

FILED
September 1, 2023
Data Center
Missouri Public
Service Commission

Exhibit No. 208

OPC – Exhibit 208
Marke Surrebuttal
File No. WR-2023-0006

Exhibit No.: _____
Issue(s): Customer Experience/Late Fees/Meters
Witness/Type of Exhibit: Marke/Surrebuttal
Sponsoring Party: Public Counsel
Case No.: WR-2023-0006

SURREBUTTAL TESTIMONY

OF

GEOFF MARKE

Submitted on Behalf of the Office of the Public Counsel

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

CASE NO. WR-2023-0006

July 21, 2023

TABLE OF CONTENTS

Testimony	Page
Introduction	1
Customer Experience	2
Late Fees	12
Meters	13

SURREBUTTAL TESTIMONY

OF

GEOFF MARKE

CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.

CASE NO. WR-2023-0006

1 **I. INTRODUCTION**

2 **Q. Please state your name, title and business address.**

3 A. Geoff Marke, PhD, Chief Economist, Office of the Public Counsel (OPC or Public Counsel),
4 P.O. Box 2230, Jefferson City, Missouri 65102.

5 **Q. Are you the same Dr. Marke that filed direct and rebuttal testimony in WR-2023-0006?**

6 A. I am.

7 **Q. What is the purpose of your surrebuttal testimony?**

8 A. I am responding to the direct testimony of other parties' witnesses on select topics. The
9 following is a list of those topics and witnesses:

- 10 • Customer Experience
 - 11 ○ Confluence Rivers witness Josiah Cox
- 12 • Late Fees
 - 13 ○ Confluence Rivers witness Brent Thies

14 I will also be updating my testimony on my recommended cost disallowance related to AMI
15 meter investments and summarizing my recommendations across the topics I have filed in
16 this case to date.

17 Finally, my silence regarding any issue should not be construed as an endorsement of,
18 agreement with, or consent to any party's filed position.

1 **II. CUSTOMER EXPERIENCE**

2 **Q. What was Confluence’s response to your direct testimony?**

3 A. There really was no response to my testimony. Mr. Cox took issue with my characterization
4 of his business model and Mr. Thies responded to my recommendation regarding the
5 elimination of late fees.

6 **Q. What items did Confluence not respond to from your direct testimony?**

7 A. The Company was silent on my recommendations related to: cost disallowances for AMI
8 investments, my recommendation to incorporate budget billing, and did not respond to any of
9 my recommendations related to instituting a corporate governance framework or competitive
10 RFP process.

11 **Q. Do you maintain those positions?**

12 A. I do, and I will restate them again at the conclusion of my testimony.

13 **Q. What was Mr. Cox’s response to your characterization of CSWR as a “We Buy Ugly
14 Homes” model?**

15 A. Mr. Cox responded with several pages of testimony claiming effectivity that “I don’t get it.”
16 He claimed that I don’t get all of the good service that CSWR has done for various water and
17 waste systems in Missouri that, in some cases, were neglected and in violation of health and
18 environmental standards. He then spends five pages of testimony responding (largely
19 negatively) to select public comments that were raised in the public hearings for these cases
20 from Confluence customers.

21 **Q. What is your response to Mr. Cox’s rebuttal that “you don’t get it?”**

22 A. Instead of responding to my legitimate concern that his Company is overly focused on
23 acquisitions at the expense of maintaining operations of its existing systems, Mr. Cox doubled
24 down by highlighting CSWR’s many recent and planned investments in other states as a reason
25 why he should be excused from keeping a timesheet. I personally would not have resorted to
26 self-congratulatory testimony in rebuttal, especially considering the volume of testimony by

1 subject matter experts and the public at large who have taken issue with Mr. Cox's inflated
2 salary and unreasonable demands for pronounced profit margins, but that was a calculated
3 decision Mr. Cox and his legal counsel elected to pursue.

4 To be clear, Confluence buys ugly and/or small systems and pays marked up costs to third and
5 fourth-party contractors to run them. My rebuttal testimony spoke at length about the observed
6 and documented shortcomings in Confluence's contract-base operating model and I will not
7 repeat those issues here again, but I continue to have serious concerns about the long term
8 viability of this Company. Putting aside the imprudent, excessive costs in farming out all utility
9 services to contractors, there are legitimate heightened risks in service quality, system security,
10 customer safety, and Company reputation if this model is maintained and/or exacerbated by
11 the Company's insistence on prioritizing acquisitions of new systems (that have no geographic
12 relationship to achieving economies of scale) at the expense of maintaining and efficiently
13 operating the systems it already owns.

