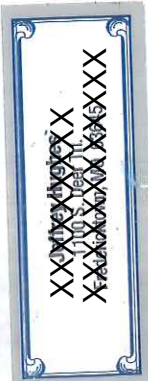


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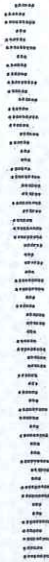


COMMISSIONER HOESMAN  
200 MADISON ST  
JEFFERSON CITY, MO  
65101

RECEIVED

JUL 25 2023

MO PUBLIC SERVICE COMMISSION  
MAIL ROOM



65101-325460

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Missouri Public Service Commission  
200 Madison Street, PO Box 360  
Jefferson City, MO 65102-0360

Commissioner Holsman,

This letter is a followup to my testimony at the public meeting on WR-2023-0006 and SR-2023-0007 wherein I testified that the proposal by the Confluence Rivers utility company will not ensure reliable utility services at just, reasonable and affordable rates. It is in fact in violation of a state statute set by the Missouri State Supreme Court in "Public Service Commission vs Union Electric (IE. Calloway County Nuclear Power Plant) Feb. 26, 1985 687.5.w.2d 162(1985) 393.135 RsMo 1978

*Which to summarize states; Charge made or demanded by corporation for service, which is based on costs of construction in progress, upon an existing or new facility, or cost associated with owning, operating, or maintaining financing of property before fully functional and is used and useful is considered unjust and unreasonable, and is prohibited.*

Used and useful prohibits charging a customer for a service that they do not use or will never benefit them in any way.

- In a letter received in May 2023 from Confluence Rivers Utility, it states our rates will go from \$20 a month to \$82.96 a month, a 314.8% increase!
- This increase is to cover costs associated with water improvements to drinking water, including new equipment, repairs, monitoring etc
- The entire subdivision of Deer Run is on a public water utility and these services will never be used and useful to them.
- The sanitary sewer lagoon in Deer Run Estates has won awards in the past and is a fully functioning system as it stands.
- The water service is a completely different company and yet, we are expected to pay for a service we don't receive on a monthly basis and also foot the bill for systems across the state that have no relevance to each other other than Mr. Cox's business adventure. They also do not provide a singular service. If they are allowed to be combined under a singular umbrella, there would be no oversight, or way to uphold the statute of not being charged for services that are not in any way used or useful

- Confluence Rivers is a division of Central States Water Services, which operates in 7 states at the moment. They have had several complaints of outrageous price hikes (lets call a duck a duck, and call it price gouging)attached is a BBB complaint from such a consumer.
- There is absolutely nothing keeping this company from charging its customers whatever they choose. As one of the top 15 privately owned utility companies in the country, it would be impossible to tell if someone in Missouri is charged for upgrades happening in Texas or Arkansas, etc.

Central States Water Services, or Confluence Rivers do not provide ANY financial information for the customers to whom they send letters informing them of a 300% increase. Nor is it public information like a public utility. We are not allowed to even see an annual budget or what improvements are going to be made to the sewer system directly used and useful to us.

We are also not privy to how they come up with a 314.8% increase when we have no need of a water service from them, our sanitary sewer system is fully functioning and just needs a few upgrades to meet EPA requirements. Once again, we are not privy to the exact amount of that cost, but you, the commission are. We are trusting you to act in OUR best interests and not those of Mr Cox and his companies.

As you can see from the BBB complaint attached, it does not matter if you use both services or not, you will be charged for both regardless. Making everyone pay 2 separate water bills each month. How can this even be considered? How is this just, fair or affordable for the consumers?

