

From: [Contact TPUC](#)
To: [Ectory R. Lawless](#)
Subject: FW: [EXTERNAL] Docket No. 24-00044
Date: Monday, January 27, 2025 11:37:21 AM

From: dminshew <[REDACTED]>
Sent: Friday, January 24, 2025 4:32 PM
To: Contact TPUC <Contact.TPUC@tn.gov>
Subject: [EXTERNAL] Docket No. 24-00044

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To the Tennessee Public Utility Commission,

A famous leader once said, "Count the cost before you build the tower." It appears that Limestone Water Utility Operating Company, LLC failed to do so. In their filing, Limestone maintains:

Several of the systems Limestone Water acquired had significant long-term compliance and operational issues, and this rate request reflects the increased capital and operating costs required to address those deficiencies. Additionally, most of Limestone Water's systems have not sought rate increases in years or even decades prior to their acquisition. As a result, the rates currently in effect, and which Limestone Water adopted upon the respective acquisitions, do not provide adequate recovery of operating costs, capital investments, or an opportunity to earn a fair return on that investment. While the rates proposed in this case represent a measurable increase over current rates, this is not surprising given that current rates are well below what they would have been had previous owners exercised regulatory diligence in terms of critical repairs, capital investment, and professional operations necessary to provide safe and reliable service to customers.

The problem? There is no clear evidence that the water system previously providing service to my home was one of these utilities. Limestone invested broadly across, it appears, 8 systems in Tennessee. Now, they approach you with the rationale: Limestone Water needs to increase rates to a level that allows it to not only provide services that properly serve and protect the public interests, but also to permit the Company to recover reasonable operating costs, as well as an opportunity for a fair return on the investments it makes to serve customers. Second, and as discussed in the Pre-filed Direct Testimony of Company Witnesses Mike Duncan and Aaron Silas, Limestone Water seeks to unify the terms of service and consolidate rates statewide in a manner that streamlines and simplifies the Company's tariff and supports the economies of scale and related benefits that Limestone Water offers.

What Limestone has done, if you allow them to get away with it, is to create a multi-system scheme where systems that were not deficient will be required to fund the improvements to other systems that Limestone **chose** to purchase. As additional justification, they state: Secondly, as to

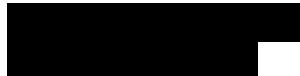
rate consolidation, Limestone Water seeks to maximize the benefits inherent from its ownership of several systems to mitigate the rate increase in this and 4 88614786.v1 future cases by consolidating rates across its two water systems and across its eight wastewater systems so that customers would be charged the same statewide rate for water or wastewater service. Rate consolidation allows Limestone Water to spread costs to a larger customer base, thereby mitigating rate impacts to small systems whose current capital investment requirements exceed statewide averages.

In other words, they admit that the enfolding of the 8 systems will work to the advantage of Limestone. They have the gall to state it this way: Consolidated rates and tariffs also make rates more affordable for all Limestone Water's customers...

According to the proposed rate changes, 3000 gallons in my system that currently costs \$20.03 will increase to \$86.64. More affordable rates?

My request is that you not allow Limestone to fold all of this into one massive rate change, but demonstrate to you, the voice of public reason with regard to utilities in Tennessee, each necessary system upgrade and rate change.

Sincerely,
Donald Minshew

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