

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

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| IN RE: |) | |
| |) | |
| EXPEDITED JOINT APPLICATION OF |) | |
| LIMESTONE WATER UTILITY |) | |
| OPERATING COMPANY, LLC, AND |) | |
| DSH & ASSOCIATES, LLC, FOR |) | |
| APPROVAL OF THE ACQUISITION OF |) | DOCKET NO. 23-00016 |
| AND TO OPERATE THE WASTEWATER |) | |
| SYSTEM OF DSH & ASSOCIATES, LLC, |) | |
| AND TO TRANSFER OR ISSUE A |) | |
| CERTIFICATE OF PUBLIC CONVENIENCE |) | |
| AND NECESSITY. |) | |

PETITION TO INTERVENE

The Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), by and through counsel, 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 *Expedited Joint Application of Limestone Water Utility Operating Company, LLC, and DSH & Associates, LLC, for Approval of the Acquisition of and to Operate the Wastewater System of DSH & Associates, LLC, and to Transfer or Issue 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. DSH & Associates, LLC (“DSH”) is a Tennessee limited liability company with a principal office and place of business located at 2099 Thunderhead Road, Suite 204, Knoxville, Tennessee 37922.¹ DSH is a public utility regulated by TPUC, and it provides wastewater services to consumers in Campbell County, Tennessee pursuant to a Certificate of Public Convenience and Necessity (“CCN”) issued by the Commission in TPUC Docket No. 11-00020.² DSH is the permittee of State Operating Permit (“SOP”) No. SOP-07073 from the Tennessee Department of Environment and Conservation (“TDEC”).³ This permit authorizes DSH to operate a system to serve approximately “187 homes in the Lakeside Estate. The design capacity of the system is .074 MGD [million gallons per day].”⁴

3. Limestone Water Utility Operating Company, LLC (“Limestone”) is a Tennessee limited liability company, whose principal office is located at 1630 Des Peres Road, Suite 140, St. Louis, MO 63131.⁵ Limestone is managed by Central States Water Resources, LLC (“CSWR”), which is a “Missouri limited liability company, and its principal office is located at 1630 Des Peres Road, Suite 140, St. Louis, Missouri 63131.”⁶ In turn, CSWR is managed by Central States Water Resources, Inc.⁷ (“Central States”), which is a Missouri corporation with a principal office located at 1630 Des Peres Road, Suite 140, St. Louis, MO 63131.⁸

¹ *Petition* at 4.

² *Id.*; *Order Approving Petition for a Certificate of Public Convenience and Necessity*, TPUC Docket No. 11-00020 (Sept. 22, 2011).

³ A copy of “Permit No. SOP-07073” was filed in TPUC Docket No. 11-00020 on April 24, 2018. *See TDEC Permit*, TPUC Docket No. 11-00020 (Apr. 24, 2018).

⁴ *Id.* at 2.

⁵ *Petition* at 2.

⁶ *Id.* at 5.

⁷ “Central States Water Resources, Inc., merely serves as the manager of CSWR.” *Limestone’s Response to the Consumer Advocate’s First Discovery Request*, DR No. 1-4 (“Limestone Response 19-00062”), TPUC Docket No. 19-00062 (Feb. 14, 2020). “US Water Systems, LLC (US Water), is the sole owner and member of CSWR. . . Other than its status as the ultimate parent of the affiliate group . . . US Water performs no duties, provides no services, and has no formal business relationship with either Limestone Operating or Limestone Holding.” *Id.* at DR No. 1-1 and DR No. 1-3.

⁸ *See Petition*, Exhibit 5, “CSWR Organization Chart.”

4. Limestone and DSH entered into an *Agreement for Sale of Utility System* (“*Agreement*”) with Central States dated January 2, 2019.⁹

5. On March 1, 2023, Limestone and DSH (collectively, “Joint Petitioners”) filed their *Petition*, seeking authorization for DSH to sell or transfer all assets, property, and real estate currently used to provide regulated wastewater services to customers in its service territory to Limestone.¹⁰ Additionally, Limestone seeks authorization for DSH to transfer its CCN or, alternatively, for the Commission to grant Limestone a new CCN.¹¹

6. In “Exhibit 9” to the *Petition*, the “Pre-Filed Direct Testimony of Josiah Cox,” Limestone acknowledges that the DSH system needs maintenance.¹² Specifically, Mr. Cox states:

The plant is approximately 15 years old and is in fair condition. A review of the compliance history shows two exceedances of permitted limits for nitrates; however, in the facility’s renewed permit, nitrate limits were removed, indicating no need for improved nitrate treatment despite the exceedances. Some portions of the utility site and drain field exhibit significant vegetation overgrowth, which could be an obstacle to regular operation activities or cause damage to equipment and should be removed. Some areas also exhibited poor fencing (consisting of posts with rope strung between posts) which serve as little more than a visual barrier. These should be replaced with proper fencing. Various components of the system have electrical systems that do not have any means to connect backup power or any proper warning signage on electrical and control boxes. Manual transfer switches and quick connects also should be installed to allow the facility to be operated in the event of a power interruption, and proper warning signage should be installed to meet safety requirements. In addition, the system has no remote monitoring equipment installed at this time. Adding remote monitoring would allow operations staff to receive immediate notification of any abnormal operating conditions. This also would allow operators to respond to issues before they can result in service outages, backups into customers’ homes, unpermitted releases of untreated wastewater in overflows, equipment damage, or interruptions to proper treatment. Over time, this reduces costs associated with emergency responses and prevents environmental noncompliance.¹³

⁹ *Petition* at 6 (“A copy of the Agreement is attached, **UNDER SEAL** as **PROPRIETARY AND CONFIDENTIAL Exhibit 7** and incorporated by reference.”).

¹⁰ *Id.* at 1.

¹¹ *Id.*

¹² *See Petition*, Exhibit 9, “Pre-Filed Testimony of Josiah Cox,” at 14–15.

¹³ *Id.*

7. In its *Petition*, Limestone proposes to adopt the current rates and tariffs of DSH.¹⁴ Limestone also states that, “[i]f the revenue requirement for the System increases in the future, however, Limestone may petition the Commission to increase rates or change certain operating regulations.”¹⁵ Furthermore, “Limestone may also seek authority to consolidate rates of the systems it proposes to acquire in this case with those of the other wastewater systems it operates in Tennessee.”¹⁶

8. The interests of consumers in the transfer of authority to provide wastewater services from DSH 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, the disposition of funds residing in these escrow accounts funded by customers; the maintenance needed to meet permit requirements; the affiliate relationship of Limestone and its parent company CWSR; the impact of the purchase price on the rates of the DSH consumers; the benefit to consumers which may be gained from the transfer; and the assessment of the suitability, the financial responsibility, and technical capability of both Limestone and CSWR to operate the DSH 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*.

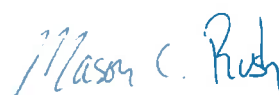
¹⁴ *Petition* at 14.

¹⁵ *Petition* at 11.

¹⁶ *Id.*

RESPECTFULLY SUBMITTED,



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TPUC Docket No. 23-00016
Consumer Advocate's Petition to Intervene

CERTIFICATE OF SERVICE

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

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This the 15th day of March, 2023.



MASON C. RUSH
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