

**24-00044**

**STATE OF TENNESSEE  
BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION**

**IN RE:**

**LIMESTONE WATER UTILITY OPERATING COMPANY**

**DIRECT TESTIMONY**

**OF**

**AARON SILAS**

**ON**

**STRATEGIC COMMUNICATIONS, CUSTOMER SERVICE AND METRICS,  
ACQUISITION ADJUSTMENT RECOVERY, RATE DESIGN, AND PROPOSED  
TARIFFS**

**SPONSORING PETITIONER'S EXHIBITS:**

**Petitioner's Exhibit AJS-1: Example Welcome Letter**

**Petitioner's Exhibit AJS-2: Example Annual Update**

**Petitioner's Exhibit AJS-3: TDEC's Design Criteria for Review of Sewage Works Construction Plans  
and Documents**

**Petitioner's Exhibit AJS-4: North Carolina Guide for Assigning Equivalent Residential Units**

**Petitioner's Exhibit AJS-5: Proposed Rate Design – Water/Sewer**

**Petitioner's Exhibit AJS-6: Rate Comparison – Water/Sewer**

**Petitioner's Exhibit AJS-7: Proposed Limestone Water Consolidated Tariff**

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AARON SILAS, ON BEHALF OF  
LIMESTONE WATER UTILITY OPERATING COMPANY, LLC**

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1   **Q.   PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**  
2       **EXPERIENCE.**

3   A.   I received a Bachelor of Science degree with honors from Southern Illinois  
4       University in Edwards (“SIUE”) with a major in Business Administration  
5       specializing in Human Resources and Finance. The first few years of my career  
6       were spent in the finance industry, including various roles within U.S. Bank and  
7       Stifel Financial. During my employment at Stifel Financial, I received a Master of  
8       Business Administration degree from SIUE as well.

9   **Q.   WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**  
10       **CASE?**

11   A.   The purpose of my direct testimony is to provide information on several issues in  
12       support of the Company’s rate case. **First**, I will outline the new initiatives that  
13       CSWR’s strategic communications department has implemented to enhance our  
14       engagement with customers. These initiatives are designed to improve  
15       transparency, ensure clear and consistent communication, and foster in customers  
16       a deeper understanding of the services CSWR provides and the challenges it faces.  
17       **Second**, I will discuss CSWR’s customer service function, its utilization of a third-  
18       party call center, and the test year metrics from the call center which serve as a key  
19       indicator of CSWR’s customer service effectiveness and efficiency. I’ll provide  
20       insights into new initiatives, the volume and nature of customer inquiries CSWR  
21       has received, and why these metrics are important. **Third**, I will discuss the  
22       economies of scale that are created by consolidating the individual Limestone  
23       Water systems with CSWR’s systems nationwide such that Tennessee customers

1 are allowed to receive these heightened levels of customer experience and corporate  
2 communications services. The provision of these improved public utility services  
3 forms a partial basis for the Company's request to receive recovery of its acquisition  
4 adjustments. ***Fourth***, I will discuss the rate design that Limestone Water is  
5 proposing in this case. This includes the creation of a pass-through rate for  
6 Limestone's purchased water system and incorporating flat sewer rates state-wide.  
7 ***Finally***, I will sponsor both Limestone Water's proposed water and sewer tariffs,  
8 including the rates contained therein.

## 9 **II. STRATEGIC COMMUNICATIONS INITIATIVES**

10 **Q. CAN YOU SUMMARIZE AT THE OUTSET THE PURPOSE OF**  
11 **OUTLINING THE COMPANY'S STRATEGIC COMMUNICATIONS**  
12 **INITIATIVES IN SUPPORT OF THE RATE CASE?**

13 A. Yes. Limestone Water hopes to demonstrate its proactive approach to customer care  
14 and dedication to maintaining customer transparency. The Company believes that  
15 these efforts will not only enhance customer satisfaction but also showcase its  
16 commitment to operating above and beyond regulatory expectations. The strategic  
17 communications initiatives I will discuss position Limestone Water as a responsible  
18 and customer-centric utility.

19 **Q. CAN YOU DESCRIBE THE NEW INITIATIVES IMPLEMENTED BY**  
20 **CSWR'S STRATEGIC COMMUNICATIONS DEPARTMENT?**

21 A. Yes. This year, CSWR's strategic communications department launched several  
22 new initiatives aimed at enhancing its engagement and communication with  
23 customers. One of the primary initiatives has been a comprehensive campaign to  
24 update customer contact information. This campaign involves multiple

1 touchpoints, including the distribution of postcards, incorporation of QR codes on  
2 bills for easy updates, and encouraging customers to proactively communicate any  
3 changes in their contact details via phone call or email to the call center support  
4 staff. This initiative is crucial as it allows CSWR to swiftly communicate essential  
5 updates about service interruptions, construction, and other relevant information.

6 CSWR has also revamped its 'Welcome Letters' for new acquisitions by  
7 introducing a 'State of Your Facility' section. This new information includes  
8 photographs of the facility, a detailed description of the system type (such as a  
9 lagoon or extended aeration plant), a summary of the system's compliance history,  
10 and an outline of CSWR's improvement plans. This is designed to immediately  
11 establish the importance of the infrastructure to customers and to set a high standard  
12 of transparency from the outset.

13 Finally, CSWR has enhanced its communications with customers regarding  
14 construction projects. Each time a construction project is completed, customers  
15 receive email updates detailing the work done and the underlying need for such  
16 improvements. Additionally, for long-term projects, CSWR has implemented  
17 community signage to increase visibility and transparency directly in the  
18 community affected by the construction projects. Lastly, CSWR is committed to  
19 keeping its customers informed about ongoing projects and back-office initiatives  
20 through annual updates provided in the form of hard-copy community specific  
21 mailers. While emailing customers provides an instantaneous update, CSWR also  
22 understands that some customers may not be technologically "savvy" and would  
23 prefer to receive printed mail. In providing these updates at least once per year,

1 CSWR is ensuring that all customers are aware of the work being done in their  
2 individual communities.

3 **Q. WHAT ARE THE PRIMARY GOALS OF THESE INITIATIVES?**

4 A. The primary goals of these initiatives are influenced by the principle that “water is  
5 local.” While customers may be interested in matters that affect their utilities on a  
6 statewide level, the interest in water, as a consumable good that is produced and  
7 treated in their community, is necessarily greater at a local level. So, while water  
8 customers in the Candlewood service area may have a basic interest in  
9 improvements made at Aqua Utilities, their overarching concerns are with the  
10 improvements affecting their individual community. So, while customers receive  
11 the benefits of consolidation and scale offered by Limestone, they are also kept  
12 knowledgeable and up-to-date with the individual projects affecting their local  
13 service. As Director overseeing both the communications department and the call  
14 center, my goal is to address the unique concerns of each community that  
15 Limestone Water serves. By improving transparency, Limestone Water is  
16 attempting to explain its operations and allow its customers to witness  
17 improvements firsthand.