Several concerning questions arise from the research I have done

- Mr Cox's company is well known for extremely high price increases that far exceed those of his few competitors. A quick internet search provides many examples.
- BY allowing all of these small utilities to be folded into a large conglomerate, are you in fact creating a monopoly? One where nobody has a say in what prices are charged throughout several states and hundreds of small communities without the resources to fight such a large conglomerate? Will it become large enough to violate the Clayton act?
- What are the rates on the money being borrowed? That cost is passed on to the consumer and we have a right not to pay predatory rates on that money.
- Interest rates have surged to an unprecedented 500 point basis point climb in the federal rate within one year. This means millions of dollars Confluence rivers has borrowed to buy and patch up 26 sewer companies and 39 water companies(stat only in the state of Missouri and does not include any of the hundreds of properties his company is buying in other states) is going to be much much higher to repay.
- What happens if this company goes belly up in the future and all of these small utilities are all tied together? How will the commission handle the hundreds of frantic homeowners? How will you untie them to address their needs in each seperate area or system?
- I would like to reiterate the fact that there is a Missouri statute that prohibits charging for the upgrade or use of a system that the consumer does not use. Systems across the state or in entirely different states SHOULD have zero impact on us. Charging the same flat fee for consumers that use water and sewer as ones who only consume one or the other is against the law. Not only that, it is morally bankrupt to charge me for another areas improvements or consumption of services.
- Is the Central States Water Services / Confluence Rivers company a quasi-governmental facility, thus, having to abide by the Missouri Sunshine Law? Merriam Webster states the

definition as "supported by the government but managed privately." putting them clearly within the sunshine law, which we should be able to make a request and see their budgeting information as this information should not remain confidential when it pertains to a quasi public utility and directly impacts how much money is budgeted for each facility, which in turn drives the rate hike.

- They provide a public service, one for which we are not allowed any alternative choices. Is it fair, just or responsible to allow consumer price gouging with no oversight by this commission? Will you be able to effectively separate each utility and what is fair and useful to each one individually? If not, this proposal is in direct violation of the statute presented in the first paragraph. Again, Used and useful

In conclusion, does this proposal offer just, reasonable and affordable rates as stated in your mission statement? Is it just to charge a 314.8% increase for a sanitary sewer system who has won awards in the past and has spent hundreds of thousands of dollars over the past 20 years in upkeep? It is also in violation to charge a rate increase before anything has been done, and as of 7/19/2023 Confluence Rivers has not provided a single upgrade but has a start date of November of this year to start the ridiculously high rate hike.

Think carefully, before you allow the people that count on you and your ability to make good decisions on their behalf, can no longer afford to pay their utility bills because they have to pay for more than their own consumption under this plan.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeff Hughes', with a long horizontal flourish extending to the right.

Jeff Hughes



**Initial Complaint**  
08/10/2020

**Complaint Type:** Billing/Collection Issues  
**Status:** Answered

Confluence Rivers is charging each resident of Bridgewater Estates a flat rate of \$72.48 beginning July 1, 2020. Our previous rate was \$24.24 as we only have sewer utility, not water, with Confluence Rivers. I was told by Confluence Rivers customer support on July 7, 2020 to disregard the letter dated July 1, 2020 that states the flat rate of \$72.48 because that is for water & sewer. We only have sewer which will be \$24.24. Received invoice for \$72.48 dated 8/5/2020 for flat rate for sewer. Called customer service for Confluence today, 8/10/2020 and was told the letter dated July 1, 2020 is correct, our rate is \$72.48 for sewer only. This is close to THREE TIMES our normal rate. Their website clearly shows sewer only for \*\*\*\*\* is \$24.24



**Business response**  
08/10/2020

Under Missouri law, the Missouri Public Service Commission has exclusive jurisdiction over utility rates and no utility can charge a rate not previously reviewed and approved by the commission. As part of its utility oversight obligations the commission has established a Consumer Services Unit to deal with consumer complaints, including those related to rates. We suggest \*\*\*\*\* direct her questions and concerns to the Consumer Services Unit, which can be reached online through the commission's website, by email at ....., or by telephone at .....



**Customer response**  
08/10/2020

Complaint: \*\*\*\*\*

I am rejecting this response because:  
It is a deceitful practice. We were told to disregard the July 1 letter because the \$72.48 was for water and sewer. We only have sewer! And we were not even listed on the subdivisions listed in the back of the letter! I'm sure my call on July 7th was recorded and the can hear the customer service agent tell me to ignore the letter, that the letter is incorrect for our residence.

Sincerely,

.....



**Business response**  
08/11/2020

Our best advice to \*\*\*\*\* is to contact the Missouri Public Service Commission.

1 Customer Reviews

Sort By Date



Jake C



11/22/2022

Confluence Rivers UOC, Inc. buys out smaller companies and instantly increases the bill, in my case by over 300%. They have been doing this across the country with no explanation of the increase of charges. This is incredibly predatory and should be not only illegal but be looked into. Horrible prices for something as simple as sewage...

source: BBB website confluence rivers