BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the Petition of Confluence Rivers Utility Operating Company, Inc. for Approval to Establish a Water and Sewer Infrastructure Rate Adjustment (WSIRA).	))))	File No. WR-2026-0331 File No. SR-2026-0332 JW-2027-0011 JS-2027-0012

CONFLUENCE RIVERS' PETITION TO ESTABLISH A WSIRA

COMES NOW Confluence Rivers Utility Operating Company, Inc. ("Confluence Rivers"), pursuant to Sections 393.1500 through 393.1509, RSMo, and Rules 20 CSR 4240-2.060(1) and (6) and 20 CSR 4240-10.185, and, for its *Petition to Establish a Water and Sewer WSIRA*, respectfully states as follows to the Missouri Public Service Commission ("Commission"):

APPLICANT

1. Confluence Rivers is a Missouri corporation with its principal office and place of business at 655 Maryville Center Drive, STE 200, St. Louis, MO 63141. Confluence Rivers is a Missouri corporation in good standing. A certified copy of Confluence Rivers' certificate of good standing was filed in File No. WM-2018-0116 and is incorporated herein by reference.

2. Confluence Rivers provides water service to approximately 6,800 connections and sewer service to approximately 7,700 connections in the State of Missouri, pursuant to certificates of convenience and necessity previously granted by the Commission. Confluence Rivers is a "water corporation," a "sewer corporation," and a "public utility," as those terms are defined in Section 386.020, RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law.

3. Confluence Rivers has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against Confluence Rivers

from any state or federal agency or court that involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Application.

4. Communications regarding this application should be addressed to the undersigned counsel and to:

Aaron Silas
Assistant Vice President of Regulatory and Customer Operations
Confluence Rivers Utility Operating Company, Inc.
655 Maryville Center Drive, STE 200
St. Louis, MO 63141Phone: (314) 380-8510
E-mail: asilas@cswrgroup.com

WSIRA

5. Confluence Rivers seeks to establish a Water and Sewer Infrastructure Rate Adjustment (WSIRA) to provide for the recovery of costs for infrastructure system projects eligible for WSIRA recognition. The proposed WSIRA rate schedules filed concurrently with this Petition (JW-2027-0011 and JS-2027-0012) reflect the appropriate pre-tax revenues necessary to produce net operating income equal to Confluence Rivers' pretax weighted cost of capital multiplied by the net original cost of the eligible infrastructure system projects, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system projects which are included in the petition to establish or change a WSIRA, pursuant to Sections 393.1500 through 393.1509. Confluence Rivers also seeks to recover all state, federal and local income or excise taxes applicable to such income and to recover all other costs such as depreciation expense and property taxes due within 12 months of this filing.

6. Confluence Rivers had its last general rate proceeding decided by the Commission's *Report and Order* issued on October 25, 2023, effective November 4, 2023, in Case No. WR-2023-0006. Tariffs resulting from that case became effective on December 1, 2023

(JW-2024-0065 and JS-2024-0066).

7. Attached hereto as **Appendix A** and **Appendix B** are the proposed tariff sheets. Attached hereto as **Appendix C** is the supporting information necessary to establish the WSIRA and to reflect recovery of eligible infrastructure system project costs.

8. The proposed water rate schedule, on an annualized basis, will produce WSIRA revenues of $212,311.96, or an increase of 7.01%, based on the base water revenue level approved by the Commission in Confluence Rivers most recently completed general rate proceeding.

9. The proposed sewer rate schedule, on an annualized basis, will produce WSIRA revenues of $457,770.90, or an increase of 11.32%, based on the base sewer revenue level approved by the Commission in its most recently completed general rate proceeding.

10. The proposed WSIRA on an annualized basis does not produce revenues in excess of 15 percent (15%) of the base water or sewer base requirement approved by the Commission in Case No. WR-2023-0006.