18 **Q. CAN YOU PROVIDE SPECIFIC EXAMPLES OF HOW THESE**  
19 **INITIATIVES HAVE IMPACTED LIMESTONE WATER’S**  
20 **CUSTOMERS?**

21 A. Yes. Limestone Water customers have already seen the aforementioned initiatives  
22 in action. Limestone Water acquired the DSH wastewater facility, a recirculating  
23 media filter sewer system located near LaFollette, on January 23<sup>rd</sup>, 2024. That same

1 day, a welcome letter was mailed to all DSH customers (Exhibit AJS-1). This letter  
2 details Limestone Water's first steps when acquiring a facility, explains some of  
3 the site deficiencies and why they are important, and re-assures customers that the  
4 Company will be working diligently to make all necessary improvements to  
5 safeguard the LaFollette community.

6 I've also attached an example of the hard-copy annual community update I  
7 previously mentioned. Exhibit AJS-2 shows the community update mailed to the  
8 Company's Grassland facility customers. This update provides a high-level  
9 statement regarding the effects of deferred maintenance upon a utility system, the  
10 Company's ongoing commitment to providing 24/7 customer service and  
11 operations, and finally a transparent view into additional improvements in progress  
12 at the facility. This letter highlights Limestone's commitment to stakeholder  
13 engagement and consistent communication with its customers.

### 14 **III. CUSTOMER SERVICE FUNCTIONS**

15 **Q. CAN YOU SUMMARIZE HERE THE AIM OF OUTLINING THE**  
16 **COMPANY'S USE OF THIRD-PARTY CONTRACTORS IN SUPPORT OF**  
17 **THE RATE CASE?**

18 A. Yes. Limestone Water hopes to demonstrate the benefits associated with the use of  
19 its third-party customer service contractor and explain the cost benefits of its  
20 decision to utilize this methodology. Additionally, the Company will attempt to



1 demonstrate that it is providing an above average customer experience to its  
2 customers.

3 **Q. DOES LIMESTONE WATER USE THIRD-PARTY CONTRACTORS TO**  
4 **PERFORM CUSTOMER SERVICE FUNCTIONS?**

5 A. Yes. CSWR also uses Nitor to provide a wide range of services to customers. Such  
6 services include responding to customer billing questions, processing service  
7 initiation requests, processing service termination requests, , providing information  
8 to builders wanting to connect dwellings under construction to our wastewater or  
9 water systems, and accumulating and archiving data to support the customer service  
10 functions.

11 **Q. WHY DOES LIMESTONE WATER USE A THIRD-PARTY**  
12 **CONTRACTOR TO PERFORM CUSTOMER SERVICE FUNCTIONS?**

13 A. CSWR believes it is critical for its customers to have 24/7 access to personnel who  
14 can answer service and billing questions and competently address issues affecting  
15 the quality of service. CSWR also wants to ensure that Limestone Water's  
16 customers have access to services like online account information access and  
17 options that are not usually available from systems the size of most of those  
18 Limestone Water acquired in Tennessee.

19 **Q. DO CSWR-AFFILIATED COMPANIES USE THIRD-PARTY**  
20 **CONTRACTORS IN OTHER STATES TO PERFORM CUSTOMER**

1           **SERVICE FUNCTIONS? IF SO, WHAT ARE THE BENEFITS TO**  
2           **CUSTOMERS?**

3    A.    Yes. CSWR uses the same customer service contractor in all state affiliates. This  
4           is another example of the benefits of scale and expertise that Limestone customers  
5           experience as part of a larger group of affiliated utilities. Using a single, third-party  
6           contractor for all customer service support both in Tennessee and company-wide  
7           across all states allows CSWR to systematize this function, develop and implement  
8           processes and services not generally available to small water/wastewater utilities,  
9           and achieve economies of scale that lower customer costs and rates.

10   **Q.    IS IT MORE COST-EFFECTIVE TO USE A SINGLE PROVIDER TO**  
11       **PROVIDE CUSTOMER SERVICE ACROSS ALL CSWR SYSTEMS IN**  
12       **ALL STATES INSTEAD OF HIRING EMPLOYEES TO PERFORM**  
13       **THOSE TASKS IN EACH STATE?**

14   A.    Yes. CSWR's experience in Tennessee and in the other states has shown time and  
15           again that using third parties for customer service functions is the most cost-  
16           effective and best available option for a company like Limestone Water.

17               The primary consideration for CSWR's decision to use Nitor was the desire  
18           to provide customers an array of first-class customer services and service event  
19           recording capabilities that systems the size Limestone Water typically acquires  
20           would not be able to provide at a reasonable per-customer cost. Nitor has developed  
21           and deployed a host of state-of-the-art systems and practices that generally are not  
22           available to utilities like Limestone Water. Because Nitor can spread the cost of  
23           these systems across all of its clients, Limestone Water and its CSWR affiliates are

1       able to enjoy the benefits of Nitor’s economies of scale. And, as customer service  
2       technologies improve and expand, a company like Nitor can adopt and deploy these  
3       improvements much more quickly and cost-effectively than could Limestone Water  
4       on a stand-alone basis or even as part of the CSWR-affiliated group of utilities.\_

5       **Q.    CAN YOU PROVIDE SPECIFIC EXAMPLES OF THE BENEFITS TO**  
6       **LIMESTONE WATER AND ITS CUSTOMERS FROM USING NITOR.**

7       A.   First and foremost, Nitor provides live answering service – i.e., a live human being  
8       answers the call – for all customer emergency service calls twenty-four hours a day.  
9       If the subject of the call truly is an emergency, Nitor personnel contact an  
10      emergency service responder designated by Limestone Water’s O&M contractor  
11      for that service area, who dispatches personnel to address the problem.

12               In addition to the around-the-clock emergency response services, Nitor also  
13      has a staff dedicated and trained to answer customer service and billing questions  
14      from 7:00 a.m. – 7:00 p.m.<sup>1</sup> Nitor’s staff has access to and is knowledgeable about  
15      Limestone Water’s tariffs, so it can successfully address most billing questions  
16      quickly and efficiently. If Nitor is unable to answer the question or if the customer  
17      requires direct assistance from Limestone Water, a CSWR employee is designated  
18      to address his or her concerns.

19               Moreover, all customer contacts with Nitor are thoroughly documented in  
20      the event that questions later arise about when calls were made, how many calls  
21      were made, and what information the customer received. Customer calls are also

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<sup>1</sup> Limestone Water’s customers also have the ability to self-serve through an Interactive Voice Response (“IVR”) system.

1 recorded and stored to ensure professional conduct toward customers and ensure  
2 questions or disputes about customer interactions can quickly be resolved.

