

STATE OF TENNESSEE

Office of the Attorney General

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JONATHAN SKRMETTI
ATTORNEY GENERAL AND REPORTER

P.O. BOX 20207, NASHVILLE, TN 37202
TELEPHONE (615) 741-3491
FACSIMILE (615) 741-2009

December 6, 2022

Charles B. Welch, Jr.
Tyler A. Cosby
Farris Bobango PLC
414 Union Street, Suite 1105
Nashville, TN 37219

Re: Tennessee Public Utility Commission, Docket No. 22-00059, *Application of Limestone Water Utility Operating Company, LLC for: (1) Authority to Expand its Certificate of Convenience and Necessity to Include the Lauren Creek Subdivision and (2) Motion to Waive Commission Rule 1220.04-13-.17(c)(3).*

Dear Mr. Welch and Mr. Cosby:

The Consumer Advocate has reviewed the additional documents and information provided by Limestone Water Utility Operating Company, LLC's ("Limestone") on November 23, 2022. Limestone's correspondence was in response to the Consumer Advocate's letter, dated September 30, 2022, regarding Limestone's compliance with the minimum filing requirements for an amendment to a Certificate of Convenience and Necessity (CCN), set out in TPUC Rule 1220-04-13-.17.

The Consumer Advocate has updated Attachment A to include your most recently filed information relating to compliance with TPUC Rule 1220-04-13-.17, which shows Limestone has addressed concerns of the Consumer Advocate. There are a few MFRs (in blue text) that are awaiting action.

Thank you in advance for Limestone's attention to the Consumer Advocate's request. If you have questions regarding this request, please contact me at (615) 741-2370.

Respectfully,

Karen H. Stachowski

Karen H. Stachowski
Senior Assistant Attorney General

cc: TPUC Docket Manager

Rule 1220-04-13-.17(2)(a) General Information

1. *Rule 1220-04-13-.17(2)(a)7(ii)-(iii)*. The maps provided are illegible. With its November 23, 2022, filing, Limestone provided maps, previously filed with TDEC, regarding the construction of the system. With its recent filings, Limestone has addressed the Consumer Advocate’s concern regarding this part of the MFR requirement.

Rule 1220-04-13-.17(2)(b) Property Rights and Public Need

1. *Rule 1220-04-13-.17(2)(b)1*. The Consumer Advocate could not locate “a letter(s) from local government(s) and public wastewater utilities in or near the proposed service area stating that they do not provide wastewater service to the proposed service area and that they are unable or unwilling to provide wastewater service to the proposed service area within the ensuing twelve (12) months.”¹ The Petition states that “the Developer contacted both the Gatlinburg Utility District and the Sevier County Utility District” to determine that these public utilities do not and will not service the area.² Please provide letters from these two utilities to that effect. Limestone stated that the “Developer has stated that all conversations have been verbal. Written documentation has been requested from both the Gatlinburg Utility District and the Sevier County Utility District and will be supplemented upon receipt.” No response required at this time.
2. *Rule 1220-04-13-.17(2)(b)2*. The Consumer Advocate could not locate “as applicable, a copy of any application for a franchise and the franchise agreement issued by a city or county.”³ The Consumer Advocate notes, however, that a waiver of franchising requirements is being sought.⁴ No response required at this time.

Rule 1220-04-13-.17(2)(c) Sufficient Managerial Ability

1. *Rule 1220-04-13-.17(2)(c)3*. The Consumer Advocate could not locate “copies of all contracts related to any pending merger or acquisition of the applicant, corporate parent or affiliate.”⁵ The Consumer Advocate notes, however, that a waiver of the rule has been sought and is under consideration by the Commission.⁶ No response required at this time.

Rule 1220-04-13-.17(2)(e) Sufficient Financial Ability

1. *Rule 1220-04-13-.17(2)(e)8*. The Consumer Advocate located the tariff filed with this Petition, but it is for Cartwright Creek. Please file a tariff for Laurel Creek in the docket.

¹ Tenn. Comp. R. & Regs. 1220-04-13-.17(2)(b)1.
² Petition, Appendix 2, Exhibit 2.1, p. 155.
³ Tenn. Comp. R. & Regs. 1220-04-13-.17(2)(b)2.
⁴ Petition, Appendix 2, Exhibit 2.2, p. 156.
⁵ Tenn. Comp. R. & Regs. 1220-04-13-.17(2)(c)3.
⁶ Petition, Appendix 2, Exhibit 3.3, p. 168.

With its November 23, 2022, filing, Limestone provided an updated Rate Schedule, Exhibit 5.8, and updated Pro Form Income Statement, Exhibit 5.2. The Consumer Advocate has reviewed the new filings, the updated exhibit 5.2 uses assumptions that tie to the tariffed rates.

With its November 23, 2022, filing, Limestone provided an updated Rate Schedule, Exhibit 5.8, that clearly indicates the termination date of the Capital Improvement Surcharge of \$7.50 per month.

With its recent filings, Limestone has addressed the Consumer Advocate's two concerns regarding this part of the MFR requirement.

2. *Rule 1220-04-13-.17(2)(e)11.* The Consumer Advocate could not locate a demonstration of a performance bond from the developer; the Consumer Advocate notes, however, that the Petition “will supplement this response with the performance bond once it has been received.”⁷ No response required at this time.

⁷

Petition at Appendix 2, Exhibit 5.11, p. 208.