

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

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

APPLICANTS' INITIAL BRIEF

COME NOW Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”) and Missouri-American Water Company (“MAWC”) (collectively, “Applicants”), and, as their *Initial Brief*, respectfully states as follows to the Missouri Public Service Commission (“Commission”):

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INTRODUCTION

Confluence Rivers' acquisition of the subject MAWC wastewater systems is not detrimental to the public interest and should be approved by the Commission subject to the conditions and actions proposed by the Staff of the Commission, with the adjustment identified below.

Confluence Rivers and MAWC are both existing water corporations, sewer corporations, and public utilities¹ that provide safe and adequate services pursuant to the jurisdiction and supervision of the Commission as provided by law, and each will remain so after the proposed acquisition.

As discussed below, Confluence Rivers is an experienced provider of water and wastewater services and has exhibited its ability to successfully do so in the state of Missouri and, through its sister companies, in ten other states. Further, it specializes in running and rehabilitating small systems, something that is particularly relevant in this situation as the subject systems range in size from 13 active connections at the smallest and to 83 active connections at the largest.

The proposed transaction is "not detrimental to the public interest," and should be approved by the Commission.

TRANSACTION

MAWC seeks to sell, and Confluence Rivers desires to acquire, nineteen (19) small wastewater systems. Eighteen of those systems are located in Callaway County

¹ As those terms are defined in Section 386.020, RSMo.

and the remaining system is located in Morgan County. (Exh. 100, Kadyk Dir., p. 4). As of March 3, 2025, the total number of active connections for the nineteen systems was 616. (Exh. 101P, Kadyk Sur., pp. 3-4). As of the same date, the smallest of the systems had 13 active connections and the largest served 83 active connections. (Exh. 102, Kadyk Errata). The systems use either extended aeration, recirculating sand filters or facultative lagoon treatment processes. (Exh, 100, Kadyk Dir., pp. 4-5).

The assets to be sold by MAWC were among the assets MAWC acquired from Aqua Missouri, Inc., Aqua Development, Inc., and Aqua/RU, Inc. d/b/a Aqua Missouri, Inc. pursuant to approval granted by the Commission in Case No. WO-2011-0168. The transaction was associated with the decision by Aqua to largely exit the state of Missouri as a regulated utility. (Exh, 100, Kadyk Dir., pp. 5-6).

LIST Of ISSUES

I. What legal standard must the Commission apply in deciding this case?

Under applicable law, the Commission must approve those acquisition applications over which it has jurisdiction, unless the transaction is shown to be “detrimental to the public interest,” a standard established by the Missouri Supreme Court.²

The Missouri Court of Appeals has described the standard for the sale of the assets of a regulated utility as follows:

Prior to the sale of certain assets of a regulated utility, the Commission must

² *State ex rel. City of St. Louis v. Public Service Commission*, 73 S.W.2d 393 (Mo. 1934). See also, *State ex rel. AG Processing, Inc. v. Public Service Commission*, 120 S.W.3d 732, 735 (Mo. banc 2003).

approve the transfer. § 393.190.1. “The obvious purpose of this provision is to ensure the continuation of adequate service to the public served by the utility.” *Fee Fee Trunk Sewer*, 596 S.W.2d at 468. In determining whether a transfer should be approved, the Commission determines whether the transfer is detrimental to the public interest. *AG Processing, Inc.*, 120 S.W.3d at 735 (citing *State ex rel. City of St. Louis v. Pub. Serv. Comm’n*, 73 S.W.2d 393, 400 (Mo. banc 1934)).³

This standard is rooted in the constitutional concept of property rights – the owners of property have a constitutional right to determine whether to sell their property or not. “To deny them that right would be to deny them an incident important to ownership of property. A property owner should be allowed to sell his property unless it would be detrimental to the public.”⁴ Thus, if there is no detriment, the Commission must approve the proposed transaction.

If the Commission does identify a detriment, it has viewed its task to call for a netting of detriments and benefits. The Commission has applied the standard as a no-net-detriment standard in which “all of the benefits and detriments in evidence are considered.”⁵ The Commission has described this standard as follows:

In considering whether or not the proposed transaction is likely to be detrimental to the public interest, the Commission notes that its duty is to ensure that UE provides safe and adequate service to its customers at just and reasonable rates. A detriment, then, is any direct or indirect effect of the transaction that tends to make the power supply less safe or less adequate, or which tends to make rates less just or less reasonable. The presence of detriments, thus defined, is not conclusive to the Commission’s ultimate decision because detriments can be offset by attendant benefits. The mere fact that a proposed transaction is not the least cost alternative or will cause rates to increase is not detrimental to the public interest where the transaction will confer a benefit of equal or greater value or remedy a

³ *Osage Util. Operating Co. v. Mo. Pub. Serv. Comm’n*, 637 S.W.3d 78, 92 (Mo.App. 2021) (emphasis added).

