

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION**

**NASHVILLE, TENNESSEE**

**March 28, 2025**

**IN RE:**

**APPLICATION OF LIMESTONE WATER UTILITY  
OPERATING COMPANY, LLC TO EXPAND ITS  
CERTIFICATE OF CONVENIENCE AND NECESSITY  
TO SERVE THE ADLEY SUBDIVISION IN  
WILLIAMSON COUNTY, TENNESSEE**

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**DOCKET NO.  
24-00020**

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**ORDER GRANTING APPROVAL OF CCN TO SERVE ADLEY SUBDIVISION IN  
WILLIAMSON COUNTY, TENNESSEE, SUBJECT TO SATISFACTION OF CERTAIN  
CONTINGENT REQUIREMENTS**

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This matter came before Chairman David F. Jones, Vice Chairman John Hie, Commissioner Robin L. Morrison, Commissioner Clay R. Good, and Commissioner David Crowell of the Tennessee Public Utility Commission (the “Commission” or “TPUC”), the voting panel assigned to this docket, during a regularly scheduled Commission Conference held on February 18, 2025, for consideration of the *Application of Limestone Water Utility Operating Company, LLC to Expand Its Certificate of Convenience and Necessity to Serve the Adley Subdivision* (“*Application*”) filed by Limestone Water Utility Operating Company, LLC (“Limestone,” “Company,” or “Petitioner”) on April 12, 2024. In its *Application*, Limestone requests the Commission’s approval of an amendment to the Company’s Certificate of Public Convenience and Necessity (“CCN”).<sup>1</sup>

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<sup>1</sup> Limestone is certified to do business in the State of Tennessee and currently holds CCNs with the State of Tennessee to operate wastewater treatment facilities. Limestone’s initial CCN was granted in Commission Docket No. 19-00062 on December 7, 2020. *See also Application*, Exh. 9, Todd Thomas, Pre-Filed Direct Testimony, pp. 11-12 (April 12, 2024).

## **BACKGROUND AND APPLICATION**

Limestone is a Tennessee limited liability company with a principal office and place of business at 1630 Des Peres Road, Suite 14, St. Louis, Missouri 63131. Limestone currently provides water and wastewater services to approximately 580 water connections and 2,013 wastewater connections in Campbell, Hardeman, Hardin, Marshall, and Williamson County, Tennessee.<sup>2</sup> In its *Application*, Limestone seeks to expand its existing service territory to include the Adley Subdivision, a thirty (30) lot residential subdivision, in Williamson County, Tennessee.<sup>3</sup>

Limestone, in support of its *Application*, provided the Pre-Filed Direct Testimony of Todd Thomas. As Mr. Thomas, Senior Vice President of CSWR, LLC (“CSWR”), explains, Limestone is a subsidiary of CSWR and, as such, has access to the working capital needed to operate the system in compliance with applicable safety and health regulations.<sup>4</sup> As Mr. Thomas attests, the Company holds a CCN to provide wastewater services within designated service areas in the State of Tennessee and has previously been granted approval from the Commission to acquire the assets and customers of Cartwright Creek.<sup>5</sup> Mr. Thomas presents these previous approvals by the Commission as evidence of Limestone’s managerial, technical, and financial ability to operate the system in addition to other facts presented in the instant matter.<sup>6</sup>

Mr. Thomas describes the system to be constructed as a decentralized wastewater system utilizing watertight, precast concrete septic tanks for each home with grinder pumps, controls, and

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<sup>2</sup> *Application*, p. 3 (April 12, 2024).

<sup>3</sup> *Id.* at p. 5.

<sup>4</sup> *Application*, Exh. 9, Todd Thomas, Pre-Filed Direct Testimony, pp. 7-8 (April 12, 2024).

<sup>5</sup> *In re: Joint Application of Aqua Utilities Company, Inc. and 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*, Docket No. 19-00062, *Order Approving Sale of Assets, Property, and Real Estate and Certificate of Public Convenience of Aqua Utilities Company, LLC Subject to Conditions and Requirements of the Tennessee Public Utility Commission* (December 20, 2020); *In re: Application of Limestone Water Utility Operating Company, LLC for Authority to Sell or Transfer Title to the Assets, Property, and Real Estate of Public a Utility, Cartwright Creek, LLC, and for a Certificate of Public Convenience and Necessity*, Docket No. 21-00053, *Order Approving Settlement Agreement and Transfer of Systems, and Granting Certificate of Convenience and Necessity* (January 24, 2022).

<sup>6</sup> *Application*, Exh. 9, Todd Thomas, Pre-Filed Direct Testimony, p. 5 (April 12, 2024).