11. The infrastructure system projects that will be recovered through the proposed WSIRA are benefiting customers by improving the reliability, safety, resiliency, and operational performance of the water and wastewater systems; replacing aging or deteriorated infrastructure; reducing the risk of service interruptions and environmental impacts; enhancing treatment and regulatory compliance capabilities; improving system monitoring and metering accuracy; and ensuring the continued provision of safe and reliable utility service. These projects are undertaken to maintain and improve existing service and are not intended solely to support customer growth.

12. The eligible infrastructure system projects for which Confluence Rivers seeks

WSIRA recognition are set forth on **<u>Appendix D-Water</u>** and **<u>Appendix D-Sewer</u>**, which are attached hereto and made a part hereof for all purposes. The eligible infrastructure system projects listed on **<u>Appendix D-Water</u>** and **<u>Appendix D-Sewer</u>** are water or sewer utility plant projects that replace or extend the useful life of existing infrastructure; are in service and used and useful; do not include projects intended solely for customer growth; and the costs of which were not recovered in Confluence Rivers' base rates established in Case No. WR-2023-0006. More specifically, these projects consist of the following:

(A) Replacement of existing water and sewer pipes, and associated valves, hydrants, meters, service lines, laterals, sewer taps, curb stop, and manholes;

(B) Cleaning and relining of existing water or sewer pipes;

(C) Replacement of lead mains, lead goosenecks, and lead service lines and associated valves and meters;

(D) Replacement of booster station(s) and lift station pump(s) with equipment of similar capacity and operations, as well as related pipes, valves, and meters;

(E) Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of this state;

(F) Facilities relocations required due to construction or improvement of a highway road, street, public way, or other public work on or on behalf of a political subdivision of this state, or another entity having the power of eminent domain provided that the cost related to such projects have not been reimbursed to the eligible utility;

(G) Replacement of water or wastewater treatment mechanical equipment with equipment of similar capacity and operation, including well and intake pumps, transfer pumps, high service or discharge pumps, and metering pumps; and

(H) Replacement of Supervisor Control and Data Acquisition System (SCADA) components necessary for the operation and monitoring of remote installations including radio and cellular communication equipment, and programmable logic controllers.

13. Confluence Rivers utilizes both internal and external resources to install the mains. In instances where external resources were utilized, a request for proposal (RFP) process is used. Confluence Rivers personnel develop the scope of work, solicit and evaluate competitive proposals, verify contractor qualifications and experience, and select the lowest and best best-qualified contractor to perform the work in a cost effective manner.

14. **Appendix D-Water** and **Appendix D-Sewer** provide the eligible infrastructure system projects by Task Order (work order) and identify and sub-total facility relocations on behalf of the State of Missouri, on behalf of a political subdivision of the State of Missouri, on behalf of the United States and on behalf of an entity other than the United States, State of Missouri or a political subdivision of the State of Missouri.

15. Attached hereto as **Appendix E-Water** and **Appendix E-Sewer** are lists of infrastructure retirements and related annual depreciation expense associated with the retirements. **Appendix E-Water** and **Appendix E-Sewer** provide the original cost of the retired asset, depreciation rate, and the date the asset was removed from service.

16. Attached hereto as **Appendix F-Water** and **Appendix F-Sewer** are the lists of infrastructure contributions-in-aid-of-construction and related annual amortization expense associated with the contributions-in-aid-of-construction. **Appendix F-Water** and **Appendix F-Sewer** provide the original cost of the contributed asset, amortization rate, and the date the asset

was placed in service.

17. In determining the appropriate pre-tax WSIRA revenues, the proposed rate schedules utilize current state and federal income tax rates of 3.5951% and 20.2450%, respectively. These rates represent the current statutory rates.

18. In determining the appropriate pre-tax WSIRA revenues, the proposed rate schedules utilize the overall after-tax weighted average cost of capital 8.25%, as ordered by the Commission in its *Report and Order* in Case No. WR-2023-0006 (ROE=9.90%; Cost of Debt= 6.60%; Capital Structure = 50% equity/ 50% debt).

