

Exhibit No.:
Issue(s): *Public Comments,
Engineer Reports, and
Budgets*
Witness: *Adam Stamp*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal Testimony*
Case No.: *SM-2025-0067*
Date Testimony Prepared: *May 23, 2025*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

WATER, SEWER, GAS & STEAM DEPARTMENT

SURREBUTTAL TESTIMONY

OF

ADAM STAMP

**CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.,
and MISSOURI-AMERICAN WATER COMPANY**

CASE NO. SM-2025-0067

*Jefferson City, Missouri
May 2025*

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1 A. Public Comments may be submitted to the Commission by anyone who wishes
2 to do so. Comments typically show criticisms from customers directed at a regulated utility
3 company.

4 Q. What did Dr. Marke allege about the public comments?

5 A. On page 4, lines 20-22, and on page 5, lines 1-5, Dr. Marke makes the assertion
6 that, in his experience, customers are more critical of Confluence's business model and utility
7 service than that of MAWC's. Specifically, he refers to comments and complaints that have
8 been submitted to the Commission by customers of both companies.

9 Q. Are customers more critical of Confluence's services than they are MAWC's
10 services?

11 A. Based upon my observations, there is no evidence to support that conclusion.
12 While records do show more public comments from Confluence customers, it should also
13 be put into perspective with proper context. I am not familiar with any public comments
14 submitted by customers analyzing the Confluence business model versus the MAWC business
15 model, as customers do not have significant visibility into these business models. Customers
16 generally do not know whether an operator is a 3rd party contractor or direct employee of a
17 utility company.

18 Q. What do the public comments actually show?

19 A. The bulk of such public comments are concerns about rate increases, while some
20 include operations or customer service issues. In my experience, customers comment about
21 these same subjects across both companies. Public comments are also influenced by the type
22 of service customers have been receiving. The typical MAWC customer lives in an urban or
23 suburban setting, with drinking water infrastructure that has been provided and maintained

1 by MAWC for quite some time, and wastewater services that are provided and maintained by
2 some other entity. The typical Confluence customer lives in a suburban or more rural type of
3 setting, where Confluence only recently acquired their water or wastewater system after years
4 of neglect, lack of proper investments, aging materials, and regulatory compliance issues.
5 Staff receives many customer comments related to concerns that are generated during service
6 interruptions that are necessary for Confluence to fix problems, such as outages due to water
7 main replacements. Therefore, some public comments are from customers who are unfamiliar
8 with the repair or upgrade processes.

9 Q. What is Staff's position on Confluence's and MAWC's operational
10 performance?

11 A. A Company's operational performance does have some correlation with public
12 comments, although the comments typically only contain criticisms. It is unusual for customers
13 to submit positive feedback when a company's performance has been adequate. Rate increases
14 and outages, usually due to repairs or upgrades, generate an increase in public comments from
15 customers. It should be noted, however, that many customers are naturally unfamiliar with the
16 complexities of providing utility service, and may not fully understand why rate increases and
17 outages are occasionally necessary to maintain safe and adequate service. Staff's position is
18 that both companies are doing a good job, and continue to meet the requirements necessary to
19 provide safe and adequate service.

20 Q. Are there other avenues for customers to express concerns about company
21 performance?

22 A. Customers also have the option of filing an informal complaint with the
23 Commission, and far more of these are received for MAWC than for Confluence. Based on my

1 review of EFIS¹ records, from January 2023 to present, the Commission received 14 formal
2 complaints and 409 informal complaints from customers of MAWC, which is about .08% of
3 the company's 507,000 connection customer base (483,000 water/24,000 sewer). For the same
4 period of time, the Commission has received no formal complaints and 66 informal complaints
5 from Missouri-based customers of Confluence, about .56% of its 11,800 customers in the state
6 (5,800 water/6,000 sewer).

7 **ENGINEERING REPORTS**

8 Q. On page 5, lines 2-27, and on page 6, lines 1-6, of Mr. Murray's Rebuttal
9 Testimony, he discusses discrepancies in the number of connections served by the 19 systems
10 in this case and states that these discrepancies cause him "concern about the
11 reliability/usefulness of the information the Companies provided to the Commission to
12 assess the proposed transaction." Does the discrepancy cited by Mr. Murray negatively affect
13 the overall reliability/usefulness of the information that Confluence and MAWC provided to
14 the Commission in order for the Commission to assess this proposed transaction?

