating or cover over UV disinfection concrete basin
- Replace wastewater process and aeration header piping in various portions of the plant
- Replace duplex blower system and control panel

Staff will review any and all capital expenditures during a subsequent rate filing in which recovery of any expenditures is sought.

Service Area

After reviewing the map of the proposed service area that was included in the Application, Staff worked with Confluence Rivers to secure a revised map that included the names of near-by highways and other streets. This revised version is zoomed out considerably, which allows for easier identification of the proposed service area within its general community. It is included with this memorandum as Attachment A. The corresponding legal description is included with this memorandum as Attachment B.

Rate Base

Confluence did not provide an engineering study estimating remaining rate base for the assets of this previously unregulated system. Based upon the purchase price of ** [REDACTED] **, and the need for extensive repairs and upgrades detailed above, Staff finds it reasonable to assume a rate base of \$0.00 until Confluence files an application for its next rate case.² However, because rate base is not required to be determined during this type of acquisition, the Commission is not required to make a finding at this time. As part of a future rate case, Confluence will supply details of the plant investments made and may choose to prepare an engineering study estimating rate base for other assets.

Depreciation

Staff recommends the use of Confluence Rivers' current depreciation rates. These depreciation rates are included as Attachment C.

² Four Seasons is not included in Confluence's current rate case, Case Number WR-2023-0006.

Customer Experience

Publicity and Customer Notice

According to information provided to Staff, Confluence Rivers stated that it is not aware of any notifications or meetings held to inform the residents of this proposed acquisition of Four Seasons.

Customer Service and Billing

Four Seasons customers will not have a local business office nearby; however, customers will be able to contact Confluence Rivers' customer service department by calling the toll-free phone number 866-946-3920, or by sending an email to customer service at support@confluenceriversuoc.com. There is also a toll-free phone number available for emergency calls. The emergency number, website and email are available 24/7. According to Confluence Rivers, this information will be provided on the customer brochure, the website, and in all written materials that will be sent to customers. The main office is open from 8:00 am to 5:00 pm Monday through Friday to respond to customer concerns forwarded by operations or customer service personnel. The main office is located at 1630 Des Peres Road, Suite 140, St. Louis, MO 63131. Additionally, main office customer service personnel are available to be contacted after hours for emergency calls.

Confluence Rivers will offer payment options including, check, money order, cashier's check, e-check, credit and debit cards. Other payment options include Apple Pay, Google Pay and PayPal Cash. The methods to pay are through the IVR ("interactive voice response"), pay online or mailing a check or money order to P.O. Box 676384, Dallas, TX 75267. Online payments can be made using check or credit/debit cards.

In order to incorporate Four Seasons records into its billing and customer service systems, it will be necessary for Confluence Rivers to properly enter the appropriate customer information into its systems and apply the Commission-approved rates.

Rate and Tariff Matters

Currently, Four Seasons customers are not charged for water or sewer service. Four Seasons is located approximately 36 miles from the Missing Well Water and Sewer systems that were subject of Confluence Rivers' application in Case No. WA-2021-0425. Confluence Rivers proposes to utilize the same rates for Four Seasons that the Commission approved for the Missing Well Water

and Sewer systems, which is a fixed monthly charge of \$20.00 for water service and a fixed monthly charge of \$20.00 for sewer service. Four Seasons is not included in Confluence's current rate case, Case Number WR-2023-0006; therefore, rates will remain at \$20.00 for water service and \$20.00 for sewer service until Four Seasons is included in Confluence's next rate case. While these rates are expected to be well below the cost of service, they are a step toward an appropriate rate and will help minimize rate shock. Additionally, Confluence Rivers proposes to utilize the rules governing the rendering of service currently found in Confluence Rivers' existing P.S.C. MO No. 12 tariff for water service and its existing P.S.C. MO No. 13 tariff for sewer service, until the Commission orders new rates and rules.

Technical, Managerial, and Financial Capacity and Tartan Energy Criteria

Staff utilizes the concepts of Technical, Managerial, and Financial capacities ("TMF") in studying applications involving existing water and/or sewer systems. Staff has reviewed and stated its position on the TMF capacities regarding each of Confluence River's affiliates in previous CCN and transfer of assets cases before the Commission. Staff's position on Confluence Rivers' ability to meet TMF criteria remains positive regarding those affiliates, and it similarly takes the position that Confluence Rivers has adequate TMF capacity in this case. It is Staff's position that Confluence Rivers has the ability to secure funding, to oversee construction of any necessary upgrades or repairs, and the ability to manage operations of the Four Seasons water and sewer utility systems.

