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 Company, Inc. to Acquire Certain Sewer Assets of Missouri-American Water Company in Callaway and Morgan Counties, Missouri	))))))))	Case No. SM-2025-0067

APPLICATION FOR REHEARING

Comes now, the Office of the Public Counsel (the "OPC") and pursuant to § 386.500 RSMo., submits this Application for Rehearing concerning the Report and Order issued by the Public Service Commission of the State of Missouri (the "Commission") in the above-captioned matter on August 20, 2025 (the "Report and Order"). (Doc. 77). In support of its Application for Rehearing, the OPC respectfully states as follows:

The Report and Order is unreasonable and unlawful as the Commission's decision to find no detriment associated with Missouri-American Water Company's ("MAWC") proposed sale of nineteen (19) small wastewater systems to Confluence Rivers Utility Operating Company, Inc. ("Confluence" and collectively with MAWC, the "Joint Applicants") both ignores important evidence in the record and incorrectly interprets binding case law. First, when considering the acquisition premium, the Commission relies on the conclusion that the acquisition premium may not exist at closing and that Confluence agrees that it should not be recovered from its customers. However, the evidence in the record does not support these conclusions. Similarly, the Commission appears to have misinterpreted the Missouri Supreme Court's decision in *State ex. rel. AG Processing v. Public Service Commission*, 120 S.W.3d 732 (Mo. banc 2003). Second, though the Commission considered the OPC's argument regarding higher future rates, it dismissed

it as speculative. In doing so, however, it failed to consider Confluence's higher cost of debt, which can be objectively determined. Finally, when addressing the OPC's detriment associated with the loss of economies of scale, the Commission incorrectly concluded that the OPC had not presented sufficient evidence to support this detriment and that the OPC's position meant that MAWC could never sell its systems. Based on these incorrect conclusions, the Commission failed to address the detriment identified by the OPC. After addressing the relevant background and applicable legal standard, the OPC will address the issues associated with each detriment in turn.

I. Relevant Background

On August 27, 2024, MAWC and Confluence filed the Joint Application and Motion for Waiver (the "Joint Application") seeking Commission approval for MAWC to sell and Confluence to acquire nineteen (19) small wastewater systems in Callaway and Morgan Counties. (Doc. 1).

On December 30, 2024, the Staff of the Commission ("Staff") filed its Report and Recommendation, recommending that the Commission approve of the transaction, subject to certain conditions. (Doc. 11). On January 9, 2025, the OPC filed its Response to Staff Recommendation (the "OPC Response"), requesting that the Commission impose four additional conditions, or alternatively, hold a hearing in the matter. (Doc. 12). On January 28, 2025, MAWC, Confluence, and Staff jointly responded to the OPC Response (the "Joint Response"), agreeing to one of the OPC's proposed conditions, but contesting the remaining three conditions. (Doc. 17). On February 7, 2025, the OPC filed its Sur-Reply reiterating its concerns about higher future rates for customers of the nineteen systems and requesting that the Commission either impose its four proposed conditions or hold a hearing. (Doc. 19).

On March 7, 2025, the Commission issued its Order Setting Procedural Schedule. (Doc. 26). MAWC, Confluence, Staff, and the OPC then each filed testimony in accordance with the procedural schedule. (Docs. 27-28, 31-33, 35-41). The Commission held an evidentiary hearing

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on June 26, 2025, and the parties subsequently submitted post-hearing briefing. (Doc. 69-71, 73-75). On August 20, 2025, the Commission issued its Report and Order, concluding that the proposed transaction was not detrimental to the public interest. (Doc. 77).

II. Legal Standard

"After an order or decision has been made by the commission, the public counsel . . . shall have the right to apply for a rehearing in respect to any matter determined therein, and the commission shall grant and hold such rehearing, if in its judgment sufficient reason therefor be made to appear." § 386.500(1) RSMo. An application for rehearing "shall set forth specifically the ground or grounds on which the applicant considers said order or decision to be unlawful, unjust, or unreasonable." § 386.500(2) RSMo.

"Lawfulness is determined by whether or not the Commission had the statutory authority to act as it did." *Pub. Serv. Comm'n v. Mo. Gas Energy*, 388 S.W.3d 221, 227 (Mo. Ct. App. 2012) (citations omitted). "Reasonableness depends on whether or not (i) the order is supported by substantial and competent evidence on the whole record, (ii) the decision is arbitrary, capricious or unreasonable, or (iii) the Commission abused its discretion." *Id.* (internal quotation marks and citations omitted).