15 A. No. The discrepancy in the number of connections in this case is inconsequential
16 because it is not significant enough to change the analysis that has been performed on the
17 treatment plants. The number of connections for a few of the nineteen systems in this case have
18 been difficult to properly identify due to MAWC's inability to declare definitive connection
19 figures, compounded by Confluence's inability to clarify because of a lack of foundation in
20 MAWC's records. It is possible that MAWC has had some uncertainty in the number of
21 connections since it acquired the systems from Aqua Missouri in 2011. Staff is hopeful that if

¹ Electronic Filing and Information System (EFIS).

1 Confluence acquires the assets, it will be diligent in mapping the collection systems so that it
2 can be certain of which residences are customers. The total tally of connections is usually
3 approximate because in many cases, they are constantly changing. The main focus of
4 information should be on the treatment plants, and both companies have provided thorough
5 analysis regarding this subject. MAWC provided information that it has gained after years of
6 owning and operating the plants, and Confluence engineers have provided analysis after
7 physically studying the plants and the associated regulatory compliance history. For the
8 purposes of this case, the number of connections is included in Staff's recommendation so that
9 the Commission is presented with the scale of the transaction. Staff reviews the number of
10 connections as part of the financial and technical feasibility of a utility company seeking to
11 provide service.

12 Q. What concerns did Mr. Murray present regarding the engineering reports?

13 A. On page 5, line 2 through line 6 on page 5 of his rebuttal testimony, Mr. Murray
14 makes several statements questioning the accuracy of the number of connections.

15 Q. Does Staff personally count the number of connections in each case to verify the
16 numbers being provided by a company in acquisition or merger cases?

17 A. No. Staff relies on the information provided by the companies. In some
18 situations, it might be possible to conduct an estimate of connections via satellite photo, but
19 some houses might have their own on-site sewage treatment systems, some homes may be
20 permanently vacant, some residential structures may be multi-family dwellings with multiple
21 connections, some houses might be connected to a different treatment system where subdivision
22 boundaries meet, etc. An accurate customer count must be determined with billing records and
23 field work by the utility.

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1 Q. What actions did Staff take to determine the approximate number of
2 connections?

3 A. Staff issued Data Request No. 0014 to determine the number of customers the
4 systems are designed to serve, and the customer growth forecast for the next five years.
5 Connection counts for that answer were recorded from MAWC records. In Data Request
6 No. 0027, Staff asked Confluence to submit system engineer reports, which included
7 connection counts. Staff then issued Data Request No. 0028 requesting that the companies
8 clarify connection counts because of discrepancies between Data Request No. 0014 and Data
9 Request No. 0027. Confluence stated in response to DR 0028 that the numbers provided in
10 Data Request No. 0027 (engineer reports) were not accurate, and deferred to the numbers
11 provided by MAWC in Data Request No. 0014. Staff then asked for a final clarification from
12 the companies. In an email response to Staff, Confluence stated that the companies had met
13 and finalized mapping and legal descriptions. Confluence provided an updated connection
14 count for three systems (Halifax, Highlands, Hunter's Creek), and instructed Staff to otherwise
15 refer to records that were provided by MAWC in Data Request No. 0014.

16 Q. Are such customer counts generally correct?

17 A. Generally, yes. However, because customers are continually leaving and
18 entering a utility system, all parties understand that such customer counts are estimates. In this
19 specific case, some of the systems are providing treatment for neighborhoods that are still
20 expanding.

21 Q. But it is it not important for companies to know how many customers they
22 are serving?

1 A. Yes, Staff expects companies to conduct routine efforts to ensure they are billing
2 all of their customers, such as working with other utility providers to know when new accounts
3 are opened, field staff reporting when a vacant property becomes reoccupied, etc. This is, of
4 course, most difficult for sewer utilities due to the lack of a meter and the existing permanent
5 connection to the sewer system.

6 Q. When engineering reports are prepared, is the number of connections important
7 to know in order to properly size a treatment system?

8 A. Yes, but it is important to understand what has been prepared to this point, and
9 what will be prepared in the future. So far, the companies have analyzed existing records, and
10 asked engineers to submit a current report for each system. Later, Confluence will seek to learn
11 from DNR² what effluent limits it will have to meet, which will influence the actual technology
12 chosen. When Confluence applies for a construction permit from DNR, they will prepare a
13 final engineering report and construction permit application. DNR may require changes to this
14 application, which will again influence cost. Finally, actual physical conditions encountered
15 during construction and updated cost of materials will also influence costs.