3 **Q. WITHOUT NITOR, COULD LIMESTONE WATER PROVIDE THE SAME**  
4 **SERVICES AT A SIMILAR COST?**

5 A. No. Without that relationship and the economics of scale that are appreciated by  
6 utilizing these services across multiple states and tens of thousands of customers, it  
7 would be cost-prohibitive to provide these services in Tennessee and continually  
8 invest in the necessary underlying technology to support these services.

9 **Q. HAS LIMESTONE WATER RECENTLY MADE ANY OTHER**  
10 **CUSTOMER SERVICE IMPROVEMENTS?**

11 A. Yes. CSWR has implemented a Customer Information System called Muni-Link  
12 that is used by all CSWR-affiliated operating companies. Muni-Link is a cloud-  
13 based utility billing solution designed for municipalities, cities, townships, private  
14 utility companies, and authorities who bill customers for water and sewer service.  
15 The software includes electronic billing, online payment processing, built-in  
16 Coding Accuracy Support System (“CASS”) certification, customer work order  
17 management, and a customer portal.

18 Muni-Link’s customer portal allows customers to receive bills  
19 electronically, make payments, and view their usage, amounts due, and payment  
20 histories online. The billing software can be processed by users from any web  
21 browser, and users can also manage interest, penalties, payments, notices, liens, and  
22 more. Customers can sign up for e-billing to only receive electronic statements,

1 and for paper billing, Muni-Link helps organizations qualify for USPS automation  
2 prices.

3 Muni-Link provides users with access to full account information on a  
4 single page with Account Central that allows customer service representatives to  
5 easily access all relevant customer information quickly to provide expedited  
6 customer service. Integrations with multiple metering, asset management, and  
7 accounting systems are supported, and all data is backed up automatically.

8 **Q. CAN YOU OUTLINE THE KEY METRICS RELATED TO NITOR'S CALL**  
9 **CENTER PERFORMANCE DURING THE TEST YEAR?**

10 A. Yes. During the test year from May 1st, 2023 through April 30th, 2024, CSWR's  
11 call center handled a total of 3,318 calls from Limestone Water's customers. While  
12 processing such volumes, the call center maintained a remarkably low  
13 abandonment rate of only 0.60%, with just 20 calls abandoned. For comparison,  
14 an average acceptable industry standard is between 5-7%. This indicates a strong  
15 level of accessibility and responsiveness from the CSWR call center. Additionally,  
16 the average speed of answer was only 15 seconds compared to a standard of less  
17 than 20 seconds, demonstrating prompt service. Average handle time, which  
18 measures the duration from when a call is answered to its conclusion, was 4 minutes  
19 and 42 seconds compared to the standard of 5 minutes - highlighting Limestone  
20 Water's ability to resolve issues efficiently. Furthermore, these metrics contributed  
21 to an overall service rate, calls answered within 20 seconds, of 86.40%.

1   **Q.    WHAT IMPROVEMENTS OR ADJUSTMENTS HAVE BEEN MADE IN**  
2           **ORDER TO IMPROVE CUSTOMER SERVICE SINCE LIMESTONE**  
3           **WATER ENTERED THE STATE?**

4    A.   Most notably, Limestone Water deployed a voluntary customer satisfaction survey  
5           process available at the end of all agent calls. This survey measures key aspects of  
6           a customer's experience, specifically satisfaction with the interaction, the adequacy  
7           of help received, and the agents' knowledge. Specifically, customers are asked if  
8           they were satisfied with their interaction, if they got the help they needed, and if  
9           the agent was knowledgeable. From the implementation of these surveys until the  
10          end of the test year in this case, Limestone collected responses from 89 individual  
11          customers and was able to achieve a "perfect survey rate" from 85% of all  
12          responders. On average, Limestone has been able to achieve survey scores on all  
13          three of these questions that ranged from 88.76% to 92.13% indicating a very  
14          favorable reception from customers.

15                   **IV.    ACQUISITION ADJUSTMENT RECOVERY**

16   **Q.    IN GENERAL, HOW DOES A DISCUSSION OF PROPOSED**  
17           **ACQUISITION ADJUSTMENT RECOVERY HERE FIT INTO THE**  
18           **COMPANY'S RATE CASE?**

19   A.   As I outline in more detail below, the Commission's rules provide for a meaningful  
20          and substantive consideration of customer service functions in relation to its  
21          evaluation of, and its discretion to permit, recovery of a proposed acquisition  
22          adjustment. Even still, my testimony is only a part of the Company's overall  
23          acquisition adjustment recovery support.

1   **Q.     PLEASE PROVIDE YOUR UNDERSTANDING OF THE COMMISSION’S**  
2       **RULE FOR RECOVERY OF ACQUISITION ADJUSTMENTS.**

3   A.    As I indicated, in addition to my duties as the supervisor of the corporate  
4       communications and customer call center, I am also responsible for regulatory  
5       operations at CSWR and Limestone Water. In this role, I am responsible for  
6       coordinating all regulatory functions including the filing of rate cases and the  
7       development of positions taken in rate cases. As such, I am familiar with the  
8       Commission’s Rule 1220-04-14-.04. That rule provides that, based upon the  
9       consideration of several factors, the Commission may allow for the inclusion of an  
10      acquisition adjustment in rate base. Among the factors expressly set forth in that  
11      rule is “improvements in public utilities services resulting from the acquisition” as  
12      well as “any other measurable benefits, costs, or service changes affecting acquired  
13      and/or existing customers resulting from the acquisition.”

14   **Q.     DO YOU BELIEVE THAT THE CUSTOMER SERVICE FUNCTIONS**  
15       **HAVE IMPROVED AS A RESULT OF THE ACQUISITION AND**  
16       **CONSOLIDATION OF THE LIMESTONE WATER SYSTEMS INTO A**  
17       **LARGER NATIONAL WATER / WASTEWATER UTILITY?**

18   A.    Absolutely. As indicated above, the CSWR call center received 3,318 calls from  
19       Limestone Water customers during the test year. Recognizing that Limestone  
20       Water served approximately 2,400 connections through the test year, this amounts  
21       to less than 1 call / connection / day. It would be financially impractical for a system  
22       like DSH – Lakeside Estates, on a stand-alone basis, with approximately 50  
23       customers, to employ a call center that is available 24 /7 to respond to occasional

1 customer contact. That said, however, by consolidating the customer experience  
2 needs for these 50 Lakeside Estates customers with the customer service needs of  
3 all the other Tennessee properties, and more importantly with the needs of 165,000  
4 CSWR connections nationwide, economies of scale are created such that all of these  
5 customers can receive this superior level of customer service. Clearly then, the  
6 customers of these smaller systems are allowed to receive the same level of  
7 customer service as customers of larger electric, gas, water and wastewater utilities.