III. The Commission's Order Regarding the Acquisition Premium is Unreasonable and Unlawful

In addressing the acquisition premium, the Commission relies in large part on its understanding that (1) the acquisition premium Staff identified in its Recommendation may not exist at closing and (2) that Confluence does not believe it should recover the acquisition premium from its customers. However, the evidence in the record does not support either of these conclusions. Because the record includes only calculations that show an acquisition premium

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exists and Confluence has never taken a position on whether it will seek recovery of the acquisition premium, the Commission's decision is not supported by evidence and is unreasonable.

The Commission also appears to have read an additional requirement into the standard identified in *AG Processing*, 120 S.W.3d 732, that does not exist. Namely, the Commission argues that because Confluence does not seek recovery of the acquisition premium in this case and the Commission is not granting recovery of it, the Commission need not determine the reasonableness of the acquisition premium in reaching its decision here. However, the court's decision does not require that reasonableness of the acquisition premium only be determined in cases where the applicant seeks recovery of the acquisition premium or where the Commission grants recovery of it. Therefore, in addition to being unreasonable, the Commission's Order is also unlawful.

The OPC will address each point in turn.

A. The Commission's Decision Regarding the Acquisition Premium is Unreasonable Because the Evidence Does Not Support its Conclusions

1. The Record Evidence Supports the Existence of an Acquisition Premium

The first conclusion the Commission relies on in reaching its decision on the acquisition premium is that it may not exist—in the same amount or at all—at the closing of the transaction. However, this ignores the clear evidence in the record.

In its Findings of Fact regarding the acquisition premium, the Commission states that "[a]n acquisition premium could be present in this asset transfer." (Order 21 (citing Ex. 200 "Robertson Rebuttal Testimony," Schedule JJR-r2 "Staff Memorandum," Doc. 55)). The Commission further finds that "Staff's calculation and amount of an acquisition premium is confidential." (*Id.* (citing Staff Mem.)). The Commission also states that "[t]he amount of any acquisition premium will be unknown until closing due to investments made during the course of this case and an increase in the depreciation reserve." (*Id.* 21-22 (citing Ex. 3 "Silas Surrebuttal Testimony" 24, Doc. 51)).

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Similarly, in its Decision, the Commission states that "Staff calculated that there could be an acquisition premium built into the agreed sale price." (*Id.* 28). It also again notes that the exact amount of the acquisition premium "will be unknown until the closing on assets." (*Id.*).

In concluding that the acquisition premium may be less than that identified by Staff, the Commission relies on Mr. Silas's comment in his Surrebuttal Testimony that "some amount of investment will have been made, and depreciation reserve will necessarily have increased through the passage of time." (Silas Surrebuttal Test. 24). Mr. Silas provides no support for this vague statement. He does not identify any additional investment that MAWC made into the systems. He also does not quantify any increase in depreciation reserve. In fact, while testifying at the hearing, Mr. Silas recognized that Staff's calculation of the acquisition premium was the only calculation that existed in the record. (Transcript 63-64).

Staff calculated an acquisition premium of **_____ ** of the purchase price in its Recommendation. (Staff Mem. 9). No party has introduced evidence supporting a lower acquisition premium than that identified by Staff. Perhaps more importantly, no party has introduced any calculation that shows that the acquisition premium will not exist at closing. Therefore, the Commission's reliance on the unknown nature of the acquisition premium is misplaced.

2. <u>The Record Evidence Shows Confluence has Never Taken a Position Regarding Whether it Will Seek Recovery of the Acquisition Premium</u>

The second conclusion the Commission relies on in reaching its decision on the acquisition premium is that Confluence agrees that it should not recover the acquisition premium from its customers. The record also does not support this conclusion, as Confluence has never taken a position on whether it will seek recovery of the acquisition premium.

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In setting forth its Findings of Fact related to the acquisition premium, the Commission states that "Confluence agrees with Staff that an acquisition premium should not be reflected in Confluence customer's rates." (Order 22 (citing Silas Surrebuttal Test. 25)). Similarly, in addressing the acquisition premium in the Decision section, the Commission states "Confluence, Staff, and Public Counsel are all in agreement that any acquisition premium should not be recovered in Confluence's customer rates during any subsequent general rate proceeding." (Order 29).