PVC pipe collection force mains. This new collection system for the Adley development will then connect to the adjacent Grasslands wastewater treatment plant (also maintained by Limestone) through an existing manhole with excess capacity for the increased flows. From this connection point, flows will be sent from Adley and Grasslands collection systems to the Grasslands Treatment Facility.<sup>7</sup>

Limestone filed a copy of a Utility Service Agreement (“Sewer Agreement”) negotiated on March 28, 2024, between Limestone and Manley Lane Holding Company, LLC (“Developer”).<sup>8</sup> The Sewer Agreement states that the Developer shall design and construct all wastewater infrastructure for the project at its sole expense. The Developer agrees to provide “as-built” construction plans to Limestone upon completion of the sewer infrastructure. The Sewer Agreement establishes that the Developer shall execute a deed(s), bill of sale and/or other documents to convey ownership of, ready access to, and operations and maintenance of the wastewater infrastructure to the Utility.<sup>9</sup> The intent of Limestone to claim ownership of the system once constructed is reaffirmed in Mr. Thomas’s testimony.<sup>10</sup>

Limestone’s *Application* demonstrates that the Developer has chosen Grove Park Commercial Builders, LLC as its designated contractor. The *Application* includes a copy of the valid contractor’s license for Grove Park Commercial Builders, LLC.<sup>11</sup> Limestone also provided a preliminary itemization of the estimated cost of construction.<sup>12</sup> The Company represented that it would obtain a performance bond from the Developer in compliance with Commission Rule 1220-04-13-.17(2)(e)(11).<sup>13</sup>

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<sup>7</sup> *Id.* at Exh. 9, pp. 11-12.

<sup>8</sup> *Id.* at Exh. 21, p. 1.

<sup>9</sup> *Id.* at Exh. 21, pp. 2-3.

<sup>10</sup> *Id.* at Exh. 9, p. 12.

<sup>11</sup> *Id.* at Exh. 20.

<sup>12</sup> *Id.* at Exh. 18 (filed confidentially).

<sup>13</sup> *Id.* at Appx. A, p. 6.

Lastly, Limestone filed in this Docket a copy of its existing Tennessee Department of Environment and Conservation (“TDEC”) National Pollutant Discharge Elimination System (“NPDES”) Permit Number TN0027278 for the Grasslands Treatment Facility presently serving Limestone’s customers acquired in Limestone’s acquisition of Cartwright Creek, LLC.<sup>14</sup> Limestone intends to combine its existing treatment facility infrastructure with a newly constructed collection system for Adley Subdivision and connect the new customers through an existing sewer manhole.<sup>15</sup>

### **THE HEARING**

A Hearing in this matter was held before the voting panel of Commissioners during the regularly scheduled Commission Conference on February 18, 2025, as noticed by the Commission on February 6, 2025. Participating in the hearing were:

Limestone Water Operating Company, LLC– Melvin Malone, Esq., Katherine Cohn, Esq., Butler Snow, The Pinnacle at Symphony Place, 150 3<sup>rd</sup> Avenue South, Suite 1600, Nashville, Tennessee; Todd Thomas, Senior Vice President, CSWR, 1630 Des Peres Rd., Suite 140, Des Peres, Missouri.

During the Hearing, Todd Thomas, Senior Vice President of CSWR, appeared on behalf of the Company adopting and summarizing his Pre-Filed Direct Testimony previously submitted. Mr. Thomas was subject to questions from the voting panel of Commissioners and Commission Staff. Members of the public were given an opportunity to offer comments, at which time, no comments were submitted.

### **STANDARD FOR COMMISSION APPROVAL**

A public utility is not permitted to begin construction or operation of a new utility service without first obtaining a CCN from the Commission, as set forth in Tenn. Code Ann. § 65-4-201(a), which states:

No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having

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<sup>14</sup> *Id.* at Exh. 23.

<sup>15</sup> *Id.* at Exh. 9, pp. 11-12.

obtained from the commission, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system, or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate; provided, however, that this section shall not be construed to require any public utility to obtain a certificate for an extension in or about a municipality or territory where it shall theretofore have lawfully commenced operations, or for an extension into territory, whether within or without a municipality, contiguous to its route, plant, line, or system, and not theretofore receiving service of a like character from another public utility, or for substitute or additional facilities in or to territory already served by it.<sup>16</sup>

Additionally, to obtain a CCN to provide wastewater service, TPUC Rule 1220-04-13-.17 (1) provides:

Any public wastewater utility requesting a Certificate of Public Convenience and Necessity (“CCN”) in accordance with Tenn. Code Ann. §§ 65-4-201, et seq., shall file an application that complies with Rule 1220-01-01-.03 and this rule. Each applicant shall demonstrate to the Commission that it possesses sufficient managerial, financial, and technical capabilities to provide the wastewater services for which it has applied. Each application shall demonstrate that there exists a public need for wastewater service and include the required financial security consistent with Tenn. Code Ann. § 65-4-201, and these rules.<sup>17</sup>

The rule further establishes minimum information filing guidelines for applications for new or expanded CCNs.<sup>18</sup>

## **FINDINGS AND CONCLUSIONS**

In its *Application*, the Company has asked the Commission to amend its CCN to include the Adley Subdivision in Williamson County, Tennessee, alleging that the Company possesses the managerial, technical, and financial capability to provide service to the subdivision. Based on a review and consideration of the pleadings, the Direct Testimony, and the entire administrative record, the voting panel made the following findings and conclusions:

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<sup>16</sup> Tenn. Code Ann. § 65-4-109 (2024).

