

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 3rd day of October, 2024.

/s/ J. Scott Stacey

**Missouri Public Service Commission Staff Comments on the
Rescinding of 20 CSR 4240-10.095 Environmental Improvement Contingency Fund.**

Summary: Staff supports the proposed rescission of Commission Rule 20 CSR 4240-10.095, as the rule is not and was not currently utilized by any small water or sewer utilities.

Discussion: Small water and sewer companies have an exceptionally difficult time obtaining financing for capital improvement projects. Because banks will not offer such loans, the owners of these companies are often forced to obtain personal loans to make investments. But capital improvement projects can be too costly for a company owner to obtain such a personal loan. Environmental regulations for water and sewer companies are routinely evolving. As our population grows and we place more stress on our natural resources, regulations for wastewater treatment are tightened to further reduce pollution of waterways. As science continues to advance regarding the safety of what chemicals enter our bodies, existing limits on drinking water are tightened, and in some cases entirely new treatment processes are required to address new chemicals.

The Environmental Improvement Contingency Fund (EICF) regulation was created to allow small water and/or sewer utilities to request a special fund to collect revenue from customers to make improvements necessitated by these changing environmental regulations. The EICF was envisioned as a way to help address the funding gap by collecting a small amount of additional revenue each month in a way that would not otherwise be allowed by a utility company. Unfortunately, the regulation is not utilized. In the past several years the cost to complete capital improvements has increased a great deal, making it very difficult to collect enough additional revenue in a reasonable amount of time to satisfy new environmental requirements. In addition, such a fund must be closely monitored by the utility and PSC staff to ensure there is no misuse of customer revenue. The administrative burden proved difficult for the very small, unsophisticated companies that would have been most helped by the EICF.

Over the life of the rule, only one utility had utilized an Environmental Improvement Contingency Fund, and that utility no longer used it. Based on the information above and the non-use of the rule, Staff supports the proposed rescission of Commission Rule 20 CSR 4240-10.095.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Proposed Rescission)
of the Commission's Rule 20 CSR 4240-) Case No. WX-2025-0033
10.095 Environmental Improvement)
Contingency Fund)

AFFIDAVIT OF CURT B. GATELEY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW CURT B. GATELEY, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Comments*; and that the same is true and correct according to his best knowledge and belief.

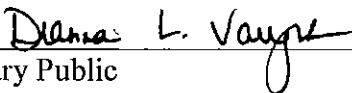
Further the Affiant sayeth not.



CURT B. GATELEY

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 3rd day of October 2024.



Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377