However, a careful review of the evidence shows that Confluence does not, in fact, agree that its customers *should* not pay for the acquisition premium. Rather, it agrees that it has typically been *Staff's position* that utilities should not recover acquisition premiums from their customers. In fact, in this case, Confluence has never taken a position on whether it will seek recovery of the acquisition premium in its next general rate case. For instance, on pages 24-25 of his Surrebuttal Testimony, Mr. Silas recognizes that Dr. Marke quoted a portion of Staff's Memorandum that describes Staff's general position regarding the recovery of acquisition premiums. (Silas Surrebuttal Test. 24-25). He states that Confluence "agrees with Staff's statement." (*Id.* 25). Specifically, that question and answer states

> **Q. Is there an aspect of Dr. Marke's acquisition premium testimony with which you agree?**
>
> A. Yes. Dr. Marke quotes the following portion of the Staff's Memorandum (Robertson RT, Sched. JJR – r2, p. 9 of 17):
>
> > If the Commission approves Confluence's request in this case, Staff would expect that an updated rate base level will be established when Confluence files its next rate case for these systems. *It has been Staff's position in prior cases* 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, and *that no acquisition adjustment, above or below net book value, should be reflected in rates*.
>
> Confluence Rivers agrees with Staff's statement.

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(*Id.* 24-25 (italics added)).

In fact, Confluence's response to Staff's Data Request No. 51 supports the idea that Confluence may seek recovery of the acquisition premium. In that response, Confluence states that it completed an analysis that reached the same proposed future rate as that identified in its pro forma financial statements by, in part, **_____ ** (Ex. 304 "Confluence Response to Staff DR 51," Doc. 65). Confluence provides no reason why it would **_____ ** in this analysis[1] if it did not intend to seek recovery of it in the next rate case. (*See id.*).

Though Confluence may not expect to recover the acquisition premium through its customers' rates,[2] it has yet to take a position on whether it will seek recovery of the acquisition premium.[3] The Commission's conclusion that Confluence agrees that it *should not* recover the acquisition premium from its customers is also not supported by the record. For this reason as well, the Commission's decision is unreasonable.

[1] Confluence includes a disclaimer sentence in its response that states **

** (Confluence Resp. to Staff DR 51). Though Confluence includes this disclaimer sentence, again, it carefully avoids saying that it will not *seek* recovery of these costs, including the acquisition premium.

[2] Though not evidence, at the hearing counsel for Confluence reiterated that "Confluence 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 the original cost." (Tr. 16-17). He then stated that "[c]onsistent with those understandings, if an acquisition premium exists at closing, Confluence Rivers does not expect to recover that premium in rates." (*Id.* 17). Similarly, counsel for Confluence answered a question from Commissioner Mitchell, which asked "[w]hen this comes through in the next rate case, this will be seen at book value without regard to an acquisition premium. Is that -- is that correct?" (*Id.* 40). Counsel for Confluence stated "[t]hat -- that is Confluence Rivers' expectation. Yes." (*Id.*). Again, these statements show Confluence's expectation that it will not recover the acquisition premium from its customers, but neither address whether Confluence will *seek* recovery of the acquisition premium.

[3] This is an important distinction. If Confluence seeks recovery of the acquisition premium in its next rate case, it will require the OPC, Staff, or some other intervenor to not only identify that as an issue, but also to allocate the resources necessary to contest that recovery. This will necessarily come at the expense of auditing for and contesting other potential issues.

3. Because the Record Does Not Support Two of the Commission's Conclusions, the Commission's Decision Regarding the Acquisition Premium is Unreasonable

In reaching its decision regarding the acquisition premium in this case, the Commission mainly relies on two conclusions: (1) that the acquisition premium may not exist; and (2) that Confluence agrees that its customers should not pay for any acquisition premium that does exist. As discussed above, the evidence in the record does not support either of these conclusions. Because the evidence does not support the Commission's conclusions that form the basis of its decision, its decision regarding the acquisition premium is unreasonable. *Mo. Gas Energy*, 388 S.W.3d at 227 ("Reasonableness depends on whether or not (i) the order is supported by substantial and competent evidence on the whole record, (ii) the decision is arbitrary, capricious or unreasonable, or (iii) the Commission abused its discretion.").