14 So, in a way, I do agree with Mr. Cox.

15 I don't get "it."

16 "It" being how this is a good deal for customers now. I see an endless loop of existing
17 customers trapped in a proposed accounting model (single tariff pricing) where they will
18 continue to pay double (or triple) digit rate increases to subsidize somebody else's water and/or
19 waste system that has no relationship to their cost of service. All the while, those same
20 customers will continue to be at the whim of over-priced contractors and a Company president
21 that admonishes them in public testimony for not being grateful enough while simultaneously
22 demanding that his existing customers pay for everybody else

23 But if praise and recognition is what Mr. Cox and CSWR want for its past infusion of capital
24 into the select troubled systems they acquired, I will extend that acknowledgment, again.
25 Customers of truly distressed systems are clearly better off with water and/or sewer services

1 than an alternative scenario where nothing was done. That acknowledgment does not constitute
2 a free pass for the Company's post-acquisition operational mismanagement.

3 Nor should it cloud this Commission's objective review of the facts before it.

4 CSWR has shown a real talent for seeking out systems no one wants to deal with and making
5 a profit by taking advantage of the profit opportunity of an overly generous fair market
6 valuation legislation. However, that is not the issue here. Acquiring systems is a very different
7 skill set then running them. Based on the evidence in this case and the feedback from
8 Confluence's captive customer base, the Company has not justified the rate relief it seeks.

9 **Q. What is your response to Mr. Cox's rebuttal to select local public hearing comments?**

10 A. I am frankly surprised he elected to include it in rebuttal, but since he did, I believe it would be
11 beneficial for the Commission for me to level-set the public comments in relation to other cases
12 recently filed. Let's start first by looking at the EFIS public comments and examine whether
13 Confluence's public feedback is at all unusual relative to every other utility in the state.

14 As the Commission is well aware, customers can call, mail, or email either the PSC or the OPC
15 and have their comments recorded in EFIS for the Commission's reference. It has been my
16 experience that high profile, high contentious rate cases can see as many as half a percentage
17 point (0.05%) of the overall customer population take the time to exercise this feature.

18 Table 1 is a summary of recent rate cases that includes the number of accounts tied to that
19 utility, the number of public comments filed in the Commission's EFIS database and the
20 percentage of overall customers that represented.

1 Table 1: Filed public EFIS comments for recent rate cases compared to total customer accounts

Utility	Case Number(s)	# of Accounts	# of EFIS Comments	% of Customers who Filed Comments
Confluence Rivers	WR-2023-0006	4,400 to 4,600	215	4.9% to 4.7%
Missouri American Water	WR-2022-0303	490,000	114	0.023%
Ameren Missouri	ER-2022-0337	1,295,411	61	0.005%
Evergy Metro	ER-2022-0129	294,458	195	0.07%
Evergy West	ER-2022-0130	332,132	33	0.01%
Spire	GR-2022-0179	1,196,545	650	0.05%
Liberty (Empire Electric)	ER-2021-0312	157,395	72	0.05%

2
 3 There is literally an order of magnitude difference between Confluence and *any* other utility
 4 that has come before this Commission in the past two years.

5 For example, two of the utilities that met or exceeded the ½ percentage point of filed comments
 6 relative to overall customer accounts were Evergy Metro and Liberty Electric. Both of those
 7 utilities were plagued with poor customer experience comments (*e.g.* faulty billing software
 8 and prolonged estimated bills). Spire also managed to elicit a ½ percentage point of filed
 9 comments, but this was largely due to the fact that the utility immediately filed another rate
 10 case after it concluded its previous one to retry the issues that it had lost and this case was on
 11 the heels of community-wide backlash against Spire for needlessly panicking the St. Louis
 12 community by claiming that they might not have gas service for the winter over its STL
 13 Pipeline and subsequent FERC rulings.

14 Confluence’s EFIS comment relative to its customer base represents approximately 5% of its
 15 total customers. This makes it an extreme outlier in terms of customers who desperately want

1 the Commission take notice of the type of service they are receiving. It should be noted, that
2 these comments are almost entirely negative in nature.¹

3 Consider for a moment that Missouri American Water who was in with a rate case earlier this
4 year received approximately half the number of EFIS comments compared to Confluence
5 despite having half-a-million more customers (490,000 customers compared to 4,600
6 customers).