8 **Q. DO YOU BELIEVE THAT CUSTOMERS OF THE ACQUIRED SYSTEMS**  
9 **HAVE BENEFITED FROM CORPORATE COMMUNICATIONS**  
10 **SERVICES AS A RESULT OF THE ACQUISITION OF THESE SYSTEMS**  
11 **BY LIMESTONE WATER?**

12 A. Absolutely. For many of the same reasons as was just discussed with regards to  
13 customer service, I have no doubt that the customers of these small systems have  
14 received a heightened level of corporate communications as a result of their  
15 integration into the larger Limestone Water entity as well as the nationwide CSWR  
16 customer base. Specifically, it would be impractical for a small system such as  
17 DSH-Lakeside Estates to staff its own internal professional corporate  
18 communications staff to address the corporate communication needs of this limited  
19 number of customers. And, even if not self-staffed by a separate, internal corporate  
20 communications staff, these functions would then most likely be outsourced or  
21 fulfilled by individuals with additional and varied responsibilities within other areas  
22 or involving other functions, such as customer service, billing, regulatory and  
23 operations. As such, the responsibilities are not met by individuals with the same



1 level of expertise as those within a larger utility. By acquiring and integrating these  
2 systems and small customer bases into a nationwide utility, these customers can  
3 receive the same level of service as that provided by a larger utility.

4 **Q. DO YOU BELIEVE THAT THE PROVISION OF THESE IMPROVED**  
5 **LEVEL OF PUBLIC UTILITY SERVICES JUSTIFIES THE RECOVERY**  
6 **OF AN ACQUISITION ADJUSTMENT?**

7 A. Yes. While my testimony is focused solely on customer experience and corporate  
8 communications, I believe that the heightened level of these utility services, in  
9 addition to the other service improvements discussed by both Mr. Duncan and Mr.  
10 Thomas, justify the inclusion of an acquisition adjustment in rate base. Absent the  
11 consolidation of these functions within a larger company like CSWR, such  
12 “improvements in public utilities services” would not be possible. Larger utilities  
13 like CSWR will not be willing to undertake the effort of acquiring and integrating  
14 these systems into a larger utility, and providing the heightened level of utility  
15 service that customers deserve, absent the ability to recover any acquisition  
16 adjustment in rate base. As such, as a policy matter, I believe that the Commission  
17 should incent the further acquisition and consolidation of small water and  
18 wastewater systems by allowing the recovery of an acquisition adjustment when  
19 such profound utility service improvements have been demonstrated.

20 **V. RATE DESIGN**

21 **Q. PLEASE DESCRIBE THE RATE DESIGN THAT LIMESTONE WATER**  
22 **PROPOSED IN THIS CASE.**

23 A. As described in more detail in the testimony of Mr. Duncan, Limestone Water is  
24 proposing consolidated statewide rates across its entire Tennessee footprint. On

1 the wastewater side, the revenue requirement would be collected through a single  
2 flat charge multiplied by the appropriate equivalent residential unit (“ERU”)  
3 multiplier, which I will explain in detail later in my testimony. On the water side,  
4 Limestone Water is proposing to use a combination of a base rate and volumetric  
5 charge for usage to meet the revenue requirement for providing water service to  
6 customers. Finally, Limestone Water is proposing a pass-through charge for one  
7 service area (Aqua), which purchases wholesale water for distribution to individual  
8 connections.

9 **Q. ARE FLAT MONTHLY RATES TYPICAL FOR WASTEWATER**  
10 **SYSTEMS?**

11 A. Yes. The reliance on a flat residential or commercial charge is typical in the  
12 wastewater industry and reflects the fact that wastewater customers do not normally  
13 have a meter on their wastewater output or that the wastewater provider does not  
14 have access to water usage information. In fact, several of the wastewater systems  
15 acquired or to be acquired by Limestone Water (i.e., Cartwright Creek residential  
16 customers, Chapel Woods, Sunset Cove, Cumberland Basin, Riverstone, and  
17 Lakeside residential customers) have flat monthly wastewater rates. More broadly,  
18 the use of flat monthly rates for wastewater usage is common for wastewater  
19 providers nationwide. For instance, state utility commissions have recently  
20 approved flat monthly wastewater charges for Limestone Water affiliates in  
21 Missouri, Kentucky, Louisiana, Mississippi, and Texas.

22 **Q. DO YOU BELIEVE THAT THE USE OF FLAT MONTHLY**  
23 **WASTEWATER RATES REFLECTS COST OF SERVICE?**

1     A.     Yes. Limestone Water is proposing a flat sewer service charge for customers as  
2           demand for sewer service is inelastic and there is little to no variance in the cost of  
3           service on the residential level due to higher demands placed on the system by  
4           varying water usage. The vast majority of costs in the wastewater cost of service  
5           are fixed and do not vary with fluctuating residential usage. As such, since very  
6           little of the cost of service varies with usage, it makes sense to collect the cost of  
7           service through a flat monthly charge rather than through a variable usage charge.  
8           Importantly, such a rate design also provides a level of revenue certainty as the  
9           utility is not exposed to revenue fluctuations as usage may vary depending on the  
10          weather or even due to seasonal fluctuations.

11                 Additionally, sewer infrastructure is commonly designed to handle  
12           fluctuations efficiently, ensuring that increases in residential water usage do not  
13           proportionally increase the costs of sewage treatment. Furthermore, necessary  
14           regulatory standards and permit limits are consistent regardless of the flow volume,  
15           indicating that additional flow does not result in higher treatment costs. From the  
16           customer perspective, adopting a flat rate structure simplifies billing, making  
17           billing predictable for customers and reducing complexities associated with usage-  
18           based billing.

19                 For commercial customers, Limestone Water is proposing to utilize a  
20           methodology in which each commercial connection is reviewed and assigned a  
21           commercial “type” in accordance with TDEC’s Design Criteria for Review of  
22           Sewage Works Construction Plans and Documents. This Design Criteria is  
23           attached as **Petitioner’s Exhibit AJS-3** along with a corresponding document

1 considered in North Carolina (**Petitioner's Exhibit AJS-4**) for unique commercial  
2 types that TDEC's Design Criteria did not consider. This documentation provides  
3 typical wastewater flows from commercial and industrial sources, which Limestone  
4 has referenced to assign an equivalent residential unit ("ERU") to each individual  
5 commercial customer. While many commercial customers such as office suites or  
6 small business will receive 1 ERU comparable to a residential customer, assigning  
7 higher ERUs based on higher flows will fairly distribute the recovery of the cost of  
8 service to the appropriate connections. For example, each residential customer is  
9 assigned 1 ERU whereas a country club may be assigned 40 ERU's due to the large  
10 number of guests it serves on a daily basis. At a high level, this methodology  
11 assigns more cost to users with higher flows and ends up lowering the average  
12 residential bill as a result. One important variance to Limestone's methodology is  
13 that middle schools and elementary schools were given a 0.5 factor to the total  
14 number of ERUs in an attempt to mitigate extremely high rates. One such example  
15 can be shown in a school that serves 883 students. This would've resulted in 74  
16 ERUs which would yield untenable rates for a middle school. Using Limestone's  
17 proposal, this customer would instead be charged for 37 ERUs which yields a more  
18 tenable monthly rate.