B. The Commission's Decision is Unlawful Because Even if Confluence Does Not Seek Recovery of the Acquisition Premium in this Case, the Commission Should Have Determined the Reasonableness of the Acquisition Premium

In reaching its decision on the acquisition premium, the Commission also appears to suggest that because Confluence is not seeking recovery of the acquisition premium in this case and the Commission is not granting recovery of it, the Commission need not determine the reasonableness of the acquisition premium in reaching its decision. (*See* Order 28-29). However, this reads a requirement into the *AG Processing*, 120 S.W.3d 732, case that does not exist in the plain text of the opinion.

In *AG Processing*, the Missouri Supreme Court was presented with a case in which two Commission-regulated entities sought approval to merge. 120 S.W.3d at 733. As a part of this proposal, the applicants submitted a five-year regulatory plan that "addressed recovery of the $92,000,000 acquisition premium associated with the merger." *Id.* The Commission approved the

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merger, but rejected the regulatory plan. *Id.* at 734. Thus, effectively postponing the decision regarding the recovery of any acquisition premium to the next general rate case. *See id.*

On appeal, the Missouri Supreme Court determined that the Commission erred in refusing to consider the recovery of the acquisition premium when deciding whether to approve of the merger. *Id.* at 736. Specifically, the court concluded that although the Commission could address recovery of the acquisition premium in a subsequent rate case, it should have addressed the reasonableness of the acquisition premium in the merger case. *See id.* In reaching this conclusion the court did not limit the required determination of reasonableness to only those cases where the applicants sought recovery of the acquisition premium as a part of the merger case.[4] *See id.*

Although Confluence does not seek recovery of the acquisition premium in this case, the Commission should have determined the reasonableness of the acquisition premium in deciding whether to approve the proposed transaction. *See id.* Here, the practical outcome of the Commission's decision is that the recovery of any acquisition premium must be considered in

[4] The *AG Processing* court's decision regarding the acquisition premium issue is found in two paragraphs of the court's opinion, one of which is the conclusion paragraph. The first paragraph states in full:

> The fact that the acquisition premium recoupment issue could be addressed in a subsequent ratemaking case did not relieve the PSC of the duty of deciding it as a relevant and critical issue when ruling on the proposed merger. While PSC may be unable to speculate about future merger-related rate increases, it can determine whether the acquisition premium was reasonable, and it should have considered it as part of the cost analysis when evaluating whether the proposed merger would be detrimental to the public. The PSC's refusal to consider this issue in conjunction with the other issues raised by the PSC staff may have substantially impacted the weight of the evidence evaluated to approve the merger. The PSC erred when determining whether to approve the merger because it failed to consider and decide all the necessary and essential issues, primarily the issue of UtiliCorp's being allowed to recoup the acquisition premium.

120 S.W.3d at 736. In the conclusion paragraph, the court stated

> The judgment is reversed, and the case is remanded. The circuit court shall remand the case to the PSC to consider and decide the issue of recoupment of the acquisition premium in conjunction with the other issues raised by PSC staff and the intervenors in making its determination of whether the merger is detrimental to the public. Upon remand the Commission will have the opportunity to reconsider the totality of all of the necessary evidence to evaluate the reasonableness of a decision to approve a merger between UtiliCorp and SJLP.

Id. at 737.

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Confluence's upcoming general rate case.[5] This is essentially the same outcome as that initially reached by the Commission in the case underlying the *AG Processing* opinion. 120 S.W.3d at 734, 736. The Missouri Supreme Court did not limit the requirement that the Commission consider the reasonableness of the acquisition premium to only those cases where the applicant sought recovery of the acquisition premium in the merger case. *Id.* at 736-37. Rather, its holding can be read to apply to any merger case in which an acquisition premium exists. *See id.* Therefore, in addition to being unreasonable, the Commission's decision regarding the acquisition premium in this case is unlawful. *Mo. Gas Energy*, 388 S.W.3d at 227.

III. The Commission's Decision Regarding Future Rates is Unreasonable Because the Commission Failed to Consider the Objective Evidence that Shows that Confluence has a Higher Cost of Debt

The Commission dismissed the detriment associated with higher cost of service inputs by generally concluding that certain ratemaking elements are unknown and unknowable at this time and that "any calculation of future rates is merely speculative." (Order 29-30). However, in making this determination, the Commission fails to address the difference in the cost of debt between MAWC and Confluence. This cost is known and can be compared between the two utilities. The Commission's failure to address it results in its decision being unreasonable.