7 **Q. That demonstrates a significant departure from *any* other utility in Missouri. What about
8 the content of the comments? What picture do they paint?**

9 A. A troubling one.

10 Customers objected to the requested rate relief amount and expressed a variety of concerns
11 ranging from non-existent customer communication, low water pressure, water quality
12 concerns, improper maintenance and restoration, frequent boil advisories that are not
13 adequately communicated to customers, an almost universal aversion to consolidation of tariffs
14 (it's clear that customers want fairness by pricing service under the premise of cost causation)
15 and other concerns. Examples of several select comments within EFIS are as follows:

16 Emily Hamm

17 I have noticed a drastic decrease in our water pressure over the last few months. The
18 well house is the first house from the main street is has not been properly maintained.
19 The roof is missing a multitude of shingles. There are vines/weeds growing out of
20 the gutters/downspouts. The surrounding area goes several weeks without being
21 properly maintained/mowed.²

22 Cynthia Martin

23 Since Confluence has taken over, our water pressure has decreased significantly.
24 Not to mention that the subdivision has had three boil orders since October – October
25 21st through the 28th, January 9th through the 16th and February 27th through March
26 2nd. Boil orders that the residents aren't notified about in a timely fashion – if at all.
27 . . .

¹ I was only able to identify two comments that could be characterize as somewhat positive and even then it was from the same family.

² See GM-1.

1 Late in August of 2022, contractors for Confluence Rivers came to our house to put
2 in the new meter for the water. As you can see by the attached email, I reached out
3 to Confluence immediately after the digging as the property was NOT put back the
4 way it was required and, in fact, was left as a mess. The yard was completely dug
5 up, uneven and there were dirt clots surrounding the meter. To this day, the ground
6 is still uneven and I'm not sure grass will grow there again. . . .

7
8 **Approving this rate increase will reinforce to Confluence that how they treat
9 their customers doesn't matter.³**

10
11 Bill and Linda Logan

12 We have been disappointed in one of the "improvements" mentioned, that of a
13 chlorinator. There is an offensive odor and taste of bleach/chlorine in our drinking
14 water. We have contacted the main Confluence office and spoken to Charlie, the
15 local maintenance person. There has been no decrease in the odor nor taste noted.⁴

16 Ann Kelly and Brad Bryan

17 Our community raised concerns in 2020 when we tried to purchase the utility
18 company. We were concerned about lack of control and exorbitant price increases.
19 Our 2020 concerns appear to be well founded as the proposed rate increases are
20 144% for water and 338% for sewer. . . .

21 We have very little investment in our community other than a new fence, tree
22 removal and a chlorinator. They may be spending money in other service areas, but
23 we should not have to fund the rest of the state. . . .

24 Last week I contacted Confluence with a question on how often our water is tested,
25 they were unable to answer this question? I walked away feeling unsatisfied,
26 unsafe and did not feel like they are committed to providing information or
27 responsive to their customers.⁵

28
29 Mark and Kelly Culver

30 While we know that some residents have received new septic tank systems, we have
31 not. They actually brought out a new septic tank last year and dropped it off in our
32 driveway, where it sat for several weeks. They then came and picked it up. We've

³ See GM-2.

⁴ See GM-3.

⁵ See GM-4.

1 called about this, asking if our tank is going to be replaced, and we've been told that
2 the work is on hold indefinitely, and no new tanks are being installed.⁶

3 Diane Eidson

4 During this same question-and-answer session, a Confluence Rivers' representative
5 stated that they used "consolidated tariff pricing" to determine the price increase.
6 They are increasing our rates so that we can help pay for the other 68 systems that
7 they have already purchased in Missouri. Shouldn't the price that we pay for service
8 be used to sustain the Cedar Glen property only? Why should we be required to pay
9 for other systems they have purchased that are in varying states of disrepair?⁷