19 **Q. CAN YOU HIGHLIGHT THE UNIQUE COMMERCIAL TYPES**  
20 **REFERENCED DIRECTLY ABOVE THAT WERE CONSIDERED IN**  
21 **NORTH CAROLINA THAT LIMESTONE BELIEVES WOULD BE**  
22 **BENEFICIAL FOR THE COMMISSION TO CONSIDER IN THIS CASE?**

1 A. Yes. North Carolina considered a wider range of typical flow designations that the  
2 Tennessee Design Criteria did not. For example, North Carolina listed typical  
3 flows for churches, warehouses, and even barber shops. Limestone Water simply  
4 bolstered its flow data assumptions with North Carolina data to ensure it was being  
5 as specific as possible with assumptions. Since Tennessee and North Carolina  
6 apply similar methodologies when assigning typical flow rates, Limestone Water  
7 believes considering and analyzing North Carolina's approach helps further its  
8 pursuit to the most fair and equitable rate design for commercial customers. After  
9 weighing North Carolina's methodology, we added North Carolina's "church"  
10 category to our methodology.

11 **Q. HOW WERE WATER RATES DEVELOPED?**

12 A. The base water rate, which incorporates an assumed minimum level of monthly  
13 usage, is developed according to the meter/line size of the customer served by the  
14 service line because the base rate is in place to ensure that Limestone Water can  
15 recover the fixed cost of providing services as well as a baseline level of volumetric  
16 costs. Larger service lines and meters require additional capacity to be built into  
17 the water system to provide regular services and thus have a higher base charge.  
18 The volumetric charge, for usage beyond the amount included in the monthly fixed  
19 charge, on the other hand, is developed to recover the costs that vary due to larger  
20 consumption of water by a customer, such as chemicals needed for treatment and  
21 power expense for pumping water from the source. This volumetric charge passes  
22 the increased variable costs to the customers that are greater consumers of the

1 service provided and also encourages water conservation. Unmetered customers  
2 are charged a flat rate reflecting an average bill utilizing 2,958 gallons of water.<sup>2</sup>

3 **Q. WHAT ABOUT THE WATER PASS-THROUGH CHARGES THAT YOU**  
4 **PREVIOUSLY MENTIONED?**

5 A. As described previously, the Aqua Utilities system purchased wholesale water from  
6 Savannah Utility Department and passed those costs through to its customers.  
7 Subsequent to the acquisition, the Company is continuing this practice. This  
8 wholesale arrangement reflects the fact that it is more economical for the Aqua  
9 Utilities' customers to pay for third-party water than for Limestone Water to drill  
10 its own well and construct its own water treatment facilities. That said, however,  
11 Limestone Water is susceptible to rate changes as they are approved by the  
12 Savannah Utility Department. For this reason, in most states, such changes in the  
13 wholesale cost of water are passed through to the affected customers via a pass-  
14 through charge. In some instances, we believe that Tennessee does as well.

15 Based on its experience in other jurisdictions, Limestone Water is proposing  
16 a simple, transparent formula that allows it to accurately and efficiently pass  
17 through these costs directly to the customers serviced in the Aqua service area. The  
18 formula, utilized in Texas commonly,  $R=G/(1-L)$  is further explained as:

- 19 • R is the proposed pass-through rate Limestone is seeking to charge
- 20 • G is the current rate charged by Savannah Utility Department to Limestone  
21 Water per 1,000 gallons of usage

---

<sup>2</sup> The 2,958 gallons average usage figure is based upon the Aqua water system.

- 1                   • L is the water loss as calculated by comparing the usage billed by Savannah  
2                   to Limestone and the usage billed by Limestone Water to individual  
3                   customers

4                   As described in more detail in the direct testimony of Mr. Thomas, the Aqua  
5                   Utilities service area encountered various large leaks during the test year, which  
6                   resulted in an abnormal amount of water loss. Limestone Water is proposing to treat  
7                   all known leaks as “accounted for” which results in a calculation of 18.45% water  
8                   loss. Based on the Tennessee Board of Utility Regulation, Tennessee has identified  
9                   that water loss above a 40% threshold is excessive.<sup>3</sup> While Limestone Water works  
10                  to correct all issues of non-revenue water, it is proposing to utilize a water loss  
11                  adjustment of 18.45% to ensure that its customers are being charged just and  
12                  reasonable rates.

13   **Q.    WILL THE PASS-THROUGH CHARGE AND THE PROPOSED**  
14   **CONSOLIDATION RESULT IN CUSTOMERS BEING DOUBLE**  
15   **CHARGED?**

16   A.    No. In the proposed rate design, Limestone Water has excluded all of the expense  
17           associated with the wholesale water purchased from Savannah Utility Department.  
18           As such, the pass-through component of the rate design is fully excluded from the  
19           proposed consolidated rates.

20   **Q.    ARE THE PROPOSED RATES FOR WATER AND SEWER SERVICE**  
21   **JUST AND REASONABLE?**

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<sup>3</sup> *Board orders.* Comptroller of the Treasury - Comptroller.TN.gov. (n.d.).  
<https://comptroller.tn.gov/boards/utilities/utility-reporting/board-orders.html#:~:text=Water%20Loss%3A&text=Currently%20water%20loss%20is%20reported,been%20reviewed%20by%20Board%20staff>.

1 A. Yes. The proposed rates represent a just and reasonable allocation of costs to the  
2 customers described above that is consistent with principles of cost causation  
3 routinely adopted by utility regulators across the country. Both the rate design and  
4 rate comparisons can be seen in Exhibits AJS-5 and AJS-6 for more detailed  
5 information.

6 **VI. PROPOSED TARIFFS**

7 **Q. HAS LIMESTONE WATER PROPOSED TARIFFS IN THIS CASE?**

8 A. Yes. As part of the items that Limestone Water is filing concurrent with this  
9 testimony, the Company is filing a proposed tariff attached as **Petitioner's Exhibit**  
10 **AJS-5: Proposed Limestone Water Consolidated Tariff**. This tariff not only  
11 includes the terms and conditions of service, but it also includes the applicable  
12 service charges and the rates that were calculated as described previously.

