

At a session of the Public Service Commission held at its office in Jefferson City on the 19th day of August, 2026.

**Case No. SA-2026-0248**

Effective Date: August 29, 2026

<sup>1</sup> Knox County will retain only its public drinking water system, which is not part of the transaction.

of the Commission's 60-day notice of case filing requirement. The Commission issued notice of the application and set a deadline for the filing of applications to intervene, but no applications to intervene were received.

On July 29, 2026, the Staff of the Commission (Staff) filed its Recommendation with an attached Memorandum. Staff stated that Confluence Rivers' application for the issuance of a CCN meets the standard of being necessary or convenient for the public service. Staff recommended approval of the application subject to its recommended conditions.

On August 5, 2026, Confluence Rivers filed its response to Staff's recommendation. Confluence Rivers stated that it had no objection to any of Staff's recommended conditions.

No other responses or objections to the application or to Staff's Recommendation were received.<sup>2</sup> No party requested a hearing. The requirement for a hearing is met when the opportunity for a hearing has been provided.<sup>3</sup>

## **Discussion**

Confluence Rivers is a certificated and regulated water and sewer utility providing service to customers in Missouri. Central States Water Resources, LLC is the parent company of Confluence Rivers. Confluence Rivers provides water service to approximately 6,500 customers and sewer service to approximately 7,400 customers across several counties in Missouri.

Knox County owns three wastewater systems that have approximately 269 total connections, the Baring Area system (150 connections), the Hurdland system (74) and the

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<sup>2</sup> Commission Rule 20 CSR 4240-2.080(13), which states, "Parties shall be allowed ten (10) days from the date of filing in which to respond to any pleading..."

<sup>3</sup> *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Serv. Comm'n*, 776 S.W.2d 494, 496 (Mo. App., W.D. 1989).

Newark system (45). All three systems utilize lagoons and are located in Knox County, Missouri.<sup>4</sup>

Staff's Memorandum reviewed the state of each of the Systems. The Baring Area system has previously been inspected by the Missouri Department of Natural Resources (DNR) and found to be in non-compliance regarding multiple operational deficiencies. The Hurdland facility's DNR inspection identified non-compliance related to lagoon maintenance. However, DNR found that the Newark facility was generally well maintained.

### **Certificate of Convenience and Necessity**

Section 393.170, RSMo (Supp. 2025), in subsection 2, requires Confluence Rivers to have a CCN prior to providing sewer service in the service areas covered by the Systems. Subsection 393.170.3, RSMo, requires that the Commission determine that the services are "necessary or convenient for the public service" to be granted a CCN. The term "necessity" does not mean "essential" or "absolutely indispensable," but rather that the proposed project "would be an improvement justifying its cost," and that the inconvenience to the public occasioned by lack of the proposed service is great enough to amount to a necessity.<sup>5</sup> It is within the Commission's discretion to determine when the evidence indicates the public interest would be served by the award of a CCN.<sup>6</sup> Subsection 393.170.3 permits the Commission to impose the conditions it deems reasonable and necessary for the grant of a CCN.

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<sup>4</sup> Knox County will retain only its public drinking water system, which is not part of the transaction.

<sup>5</sup> *State ex rel. Intercon Gas, Inc., v. Pub. Serv. Commission of Missouri*, 848 S.W.2d 593, 597 (Mo. App. 1993), citing *State ex rel. Beaufort Transfer Co. v. Clark*, 504 S.W.2d 216, 219 (Mo. App. 1973), citing *State ex rel. Transport Delivery Service v. Burton*, 317 S.W.2d 661 (Mo. App. 1958).

<sup>6</sup> *State ex rel. Ozark Electric Coop. v. Public Service Commission*, 527 S.W.2d 390, 392 (Mo. App. 1975).

The Commission has articulated specific criteria when evaluating applications for utility CCNs as follows:

- (1) there must be a need for the service;
- (2) the applicant must be qualified to provide the proposed service;
- (3) the applicant must have the financial ability to provide the service;
- (4) the applicant's proposal must be economically feasible; and
- (5) the service must promote the public interest.<sup>7</sup>

These criteria are known as the Tartan Factors.

There is a need for the service as the customers of the Systems currently receive sewer service and will continue to need that service. Confluence Rivers is qualified to provide the service as it is an existing sewer utility providing sewer service to approximately 7,400 customers and is subject to the Commission's jurisdiction. Confluence Rivers has the financial ability to acquire the system, as no external financing is needed and Confluence Rivers has demonstrated historically that it has adequate resources to operate utility systems it owns via access to capital from its parent company.

Confluence Rivers provided a three-year simplified economic feasibility study; however, Staff stated it did not have sufficient information to evaluate the reasonableness of all the assumptions underpinning Confluence's analysis. Nevertheless, Staff reviewed the projections for the rates used in the feasibility study and found them to be reasonably forecasted. Staff's Memorandum also observed that Confluence Rivers has pursued an

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<sup>7</sup> *Report and Order*, In re Application of Tartan Energy Company, L.C., d/b/a Southern Missouri Gas Company, for a Certificate of Convenience and Necessity, Case No. GA-94-127, 3 Mo. P.S.C. 3d 173 (September 16, 1994), 1994 WL 762882, \*3 (Mo. P.S.C.).

elevated level of acquisition-driven growth. Nationwide, Staff noted, most water and sewer utility acquisitions are expected to continue to be acquisitions of financially challenged, small private and municipal systems by larger investor-owned utilities.