⁴ *State ex rel. St. Louis v. Public Service Commission*, 73 S.W.2d 393, 400 (Mo. 1934) (emphasis added).

⁵ *See Re Union Electric Company*, 13 Mo.P.S.C.3d 266, 293, Case No. EO-2004-0108 (2005).

deficiency that threatens the safety or adequacy of the service.⁶

Where there are detriments identified, this balancing approach has been found by the Court of Appeals to be appropriate.⁷

Ultimately, Applicants' task, and the Commission's consideration, may be described as follows:

. . . an applicant need not show that the transfer will produce the greatest benefit to the public—or any net benefit at all—but only that the transfer will not work to the detriment of the public.⁸

II. Would the sale of the subject Missouri-American Water Company wastewater systems to Confluence Rivers Utility Operating Company, Inc. be detrimental to the public interest?

The Proposed Sale is Not Detrimental to the Public Interest

Confluence Rivers' acquisition of the MAWC wastewater systems at issue in this case will not be detrimental to the public interest, as "adequate service to the public" will be continued under Confluence Rivers.⁹

Both the buyer and the seller are water corporations, sewer corporations, and public utilities, as those terms are defined in Section 386.020, RSMo. They are subject to the jurisdiction and supervision of the Commission as provided by law and each will remain so after the proposed acquisition. (Exh. 1, Silas Dir., p. 5; Exh. 100, Kadyk Dir., p. 4).

⁶ *In the Matter of the Joint Application of Great Plains Energy Incorporated, Kansas City Power & Light Company, and Aquila, Inc.*, Report and Order, Case No. EM-2007-0374, 2008 Mo. PSC LEXIS 693, 454-455 (MoPSC July 1, 2008), quoting *Re Union Electric Company*, Case No. EO-2004-0108, 13 Mo.P.S.C.3d 266, 293 (2005) (emphasis added).

⁷ See *Osage Util.*, 637 S.W.3d at 94.

⁸ *Osage Util.*, 637 S.W.3d at 94, citing *City of St. Louis*, 73 S.W.2d at 400 (emphasis added).

⁹ *Osage Util.*, 637 S.W.3d at 92 ("The obvious purpose of this provision is to ensure the continuation of adequate service to the public served by the utility.").

Confluence Rivers has been a Missouri public utility since March of 2015, and provides water service to approximately 6,400 connections and sewer service to approximately 6,500 connections in the state of Missouri, pursuant to certificates of convenience and necessity previously granted by the Commission. (Exh. 1, Silas Dir., p. 5). It is an experienced owner and operator of wastewater systems in the state of Missouri and specializes in running and rehabilitating small systems. (Exh. 1, Silas Dir., p. 8).

Confluence Rivers provides service that is safe and adequate and in all respects just and reasonable, as required by Section 393.130, RSMo, and has tariff books containing rules and regulations, as well as rates approved by the Commission that have become effective within the last nineteen months.

Confluence Rivers is a subsidiary of CSWR, LLC ("CSWR"). CSWR is a Missouri limited liability company formed to provide managerial, technical, and financial support to its utility operating affiliates. To date, CSWR-affiliated utility operating companies have acquired and are operating water and/or wastewater systems in Missouri, Kentucky, Louisiana, Texas, Tennessee, Mississippi, Arizona, North Carolina, Florida, South Carolina, and Arkansas. These systems provide wastewater service to approximately 255,000 persons and drinking water systems services to approximately 187,000 persons in a manner that fully complies with applicable health, safety, environmental protection, and regulatory laws and regulations, and to provide reliable, safe, and adequate service to customers. These services are provided through approximately 175,000 water and wastewater connections and 940 water and wastewater plants. On a daily basis CSWR's utility affiliates treat about 36.5 million gallons of wastewater. CSWR employees a

substantial number of full-time employees (more than 100 full-time employees). Regulators in the referenced states, in more than 100 separate orders, have determined the CSWR affiliate group has the technical, managerial, and financial qualifications necessary to acquire, own, and operate water and/or wastewater systems. (Exh. 1, Silas Dir., p. 5; Exh. 3P, Silas Sur., p. 7, 9).