13 **Q. WERE YOU RESPONSIBLE FOR THE DEVELOPMENT OF THIS**  
14 **TARIFF?**

15 A. Yes. Ultimately the tariff was prepared under my direction and supervision.

16 **Q. HAS THE COMPANY SOUGHT TO CONSOLIDATE SERVICE**  
17 **CHARGES AND TERMS AND CONDITIONS STATE-WIDE?**

18 A. Yes. As a result of its acquisition of numerous systems, the current Limestone  
19 Water tariffs included terms and conditions that were different, unwieldy, and  
20 difficult to administer, not only for the Company, but also for customers. For this  
21 reason, not only has Limestone Water sought to consolidate rates across all of its  
22 water and sewer service areas, the Company has also proposed to apply the same  
23 terms, conditions, and service charges to all systems.



1   **Q.    WHAT APPROACH DID LIMESTONE WATER TAKE WITH RESPECT**  
2           **TO THE DEVELOPMENT OF THE TERMS AND CONDITIONS**  
3           **CONTAINED IN THOSE PROPOSED STATE-WIDE TARIFFS?**

4    A.    Limestone Water's proposed tariff represents an amalgamation of various different  
5           sources, including tariffs from other water companies regulated by the Commission  
6           and the current Limestone Water tariffs.   Limestone Water also reviewed the  
7           proposed tariff to ensure compliance with various Commission rules for water and  
8           wastewater utilities.

9   **Q.    DO YOU BELIEVE THAT THE PROPOSED TARIFF IS JUST AND**  
10          **REASONABLE?**

11   A.    Yes. I believe that this tariff is not only just and reasonable, I also believe that it  
12          complies with the various Commission rules and is much easier for the Company,  
13          customers, and the Commission to administer.

14   **Q.    WHAT APPROACH DID LIMESTONE WATER TAKE REGARDING THE**  
15          **DEVELOPMENT OF SERVICE CHARGES?**

16   A.    In some cases, the cost basis for service charges is readily known. For instance, the  
17          cost of a returned check matches the cost charged by the Company's bank for  
18          returning a check. In this regard, the returned check charge is actually below cost  
19          because it does not include any consideration of the internal cost imposed on the  
20          Company's resources to administer the returned check. In other cases, it is very  
21          difficult to ascertain the cost underlying some service charges. For instance, tap  
22          fees and connection charges are often challenging to quantify because all cases are  
23          different. In this regard, a connection or tap in shallow dirt will be cheaper than a

1 deeper connection that requires the excavation of rock. The costs climb  
2 dramatically if the connection requires a road to be excavated and rebuilt. For this  
3 reason, Limestone Water has proposed that the connection / tap fee be charged to  
4 the customer at actual cost. For other service charges, the Company reviewed and  
5 then decided to adopt charges that are contained in one of the Limestone Water  
6 individual system tariffs. For example, Limestone Water believes that a late  
7 payment penalty of 5% represents a just and reasonable charge used to incentivize  
8 payment and reduce spreading further cost across other customers through bad debt  
9 expense. Additionally, the Company believes continuing the practice of \$35  
10 disconnection/reconnect fees approved in its Candlewood tariff allows the  
11 Company to recover portions of the cost it takes to perform these services. These  
12 adopted service charges have already been reviewed and approved by the  
13 Commission. Rather than incur the expense of a cost study and increase rate case  
14 expense, I have proposed to adopt the previously approved service charge.

15 **Q. WHAT APPROACH DID LIMESTONE WATER TAKE IN THE**  
16 **DEVELOPMENT OF THE WATER AND SEWER RATES?**

17 A. I have previously described the method for development of water and sewer rates.  
18 In general, the Company's revenue requirement for the test period was consolidated  
19 separately across water and sewer systems on a projected basis. This is to say, the  
20 test period revenue requirement was forecasted and compared to the test period  
21 forecasted revenues to determine the revenue deficiency for the test period. The  
22 rate design to collect this test period revenue requirement was described previously.  
23 Specifically, the sewer revenue requirement is collected on a flat, monthly charge.

1       The water revenue requirement, however, not only includes the flat monthly charge,  
2       it also includes a volumetric component that is based on customer usage.

3     **Q.     DO YOU BELIEVE THAT THE RATES CONTAINED IN THE PROPOSED**  
4     **TARIFF ARE JUST AND REASONABLE?**

5     A.     Yes. I believe that those rates are calculated in a manner that is widely accepted  
6     and produce just and reasonable rates.

7

VI. CONCLUSION

8     **Q.     DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

9 A. Yes.



January 23, 2024

Welcome New Limestone Water Customer!

**Limestone Water Utility Operating Company**, a Central States Water Resources company, is proud to be the new wastewater service provider for our *LaFollette* based residents. We are committed to delivering safe, reliable, and environmentally responsible wastewater resources to your community today and every day.

We are excited to bring you our first-in-class **Customer Support** with a Customer Service department available for general inquiries Monday through Friday from 7am to 7pm, and 24/7 for emergencies at our toll-free number, **855-723-2450**. You can also email us at [support@limestonewateruoc.com](mailto:support@limestonewateruoc.com).

When it comes to billing and payments, you have options – visit us at [limestonewateruoc.com](http://limestonewateruoc.com) to learn how many payment options there are and more. We also have a **Customer Portal** online where you can create an online account. Your first bill will provide additional information. And as always, you may mail in your payment to the location provided on your billing statement.

We look forward to serving you and your community! Please see the backside of this page for information on the current state of your facility.

Sincerely,

Limestone Water Utility Operating Company

**Scan to visit our website**



## First Steps

Before we purchase a wastewater system, we evaluate its current conditions and any environmental or regulatory violations with the state. We then create a plan to address that system's aging infrastructure and ongoing deficits. Compliant, well maintained and adequately running sewer service enhances community value by ensuring safety and reliability for all customers and ending years of unsafe, improperly treated wastewater from polluting local water bodies.

### Your Facility



Pump Stations



Inadequate Fencing

### Current State of Your Facility

(recirculating media filter)

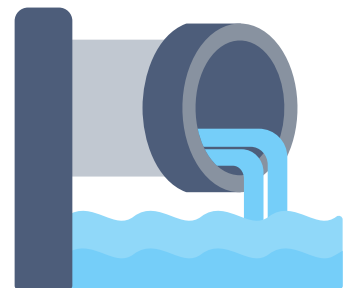
Site is in need of general clean up and vegetation removal

No ability to connect to emergency power, which may lead to service interruptions

Inadequate fencing at the treatment plant, posing potential security risks to the treatment process, and health and safety risks to wildlife and people who may enter at their own risk

No remote monitoring system in place, which may lead to delays in addressing service outages or emergencies affecting service

**We take these deficiencies seriously and will be working diligently to make the necessary improvements that help to safeguard your community. We will continue to keep you informed as we make these improvements to your facility.**



**Limestone Water**  
Bringing safe, reliable, and environmentally responsible water resources to our customers every day.