Regarding promotion of the public interest, Staff indicates that the ongoing need for sewer service contributes to a finding that the grant of a CCN would promote the public interest. Similarly, the Commission finds that the repairs needed to the Baring Area system and the Hurdland facility will support public health, which promotes the public interest – not only to the customers but also to members of the public who encounter the treated wastewater downstream.

Based on the application, Staff’s Recommendation and Memorandum and proposed conditions, and Confluence Rivers’ response, the Commission concludes that the factors for granting a CCN to Confluence Rivers have been satisfied and that it is in the public interest for Confluence Rivers to provide sewer service to the customers currently served by the Systems. Further, the Commission finds that Confluence Rivers possesses, with the assistance of its parent company, adequate technical, managerial, and financial capacity to operate the Systems. Thus, the Commission will authorize the acquisition of assets and grant Confluence Rivers the CCN to provide sewer service within the proposed service areas, subject to the conditions described by Staff.

#### **Waiver of 60-day notice rule**

Confluence Rivers also sought a waiver of the 60-day notice requirement of Commission Rule 20 CSR 4240-4.017(1)(D). Confluence Rivers verified that it had no communication with the Office of the Commission regarding any substantive issue likely to

be in this case during the preceding 150 days. The Commission finds good cause to waive the notice requirement.

The Commission finds it is reasonable to make this order effective in less than 30 days.

**THE COMMISSION ORDERS THAT:**

1. Confluence Rivers' request for waiver from the 60-day notice requirement of Commission Rule 20 CSR 4240-4.017(1)(D) is granted.

2. Confluence Rivers is granted authority to acquire all or substantially all of the sewer utility assets of the Consolidated Public Water Supply District No. 1 of Knox County, Missouri – specifically the Baring Area, Hurdland, and Newark wastewater facilities as described in the application.

3. Upon closing on the sewer utility assets, Confluence Rivers is granted a CCN for the service areas associated with Baring Area, Hurdland, and Newark, subject to the conditions recommended by Staff, as follows:

- a) Confluence Rivers shall adopt the current \$35 flat rate per month for System sewer service, and all other charges and rules governing sewer service currently found in Confluence's sewer tariff P.S.C. MO No. 31;
- b) Confluence Rivers shall submit tariff sheets applicable to the Baring Area, Hurdland, and Newark service areas, to become effective before closing on the assets, to include service area maps, service area legal descriptions, rates, charges, and all other applicable information;
- c) Confluence Rivers shall work with Staff of the Water, Sewer, Gas, and Steam Department to provide digital mapping data in a shapefile format for the proposed service areas within 30 days of closing on the assets.

- d) Confluence Rivers shall notify the Commission of closing on the assets within five days after such closing;
  - i) If closing on the assets does not take place within 30 days following the effective date of the Commission's order approving such, Confluence Rivers shall submit a status report within five days after this 30-day period regarding the status of closing, and additional status reports within five days after each additional 30-day period, until closing takes place, or until Confluence determines that the transfer of the assets will not occur;
  - ii) If Confluence Rivers determines that a transfer of the assets will not occur, Confluence shall notify the Commission of such no later than the date of the next status report, as addressed above, after such determination is made, and Confluence shall submit tariff sheets as appropriate that would cancel service area maps and descriptions applicable to the service area sewer tariff, and rate and charges sheets applicable to customers in the service areas in the sewer tariff;
- e) Confluence Rivers shall provide training to its call center personnel regarding rates and rules applicable to the customers acquired from Knox County, prior to the customers receiving notification of the pending acquisition;
- f) Confluence Rivers shall distribute to the newly acquired customers, prior to the first billing from Confluence, an informational brochure detailing the rights and responsibilities of the utility and its customers regarding its utility service, consistent with the requirements of Commission Rule 20 CSR 4240-13, within thirty days of closing on the assets;
- g) Confluence Rivers shall provide to the Customer Experience Department ("CXD") Staff a sample of its actual communication with its newly acquired customers regarding its acquisition and operations of the utility assets, and how customers may reach Confluence, within ten days after closing on the assets;
- h) Confluence Rivers shall provide to the CXD Staff a sample of five billing statements for the acquired company from the first month's billing within ten days of such billing;

- i) Confluence Rivers shall file notice in this case once the Staff Recommendations regarding staff training, informational brochure, communications, and billing are completed for the acquired wastewater systems within ten days after such communications and notifications;
- j) Confluence Rivers shall include the wastewater customers in its established monthly reporting to the CXD Staff on customer service and billing issues, on an ongoing basis, after closing on the assets; and

4. Upon closing of the asset purchase, Confluence Rivers is authorized to begin providing service in the Knox County service areas.

5. The Commission makes no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters in any later proceeding.

6. This order shall become effective on August 29, 2026.



**BY THE COMMISSION**

*Nancy Dippell*

Nancy Dippell  
Secretary

Hahn, Ch., Coleman, Kolkmeyer,  
and Mitchell CC., concur.

Hatcher, Senior Regulatory Law Judge.



**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

Pursuant to 386.290, RSMo., I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 19<sup>th</sup> day of August, 2026.



*Nancy Dippell*

Nancy Dippell  
Secretary

# MISSOURI PUBLIC SERVICE COMMISSION

August 19, 2026

**Case No: SA-2026-0248**

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**Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).<sup>1</sup>**

Sincerely,



**Nancy Dippell  
Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.