On the wastewater side of the business, the CSWR affiliate group has purchased wastewater treatment plants with associated pressure systems and sewer pumping stations, gravity force mains, and gravity conveyance lines. With the approval of state wastewater regulatory authorities, CSWR-affiliated companies have designed, permitted, and completed construction of numerous sanitary sewer system improvements. These improvements include wastewater line repairs to eliminate infiltration and inflow, building numerous sewer main extensions, building and/or repairing hundreds of lift stations, the closure of a number of existing regulatory impaired wastewater systems, building new or refurbishing over 150 activated sludge plants, constructing dozens of moving bed bio-reactor plants, converting multiple failing wastewater systems into sludge storage/flow equalization and treatment basins, converting failed mechanical systems to I-Fast systems, and constructing various other wastewater treatment supporting improvements. (Exh. 1, Silas Dir., p. 6).

Confluence Rivers finds it more cost effective and efficient to use independent contractors to perform many of the operation and maintenance tasks. However, Confluence Rivers maintains primary responsibility for those tasks through full-time employees. Since November 1, 2023, this has included a Regional Manager for

wastewater and water services that is responsible for the oversight and performance of all of Confluence Rivers' water and wastewater operations within Missouri (and only Missouri). This includes managing relationships with operations and maintenance partners, subcontractors, consultants, and vendors to ensure systems are operated safely, efficiently, and in full compliance with regulatory and contractual obligations. The Regional Manager also supports customer service functions, attends public meetings, and serves as a key representative in community and regulatory engagements. Additionally, the employee's responsibilities include indirect supervision of cross functional support teams and coordination of capital and operating budgets. Finally, the Regional Manager is responsible for integrating new or modified facilities into operations and ensuring clear, timely communication with internal teams, external stakeholders, and regulatory bodies. (Exh. 3P, Silas Sur., p. 8; Tr. 63 (Silas)).

The number of customers at issue will not substantially change the operations of either MAWC or Confluence Rivers. MAWC provides sewer service to approximately 24,000 customers in Missouri. (Exh. 100, Kadyk Dir., p. 4). Thus, the 616 customers of the subject wastewater systems represent a small percentage (2.6%)¹⁰ of the MAWC wastewater customers. After the acquisition these 616 customers will also represent a relatively small percentage (8.7%)¹¹ of Confluence Rivers' wastewater customers. Thus, neither applicant's operations will be significantly changed by the transaction.

A comparison of the current MAWC rates being paid today by the customers of the nineteen subject systems and those being paid today by Confluence Rivers' customers,

¹⁰ 616 customers/24,000.

¹¹ 616 customers/ (6,500 customers + 616 customers)

all of which contain impacts of past investments, operating costs, and rates of return utilized by the Commission in setting rates for the Applicants, shows there is no significant difference in rates between the companies. MAWC's base rate for these customers at the time direct testimony was filed was \$65.36 (although these customers were actually paying \$68.56 monthly at that time when WSIRA was included). As of May 28, 2025, MAWC's base rate is \$74.11, which resulted from Commission Case No. WR-2024-0320. Confluence Rivers' current District 1 rate is \$60.21, and its District 2 rate is \$70.83. The average of these Confluence Rivers rates is \$65.52. (Exh. 3P, Silas Sur., pp. 11-12; Exh. 101P, Kadyk Sur., pp. 7-8).

As of closing, Confluence Rivers proposes to charge the customers of the subject systems the MAWC base rate as of filing date of Applicants' direct testimony (\$65.36). Such rate would represent a decrease from the rate currently charged these customers (\$74.11) and would not change for quite some time. New rates would likely not become effective until 11 months from Confluence Rivers' next general rate case filing. Confluence Rivers currently has no rate case on file and no notice of intended filing related to any such case on file. (Exh. 3P, Silas Sur., pp. 11-12).

Confluence Rivers' acquisition of the subject MAWC wastewater systems will not be detrimental to the public interest, will result in the continuation of adequate service to the subject customers, and should be approved by the Commission, subject to the conditions and actions proposed by the Staff of the Commission, with one exception.

Staff Conditions

The Staff has proposed that the Commission impose certain conditions in conjunction with approval of the proposed acquisition of the MAWC assets. Confluence Rivers has no objection to the conditions proposed by Staff, except for Condition 4, which states as follows: “Require Confluence to submit an adoption notice prior to closing on the assets, to adopt the existing MAWC tariffs.” (emphasis added).

