

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

In the Matter of the Joint Application of Confluence )  
Rivers Utility Operating Company, Inc.; Hillcrest Utility ) File No. WM-2021-\_\_\_\_  
Operating Company, Inc.; Elm Hills Utility Operating ) File No. SM-2021-\_\_\_\_  
Company, Inc.; Osage Utility Operating Company, Inc.; )  
Raccoon Creek Utility Operating Company, Inc.; and )  
Indian Hills Utility Operating Company, Inc. for )  
Approval of a Merger Whereby Confluence Rivers Will )  
Be the Surviving Corporation, and of Related )  
Transactions. )

**JOINT APPLICATION AND MOTION FOR WAIVER**

COME NOW Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”); Hillcrest Utility Operating Company, Inc. (“Hillcrest”); Elm Hills Utility Operating Company, Inc. (“Elm Hills”); Osage Utility Operating Company, Inc. (“Osage”); Raccoon Creek Utility Operating Company, Inc. (“Raccoon Creek”); and, Indian Hills Utility Operating Company, Inc. (“Indian Hills”) (collectively, “Joint Applicants”), by and through their undersigned counsel, and, pursuant to Section 393.190, RSMo, and Missouri Public Service Commission (“Commission”) rules 20 CSR 4240-2.060, 2.080, 4.017, and 10.115, respectfully request from the Commission an Order approving the merger of Confluence Rivers, Hillcrest, Elm Hills, Osage, Raccoon Creek, and Indian Hills and related transactions (“Merger”). In support thereof, the Joint Applicants state the following:

**THE APPLICANTS**

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, that information is current and correct, and

is incorporated herein by reference. Confluence Rivers provides water service to approximately 2,504 customers and sewer service to approximately 2,395 customers in Audrain, Boone, Christian, Cole, Franklin, Greene, Jefferson, Lincoln, Montgomery, Perry, Phelps, Polk, St. Francis, St. Louis, and Taney Counties, Missouri, pursuant to certificates of convenience and necessity. 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. 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.

2. Hillcrest is a Missouri corporation with its principal office and place of business at 1650 Des Peres Rd., Suite 303, St. Louis, MO 63131. Hillcrest is a Missouri corporation in good standing. A certified copy of Hillcrest’s certificate of good standing was filed in File No. WO-2014-0340, that information is current and correct, and is incorporated herein by reference. Hillcrest provides water service to approximately 247 customers and sewer service to approximately 252 customers in Cape Girardeau County, Missouri, pursuant to certificates of convenience and necessity. Hillcrest 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. Hillcrest has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against Hillcrest 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.

3. Elm Hills is a Missouri corporation with its principal office and place of business at 1650 Des Peres Rd., Suite 303, St. Louis, MO 63131. Hillcrest is a Missouri corporation in good standing. A certified copy of Elm Hills's certificate of good standing was filed in Files Nos. SM-2017-0150 and SA-2018-0313, that information is current and correct, and is incorporated herein by reference. Elm Hills provides water service to approximately 137 customers and sewer service to approximately 680 customers in Pettis, Johnson, Ray, Clay and Clinton Counties, Missouri, pursuant to certificates of convenience and necessity. Elm Hills 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. Elm Hills has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against Elm Hills 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. Osage is a Missouri corporation with its principal office and place of business at 1650 Des Peres Rd., Suite 303, St. Louis, MO 63131. Osage is a Missouri corporation in good standing. A certified copy of Osage's certificate of good standing was filed in File No. WA-2019-0185, that information is current and correct, and is incorporated herein by reference. Osage provides water service to approximately 372 customers and sewer service to approximately 393 customers in Camden County, Missouri, pursuant to certificates of convenience and necessity. Osage 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. Osage has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against Osage 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.