10 Eric J. Gibson

- 11 1. **Poor quality, inconsistent water:** Be it color, smell or sediment (dirt, rust flakes,
12 hair, etc) present in our water supply, myself and many of our neighbors have
13 experienced on many occasions water we do not feel safe consuming. A community
14 Facebook page allows neighbors to share the issues they're having and it's quite
15 frequent. The discoloration is so bad at times that folks' concrete and siding has been
16 stained, clothes are getting ruined in the washing machine. To date, Confluence
17 never really addresses them; they'll indicate to neighbors who have reported issues
18 that they're doing what's required by law, etc. to provide a safe drinking water
19 (interestingly enough, over the winter we received noticed that they had missed a
20 mandatory testing for a period of time – we were notified by later as it indicated they
21 were "required by law" to tell us – not really something that boosts our faith in the
22 company).
- 23 a. Some of the pics folks share on the Facebook page are straight up nasty. Full
24 system water filters being clogged up due to the amount of sediment and other
25 trash present in the water.
- 26 b. Many folks are having appliances (THOUSANDS OF DOLLARS) go out
27 less than 2 and 3 years of being here; why isn't Confluence Rivers installing
28 a better filtration system? We don't care about state standards... we care about
29 getting a quality product that aligns with the astronomical cost we're paying
30 for their services/product compared to many other rural water providers.
- 31
- 32 2. **Pressure issues** – sometimes the pressure is high enough that I can't help but wonder
33 if it's hard on our water line. Some neighbors have had leaks with their water
34 infrastructure – could this be the issue? I find it odd that my neighbor often has poor

⁶ See GM-5.

⁷ See GM-6.

1 pressure while I rarely do (or the pressure is excessive for me but not them). They
2 have reached out, but no explanation was provided.

- 3
4 3. **Boil order advisory/notices** – for MONTHS the only way we were informed of
5 issues (which happened multiple times a month it seemed for a while) by them
6 placing a very small sign by the road or at the mailboxes. When contacting them I
7 informed them that this was not sufficient and I was “informed” that I was wrong
8 and that emails were always sent out AND a press release was posted on their
9 website/Facebook page stating the advisory/order. FYI – the rude person that
10 informed me of this was wrong; NO ONE in the subdivision was receiving notices
11 of an order/advisory, but amazingly, a short while after I called the second time we
12 did finally start receiving them by email.

13 TL;DR – the water situation is bad enough that when someone comes around to look
14 at a house or a lot to buy, when they stop and ask how the subdivision is the typical
15 response is “the water sucks and the company managing it sucks.” Some folks will
16 go as far to say they’d wish they never moved here. That’s a problem and if it’s not
17 addressed other problems will arise.⁸

18 **Q. What about comments made in the local public hearings?**

19 A Very similar themes were expressed. Select excerpts from customers at the public hearings
20 include the following:

21 Norman Thrall

22 But as far as the dirty water, that's an everyday occurrence. One of these letters here
23 is about the smell of sewer in their water, and that person is about a hundred yards
24 away from the wellhouse.⁹

25 Joseph Maixner

26 The welcome letter that we received stated that they were going to invest \$470,000
27 into our facility for a multitude of different things. One of them being a disinfection
28 system for chlorinating. To my knowledge, that would be a high health priority.
29 We're six months in. Even that has not been done yet. On top of that, they have
30 neglected the property that they own around the wellhouse area to the point that I

⁸ See GM-7.

⁹ Camdenton Public Hearing p. 13

1 had to submit work orders and then threaten to fine them through the HOA to get
2 the grass maintained and the landscaping taken care of.¹⁰

3 Theresa LaBoube

4 The water in our area has a lot of pressure problems, and they explained the fix for
5 us here. And I don't know if Confluence is going to take that fix or not because
6 they're also trying to work a deal with Margaritaville to link into their water system
7 and just distribute to us over there. So all that being up in the air is the reason I can't
8 really talk intelligently about that. But the pressure problem is that people on the low
9 end can get good pressure; but by the time you get up on that hill, you can't do dishes
10 and take a bath at the same time. That's that.¹¹

11 Lisa Hodges

12 When Confluence Rivers took over in approximately 2020, I have had more water
13 issues than I care to address personally. Water pressure is suspect most of the time.
14 I have at my own expense replaced all kinds of plumbing within my condo, a brand
15 new water heater, shower, valves, the list goes on. And for some reason, and I've
16 had plumbers test for the pressure, no one can figure out why my water pressure is
17 just one day it's okay, next day I barely have any. I can barely -- Well, we have two
18 bathrooms for a reason and two showers, but heaven forbid you would try to use
19 both of them at the same time. And also I am actually unable to even run the shower
20 for ten minutes without it being ice cold. So I'm not sure where all of those problems
21 stem from. From some of the testimony given here tonight that I've heard, it appears
22 that Confluence Rivers has overextended themselves and now they are trying to
23 penalize the paying public by increasing rates by an exorbitant amount.

24 MR. CLIZER: Really quick. You mentioned concerns regarding water pressure. Did
25 those exist at your residence before the acquisition by Confluence?

