

**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 Provide Water and) File No. WA-2024-0048
Sewer Service in an Area of Warren County,)
Missouri (Lake Sherwood Estates).)

RESPONSE TO STAFF RECOMMENDATION

COMES NOW Confluence Rivers Utility Operating Company, Inc., (“Confluence Rivers”) and for its *Response to Staff Recommendation* states as follows to the Missouri Public Service Commission ("Commission"):

1. On August 25, 2023, Confluence Rivers filed an *Application and Motion for Waiver* (“Application”) with the Commission requesting approval of its acquisition of the water and sewer assets of the Lake Sherwood Estates Association in Warren County, Missouri, and granting Confluence Rivers a certificate of convenience and necessity (“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 Lake Sherwood. Confluence Rivers also requested a waiver of the Commission’s 60-day notice requirement under 20 CSR 4240-4.017(1).

2. On September 13, 2023, the Commission consolidated files WA-2024-0048 and SA-2024-0049 and ordered Staff to file a recommendation or status report no later than October 12, 2023, a deadline which was ultimately extended to February 26, 2024.

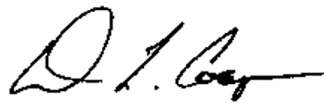
3. On February 26, 2024, Staff filed its *Staff Recommendation* and supporting *Memorandum* suggesting that the Commission approve Confluence Rivers’ Application, subject to the conditions outlined in Staff Memorandum and recommended that the Commission waive the 60-day notice requirement under 20 CSR 4240-4.017(1).

4. Confluence Rivers has reviewed the proposed conditions listed on pages 12 to 14 of Staff's *Memorandum* and states that it has no objection to the proposed conditions.

5. In addition to its conditions, Staff provided a purported valuation of rate base components. (Staff Memorandum, pp. 6-7). Confluence Rivers does not agree with this valuation. However, no further action is necessary at this time. Staff accurately states that "rate base does not need to be established by the Commission in this CCN case, if Confluence uncovers additional information Staff will consider any additional information it receives as part of its rate base calculation to determine revenue requirement in Confluence's subsequent rate case filing." (Staff Memorandum, p. 7). Confluence Rivers plans to address this valuation issue in its next rate case.

WHEREFORE, Confluence Rivers requests the Commission issue an order approving Confluence Rivers' Application, grant Confluence Rivers a CCN as recommended in Staff's *Memorandum*, grant a waiver of Rule 20 CSR 4240-4.017(1), and grant such other and further relief as deemed appropriate in the circumstances.

Respectfully submitted,



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**ATTORNEYS FOR CONFLUENCE RIVERS
UTILITY OPERATING COMPANY, INC.**

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 19th day of March 2024 to all counsel of record.