MAWC will still be a sewer corporation after the closing of the subject transaction. Thus, rather than adopting MAWC’s tariff as a whole, Confluence Rivers proposes the following as a substitute for Staff Condition 4:

Require Confluence Rivers to submit tariff sheets, to be effective before closing on the assets, to include a service area map, service area written description, and rates to be included in its EFIS tariff P.S.C. MO No. 31, applicable to sewer service.

(Application, *Tariffs and Rates*, p. 6).

OPC Alleged Detriments

OPC lists in its Rebuttal Testimony five (5) alleged detriments associated with this application. (Exh. 303, Marke Reb., pp. 4-5). None of these items constitutes an actual detriment to the public interest.

OPC Allegation 1

[c]ustomers [of these nineteen systems] will go from receiving service from the largest publicly-traded investor-owned water utility in the United States (and in Missouri), which comes with access to its own research laboratory and whose business model is focused on the use of full-time employees, to receiving service from a much smaller utility whose business model is predicated on finding distressed systems for sale and operating the systems entirely with contractual employees.

Although ownership of the systems would indeed transfer from “the largest publicly traded investor-owned water utility in the United States (and in Missouri),” there is nothing determinantal in that fact as it applies to this transaction.

As stated before, Confluence Rivers is an established Missouri public utility. It is an experienced owner and operator of wastewater systems in the state of Missouri, specializes in running and rehabilitating small systems, and has demonstrated its ability to provide high quality wastewater service to its current customers.

Moreover, while Confluence Rivers’ parent, CSWR, is smaller than American Water Works Company, it is still a significant entity. Over its decade-long existence, CSWR has grown to become one of the largest investor-owned water and wastewater utilities in the United States. It has more than 100 full-time employees, which includes a full time employee who is responsible for the oversight and performance of Confluence Rivers’ water and wastewater operations within the state of Missouri. That in-house workforce is supplemented by skilled and experienced third-party operators who provide customer service and operations and maintenance services for CSWR and its utility affiliates.

CSWR, through its utility affiliates, is operating water and/or wastewater systems in 11 states (*Missouri, Kentucky, Louisiana, Texas, Tennessee, Mississippi, Arizona, North Carolina, Florida, South Carolina, and Arkansas*). The affiliate group currently owns and operates more than 940 water and wastewater plants. On a daily basis, CSWR’s subsidiaries treat about 36.5 million gallons of wastewater from almost 100,000 wastewater connections.

So, although CSWR and Confluence Rivers aren't the largest water and wastewater utility in the United States or in Missouri, there can be no doubt the proposed purchaser of the 19 systems at issue in this case is a substantial utility that is both qualified and able to provide safe and reliable service to the customers of those systems.

OPC Allegation 2

customers of these nineteen systems will likely be subject to higher rates due to losses of economies of scale and higher cost-of-service items;

The OPC makes various allegations as to future rates. A comparison of future rates for either MAWC or Confluence Rivers is difficult, if not impossible, as the future values of elements critical to the calculation of the future revenue requirements of both Confluence Rivers and MAWC – such as operating costs, capital structure, and return on equity – are both unknown and unknowable at the present time. And because rates are determined based on a utility's revenue requirement, future rates are unknown and unknowable at the present time as well. That's true not only for Confluence Rivers but for MAWC as well. (Exh. 3P, Silas Sur., p. 14).

An example of the flawed nature of any such comparison of future rates can be seen in OPC's attempt to estimate such rates. For example, in estimating overall future revenue requirements for both Confluence Rivers and MAWC, OPC witness Murray starts with the common equity returns each utility requested in its most recent general rate case. As the Commission is well aware, the return on equity approved for ratemaking purposes is almost always less than the return the utility requests in its rate case filing. Using the requested rate of return to calculate future rates would tend to distort rates upward – that

is, calculate a future rate that is higher than the rate the Commission is likely to approve. (Exh. 3P, Silas Sur., p. 14-15).

Mr. Murray's future rate estimates are further distorted because when he estimates future rates under Confluence Rivers' ownership, he appears to include capital investment for sixteen of the nineteen systems at issue in this case while excluding such investment when calculating rates under MAWC's continued ownership. (Exh. 3P, Silas Sur., p. 14-15). He assumed, based on engineering reports prepared for Confluence Rivers and his interpretation of a data request response provided by MAWC (OPC 31), that Confluence Rivers' projected capital spend on those systems was greater than MAWC's projected spend. However, as explained in the Surrebuttal Testimony of MAWC witness Kadyk, the total projected capital spend for MAWC includes both tables provided in response to OPC DR 31. This leads to a higher projected capital spend for MAWC over both three and five years, than that derived from Confluence Rivers' engineering reports. (Exh. 101P/C, Kadyk Sur., pp. 5-7; Exh. 3P/C, Silas Sur., p. 21).