<sup>17</sup> Tenn. Comp. R. & Regs. 1220-04-13-.17.

<sup>18</sup> *Id.*

The panel found that the Adley Subdivision requires wastewater service to move forward with the proposed development and that the proposed subdivision is not currently connected to a wastewater treatment facility operated by any other municipal utility, utility district, or other private wastewater utility. No other utility is seeking to serve the parcel. Therefore, the panel voted unanimously that there exists a public need to provide wastewater service to Adley subdivision as required by Tenn. Code Ann. § 65-4-201(a) and Commission Rule 1220-04-13-.17(1).

The panel found that the Company has demonstrated that it possesses the requisite managerial, financial, and technical capabilities to provide wastewater service to the Adley Subdivision. In addition, the Company is in good standing with the Commission and compliant with all Commission rules. Based upon these findings, the panel voted unanimously to grant the Company's *Application*, contingent upon the satisfactory completion and filing of certain necessary documents listed in the ordering clause of this Order. The panel also directed the Company to file a report in this docket demonstrating its compliance with the filing requirements prior to providing wastewater service to Adley Subdivision. In the event the compliance report is not filed, the panel directed the Company to file within six (6) months from the date of this order, and every six (6) months thereafter until the installation is complete, a report on the status of providing wastewater service to the Adley Subdivision, as well as the status of its compliance with each of the aforementioned filing requirements.

**IT IS THEREFORE ORDERED THAT:**

1. *Application of Limestone Water Utility Operating Company, LLC to Expand Its Certificate of Convenience and Necessity to Serve the Adley Subdivision* filed by Limestone Water Utility Operating Company, LLC, is approved, contingent upon the Company's filing of the following in this docket:

- a. The deed and/or easements for all land and ownership rights to the wastewater system within fifteen (15) days of being issued and before the first customer is connected to the wastewater system, as set forth in contracts submitted by Limestone with the Commission;
- b. In accordance with Commission Rule 1220-04-13-.17(2)(f)(5), a signed and notarized engineering report from an independent, third-party design engineer confirming that the Grasslands system, to which the Nash Ridge Subdivision and Adley Subdivision will be connected, has sufficient capacity to serve the existing customers in the Grasslands system, the planned customers of the Nash Ridge Subdivision, and the planned customers of Adley Subdivision, prior to serving customers within Adley development;
- c. Copies of all necessary TDEC-approved documents relating to the Adley development, if any, prior to new customers being connected to the wastewater system within fifteen (15) days of issuance;
- d. A copy of the as-built plans with signed certification by Limestone indicating the wastewater system has been inspected and is approved to begin operation;
- e. A copy of the signed plat once the area of development is approved by the city and/or county government within fifteen (15) days of being issued and before the first customer is connected to the wastewater system; and
- f. A copy of the performance bond required by Commission Rule 1220-04-13-.17(2)(e)(11).

2. Limestone Water Utility Operating Company, LLC is directed to file a report in this docket demonstrating its compliance with the filing of the above referenced documents. If the required documentation is not filed within six (6) months of this order, then Limestone Water Utility Operating Company, LLC is directed to file a report on the status of the provision of wastewater service to the Adley Subdivision as well the status of the filing of required documentation. The compliance report shall be updated every six (6) months until installation of the wastewater system is complete.

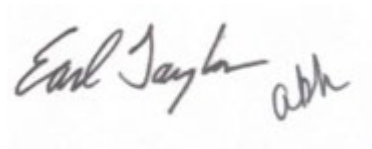
3. Any person(s) aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within fifteen (15) days from the date of this Order.

4. Any person(s) aggrieved by the Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from the date of this Order.

**FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:**

**Chairman David F. Jones,**  
**Vice Chairman John Hie,**  
**Commissioner Robin L. Morrison,**  
**Commissioner Clay R. Good, and**  
**Commissioner David Crowell concurring.**  
None dissenting.

**ATTEST:**

A handwritten signature in dark ink, appearing to read "Earl Taylor" with a stylized flourish at the end.

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**Earl R. Taylor, Executive Director**