

**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 Convenience and Necessity to) **File No. WA-2023-0398**
Provide Water and Sewer Service in an Area of)
Lincoln County, Missouri (Quail Run))

STAFF’S RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), through the undersigned counsel, and for its *Staff Recommendation*, respectfully states as follows:

1. On May 24, 2023, Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”) filed applications with the Missouri Public Service Commission (“Commission”) seeking approval for a certificate of convenience and necessity (“CCN”) to acquire all or substantially all of the water and sewer system of by Lincoln County Water & Sewer, LLC (“LCWS”). In addition, Confluence Rivers requested a waiver of the 60-day notice requirements of 20 CSR 4240-4.017(1).

2. On June 12, 2023, the Commission ordered Staff to file a recommendation concerning Confluence Rivers' application by July 12, 2023. On the same day, the Commission granted Confluence Rivers' motion to consolidate its water and sewer cases regarding LCWS's asset acquisition, making File No. WA-2023-0398 the lead case.

3. Staff filed its *Motion for Extension* on July 11, 2023 requesting an extension of time to file its recommendation until September 12, 2023. On July 12, 2023, the Commission granted Staff’s request for an extension of time to file its recommendation no later than September 12, 2023.

4. Pursuant to Section 393.170, RSMo (2018), no water or sewer corporation shall provide service to consumers without first having obtained approval from the Commission.

5. When reviewing whether a utility should be granted a CCN, the Commission typically applies the five Tartan Criteria established in *In the Matter of Tartan Energy Company, et al.*, 3 Mo. PSC 3d 173, 177 (1994). The criteria are: (1) there must be a need for the service; (2) the applicant must be qualified to provide the service; (3) the applicant must have the financial ability to provide the service; (4) the applicant's proposal must be economically feasible; and (5) the service must promote the public interest.

6. In addition to the Tartan Criteria, when considering an application involving existing water and/or sewer systems, the Commission analyzes the Technical, Managerial, and Financial capabilities ("TMF") of the applicant.

7. As explained in *Staff's Memorandum*, attached hereto as Appendix A, Staff conducted an investigation into Confluence Rivers' request. Based on its review, Staff concludes that Confluence Rivers fulfills the requirements regarding TMF capacities and the Tartan Criteria. Accordingly, Staff asserts that approving Confluence Rivers' application for the issuance of a CCN is necessary and convenient for the public service and is not detrimental to the public interest, and Staff recommends approval with conditions described in *Staff's Memorandum*.

8. Staff does not oppose Confluence Rivers' request for a waiver of the 60-day notice requirement of 20 CSR 4240-4.017(1).

WHEREFORE, Staff respectfully submits this *Staff Recommendation* and requests the Commission approve Confluence Rivers' request for the issuance of a CCN allowing

Confluence Rivers to construct, install, own, operate, maintain, control and manage the water and sewer system assets currently owned by Lincoln County Water & Sewer, LLC in Lincoln County, Missouri; and grant such other and further relief as the Commission considers just in the circumstances.

Respectfully submitted,

/s/ Eric Vandergriff

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all parties and/or counsel of record on this 12th day of September, 2023.

/s/ Eric Vandergriff