

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

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)	

**CONSUMER ADVOCATE'S SECOND SET OF
DISCOVERY REQUESTS TO DSH & ASSOCIATES, LLC**

Pursuant to Rules 26, 33, 34, and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-01-02-.11, the Consumer Advocate Division of the Office of the Tennessee Attorney General ("Consumer Advocate"), by and through counsel, propounds the following discovery requests to DSH & Associates ("DSH" or the "Company").

The Company shall serve full and complete responses in accordance with the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate Division, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Mason C. Rush, on or before 2:00pm (Central Time), July 12, 2023. The Preliminary Matters and Definitions set forth in the Consumer Advocate's First Set of Discovery Requests are hereby incorporated by reference as if fully restated herein.

SECOND DISCOVERY REQUESTS

- 2-1.** Refer to the Company's response to Consumer Advocate DR No. 1-1. Specifically, refer to the "Income Statement" (on pdf page 120 of 183) included in the "DSH 2022 Annual Report" and provide answers to the following:
- a. Provide a narrative response detailing the source and reasoning for booking \$4,857,968 in nonutility income; and
 - b. Provide a narrative response detailing the source and reasoning for booking \$4,614,141 in misc. nonutility expenses.

RESPONSE:

- 2-2.** Refer to the Company's response to Consumer Advocate DR No. 1-3. Specifically, refer to "Attachment 1.3". The "Lakeside Expansion Escrow" account went from a balance of \$110,528 (pdf page 149 of 183) to \$22,764 (pdf page 152 of 183). Provide a listing of the expenditures funded by Escrow during the year ending 2022. Additionally, provide a listing of any expenditures funded by Escrow during the years ending 2020 and 2021.

RESPONSE:

- 2-3.** Refer to the Company's response to Consumer Advocate DR No. 1-3. Provide a narrative response detailing the difference between the two Escrow accounts shown on the "Balance Sheet" pages of "Attachment 1.3" (pdf pages 149 and 152 of 183). The response should describe the intended use for each account along with the source of such funds.

RESPONSE:

- 2-4.** Refer to the Company's response to Consumer Advocate DR No. 1-5. Specifically, refer to "Attachment 1.5" and "Lakeside Estates Capital Expenditures" (pdf page 177 of 183).

The Consumer Advocate notes that the entry entitled "WWTP Expansion" contains a future date of "8/14/23". Provide the actual date of this expenditure.

RESPONSE:

2-5. Refer to the Company's response to Consumer Advocate DR No. 1-5. Specifically, refer to "Attachment 1.5" and "Lakeside Estates Capital Expenditures" (pdf page 177 of 183). Provide the source of capital for these expenditures. Additionally, confirm that no Escrow funds were used for any of the shown capital expenditures.

RESPONSE:

2-6. Refer to the Company's responses to Consumer Advocate DR Nos. 1-3 and 1-9 (referred to by the Company as DR No. 1-7). Reconcile the difference in the Escrow balances presented in both files (presented below):

Source:	Escrow Balances, 2022
Attachment 1-3	\$59,148
Attachment 1-7	\$10,629
Difference:	\$48,519

RESPONSE:

2-7. Refer to the Company's responses to Consumer Advocate DR Nos. 1-9 and 1-13 (referred to by the Company as DR Nos. 1-7 and 1-11, respectively). Provide the Company's rationale for retaining the funds currently held in escrow.

RESPONSE:

2-8. Refer to the Company's responses to Consumer Advocate DR Nos. 1-9 and 1-13 (referred to by the Company as DR Nos. 1-7 and 1-11, respectively). Confirm that the use of escrow

“is a means by which ratepayers can prepay the costs of non-routine system maintenance[.]”¹ If not confirmed, provide the Company's understanding of escrow.

RESPONSE:

2-9. Refer to TPUC Rule 1220-04-13-.07(7) (effective December 4, 2018), which states in part that a “utility must first receive authorization from the Commission via approved petition or, in emergency situations, authorization in writing from the Chairman of the Commission upon written request by a representative of the utility to use [escrow] funds.” Provide the following:

- a. Documentation of every request by the Company to the Commission for authorization to use escrow funds since December 4, 2018; and
- b. Documentation of every instance of Commission approval of the Company's use of escrow funds since December 4, 2018.

RESPONSE:

RESPECTFULLY SUBMITTED,



MASON C. RUSH (BPR No. 039471)

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¹ *Final Order Approving Rate Petition*, at 11, TRA Docket No. 11-00162 (May 16, 2012).

In re: Limestone / DSH

TPUC Docket No. 23-00016


Consumer Advocate's Second Set of Discovery Requests to DSH

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:

Melvin Malone
Katherine Barnes
Butler Snow LLP
The Pinnacle at Symphony Place
150 Third Avenue South, Suite 1600
Nashville, TN 37201
Phone: (615) 651-6700
Email: Melvin.Malone@butlersnow.com
Email: Katherine.Barnes@butlersnow.com

On this the 5th day of July 2023.



MASON C. RUSH
Assistant Attorney General