Lastly, timing of investments, timing of rate cases, use of the Missouri Water and Sewer Infrastructure Act ("WSIRA")¹², possible implementation of a future test year and, most importantly, the Commission's future decisions will all have an impact on future rates, which further complicates the ability to even guess what either company's rates will be in the future. (See Tr. 130-131 (Marke)).

We can, however, compare the current MAWC rates being paid by the customers of the nineteen subject systems and those being paid today by Confluence Rivers'

¹² See, for example, Files No. WR-2025-0345 and SR-2025-0346 (MAWC Notice of Intended Filing).

wastewater customers, all of which contain impacts of past investments, operating costs, and rates of return utilized by the Commission in setting rates for the Applicants. This comparison shows no significant difference in rates between the companies. MAWC's base rate for these customers at the time the application was filed was \$65.36 and these customers were actually paying \$68.56 monthly by the time Direct Testimony was filed, with WSIRA included. As of May 28, 2025, MAWC's base rate is \$74.11, which resulted from Commission Case No. WR-2024-0320. Confluence Rivers' current District 1 rate is \$60.21, and its District 2 rate is \$70.83. The average of these two rates is \$65.52. (Exh. 3P, Silas Sur., pp. 11-12; Exh. 101P, Kadyk Sur., pp. 7-8). As OPC witness Murray agreed, MAWC's rate being paid by the subject customers (\$74.11) is higher than Confluence Rivers' district rates. (Tr. 101 (Murray)).

As of closing, Confluence Rivers proposes to charge the customers of the subject systems the MAWC base rate that was in place when the application was filed (\$65.36). (Exh. 1, Silas Dir., p. 7). This rate would represent a decrease from the rate currently charged these customers (\$74.11) and would not change for some time as Confluence Rivers currently has no rate case on file (and new rates would likely not become effective until 11 months from its next general rate case filing). New rates for Confluence Rivers would not be expected until late 2026, at the earliest. (Exh. 3P, Silas Sur., pp. 13-14).

Thus, any allegation of a detriment alleged as to rates that may be authorized by the Commission in the future is not supported by the best evidence available – the current Commission-approved rates of MAWC and Confluence Rivers.

OPC Allegation 3

MAWC's remaining customers will continue to pay costs as if these systems were still in operation;

This is the way rate making works, and there is nothing the Commission can do in this case to reduce MAWC's rates without running afoul of well-established Missouri case law regarding how utility rates are set. On the other side of the equation, after the systems are sold, MAWC customers will still be paying rates that are based in part on an assumption that some amount of costs are being paid for by the 616 customers of these systems.

Moreover, many items upon which MAWC's base rates are founded will change, or have changed, going forward. This fundamental aspect of ratemaking is not a detriment associated with a specific sale of properties, especially where the sale concerns 616 customers among MAWC's over 500,000 water and sewer connections.

OPC Allegation 4

an acquisition premium exists;

The possible existence of an acquisition premium, or adjustment, which is merely a difference between the purchase price and net original cost at the time of closing, in some amount is not a detriment unto itself. The reference is to "some amount", because since the filing of this case, approximately ten months have passed. At a minimum, some amount of investment will have been made, and depreciation reserve will necessarily have increased through the passage of time. As a closing date, if any, is still unknown, it is not possible to establish a precise calculation of an acquisition adjustment at this time. (Exh. 3P, Silas Sur., p. 24).

Regardless of the ultimate amount of acquisition adjustment, the existence of such does not represent a detriment. Confluence Rivers agrees with Staff that it expects an updated rate base level will be established when Confluence Rivers files its next rate case that includes these systems. Further, Confluence Rivers agrees that Staff takes the position that rates should be based upon the remaining net book value of the original cost of the utility plant at the time it was placed in service, without regard to any acquisition adjustment, above or below net book value. (Exh. 3P, Silas Sur., pp. 24-25). Consistent with those understandings, whatever acquisition adjustment may exist at closing, Confluence Rivers is not requesting, and does not expect to recover, that premium in rates. (Tr. 40 (Cooper), 62 (Silas)).

OPC Allegation 5

18 of the 19 wastewater systems are closer to existing MAWC systems than Confluence systems.