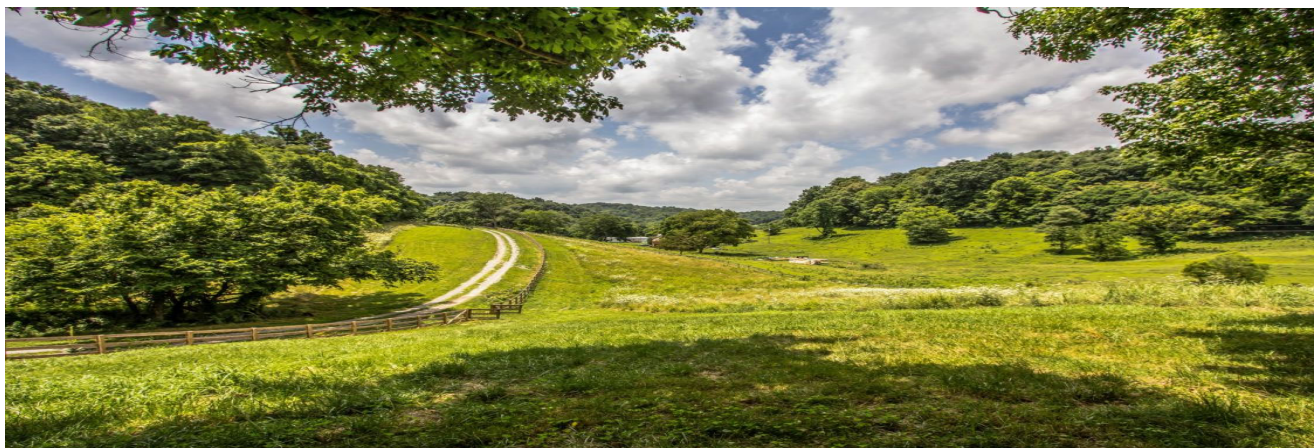




## GRASSLAND COMMUNITY UPDATE

A MESSAGE FROM LIMESTONE WATER UTILITY OPERATING COMPANY

May 13, 2024



### OUR INVESTMENT IN THE TREATMENT FACILITIES WE ACQUIRE

At Limestone Water Utility Operating Company, we understand the importance of maintaining a clean and healthy environment for our customers and their communities. When we acquired the Grassland facility in 2021, we acquired a system with aging infrastructure and an entire treatment process suffering from the effects of deferred maintenance. We put together a plan to address these issues to ensure that wastewater is conveyed from your homes and businesses and properly treated before being released into local water bodies and the surrounding environment.

### PRIORITIZING SERVICE AND IMPROVEMENTS

The improvements we plan and carry out are a vital part of our commitment to address the compliance and safety concerns impacting the facilities we acquire and by extension, their communities. In addition to offering an ongoing **Operations Team** carrying out work orders and a **Customer Service Support Team** available Monday through Friday and 24/7 for emergencies, we have **already installed remote monitoring technology** at your facility to track the function of equipment and identify potential problems before they escalate and impact customers.

Additional improvements currently in progress include:

- **Rehabbing aeration and post-aeration equipment** to ensure ongoing, uninterrupted treatment
- **Rehabbing the disinfection chlorine contact chamber** to ensure safe and reliable discharge of effluent
- **Replacing the Lift Station and installing a sieve screen** to enhance treatment efficiency (*currently in design stages*)

### OUR ONGOING COMMITMENT TO YOUR COMMUNITY

Our plans and improvements reflect our unwavering dedication to providing you with the best service and resources possible, and we believe these kinds of upgrades are a testament to our commitment to being a trusted wastewater provider and partner to the communities we serve. Access to safe, reliable, and environmentally responsible wastewater resources is our ongoing commitment to you.

Thank you for the privilege of serving you as we continue to carry out our mission to deliver safe, reliable, and environmentally responsible wastewater resources to the Grassland community.



**DWR-NPDES-SOP-G-02-WW Design Criteria Chapter 2-072020**  
**Design Criteria for Review of Sewage Works Construction Plans and Documents**  
**Chapter 2**

**APPENDIX 2-A**

**DESIGN BASIS FOR WASTEWATER FLOW AND LOADING**

**Typical Wastewater Flow Rates from Commercial and Industrial Sources**

(Source: Crites and Tchobanoglous, 1998)

FACILITY	UNIT	Flow, gallons/unit/day	
		Range	Typical
Airport	Passenger	2-4	3
Apartment House	Person	40-80	50
Apartment, resort	Person	50-70	60
Assembly Hall	Seat	2-4	3
Automobile Service Station	Vehicle Served	8-15	12
	Employee	9-15	13
Bar	Customer	1-5	3
	Employee	10-16	13
Boarding House	Person	25-60	40
Bowling Alley	Alley	150-250	200
Camps:			
Pioneer Type	Person	15-30	25
Children's with central toilet/bath	Person	35-50	45
Day, with meals	Person	10-20	15
Day, without meals	Person	10-15	13
Luxury, private bath	Person	75-100	90
Trailer Camp	Person	75-125	125
Campground-developed	Person	20-40	30
Cocktail Lounge	Seat	12-25	20
Coffee Shop	Customer	4-8	6
	Employee	8-12	10
Country Club	Guests on-site	60-130	100
	Employee	10-15	13
Department Store	Toilet Room	400-600	500
	Employee	8-15	10
Dining Hall	Meal Served	4-10	7
Dormitory/bunkhouse	Person	20-50	40
Fairground	Visitor	1-2	2
Hospital, Medical	Bed	125-240	165
	Employee	5-15	10
Hospital, Mental	Bed	75-140	100
	Employee	5-15	10
Hotel	Guest	40-60	50
	Employee	8-13	10
Industrial Building (sanitary waste only)	Employee	7-16	13



**DWR-NPDES-SOP-G-02-WW Design Criteria Chapter 2-072020**  
**Design Criteria for Review of Sewage Works Construction Plans and Documents**  
**Chapter 2**

Laundry (self-service)	Machine	450-650	550
	Wash	45-55	50
Office	Employee	7-16	13
Picnic Park, flush toilets	Visitor	1-2	2
Prison	Inmate	80-150	120
	Employee	5-15	10
Public Lavatory	User	3-6	5
Rest Home	Resident	50-120	90
	Employee	5-15	10
Restaurant (with toilet)	Meal	2-4	3
	Conventional Customer	8-10	9
	Short Order Customer	3-8	6
	Bar/ cocktail lounge Customer	2-4	3
School, day only			
With cafeteria, gym, showers	Student	15-30	25
With cafeteria only	Student	10-20	15
Without cafeteria, gym or showers	Student	5-17	11
School boarding	Student	50-100	75
Shopping Center	Employee	7-13	10
	Parking Space	1-3	2
Store, resort	Customer	1-4	3
	Employee	8-12	10
Swimming Pool	Customer	5-12	10
	Employee	8-12	10
Theater	Seat	2-4	3
Visitor Center	Visitor	4-8	5

The flow for a residential house is typically 300 gallons/unit/day.