When considering a request for a new CCN, the Commission applies criteria originally developed in a CCN case filed by the Tartan Energy Company and referred to now as the "Tartan criteria." The Tartan criteria contemplate 1) the need for service; 2) the utility's qualifications; 3) the utility's financial ability; 4) the economic feasibility of the proposal; and, 5) promotion of the public interest. Similar to the TMF capacities, in previous CCN cases Staff investigated these criteria and that investigation relates to this proposed acquisition. The results of Staff's investigation are outlined below:

(1) Need for Service

There is both a current and future need for water and sewer service. The existing customer base in the Four Seasons service area has both a desire and need for service. In addition, there is a need

for the necessary steps to be taken to update the Four Seasons water and sewer systems, and to ensure the provision of safe and adequate service. Further, Four Seasons has made the decision to exit the water and sewer utility business, sell the systems to Confluence Rivers, and rely upon Confluence Rivers to properly operate and maintain the existing water and sewer systems in order that customers will continue to have safe and adequate service.

(2) Applicant's Qualifications

Confluence Rivers is qualified to own and operate the Four Seasons systems. Confluence Rivers is an existing water and sewer corporation and public utility subject to the jurisdiction of the Commission. Confluence Rivers is currently providing water service to approximately 4,830 connections and sewer service to approximately 5,053 connections in several service areas throughout Missouri. Additionally, Confluence Rivers has affiliates that provide water and sewer service in several other states.

(3) Applicant's Financial Ability

Confluence Rivers anticipates no need for external financing to complete this acquisition, and has demonstrated over many years that it has adequate resources to operate utility systems it owns, to acquire new systems, to undertake construction of new systems and expansions of existing systems, to plan and undertake scheduled capital improvements, and timely respond and resolve emergency issues when such situations arise. Per Staff's review of Confluence Rivers' financial information provided in response to Data Request No. 0029, Confluence Rivers appears to have multiple negative financial ratios indicating a high financial risk. Confluence additionally shows consistently negative net income and retained earnings from 2020 through 2022.³ Despite the high financial risk, given the purchase price for this acquisition is ** [REDACTED] **,⁴ it is reasonable to conclude that Confluence Rivers has the financial capacity to acquire this system without a significant negative impact on their capital structure or financial ratios.

(4) Feasibility of the Proposal

As previously mentioned, the proposed water and sewer rates are expected to be well below the cost of service, but are a step toward an appropriate rate and will mitigate rate shock. Confluence

³ Confluence Rivers' response to Data Request No. 0029.

⁴ Number 4, Page 2, Appendix a-c of the Application.

Rivers has the ability to draw upon the significant resources of its parent company, should any shortfall arise prior to the next rate case.

(5) Promotion of the Public Interest

Due to Four Seasons' decision to sell its water and sewer utility systems and for the reasons outlined previously in this memorandum, Staff asserts that Confluence Rivers request for a CCN and related acquisition of the Four Seasons water and sewer assets promotes the public interest. Customers will experience enhanced service with the improvements to the water and sewer systems. Confluence Rivers has demonstrated the ability to provide safe and adequate service.

Other Issues

Four Seasons, as an unregulated water and sewer limited liability corporation, has no obligations due to the Commission, and has no pending actions before the Commission.

Confluence Rivers is a corporation that is in "good standing" with the Missouri Secretary of State.

Confluence Rivers is current with annual report filings with the Commission through calendar year 2022, as documented on the Commission's Electronic Filing and Information System ("EFIS").

Confluence Rivers is current on its annual assessment quarterly payments.

Confluence Rivers has other pending cases before the Commission, but none that would impact this decision.