26 MS. HODGES: No, they did not.¹²

27 Wendy Rogers

28 We have a condo complex and I presume most of the water systems they buy up are
29 subdivisions because in their computer system we are a subdivision and when we
30 try to report things that were going on like septic flowing over the side of the storage
31 tank between buildings, they would say well, we need to know which customer is
32 reporting this because we're going to bill them if we get there and it's not happening.
33 I'm like it's not like this. This is a condo complex. They said no, we see it as a

¹⁰ Ibid. p. 16-17.

¹¹ Ibid. p. 22-23.

¹² Ibid. p. 36-37.

1 subdivision so you have to give us the person and we're going to bill that person if
2 we get there and it's not still overflowing. So you're scared to call and say something
3 because they're going to bill some innocent person who lives there at the condo and
4 I'm trying to help because septic is flowing over the top of the tank. They threatened
5 in the last week to shut off five customers. Five customers were going to get their
6 water shut off and every single one turned out to be a billing error.¹³

7 Thomas Bridges

8 We have filed many complaints about the lagoon. There's been nights where we
9 can smell it inside of our house that it was so strong to the point my wife had
10 called so many times that they told her the next time that they have to come out to
11 check the lagoon that we would be charged for the service call. So that kind of
12 covers the lagoon side of it. . . .

13 The water quality, just like Jon and Brandy have said, it's destroyed many of our
14 appliances: The dishwasher, water heaters, coffee pots in particular, coffee makers
15 I should say, which doesn't seem like a big expense but, you know, if you're buying
16 a coffee maker every year, then that adds up.¹⁴

17 Megan Allen

18 We also do not consume our water. I have a refrigerator with a water filter that I use
19 for myself and my animals. We do cook, of course, with it. That is due to taste and
20 hard water. We have had to replace, as they mentioned, numerous coffee pots,
21 washers, dishwashers, even down to your clothes, the wear and tear on them.¹⁵

22 Sandra Bender

23 However, I think Confluence could do a better job of being part of the community
24 that they serve with keeping residents informed of the improvements they're making
25 or future projects that they would want to do. I think people understand those things
26 cost money but when it's asking for such a big increase and they don't have any
27 information ongoing, it is quite a shock.¹⁶

28 Dion Davidson

29 I've personally purchased our own water filtration system. We've bought our own
30 water bottles in order to bring in because we can't drink the water. This is all costs

¹³ Ibid. 56-58.

¹⁴ Virtual #1 p. 15-16.

¹⁵ Ibid. p. 19.

¹⁶ Farmington p. 9-11.

1 that we have incurred as a resident of the consumer . . . Communication is weak, at
2 best. It really is.¹⁷

3
4 **Q. What should the Commission note from these comments?**

5 A That Confluence is providing suboptimal service to its captive customers and the Commission
6 needs to take action. As expressed above by Confluence customer Cynthia Martin:

7 “Approving this rate increase will reinforce to Confluence that how they treat their
8 customers doesn’t matter.”

9 I agree with Ms. Martin.

10 Simply put, Confluence has produced a level of frustration from its customers that I have not
11 seen before. Left unchecked this will get worse. CSWR’s business model of aggressively
12 purchasing distressed systems in other states, overpaying contractors to run their current
13 systems, and demanding a king’s ransom in profit and salaried compensation is neither
14 sustainable nor in the public interest. Both Staff and OPC are almost entirely aligned in our
15 concerns with this Company and have made numerous recommendations to require
16 Confluence to stop acting as an intermediary middleman for private equity partners and third
17 and fourth party contract operators and start acting like a regulated utility that is invested in the
18 long-term sustainability and well-being of its local (Missouri), captive customers. I implore the
19 Commission to heed those recommendations.

20 **II. LATE FEES**

21 **Q. What was the Company’s response to your observation that Confluence’s late fees varied**
22 **across tariffs and were in contradiction to what was listed on its website?**

23 A Mr. Thies had no response to those facts.

24 **Q. Does that concern you?**

25 A It is one of an ever growing list of concerns I have for this Company.

¹⁷ Ibid. p. 65-66.

1 **Q. What was the Company's response to your recommendation to eliminate late fees?**

2 A Mr. Thies dismissed my recommendation and argued that late fees are the norm in other
3 industries and therefore acceptable.

4 **Q. What is your response?**

5 A As stated in my direct testimony, the rationale behind late fees is being called into question in
6 many domains and has, at best, questionable empirical support to substantiate their existence.
7 Context matters as well. Late fees may be more acceptable in a competitive market or tied to
8 an obligation that does not result in immediate health and safety concerns. That is not the case
9 here. Confluence customers are captive and cannot chose their provider and water is an
10 essential service whose absence would quickly have a detrimental impact on one's health.

