

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

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|--|---|----------------------------|
| IN RE: |) | |
| |) | |
| JOINT APPLICATION OF LIMESTONE |) | |
| WATER UTILITY OPERATING COMPANY, |) | |
| LLC, SUNSET COVE CONDOMINIUM |) | |
| HOA OF NORRIS LAKE, INC. AND |) | |
| COMMERCIAL BANK FOR APPROVAL |) | DOCKET NO. 23-00070 |
| OF THE ACQUISITION OF AND TO |) | |
| OPERATE THE WASTEWATER SYSTEM |) | |
| OF SUNSET COVE CONDOMINIUM HOA |) | |
| OF NORRIS LAKE, INC. AND |) | |
| COMMERCIAL BANK, AND TO 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 the “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 *Joint Application of Limestone Water Utility Operating Company, LLC, Sunset Cove Condominium HOA of Norris Lake, Inc., and Commercial Bank, for Approval of the Acquisition of and to Operate the Wastewater System of Sunset Cove Condominium HOA of Norris Lake, Inc. and Commercial Bank, and to Issue a Certificate of Public Convenience and Necessity* (“Joint Application”). 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. Sunset Cove Condominium HOA of Norris Lake, Inc. (“Sunset Cove”) is a Tennessee nonprofit corporation with its principal office and place of business located at 200 Sunset Cove Drive, Maynardville, Tennessee 37807.¹ Sunset Cove provides wastewater services to consumers in Union County, Tennessee.²

3. Commercial Bank is a Tennessee banking corporation located at 6710 Cumberland Gap Parkway, Harrogate, Tennessee 37752.³ Due to the original developer filing for bankruptcy, Commercial Bank foreclosed on the development and the system and both Sunset Cove and Commercial Bank have an interest in the system.⁴

4. 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’s sole member is Limestone Water Utility Holding Company, LLC (“LWUHC”), a Tennessee limited liability company, whose sole officer is its President, Josiah Cox.⁶ Limestone’s affiliate, Central States Water Resources, LLC (“CSWR”), which is a Missouri limited liability company, with its principal office is located at 1630 Des Peres Road, Suite 140, St. Louis, Missouri 63131, provides financial, technical and managerial expertise and services to each of the group’s utility operating affiliates and will manage Limestone and the wastewater system if the Commission approves the transaction.⁷

¹ *Joint Application of Limestone Water Utility Operating Company, LLC, Sunset Cove Condominium HOA of Norris Lake, Inc., and Commercial Bank, for Approval of the Acquisition of and to Operate the Wastewater System of Sunset Cove Condominium HOA of Norris Lake, Inc. and Commercial Bank, and to Issue a Certificate of Public Convenience and Necessity* (“Joint Application”), p. 4, TPUC Docket No. 23-0070 (September 25, 2023).

² *Id.* at 2.

³ *Id.* at 4.

⁴ *Id.* at 1 FN1.

⁵ *Id.* at 4.

⁶ *Joint Application* at 5.

⁷ *Id.* at 6.

5. Sunset Cove and Commercial Bank entered into an *Agreement for Sale of Utility System* (“Agreement”) with Central States Water Resources, Inc., (“Central States”), the parent company of CSWR,⁸ dated September 22, 2022.⁹ The purchase price to be paid is One Dollar (\$1.00).¹⁰

6. On September 15, 2023, Limestone, Sunset Cove and Commercial Bank (collectively, “Joint Petitioners”) filed this Joint Application seeking authorization to purchase all assets, property and real estate currently used to provide wastewater services to Sunset Cove consumers. Limestone seeks authorization to obtain a Certificate of Convenience and Necessity (“CCN”) for its entire service area.¹¹

7. Sunset Cove’s system is the subject of the transaction, which operates under a non-discharging permit, SOP-12011, which expired on December 31, 2013, and has not been renewed due to the foreclosure of the Sunset Cove system by Commercial Bank against the original developer, Lucas Gunn Properties, who filed for bankruptcy.¹²

8. The wastewater system serves Sunset Cove Condominiums in Union County, Tennessee.¹³ Further, the Joint Petitioners are seeking authorization for Sunset Cove and Commercial Bank to sell or transfer all assets, property, and real estate currently used to provide regulated wastewater services to customers in Union County to Limestone.¹⁴ The wastewater system currently serves approximately 12 unmetered customers.¹⁵ Limestone will resolve all permitting issues.¹⁶

⁸ Joint Application, Exhibit 5, “CSWR Organization Chart.”

⁹ Joint Application at 6, III. (“A copy of the Agreement is attached as Exhibit 7 and incorporated by reference”).

¹⁰ Joint Application, Exhibit 7, “Agreement for Sale of Utility System” p. 2.

¹¹ Id. at 2.

¹² Joint Application, Exhibit 9, “Pre-Filed Exhibit of Josiah Cox,” at 16:8–11.

¹³ Id. at 15:22.

¹⁴ Id. at 17:6–10.

¹⁵ Id.

¹⁶ Id. at 17:21–23 and 16:1–9.

9. In the *Joint Application*, Limestone proposes to charge the rates that are the subject of Limestone's pending Joint Application in TPUC Docket No. 23-00016 (DSH).¹⁷ 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."¹⁸ 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."¹⁹

10. The interests of consumers in transferring authority to provide wastewater services from Sunset Cove and Commercial Bank to Central States, 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, clarification on the system or systems that are the subjection of the *Agreement*; the affiliate relationship of Limestone, its affiliate company CWSR and its ultimate parent, Central States; the cost and benefits to consumers which may be gained from the transfer; the system's compliance status with TDEC; the impact of Limestone's improvements and capital investments on the rates of customers; and the assessment of the suitability, financial responsibility, and technical capability of both Limestone and CSWR to operate the wastewater systems.

11. 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.

¹⁷ *Joint Application* at 11.

¹⁸ *Id.*

¹⁹ *Id.*

RESPECTFULLY SUBMITTED,

Handwritten signature of Jonathan Skrmetti in blue ink, appearing to read "Jonathan Skrmetti" with a flourish.

JONATHAN SKRMETTI (BPR No. 031551)
Attorney General and Reporter
State of Tennessee

Handwritten signature of Shilina B. Brown in blue ink, appearing to read "Shilina B. Brown" with a flourish.

SHILINA B. BROWN (BPR No. 020689)
Assistant Attorney General
VICTORIA B. GLOVER (BPR No. 037954)
Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Telephone: (615) 741-2357
Email: shilina.brown@ag.tn.gov
Email: victoria.glover@ag.tn.gov

TPUC Docket No. 23-00070

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:

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

Josiah Cox
1630 Des Peres Road, Suite 140
St. Louis, MO 63131
Phone: (314) 380-8544
Email: regulatory@cswrgroup.com

Eddie Castles, President
Sunset Cove Condominium HOA of Norris Lake, Inc.
200 Sunset Coves Drive
Maynardville, TN 37807
Email: ecastles_8721@fuse.net

Adam Robertson, President
Commercial Bank
6710 Cumberland Gap Parkway,
Harrogate, TN, 37752
Phone: (423)869-5151
Email: arobertson@cbtn.com

This the 17th day of October, 2023.



SHILINA B. BROWN
Assistant Attorney General