Staff Recommendation

Based upon the above, Staff recommends that the Commission:

1. Grant Confluence Rivers a CCN to provide water service in the proposed Four Seasons service area;
2. Approve Confluence Rivers' proposed monthly charge of \$20.00 for water service, and the rules governing water service currently found in Confluence Rivers' water tariff P.S.C. MO No. 12;
3. Approve Confluence Rivers' proposed monthly charge of \$20.00 for sewer service, and the rules governing sewer service currently found in Confluence Rivers' sewer tariff P.S.C. MO No. 13;

4. Require Confluence Rivers to submit tariff sheets, to become effective before closing on the assets, to include a revised service area map, service area written description, rates and charges;
5. Require Confluence Rivers to notify the Commission of closing on the assets within five (5) days after such closing;
6. If closing on the water system assets does not take place within thirty (30) days following the effective date of the Commission's order approving such, require Confluence Rivers to submit a status report within five (5) days after this thirty (30) day period regarding the status of closing, and additional status reports within five (5) days after each additional thirty (30) day period, until closing takes place, or until Confluence Rivers determines that the transfer of the assets will not occur;
7. If Confluence Rivers determines that a transfer of the assets will not occur, require Confluence Rivers to notify the Commission of such no later than the date of the next status report, as addressed above, after such determination is made, and require Confluence Rivers to submit tariff sheets as appropriate that would cancel service area maps and descriptions applicable to the service area in its water and sewer tariffs, and rate and charges sheets applicable to customers in the service area in the water and sewer tariffs;
8. Require Confluence Rivers to keep its financial books and records for plant-in-service and operating expenses in accordance with the NARUC Uniform System of Accounts;
9. Require Confluence Rivers to adopt its current depreciation rates for the Four Seasons systems and these rates are attached as Attachment C;
10. Require Confluence Rivers to provide training to its call center personnel regarding rates and rules applicable to the water customers in the acquired area;
11. Require Confluence Rivers to distribute to the customers in the acquired area an informational brochure detailing the rights and responsibilities of the utility and its customers consistent with the requirements of Commission Rule 20 CSR 4240-13, within thirty (30) days of closing on the assets;

12. Require Confluence Rivers to provide to the Customer Experience Department (“CXD”) Staff an example of its actual communication with the Four Seasons customers regarding its acquisition and operations of the water, and how customers may reach Confluence Rivers, within ten (10) days after closing on the assets;
13. Require Confluence Rivers to provide to the CXD Staff a sample of five (5) billing statements from the first three month’s billing for the acquired Company within ten (10) days of the billings; and,
14. Require Confluence Rivers to file notice in this case outlining completion of the above-recommended training, customer communications, notifications and billing for each acquired company within ten (10) days after such communications and notifications.
15. Require Confluence Rivers to include the Four Seasons water customers in its established monthly reporting to the CXD Staff on customer service and billing issues, on an ongoing basis, after closing on the assets; and,
16. Require Confluence Rivers to file notice in this case once Staff Recommendations Nos. 1-15 above have been completed.

Attachments:

- A. Service Area Map
- B. Service Area Description
- C. Depreciation Rates

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-2023-0284
Convenience and Necessity to Provide)	
Water and Sewer Service in the Area of)	
Johnson County, Missouri)	
)	

AFFIDAVIT OF SARAH FONTAINE

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

COMES NOW SARAH FONTAINE, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

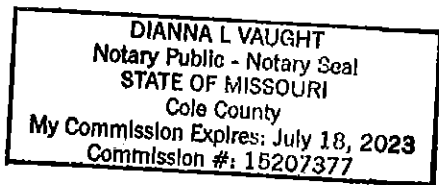
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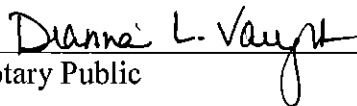


 SARAH FONTAINE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 14th day of June, 2023.





 Notary Public

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-2023-0284
Convenience and Necessity to Provide)
Water and Sewer Service in the Area of)
Johnson County, Missouri)
)

AFFIDAVIT OF RANDALL T. JENNINGS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW RANDALL T. JENNINGS, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

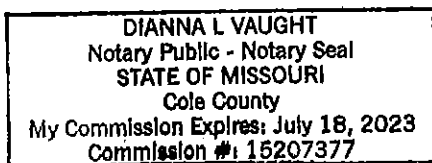
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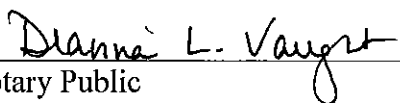


RANDALL T. JENNINGS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of June, 2023.





Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

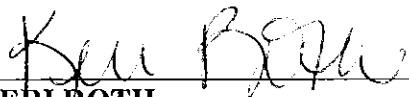
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Confluence Rivers Utility Operating)
Company, Inc., for Certificates of) Case No. WA-2023-0284
Convenience and Necessity to Provide)
Water and Sewer Service in the Area of)
Johnson County, Missouri)
)

AFFIDAVIT OF KERI ROTH

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW KERI ROTH, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

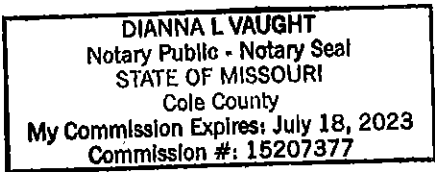
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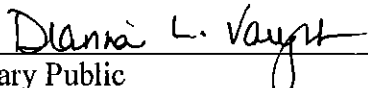


KERI ROTH

JURAT

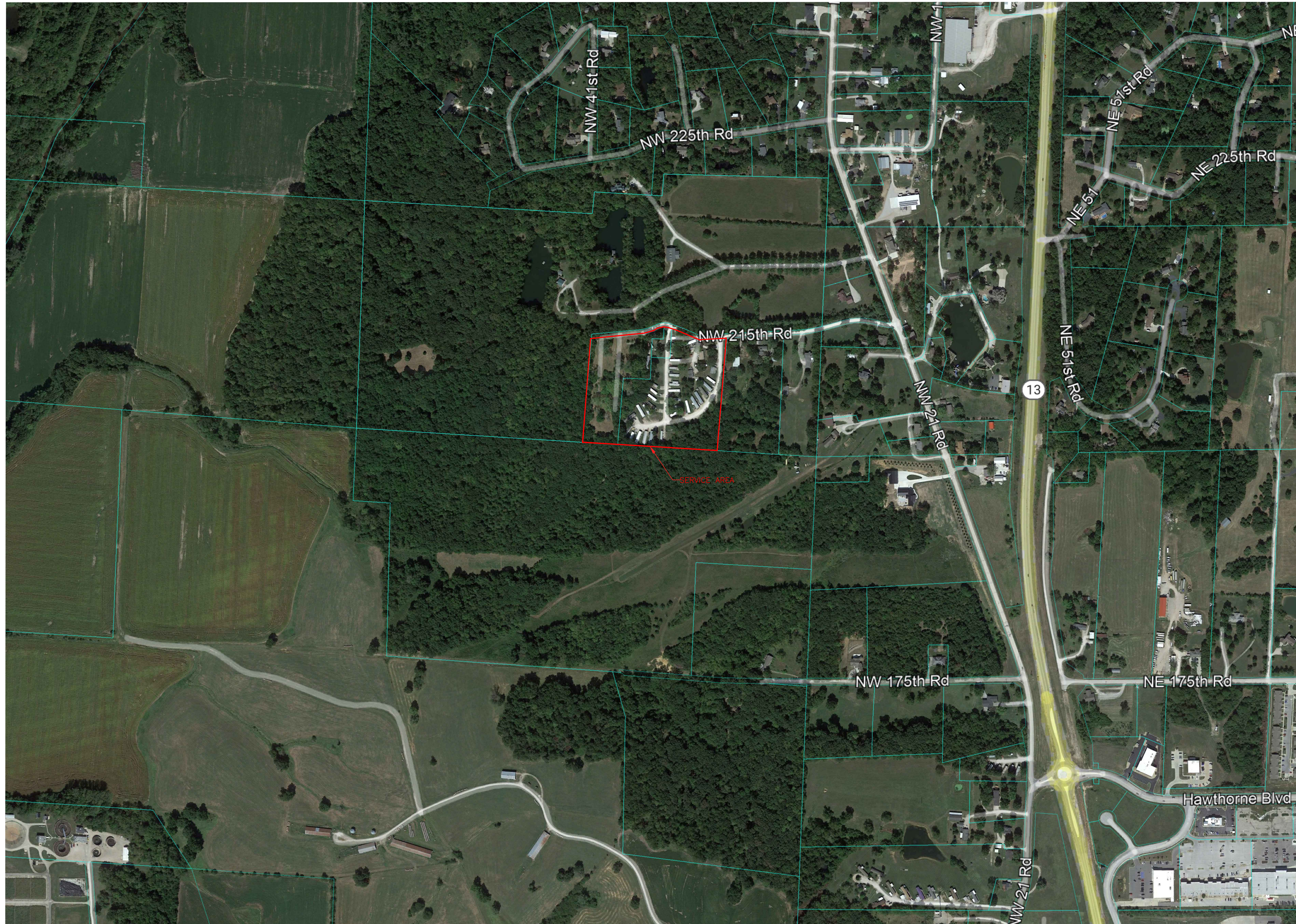
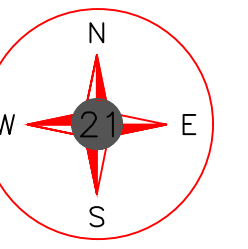
Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 14th day of June, 2023.