5. Raccoon Creek is a Missouri corporation with its principal office and place of business at 1650 Des Peres Rd., Suite 303, St. Louis, MO 63131. Raccoon Creek is a Missouri corporation in good standing. A certified copy of Raccoon Creek's certificate of good standing was filed in File No. SM-2015-0014, that information is current and correct, and is incorporated herein by reference. Raccoon Creek provides sewer service to approximately 529 customers in Johnson and Pettis Counties Missouri, pursuant to certificates of convenience and necessity. Raccoon Creek is 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. Raccoon Creek has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against Raccoon Creek 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.

6. Indian Hills is a Missouri corporation with its principal office and place of business at 1650 Des Peres Rd., Suite 303, St. Louis, MO 63131. Indian Hills is a Missouri corporation in good standing. A certified copy of Indian Hills' certificate of good standing was filed in File No. WO-2016-0045, that information is current and correct, and is incorporated herein by reference. Indian Hills provides water service to approximately 669 customers in Crawford County, Missouri, pursuant to a certificate of convenience and necessity. Indian Hills

is a “water 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. Indian Hills has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against Indian Hills 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.

7. Collectively, the Joint Applicants provide water service to an estimated 9,800 persons, and sewer service to approximately 10,600 persons, in the State of Missouri.

8. All correspondence, communications, notices, orders and decisions of the Commission with respect to this matter should be sent 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](mailto:jcox@cswrgroup.com)

### **TRANSACTION**

9. A copy of the proposed plan and agreement of corporate merger and consolidation (“Merger Agreement”) is attached hereto as **Appendix A**.

10. Pursuant to the Merger Agreement, Confluence Rivers will acquire 100% of Hillcrest, Elm Hills, Osage, Raccoon Creek, and Indian Hills, and Hillcrest, Elm Hills, Osage, Raccoon Creek, and Indian Hills will be merged into Confluence Rivers, pursuant to Sections 347.700, et seq., RSMo.

11. Organizational charts depicting the relationship of the merging entities before and after the transaction are attached as **Appendix B**.

12. Certified copies of the Resolutions by the Board of Directors of Confluence Rivers, Hillcrest, Elm Hills, Osage, Raccoon Creek, and Indian Hills are attached as **Appendix C**.

13. Attached as **Appendix D-C** is a balance sheet and income statement for CSWR, LLC and subsidiaries as of December 31, 2020. **Appendix D-C** includes balance sheets and income statements for Confluence Rivers, Hillcrest, Elm Hills, Osage, Raccoon Creek, and Indian Hills as of the same date. **Appendix D-C** has been identified as Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(5), as it contains reports or other documentation produced by internal or external auditors.

14. Attached as **Appendix E-C** are the pro forma balance sheet and income statement of Confluence Rivers, the surviving corporation, showing the effect of the proposed Merger. **Appendix E-C** has been identified as Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(5), as it contains reports or other documentation produced by internal or external auditors.

### **PUBLIC INTEREST**

15. The proposed transaction is not detrimental to the public interest as is required by Commission Rule 20 CSR 4240-10.115(1)(D). Confluence Rivers is qualified to acquire Hillcrest, Elm Hills, Osage, Raccoon Creek, and Indian Hills and has a proven record of providing safe and reliable water and sewer service. Further, the merged entities may be in an improved position to obtain debt financing to the benefit of customers.

16. Moreover, after the Merger Confluence Rivers will adopt and utilize Hillcrest, Elm Hills, Osage, Raccoon Creek, and Indian Hills' existing rates, rules, regulations and other tariff provisions currently on file with and approved by the Commission, for the existing

Hillcrest, Elm Hills, Osage, Raccoon Creek, and Indian Hills service areas, and will continue to provide service to those customers under the applicable rules, regulations and tariffs until such time as they may be modified according to law. The proposed Merger will maintain the current system operation and customer service through a seamless transition.

### **CONSOLIDATED OPERATIONS**

17. As suggested in this Joint Application, the Merger of the three companies will have no detrimental impact on any of the Joint Applicants' customers. As a result of the proposed Merger, customers will see no change in the persons or entities providing day-to-day services.

18. As required by Section 393.190 and 20 CSR 4240-10.115(1)(F), the Joint Applicants state the Merger will have no impact on the tax revenues of the Missouri political subdivisions in which any of the structures, facilities or equipment of the Joint Applicants are located.