Mr. Murray testified that the cost of debt is a "stated cost[]" such that it is "not a matter of estimation like with the cost of equity." (Tr. 94). As he explained Confluence's cost of debt is 6.6%. (*Id.*). MAWC's cost of debt, on the other hand, is 4.5%. (*Id.*). This over two hundred basis point difference cannot be disputed. (*See id.*). It is likely that it will have a large impact on the cost of capital that customers of these systems will be asked to support.

[5] Nothing in the Commission's Report and Order in this case precludes Confluence from seeking recovery of the acquisition premium in its upcoming general rate case. Confluence has made clear throughout this case that it intends to file a general rate case in the 3rd or 4th quarter of this year, 2025. (Silas Surrebuttal Test. 13).

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In the Order, the Commission mentions the cost of debt only once, when describing the elements included in a utility's estimated cost of capital. (Report & Order 23). The Commission does not address the differences in the cost of debt between the two utilities or recognize that this ratemaking input is known.

Though certain ratemaking elements may not be known at this time, the cost of debt is a known input that can be compared between the two utilities. (Tr. 94-95). In dismissing this detriment as "speculative" the Commission failed to consider the real detriment associated with the higher cost of debt under Confluence's ownership. (*See* Report & Order 29-30). This failure makes the Commission's decision unreasonable. *Mo. Gas Energy*, 388 S.W.3d at 227.

IV. The Commission's Decision Regarding the Loss of Economies of Scale is Unreasonable

In addressing the loss of economies of scale, the Commission asserts that the OPC failed to provide support for this detriment. (Report & Order 26). The Commission also concludes that the OPC's argument "implies that MAWC should never be able to sell assets to any other utility, because they would always be the larger utility." (*Id.*). These conclusions are unreasonable as the evidence does not support either of them. The OPC will address each in turn.

First, this detriment—the loss of economies of scale—is straightforward and requires little explanation to show its existence. At the end of 2024, MAWC served 24,077 wastewater customers. (Ex. 302 "Marke Rebuttal Testimony" GM-9 "MAWC's Response to OPC DR 28," Doc. 63). This is nearly three times the number of customers Confluence served: 6,638. (Marke Rebuttal Test. GM-8 "Confluence's Response to OPC DR 28", Doc. 63; Ex. 300 "Murray Rebuttal Testimony" DM-R-2 "Confluence's Responses to OPC DRs 1-39" (specifically Confluence's Response to OPC DR 1)). As Dr. Marke explained during the hearing "[t]he larger that customer base, the more you can spread those costs around." (Tr. 120). Importantly, "[w]hen you've got a-million-plus customers for American Water, you can do that pretty well without going ahead and

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inducing rate shock in any one particular instance." (*Id.*). However, with a smaller customer base, customers are "going to be paying more, because there's less people to go around." (*Id.*). As referred to in Dr. Marke's testimony, the algebraic nature of ratemaking, whereby costs are shared and spread over the utility's customer base, makes it difficult to dispute that MAWC will be able to provide service at a lower cost due to its larger customer base.[6]

Similarly, as Dr. Marke described during his testimony, the system of regulation is "largely predicated on this idea of economies of scale, and decreased inefficiencies." (Tr. 118). If a much smaller utility acquires systems from a much larger utility and presents nothing to offset the loss of the scale economies,[7] the sale is moving away from what the system of regulation is predicated on. (*See id.*). Therefore, not only did the OPC support this detriment, the OPC also presented evidence showing the importance of it.

Second, the OPC does not contend that MAWC "should never be able to sell assets to any other utility, because they would always be the larger utility." (Report & Order 26). Rather, the OPC objectively reviews each case presented through the lens of the applicable legal standard, determining whether a proposed sale is "not detrimental to the public interest." *See Osage Util. Operating Co. v. Mo. Pub. Serv. Comm'n*, 637 S.W.3d 78, 92-93 (Mo. Ct. App. 2021) (citation omitted); (*see* Tr. 132-33 (Dr. Marke testifying that the OPC "would have to evaluate [any proposed sale] on a case-by-case basis.")). If MAWC presented a sale that showed that customers

[6] It should be noted that neither the Joint Applicants nor Staff provides any evidence that asserts that Confluence operates in a way that it is able to offset the loss of the scale economies, such as, for instance, procuring necessary chemicals at a lower cost.