Notary Public

**SERVICE AREA MAP
FOUR SEASONS MOBILE HOME PARK
(WATER & WASTEWATER)
JOHNSON COUNTY, MO**



Utility Note Disclaimer:

The service area shown hereon are depicted based on a service area map provided by the system manager. 21 Design Group, Inc performed no field verification of the layout and are unable to determine the exact location at this time. The location represents approximate location only and should not be construed as being 100% accurate. It is shown to provide general service area of the system to assist with ordering title work and preparation of scope for a License Land Surveyor. This sketch should not be used to interpret encroachments.

DATE:	04/12/2023
PROJECT NO:	0596-22
DRAWN BY:	KAR
SCALE:	
SHEET NAME:	SERVICE AREA MAP



Four Seasons Mobile Home Park MO Service Area Description:

The area served is part of Johnson County, Missouri and is more particularly described as follows:

Commencing from the southeast corner of Section 11, Township 46 North, Range 26 West; thence along the south line of said Section 11, Westerly 545.00 feet, more or less to the point of beginning; thence continuing along the south line of said Section 11, Westerly 785.37 feet, more or less; thence leaving said south line $N4^{\circ}26'41''E$ 600.31 feet, more or less to the south right-of-way line of NW 215th Road; thence along said south right-of-way line of NW 215th Road, Easterly 806.45 feet, more or less; thence leaving said south right-of-way line of NW 215th Road, $S4^{\circ}12'48''W$ 652.11 feet, more or less to the point of beginning, containing 11.61 acres more or less.

NOTE: This description is for exhibit only and does not represent an actual boundary survey. The surveyor did not abstract nor perform any field verification of the exhibit accuracy. The location represents approximate location only and should not be construed as being 100% accurate.

Confluence Rivers Utility Operating Company
SCHEDULE of DEPRECIATION RATES
WATER Class C & D
WR-2020-0053

Evergreen, Gladlo, Roy-L, Willows, Smithview, Majestic Lakes,
 Calvey Brook, Auburn Lakes and Eugene

NARUC USOA ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE
SOURCE OF SUPPLY		
311	Structures & Improvements	2.5%*
314	Wells & Springs	2.0%*
PUMPING PLANT		
321	Structures & Improvements	2.5%*
325/325.1	Elec. Submersible Pumping Equipment	10.0%*
325.2	High Service or Booster Pumping Equip.	6.7%*
WATER TREATMENT EQUIPMENT		
331	Structures & Improvements	2.5%*
332	Water Treatment Equipment	2.9%*
TRANSMISSION & DISTRIBUTION MAINS		
341	Structures & Improvements	2.5%*
342	Distribution Reservoirs & Standpipes	2.5%*
343	Transmission & Distribution Mains	2.0%*
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%*
GENERAL PLANT		
371	Structures & Improvements	2.5%*
372	Office Furniture & Equipment	5.0%*
372.1	Office Electronic & Computer Equip.	20.0%*
373	Transportation Equipment	13.0%*
379	Other General Equipment (tools, shop equip., backhoes, trenchers, etc.)	6.7%*

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

Confluence Rivers Utility Operating Company

SCHEDULE OF DEPRECIATION RATES

SEWER Class B, C & D

WR-2020-0053

Villa Ridge, Mill Creek, Gladlo, Roy-L, Willows, Majestic Lakes,
Calvey Brook and Auburn Lakes

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATES
COLLECTION PLANT		
311/351	Structures & Improvements	4.0%*
352.1	Collection Sewers (Force)	2.0%*
352.2	Collection Sewers (Gravity)	2.0%*
354	Services	2.0%*
355	Flow Measurement Devices	3.3%*
PUMPING PLANT		
361	Structures and Improvements	4.0%*
362	Receiving Wells	4.0%*
363	Electric Pumping Equipment	10.0%*
TREATMENT & DISPOSAL PLANT		
371	Structures and Improvements	4.0%*
372	Oxidation Lagoons	4.0%*
373	Treatment & Disposal Facilities	5.0%*
374	Plant Sewers	2.5%*
375	Outfall Sewer Lines	2.0%*
GENERAL PLANT		
390	Structures and 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%*

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