19. Confluence Rivers agrees that it will comply with all Commission orders that currently impose any requirement or condition upon Hillcrest, Elm Hills, Osage, Raccoon Creek, and Indian Hills, as to those service areas, to include the depreciation rates currently applicable to the Confluence Rivers, Hillcrest, Elm Hills, Osage, Raccoon Creek, and Indian Hills service areas.

20. Confluence Rivers plans to maintain separately the current tariffs for the Confluence Rivers, Hillcrest, Elm Hills, Osage, Raccoon Creek, and Indian Hills service areas, unless otherwise authorized by the Commission. Confluence Rivers will formally adopt Hillcrest, Elm Hills, Osage, Raccoon Creek, and Indian Hills' tariffs upon Commission approval of this Merger and consummation thereof. All customers served by the Hillcrest, Elm Hills,

Osage, Raccoon Creek, and Indian Hills divisions will receive services under the same rates, terms and conditions contained in the respective current tariffs until changed by the Commission in a subsequent rate case or tariff filing. Likewise, all customers currently served by Confluence Rivers will receive services under the same rates, terms and conditions contained in the current Confluence Rivers tariffs until changed by the Commission in a subsequent rate case or tariff filing.

### **MOTION FOR WAIVER**

21. 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, Joint Applicants seek a waiver of the 60-day pre-filing notice requirement.

22. 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, Joint Applicants declare, as verified below, that they have 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....”)

23. Therefore, as authorized by Rule 20 CSR 4240-4.017(1)(D), Joint Applicants move for a waiver of the 60-day notice requirement and acceptance of this application at this time.



WHEREFORE, Joint Applicants request the Commission to issue an order:

- a) Finding that the Merger and other relief sought in this Joint Application are not detrimental to the public interest and authorizing the Joint Applicants to perform in accordance with the Merger Agreement and all other transaction-related instruments, and to take any and all other actions that may be reasonably necessary and incidental to the performance of this Merger;
- b) Granting the Motion for Waiver of the 60-day Notice of Filing; and,
- c) Granting such other relief as may be necessary and appropriate to accomplish the purposes of the Merger and this Joint Application, and to consummate the Merger and related transaction in accordance with the Merger and this Joint Application.

Respectfully submitted,



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Dean L. Cooper      MBE#36592  
BRYDON, SWEARENGEN & ENGLAND P.C.  
312 E. Capitol Avenue  
P. O. Box 456  
Jefferson City, MO 65102  
(573) 635-7166  
(573) 635-3847 facsimile  
[dcooper@brydonlaw.com](mailto:dcooper@brydonlaw.com)


**ATTORNEYS FOR CONFLUENCE RIVERS,  
HILLCREST, ELM HILLS, OSAGE, RACCOON  
CREEK, AND INDIAN HILLS**

**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail on June 1, 2021, to the following:

Office of the General Counsel  
[staffcounsellservice@psc.mo.gov](mailto:staffcounsellservice@psc.mo.gov)

Office of the Public Counsel  
[opcservice@opc.mo.gov](mailto:opcservice@opc.mo.gov)

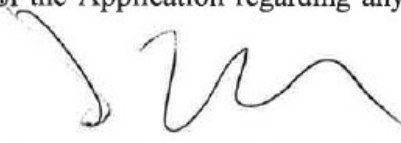


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**VERIFICATION**

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.; Hillcrest Utility Operating Company, Inc.; Elm Hills Utility Operating Company, Inc.; Osage Utility Operating Company, Inc.; Raccoon Creek Utility Operating Company, Inc.; and Indian Hills Utility Operating Company, Inc. (collectively, "Joint Applicants"), that I am duly authorized to make this affidavit on behalf of Joint Applicants, 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 Joint Applicants 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.

  
\_\_\_\_\_

Subscribed and sworn before me this 26th day of May, 2021.

  
\_\_\_\_\_  
Notary Public

My Commission Expires 02-23-2025