All the systems Confluence Rivers proposes to acquire from MAWC are in Callaway County, except the Ozark Meadows system, which is in Morgan County. Therefore, although it is technically true that Confluence Rivers does not operate any systems that are as close to these systems as does MAWC, it would be wrong to infer that the Company cannot successfully operate those systems if the Commission approves the pending application.

Schedule AJS-1 to the Surrebuttal Testimony of Confluence Rivers witness Silas (Exh. 3P) is a map showing where the systems under consideration in case are located in relation to systems Confluence Rivers already owns and operates. The schedule shows the Company currently owns systems in Morgan County, and the Ozark Meadows system

at issue in this case is proximate to not only those systems but also to a cluster of systems in Camden County. Although Confluence Rivers currently has no systems in Callaway County, the cluster of systems there that it proposes to acquire from MAWC – which are identified by the red diamonds near the center of the map – are proximate to, and within easy driving distance from, systems the Company already owns in Cole, Montgomery, and Boone Counties. Therefore, if the Commission approves the pending application Confluence Rivers will be able to provide the Callaway County systems under consideration in this case the same level of professional support and operational expertise it currently provides all the water and wastewater systems it currently owns in Missouri. (Exh. 3P, Silas Sur., pp. 4-5).

Moreover, Confluence Rivers is no stranger to owning and operating systems that are spread out. Since it commenced operations, Confluence Rivers (and its pre-merger affiliates) has acquired systems in geographically dispersed locations across Missouri and successfully provided safe and adequate service to those systems. Indeed, its first four acquisitions included systems in Johnson County, near the state's western border, and Cape Girardeau County, which borders the state of Illinois and is among Missouri's easternmost counties. (Exh. 3P, Silas Sur., pp. 5-6).

Schedule AJS-2 to the Surrebuttal Testimony of Confluence Rivers witness Aaron Silas, shows the geographic dispersion of the counties where Confluence Rivers acquired water or wastewater systems between February 2015 and September 2020 -- the initial years of the Company's operations. If the Commission believed Confluence Rivers could provide service to systems in those dispersed locations, the Commission should have no

fear that a much more experienced and operationally mature Company can successfully assimilate the systems under consideration in this case. (Exh. 3P, Silas Sur., p. 6).

In addition, the Commission should take note that Confluence Rivers' operating footprint includes systems much more remote than those in Callaway County. The wastewater system previously owned by the Village of Luray (acquisition authorized in File No. SA-2023-0437) is in the extreme northeast corner of Missouri while the water and wastewater systems previously owned by the Willows Utility Company (acquisition authorized in File No. WM-2018-0116) and Branson Cedars Resort Utility Company (acquisition authorized in File No. SM-2020-0283) are located in the extreme southwest corner. None of these systems is as close to another Company-owned system as the Callaway County systems under consideration in this case, but that fact hasn't deterred Confluence Rivers from operating them all in a manner that ensures they comply with applicable health, safety, and environmental laws and provide safe and reliable service to customers. (Exh. 3P, Silas Sur., p. 6).

The Callaway County location of 18 of the wastewater systems is not an impediment to the continued provision of safe and adequate service and, thus, not a detriment.

Conclusion

Confluence Rivers' acquisition of the subject MAWC wastewater systems will not be detrimental to the public interest and should be approved by the Commission subject to the conditions and actions proposed by the Staff of the Commission, with the adjustment identified above.

WHEREFORE, Applicants respectfully submit this *Initial Brief* for the Commission's consideration.

Respectfully submitted,



Dean L. Cooper MBE #36592
BRYDON, SWEARENGEN & ENGLAND P.C.
312 E. Capitol Avenue
P.O. Box 456
Jefferson City, MO 65012
(573) 635-7166 telephone
dcooper@brydonlaw.com

**ATTORNEYS FOR CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.
AND MISSOURI-AMERICAN WATER COMPANY**

Timothy W. Luft, MBE #40506
Rachel Niemeier, MBE #56073
Corporate Counsel
MISSOURI-AMERICAN WATER
COMPANY
727 Craig Road
St. Louis, MO 63141
(314) 996-2279 (Tim)
(314) 996-2390 (Rachel)
timothy.luft@amwater.com
rachel.neimeier@amwater.com

L. Russell Mitten MBE #27881
General Counsel
1630 Des Peres Rd., Suite 140
Des Peres, MO 63131
Telephone : (314) 380-8595
rmitten@cswrgroup.com

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

**ATTORNEYS FOR MISSOURI-
AMERICAN WATER COMPANY**

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing was served electronically on all parties of record herein on this 18th day of July 2025.