19. In determining the appropriate pre-tax WSIRA revenues, the proposed rate schedules include property taxes for assets placed in service through 2025, as those property taxes on the WSIRA investments will be due within 12 months of the filing of this Petition.

20. In determining the appropriate pre-tax WSIRA revenues, the proposed rate schedules utilize depreciation rates currently applicable to the eligible infrastructure system projects as determined by the Commission.

21. In determining the appropriate pre-tax WSIRA revenues, the proposed water and sewer rate schedules utilize the applicable tariff group billing determinants utilized in designing Confluence Rivers' water and sewer customer rates in its most recent general rate proceeding and are allocated in a manner consistent with the rate design methodology utilized to develop Confluence Rivers' water and sewer base rates resulting from its most recent general rate proceeding.

22. Confluence Rivers filed with the Commission on February 2, 2026, in Case No. WR-2023-0006, its five-year capital expenditure plan (Section 393.1509.1(3), RSMo). Confluence Rivers believes that no change is necessary for its existing plan.

ADDITIONAL INFORMATION

23. Confluence Rivers will post information on its website to inform customers of the WSIRA. The WSIRA information will be posted to Confluence Rivers' website at or before the time the WSIRA appears on customer's bills. Refer to **Appendix G** for an example of the information to be included on the website.

24. Instructions and talking points regarding the WSIRA will be provided to personnel at Confluence Rivers' Call Center. Refer to **Appendix H** for the instructions to be provided to personnel at Confluence Rivers' Call Center.

25. Confluence Rivers will provide an initial, one-time notice to affected customers in conjunction with the establishment of the WSIRA. This notice will explain the WSIRA program, explained how the surcharge is applied to different customer classes and identified the statutory authority under which the WSIRA is implemented. See **Appendix I** for an example of this notice.

26. Confluence Rivers will provide annual notice to affected customers each year a WSIRA is in effect, explaining the continuation of the program and the resulting WSIRA.

27. The WSIRA will be clearly identified on the customer's billing statement. It will appear as a separate charge under WSIRA.

WHEREFORE, pursuant to Section 393.1509(2), Confluence Rivers respectfully requests the Commission issue an Order bearing an effective date of no later than January 24, 2027:

A. Authorizing Confluence Rivers to recover the costs of its eligible infrastructure system project costs (as listed on **Appendix D-Water** and **Appendix D-Sewer**) through implementation of a WSIRA as requested herein and as proposed in the tariff rate schedules filed concurrently with this Petition; and,

B. Granting such other relief as may be necessary and appropriate to accomplish the purposes of Sections 393.1500 through 393.1509, RSMo.

Respectfully submitted,

__//S// *Dean L. Cooper*___

Dean L. Cooper MBE #36592
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dcooper@brydonlaw.com

ATTORNEYS FOR CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing document was sent via electronic mail on this 28th day of July 2026 to:

Casi Aslin Staff Counsel's Office casi.aslin@psc.mo.gov staffcounselservice@psc.mo.gov	Office of the Public Counsel opcservice@opc.mo.gov

_//S// *Dean L. Cooper*___

VERIFICATION

STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

I, Josiah Cox, state that I am the President of Confluence Rivers Utility Operating Company, Inc. ("Confluence Rivers"); that I have read the attached document; that the statements contained therein are true and correct to the best of my information, knowledge and belief; and, that I am authorized to make this statement on behalf of Confluence Rivers.

Josiah Cox, President
Confluence Rivers Utility Operating
Company, Inc. and Central States Water
Water Resources, Inc.

Subscribed and sworn to before me this 27th day of July 2026.

Roshawne Vallandingham
Notary Public

My Commission Expires: 04-10-2027

ROSHAWNE VALLANDINGHAM
Notary Public - Notary Seal
Jefferson County - State of Missouri
Commission Number 23414639
My Commission Expires Apr 10, 2027