

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:)
)
JOINT APPLICATION OF AQUA UTILITIES)
COMPANY, INC., AND LIMESTONE WATER)
UTILITY OPERATING COMPANY, LLC,) Docket No. 19-00062
FOR AUTHORITY TO SELL OR TRANSFER)
TITLE TO THE ASSETS, PROPERTY AND)
REAL ESTATE OF A PUBLIC UTILITY AND)
FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY)

PETITION TO INTERVENE

Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate Unit in the Financial Division of the Office of the Attorney General (Consumer Advocate), pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (TPUC or Commission) to grant the Consumer Advocate's intervention into this proceeding because consumers' interests, rights, duties, or privileges may be determined or affected by the *Joint Application of Aqua Utilities Company, Inc., and Limestone Water Utility Operating Company, LLC, for Authority to Sell or Transfer Title to the Assets, Property and Real Estate of a Public Utility and for a Certificate of Public Convenience and Necessity (Petition)*. For cause, the Consumer Advocate would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utility services by initiating and intervening as a party in any matter or proceeding before TPUC in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 *et seq.*, and TPUC rules.

2. Aqua Utilities Company, Inc. (Aqua Utilities) is a public utility regulated by TPUC, and it provides water and wastewater services to consumers in Hardin County, Tennessee in the

following subdivisions: (1) Points of Pickwick, (2) The Preserve, (3) Anchor Bay Pointe, (4) Grand Villas, (5) Grandview, (6) High Pointe, (7) Park Place, (8) Ridge Point, (9) Sailboat Pointe, and (10) Turtle Cove.¹

3. Limestone Water Utility Operating Company, LLC (Limestone) is a Tennessee limited liability company, whose principal office is located at 500 Northwest Plaza Drive, Suite 500, St. Ann. MO 63074.² Limestone is managed by its parent company Central States Water Resources (CSWR), which is a “Missouri Corporation whose principal office is at 500 Northwest Plaza Drive, Suite 500, St. Ann. MO 63074.”³

4. On July 26, 2019, Aqua Utilities filed its *Petition*, joined by Limestone, seeking authorization for it to sell or transfer title to CSWR and Limestone, all assets, property, and real estate currently used to provide regulated water and wastewater services to customers in Aqua Utilities’ ten subdivisions.⁴ Aqua Utilities also seeks authorization to transfer its Certificate of Public Convenience and Necessity (CCN), or alternatively, for the Commission to grant Limestone a new CCN for these ten communities.⁵

¹ *Petition* at pp. 1, 3. The exact number of water and wastewater systems that are subject to this transaction are unclear. Although the *Petition* identifies ten subdivisions, a search of the Permit Dataviewer of the Tennessee Department of Environment and Conservation (TDEC) shows only one State Operating Permit (SOP) for wastewater (SOP-92082) and one Public Water System Identification Number (PWSID#TN0000948).

http://tdec.tn.gov:8080/pls/enf_reports/F?p=9034:34051::NO:34051:P34051_PERMIT_NUMBER:SOP-92082
http://tdec.tn.gov:8080/pls/enf_reports/F?p=9034:34031::NO:34031:P34031_SITE_ID:99687

Also, Joshiah Cox refers to three wastewater systems being acquired from Aqua Utilities but does not mention the number of water system(s) being acquired. *Petition’s* Corrected Exhibit 11, Direct Testimony of Josiah Cox, p. 2 (July 29, 2019).

² *Petition* at p. 4.

³ *Id.* According to testimony filed, Limestone will not perform the oversight but “all management, financial reporting, underground utility safety and location services, Commission regulatory reporting, environmental regulatory reporting and management, operations oversight, utility asset planning, engineering planning, ongoing utility maintenance, utility record keeping, and final customer dispute management would be performed by personnel at CSWR’s corporate office, with proportional costs for those services passed down to Limestone.” Emphasis added. *Petition’s* Corrected Exhibit 11, Direct Testimony of Josiah Cox, p. 4.

⁴ *Petition* at pp. 1, 5.

⁵ *Id.* at pp. 1, 5-6.

5. On March 22, 2019, Aqua Utilities entered into a *Purchase and Sale Agreement (Agreement)* with CSWR.⁶ The purchase price for the assets being acquired from Aqua Utilities is “approximately \$2 million.”⁷

6. Although recognizing that the Aqua Utilities’ systems are in “good operating condition and are well-maintained,” Limestone and CSWR plan “minimal upgrades and modifications” to the systems such as adding “a new, real-time chlorine monitoring system to the water system and remote monitoring equipment to both the water and wastewaters systems.”⁸

7. Limestone proposes to adopt the current tariff rates for all of Aqua Utilities’ systems.⁹ However, Limestone acknowledges the likelihood of it petitioning the Commission to increase rates “given the additional capital investment needed for system upgrades and improvements – or as [Limestone/CSWR’s] operating experience dictates.”¹⁰

8. The interests of consumers in the transfer of authority to provide utility services from Aqua Utilities to CSWR and Limestone may be affected by determinations and orders made by the Commission with respect to its interpretation, application, and implementation of Tenn. Code Ann. §§ 65-4-113 and other relevant statutory and regulatory provisions. Such interests include, but are not limited to, clarification on the number of water and wastewater systems that are subject to this transaction; the affiliate relationship of Limestone and its parent company CWSR; the impact of the purchase price on the rates of the Aqua Utilities consumers; the benefit to consumers be gained from the transfer; and the assessment of the suitability, the financial

⁶ *Id.* at pp. 5-6.

⁷ *Petition’s* Corrected Exhibit 11, Direct Testimony of Josiah Cox, p. 6. Since the Agreement was filed confidentially, the specific details of the transaction are unknown to the Consumer Advocate at this time. *Petition* at pp. 3, 6

⁸ *Petition* at p. 6.

⁹ *Id.* at p. 6.

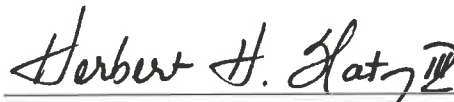
¹⁰ *Petition’s* Corrected Exhibit 11, Direct Testimony of Josiah Cox, p. 6.

responsibility, and technical capability of both Limestone and CSWR to operate the Aqua Utilities water and wastewater systems.

9. Only by participating as a party to this proceeding can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

Wherefore, the Consumer Advocate requests TPUC grant this *Petition to Intervene*.

RESPECTFULLY SUBMITTED,



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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

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This the 22 day of August, 2019.

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