16 **BUDGETS**

17 Q. Given this information, what is the significance of Mr. Murray's statements
18 beginning on page 12, line 12, of his testimony on the different budgets for construction the
19 two companies have prepared?

20 A. It is difficult to provide reliable analysis regarding some of the factors that will
21 influence construction budgets for multiple reasons. For example, it is possible that regulatory

² Department of Natural Resources ("DNR").

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1 agencies will change the effluent specifications that the plants are required to meet, which
2 would result in costly upgrades becoming necessary. This would require major expenditures
3 and equipment additions that are difficult to budget for at this time. And historically, as it
4 pertains to information reviewed by Staff in acquisition cases submitted to the Commission,
5 acquiring companies have stated, they will not have a full understanding of what repairs or
6 upgrades are needed at a system until the company has operated said system for a period of
7 time. It should also be noted that MAWC did not provide specific analyses for each treatment
8 plant or an itemized list of investments that the company would make to maintain compliance
9 if it were to maintain ownership of the systems.

10 Q. Can you summarize Staff's position regarding the concerns raised by
11 Mr. Murray and Dr. Marke?

12 A. In my opinion, the issues they have raised have already been thoroughly
13 investigated and considered by Staff as part of its recommendation to approve this acquisition.

14 Q. Does this conclude your surrebuttal testimony?

15 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Joint Application of)	
Confluence Rivers Utility Operating Company, Inc.,)	Case No. SM-2025-0067
and Missouri-American Water Company for)	
Authority for Confluence Rivers Utility Operating)	
Company, Inc. to Acquire Certain Sewer Assets of)	
Missouri-American Water Company in Callaway)	
and Morgan Counties, Missouri)	

AFFIDAVIT OF ADAM STAMP

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

COMES NOW ADAM STAMP and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony of Adam Stamp*; and that the same is true and correct according to his best knowledge and belief.

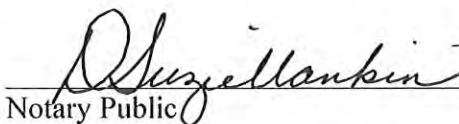
Further the Affiant sayeth not.



ADAM STAMP

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 19th day of May 2025.



Notary Public

Adam Stamp

Present Position:

I am a Research/Data Analyst, with the Water, Sewer, Gas & Steam Department (“WSGS”), within the Industry Analysis Division of the Missouri Public Service Commission (“Commission”). I began employment at the Commission in December of 2022.

Educational Background and Work Experience:

I earned my Bachelors of Science degree from Lincoln University in December, 2011. I have over ten (10) years of experience in industrial regulation. I am responsible for routine inspections at all sites and facilities regulated by the WSGS department at the Commission. Additionally, I have assisted staff with the following cases:

Case Participation:

Case Number(s)	Company Name	Scope of Issues	Testified at Hearing
WR-2022-0303	Missouri-American Water Company	Asset & Investment Inspection	
WR-2023-0006	Confluence Rivers Utility Operating Company, Inc.	Asset & Investment Inspection	
SA-2023-0437	Confluence Rivers Utility Operating Company, Inc.	Asset & Investment Inspection	
WA-2023-0450	Confluence Rivers Utility Operating Company, Inc.	Asset & Investment Inspection	
WC-2023-0353	Misty Water Works	Case Manager	Yes
WA-2024-0048	Confluence Rivers Utility Operating Company, Inc.	Asset & Investment Inspection	
SA-2024-0307	Confluence Rivers Utility Operating Company, Inc.	Asset & Investment Inspection	
WR-2024-0320	Missouri-American Water Company	Asset & Investment Inspection	

Case Number(s)	Company Name	Scope of Issues	Testified at Hearing
WA-2024-0325	Missouri-American Water Company	Asset & Investment Inspection	
GR-2024-0369	Ameren Missouri, Union Electric Company	Asset & Investment Inspection	
SM-2025-0067	Missouri-American Water Company, Confluence Rivers Utility Operating Company, Inc.	Asset & Investment Inspection	
GR-2025-0107	Spire Energy	Asset & Investment Inspection, Assistance Programs	
WC-2025-0256	Missouri-American Water Company	Support Staff	