[7] The OPC understands that in certain instances companies may shift their focus, such that they wish to sell systems that no longer align with their corporate direction, even if it may be to a smaller utility. For instance, MAWC acquired these systems from Aqua Missouri, Inc., Aqua Development, Inc., and Aqua/RU, Inc. d/b/a Aqua Missouri, Inc. (Aqua) when Aqua "was largely ceasing operations as a Missouri regulated utility." (Report & Order 8 (citing Staff Mem.)). However, that is not the case here. MAWC has presented no indication that it wishes to cease providing wastewater service in Missouri or that it wishes to stop providing wastewater service to small systems. Rather, MAWC asserts that it will continue to provide wastewater service, including to the remaining Aqua systems and other of its small wastewater systems. (Ex. 100 "Kadyk Direct Testimony" 6, Doc. 52; Tr. 49-50).

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would suffer no net detriment as a result of the transaction, the OPC would not contest the sale. Similarly, the OPC would not contest a proposed sale if it was clear that customers would receive some type of offsetting benefit to account for the loss of economies of scale, and that no net detriment existed. Therefore, it simply is not correct that the OPC's position requires that MAWC never sell its systems to any other utility because it would always be the larger utility.

In this case, the OPC identified a number of detriments that customers of these systems would suffer as a result of this transaction. In looking for offsetting benefits, aside from the temporary benefit associated with lower monthly rates, the OPC found only vague statements alluding to questionable benefits. After conducting discovery attempting to understand these benefits it became clear that neither MAWC nor Confluence had conducted an analysis to quantify these benefits. It was this ultimate net detriment to customers that caused the OPC to contest this proposed transaction.

Because the conclusions the Commission makes in addressing the detriment associated with the loss of economies of scale are not supported by evidence, the Commission's ultimate decision on this detriment is unreasonable. *Mo. Gas Energy*, 388 S.W.3d at 227.

IV. Conclusion

Before a regulated wastewater utility may sell a part of its system it must receive Commission approval under § 393.190 RSMo. Courts have interpreted this standard to require the Commission to determine whether the transaction results in a net detriment to customers. Here, the Commission dismissed the detriments identified by the OPC and concluded that the sale was not detrimental to the public. However, as explained above the Commission's decision regarding three of the OPC's identified detriments is unreasonable and unlawful. First, as to the detriment associated with the acquisition premium the Commission's decision is unreasonable and unlawful because its conclusions are not supported by evidence and the Commission appears to have read

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into the legal standard an additional requirement that is not identified in the court's opinion. Second, the Commission's decision regarding the higher cost of service inputs is also unreasonable as it fails to consider clear evidence in the record that Confluence's higher cost of debt is a known factor. Finally, the Commission's decision regarding the loss of economies of scale is unreasonable as the evidence in the record also does not support the conclusions the Commission relies on to support its decision on this detriment. For at least these reasons, the Commission's Report and Order is unreasonable and unlawful. The Commission should reconsider these issues and issue a new Report and Order addressing each of these contentions.

Wherefore, the OPC respectfully requests that the Commission consider this Application for Rehearing, grant it, and amend its Report and Order by (1) concluding that the evidence in the record clearly suggests that an acquisition premium exists and that Confluence may seek recovery of it in its upcoming general rate case, such that the acquisition premium represents a detriment to customers; (2) addressing the reasonableness of the acquisition premium and finding it unreasonable; (3) addressing the higher cost of debt under Confluence's ownership and finding that it also represents a detriment to customers; and (4) addressing the loss of economies of scale and finding that this loss results in a detriment to customers. Because these detriments exist, the Commission must then determine whether an offsetting benefit to customers exists, such that the transaction does not result in a net detriment. For the reasons addressed throughout this matter, the OPC contends that the Joint Applicants have failed to identify sufficient offsetting benefits and

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for that reason, the OPC requests the Commission grant rehearing and deny the relief requested in the Joint Application.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the forgoing will be emailed to all counsel of record this 29th day of August 2025.

/s/ Lindsay VanGerpen

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