

FARRIS BOBANGO, PLC

ATTORNEYS AT LAW

Nashville • Memphis

PHILIPS PLAZA  
414 UNION STREET, SUITE 1105  
NASHVILLE, TENNESSEE 37219

(615) 726-1200 telephone • (615) 726-1776 facsimile

Tyler A. Cosby  
tcosby@farris-law.com

(615) 687-4225 (direct)

December 7, 2021

Chairman Kenneth Hill  
c/o Ectory Lawless  
Tennessee Public Utilities Commission  
502 Deadrick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243

RE: *Docket 21-00053, Application of 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*

Dear Chairman Hill:

The Stipulation and Settlement Agreement requires Limestone to submit all accounting entries related to the acquisition for Commission review and approval prior to closing. Please file the enclosed pro forma acquisition journal entries into the above referenced Docket for Commission review. Please let me know if you have any questions.

Sincerely,

FARRIS BOBANGO PLC

  
By: Tyler A. Cosby

**Limestone Water Utility Operating Company**

Purchase/Acquisition Assets

Date of Annual Report Used 12/31/2020

 System: **Cartwright Creek**

In-Service Date 12/31/2021

<u>Acct Name</u>	<u>Service Area</u>	<u>Acct #</u>	<u>Plant Balance</u>	<u>Dep %</u>	<u>AccDep-12/31/2020</u>	<u>Dep Exp</u>	<u>AccDep-12/31/2021</u>	<u>NBV-12/31/2021</u>
Collection Sewers-Force	Arrington	360.000	343,443		-	-	-	343,443
Pumping Equipment	Arrington	371.100	433,823		111,254	-	111,254	322,568
Other Tangible plant	Arrington	398.100	634,197		2,163	-	2,163	632,034
Land & Land Rights	Grassland	353.000	363,269		-	-	-	363,269
Structures & Improvements	Grassland	354.000	532,757		27,492	-	27,492	505,265
Collection Sewers-Gravity	Grassland	361.000	853,905		191,405	-	191,405	662,500
Flow Measuring Devices	Grassland	364.000	16,538		13,500	-	13,500	3,038
Flow Measuring Installations	Grassland	365.000	12,236		-	-	-	12,236
Receiving Wells	Grassland	370.000	217,903		105,383	-	105,383	112,520
Pumping equipment	Grassland	371.000	128,979		33,077	-	33,077	95,902
Treatment & Disposal equipment	Grassland	380.000	1,714,194		422,355	-	422,355	1,291,838
Plant Sewers	Grassland	381.000	11,158		10,973	-	10,973	185
Outfall Sewer Lines	Grassland	382.000	21,758		21,395	-	21,395	363
Other Plant & Miscellaneous Equipment	Grassland	389.000	36,908		28,889	-	28,889	8,019
Other Tangible plant	Grassland	398.000	2,209		8	-	8	2,201
Structures & Improvements	Hideaway	354.100	3,168		163	-	163	3,004
Treatment & Disposal equipment	Hideaway	380.100	3,628		894	-	894	2,734
Office Furniture & Equipment	Cartwright Creek	390.000	3,155		-	-	-	3,155
Transportation Equipment	Cartwright Creek	391.000	74,098		-	-	-	74,098
Tools, Shop & Garage Equipment	Cartwright Creek	393.000	15,541		-	-	-	15,541
<b>Total</b>			<b>5,422,867</b>		<b>968,952</b>	<b>-</b>	<b>968,952</b>	<b>4,453,915</b>
CIAC-Sewer	Cartwright Creek	271.000	4,903,993		-	-	-	4,903,993
			<b>4,903,993</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>4,903,993</b>

**Journal Entry to transfer In-Service assets post acquisition**

<u>Acct Name</u>	<u>Acct #</u>	<u>Debit</u>	<u>Credit</u>	<u>Note</u>
Utility Plant Purchased	106.000		1,300,000.00	Purchase Price
Collection Sewers-Force	Arrington 360.000	343,443.00		Per 2020 Annual Report and seller provided records
Pumping Equipment	Arrington 371.100	433,822.66		Per 2020 Annual Report and seller provided records
Other Tangible plant	Arrington 398.100	634,197.25		Per 2020 Annual Report and seller provided records
Land & Land Rights	Grassland 353.000	363,268.80		Per 2020 Annual Report and seller provided records
Structures & Improvements	Grassland 354.000	532,757.00		Per 2020 Annual Report and seller provided records
Collection Sewers-Gravity	Grassland 361.000	853,905.11		Per 2020 Annual Report and seller provided records
Flow Measuring Devices	Grassland 364.000	16,538.00		Per 2020 Annual Report and seller provided records
Flow Measuring Installations	Grassland 365.000	12,236.48		Per 2020 Annual Report and seller provided records
Receiving Wells	Grassland 370.000	217,903.00		Per 2020 Annual Report and seller provided records
Pumping equipment	Grassland 371.000	128,979.04		Per 2020 Annual Report and seller provided records
Treatment & Disposal equipment	Grassland 380.000	1,714,193.72		Per 2020 Annual Report and seller provided records
Plant Sewers	Grassland 381.000	11,158.00		Per 2020 Annual Report and seller provided records
Outfall Sewer Lines	Grassland 382.000	21,758.00		Per 2020 Annual Report and seller provided records
Other Plant & Miscellaneous Equipment	Grassland 389.000	36,908.00		Per 2020 Annual Report and seller provided records
Other Tangible plant	Grassland 398.000	2,209.00		Per 2020 Annual Report and seller provided records
Structures & Improvements	Hideaway 354.100	3,167.67		Per 2020 Annual Report and seller provided records
Treatment & Disposal equipment	Hideaway 380.100	3,627.53		Per 2020 Annual Report and seller provided records
Office Furniture & Equipment	Cartwright Creek 390.000	3,155.19		Per 2020 Annual Report and seller provided records
Transportation Equipment	Cartwright Creek 391.000	74,098.25		Per 2020 Annual Report and seller provided records
Tools, Shop & Garage Equipment	Cartwright Creek 393.000	15,541.19		Per 2020 Annual Report and seller provided records
Acc Dep - Sewer	108.000		968,951.80	Per 2020 Annual Report and calculated allocation
CIAC-Sewer	271.000		4,903,993.00	Per 2020 Annual Report
Acc Amort-CIAC-Sewer	272.000	-		Per 2020 Annual Report
Cash - Capital Improvement Reserve	131.400	40,375.47		Per 2020 Annual Report - subject to adjustment for current balance
Liability - Capital Improvement Reserve	241.100		40,375.47	Per 2020 Annual Report - subject to adjustment for current balance
Cash - Tap Fee Escrow	131.500	315,209.69		Estimated based on seller provided records - subject to adjustment
Acquisition Adjustment	114.000	1,432,561.30		Calculated - Acquisition Adjustment
Land & Land Rights	353.000	2,306.92		Est. Title Charges at closing
		<b>7,213,320.27</b>	<b>7,213,320.27</b>	