

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:)
)
JOINT APPLICATION OF AQUA)
UTILITIES COMPANY, LLC, AND) **DOCKET NO. 19-00062**
LIMESTONE WATER UTILITY)
OPERAITNG COMPANY FOR)
AUTHORITY TO SEEL OR TRANSFER)
TITLE TO THE ASSETS, PROPERTY)
AND REAL ESTATE OF A PUBLIC)
UTILITY AND FOR A CERTIFICATE)
OF CONVENIENCE AND NECESSITY)

**CONSUMER ADVOCATE'S SECOND DISCOVERY REQUEST
TO LIMESTONE WATER UTILITY OPERATING COMPANY, LLC**

To: Charles B. Welch, Jr., Esq. Aqua Utilities Company, Inc.
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Limestone Water Utility Operating Company, LLC
c/o Josiah Cox
Central States Water Resources, Inc.
500 Northwest Plaza Drive, Suite 500
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This Second Discovery Request is hereby served upon Limestone Water Utility Operating Company, LLC (Company) and Central States Water, Inc. (CSWR) and pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. The Consumer Advocate Unit in the Financial Division of the Office of the Attorney General

(Consumer Advocate) requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Financial Division, Consumer Advocate Unit, War Memorial Building, 301 6th Avenue North, Nashville, Tennessee 37243, c/o Karen H. Stachowski, on or before 2:00 p.m. (CDT), March 10, 2020.

PRELIMINARY MATTERS AND DEFINITIONS

These Additional Discovery Requests incorporate by reference the same Preliminary Matters and Definitions as set forth in the *Consumer Advocate's First Discovery Request to King's Chapel* sent to the Company on February 25, 2020, and are to be considered continuing in nature, and are to be supplemented from time to time as information is received by the Company which would make a prior response inaccurate, incomplete, or incorrect.

SECOND DISCOVERY REQUESTS

The Consumer Advocate acknowledges that significant portions of its Second Discovery Requests are redacted. The amount of redaction is unusual for the Consumer Advocate, but it is due to both Petitioners' designation of the entirety of their responses as confidential and proprietary. The Consumer Advocate does not agree with the entirety of the Petitioners' responses being designated as confidential and proprietary; however, the Consumer Advocate has abided by the terms and conditions of the Protective Order issued by the Hearing Officer on September 25, 2019.

- 2-1. Refer to Aqua Utilities' Responses to Consumer Advocate's (CA) Aqua Utilities DR Nos. 1-3 and 1-17.¹ Also, refer to Limestone Water's Exhibit entitled "DR1-23." [REDACTED]

¹ Unless otherwise identified as the Consumer Advocate's Aqua Utilities discovery request, the discovery requests referenced are identified for Limestone Water.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Respond to

the following:

a. Water System.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b. Wastewater System.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RESPONSE:

2-2. Refer to Aqua Utilities' Responses to CA Aqua Utilities DR Nos. 1-9 and 1-10; this Docket's *Amended Joint Application*, Appendix A(e)(9); and Limestone Water's Exhibit entitled "DR1-23." In 2015, Aqua Utilities had 371 residential water customers and 301 residential wastewater customers.² [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Yet, the Parties in their *Amended Joint Application* predict no customer growth during the first five years of operation. Explain why customer growth is not anticipated in the first five years of operation.

RESPONSE:

2-3. Refer to Aqua Utilities' Responses to CA Aqua Utilities DR Nos. 1-9 and 1-10 and Limestone Water's Exhibit entitled "DR1-23." [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RESPONSE:

² *Final Order Approving Joint Petition, In re: Join Petition of Aqua Utilities Company and TRA Staff (As A Party) to Increase Rates and Charges*, p. 1, TPUC Docket No. 15-00044 (November 12, 2015).

[REDACTED]

2-4. Refer to Aqua Utilities' State Operating Permit SOP-92082 and Limestone Water's Exhibit entitled "DR1-23." The State Operating Permit SOP-92082 authorizes the operation of an "aerated lagoon with spray irrigation system to serve approximately 49 homes. The design capacity of the system is 0.1481 MGD." The design flow for the wastewater system is approximately 300 GPD per single family dwelling unit. [REDACTED]

[REDACTED]

[REDACTED] Provide the following:

- a. What is the "design flow per single family dwelling unit" utilized by the Company

[REDACTED]

[REDACTED]

[REDACTED]

RESPONSE:

2-5. Refer the Company's Exhibit entitled "DR1-23." [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RESPONSE:

[REDACTED]

RESPONSE:

2-8. Refer to the Company's Responses to CA DR Nos. 1-5 and 1-36. Provide the total CSWR costs incurred in 2019 that were (i) directly charged to affiliates and (ii) were allocated

[REDACTED]

RESPONSE:

2-9. Refer to the Company's Responses to CA DR Nos. 1-5 and 1-36. Identify the total 2019 CSWR costs by account or type of cost.

RESPONSE:

2-10. Refer to the Company's Response to CA DR Nos. 1-5 and 1-36. Identify the total 2019 costs direct charge/allocated by state in which CSWR operates (AR/KY/LA/MO).

RESPONSE:

2-11. Refer to the Company's Response to CA DR No. 1-18. Identify the CFO of CSWR and provide a summary of his/her relevant work experience and educational background.

RESPONSE:

2-12. Refer to "DR 1-26 Aqua Utilities Appraisal Report." The appraisal report states as follows

[REDACTED]

[REDACTED]

[REDACTED]

With respect to the passage above, indicate whether each of the following items identified in the first sentence have been obtained:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

If such items identified in b – d above have been obtained, provide a copy.

RESPONSE:

- 2-13. Refer to the Company's Response to CA DR No. 1-28 (b), which provided forecasted Income Statements of Limestone and [REDACTED]. Provide similar financial information forecasting operating results applicable to Aqua operations, but omitting information related to other entities.

RESPONSE:

- 2-14. Refer to Aqua Utilities' Response to CA's Aqua Utilities DR Nos. 1-9b and to Limestone Water's Exhibit entitled "DR1-23 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RESPONSE:

2-15. Provide a copy of the audited 2018 financial statements for Central States Water.

RESPONSE:

2-16. Provide a copy of the unaudited 2019 financial states for Central States Water.

RESPONSE:

2-17. Refer to the Company's Response to CA DR No. 1-52. [REDACTED]

[REDACTED]

[REDACTED]

RESPONSE:

2-18. Refer to the Company's Response to CA DR No. 1-39(c). [REDACTED]

[REDACTED]

RESPONSE:

2-19. Refer to the Company's Response to the Company's Exhibit entitled "DR1-23." [REDACTED]

[REDACTED]

RESPONSE:

RESPECTFULLY SUBMITTED,

Karen H. Stachowski

KAREN H. STACHOWSKI (BPR No. 019607)

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***Consumer Advocate's Second Discovery Request to Limestone Water Utility Operating Company, LLC
TPUC Docket No. 19-00062***

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:

Charles B. Welch, Jr., Esq.
Tyler A. Cosby, Esq.
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This the 25 day of February, 2020.

Karen H Stachowski
KAREN H. STACHOWSKI