11 I maintain that late fees are needlessly punitive and regressive in nature. The reality of the
12 situation is that many of Confluence's customers are economically unstable, on fixed incomes,
13 and will struggle at greater levels if any sort of rate increase is granted. They have every
14 incentive to pay their bills or run the risk that their service be disconnected.

15 **Q. Is there any situation where you would support a late fee?**

16 A Perhaps for sewer-only customers who receive water from a personal well. On this end, I
17 believe Mr. Thies makes a compelling argument. In that unique situation, where a
18 Memorandum of Understanding cannot be entered into with a different water provider (*e.g.* a
19 municipal system) a late fee may serve as a second best solution to a problem that would
20 otherwise require extraordinary measures to cease service (*i.e.* a backhoe opening up the
21 ground and cutting off the water line). I would not oppose a minimal late fee in such a situation.

22 **III. METERS**

23 **Q. Do you have an update to your AMI disallowance?**

24 A. I do. Based on discovery issued to the Company, the recorded amounts listed in the Company's
25 accounts and discussions with Badger Meters, and the Midwest Meter distributors, I am

1 recommending a cost disallowance of \$26,768 for imprudent AMI investment in the Hillcrest
2 and Indian Hills water systems.

3 **Q. How did you come to that recommended dollar amount?**

4 A. The \$26,768 cost disallowance represents $\frac{3}{4}$'s of the sum of the net plant for accounts 346 and
5 347 (which represent meters and meter installation respectively) multiplied by the OPC's
6 recommended rate of return (as developed by OPC witness David Murray at 7.77%) plus the
7 annual depreciation expense related to those same accounts for the Hillcrest and Indian Hills
8 systems.¹⁸ These two systems are the only systems to have received AMI investments
9 according to the Company.

10 **Q. Why a $\frac{3}{4}$ cost disallowance?**

11 A. Based on my discussion with water meter distributors at Midwest Meter a standard Model 25
12 $\frac{5}{8}$ inch x $\frac{3}{4}$ inch water meter utilized by Confluence would run approximately \$75.00 and the
13 additional Orion Cellular Water Endpoint that the Company is utilizing would be an additional
14 \$220.

15 **Q. Can you summarize your recommendations across the three rounds of testimony for ease
16 of reference?**

17 A. Yes. My testimony specifically recommended the following:

- 18 • \$1,094,426 be disallowed from the revenue requirement for operations;
- 19 • \$22,304 be disallowed from the company's plant accounts for fire hydrants
20 that are no longer used and useful;
- 21 • \$26,768 be disallowed from revenue requirement for AMI meters;
- 22 • That late fees be removed from the Company's tariff for all customers but those
23 that have private well water due to practical limitations inherent in disconnecting a
24 customer;
- 25 • That Confluence Rivers begin offering budget billing to its customers;

- 1 • That Confluence Rivers issue a competitive RFP for a third-party customer opinion
2 survey throughout each of its systems at a cost not to exceed \$100K and recorded
3 below-the-line;
- 4 • That the Commission listen to the public’s explicit feedback expressed in this
5 docket and not move to single tariff pricing in order to preserve the regulatory
6 principle of cost causation and not inadvertently enable the Company to further
7 distort cost allocation and regulatory transparency for services rendered; and
- 8 • Finally, I recommend the Commission strongly take into consideration the
9 extensive public comments and concerns laid out by the OPC and the Commission
10 Staff in setting the Company’s return on equity.

11 **Q. Does this conclude your testimony?**

12 A. Yes.

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

In the Matter of Confluence Rivers Utility)
Operating Company, Inc.'s Request for)
Authority to Implement a General Rate) Case No. WR-2023-0006
Increase for Water Service and Sewer Service))
Provided in Missouri Service Areas)

AFFIDAVIT OF GEOFF MARKE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Geoff Marke, of lawful age and being first duly sworn, deposes and states:

- 1. My name is Geoff Marke. I am a Chief Economist for the Office of the Public Counsel.

- 2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.

- 3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

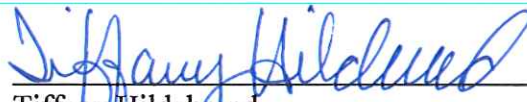


Geoff Marke
Chief Economist

Subscribed and sworn to me this 20th day of July 2023.



TIFFANY HILDEBRAND
My Commission Expires
August 8, 2023
Cole County
Commission #15637121



Tiffany Hildebrand
Notary Public

My commission expires August 8, 2023.