# **15A NCAC 02T .0114 WASTEWATER DESIGN FLOW RATES**

(a) This Rule shall be used to determine wastewater flow rates for all systems governed by this Subchapter unless alternate criteria are provided by a program-specific rule or for flow used for the purposes of 15A NCAC 02H .0105. Higher flow rates shall be required where usage and occupancy are atypical, including those in Paragraph (e) of this Rule. Wastewater flow calculations shall take hours of operation and anticipated maximum occupancies and usage into account when calculating peak flows for design.

(b) In determining the volume of sewage from dwelling units, the flow rate shall be 120 gallons per day per bedroom. The minimum volume of sewage from each dwelling unit shall be 240 gallons per day and each additional bedroom above two bedrooms shall increase the volume by 120 gallons per day. Each bedroom or any other room or addition that can function as a bedroom shall be considered a bedroom for design purposes. When the occupancy of a dwelling unit exceeds two persons per bedroom, the volume of sewage shall be determined by the maximum occupancy at a rate of 60 gallons per person per day.

(c) The following table shall be used to determine the minimum allowable design daily flow of wastewater facilities. Design flow rates for establishments not identified below shall be determined using available flow data, water-using fixtures, occupancy or operation patterns, and other measured data.

Type of Establishments	Daily Flow For Design
Barber and beauty shops	
Barber Shops	50 gal/chair
Beauty Shops	125 gal/booth or bowl
Businesses, offices and factories	
General business and office facilities	25 gal/employee/shift
Factories, excluding industrial waste	25 gal/employee/shift
Factories or businesses with showers or food preparation	35 gal/employee/shift
Warehouse	100 gal/loading bay
Warehouse – self storage (not including caretaker residence)	1 gal/unit
Churches	
Churches without kitchens, day care or camps	3 gal/seat
Churches with kitchen	5 gal/seat
Churches providing day care or camps	25 gal/person (child & employee)
Fire, rescue and emergency response facilities	
Fire or rescue stations without on site staff	25 gal/person
Fire or rescue stations with on-site staff	50 gal/person/shift
Food and drink facilities	
Banquet, dining hall	30 gal/seat
Bars, cocktail lounges	20 gal/seat
Caterers	50 gal/100 sq ft floor space
Restaurant, full Service	40 gal/seat
Restaurant, single service articles	20 gal/seat
Restaurant, drive-in	50 gal/car space
Restaurant, carry out only	50 gal/100 sq ft floor space
Institutions, dining halls	5 gal/meal
Deli	40 gal/100 sq ft floor space
Bakery	10 gal/100 sq ft floor space
Meat department, butcher shop or fish market	75 gal/100 sq ft floor space
Specialty food stand or kiosk	50 gal/100 sq ft floor space
Hotels and Motels	
Hotels, motels and bed & breakfast facilities, without in-room cooking facilities	120 gal/room
Hotels and motels, with in-room cooking facilities	175 gal/room
Resort hotels	200 gal/room
Cottages, cabins	200 gal/unit
Self service laundry facilities	500 gal/machine
Medical, dental, veterinary facilities	
Medical or dental offices	250 gal/practitioner/shift
Veterinary offices (not including boarding)	250 gal/practitioner/shift

**Petitioner's Exhibit AJS-4: North Carolina Guide for Assigning Equivalent Residential Units**

Veterinary hospitals, kennels, animal boarding facilities	20 gal/pen, cage, kennel or stall
Hospitals, medical	300 gal/bed
Hospitals, mental	150 gal/bed
Convalescent, nursing, rest homes without laundry facilities	60 gal/bed
Convalescent, nursing, rest homes with laundry facilities	120 gal/bed
Residential care facilities	60 gal/person
Parks, recreation, camp grounds, R-V parks and other outdoor activity facilities	
Campgrounds with comfort station, without water or sewer hookups	75 gal/campsite
Campgrounds with water and sewer hookups	100 gal/campsite
Campground dump station facility	50 gal/space
Construction, hunting or work camps with flush toilets	60 gal/person
Construction, hunting or work camps with chemical or portable toilets	40 gal/person
Parks with restroom facilities	250 gal/plumbing fixture
Summer camps without food preparation or laundry facilities	30 gal/person
Summer camps with food preparation and laundry facilities	60 gal/person
Swimming pools, bathhouses and spas	10 gal/person
Public access restrooms	325 gal/plumbing fixture
Schools, preschools and day care	
Day care and preschool facilities	25 gal/person (child & employee)
Schools with cafeteria, gym and showers	15 gal/student
Schools with cafeteria	12 gal/student
Schools without cafeteria, gym or showers	10 gal/student
Boarding schools	60 gal/person (student & employee)
Service stations, car wash facilities	
Service stations, gas stations	250 gal/plumbing fixture
Car wash facilities	1200 gal/bay
Sports centers	
Bowling center	50 gal/lane
Fitness, exercise, karate or dance center	50 gal/100 sq ft
Tennis, racquet ball	50 gal/court
Gymnasium	50 gal/100 sq ft
Golf course with only minimal food service	250 gal/plumbing fixture
Country clubs	60 gal/member or patron
Mini golf, putt-putt	250 gal/plumbing fixture
Go-kart, motocross	250 gal/plumbing fixture
Batting cages, driving ranges	250 gal/plumbing fixture
Marinas without bathhouse	10 gal/slip
Marinas with bathhouse	30 gal/slip
Video game arcades, pool halls	250 gal/plumbing fixture
Stadiums, auditoriums, theaters, community centers	5 gal/seat
Stores, shopping centers, malls and flea markets	
Auto, boat, recreational vehicle dealerships/showrooms with restrooms	125 gal/plumbing fixture
Convenience stores, with food preparation	60 gal/100 sq ft
Convenience stores, without food preparation	250 gal/plumbing fixture
Flea markets	30 gal/stall
Shopping centers and malls with food service	130 gal/1000 sq ft
Stores and shopping centers without food service	100 gal/1000 sq ft
Transportation terminals – air, bus, train, ferry, port and dock	5 gal/passenger

(d) Design daily flow rates for proposed non-residential developments where the types of use and occupancy are not known shall be designed for a minimum of 880 gallons per acre, or the applicant shall specify an anticipated flow based upon anticipated or potential uses.

(e) Design daily flow rates for residential property on barrier islands and similar communities located south or east of the Atlantic Intracoastal Waterway and used as vacation rental as defined in G.S. 42A-4 shall be 120 gallons per day per habitable room. Habitable room shall mean a room or enclosed floor space used or intended to be used for living or sleeping, excluding kitchens and dining areas, bathrooms, shower rooms, water closet compartments, laundries, pantries, foyers, connecting corridors, closets, and storage spaces.

(f) An adjusted daily sewage flow design rate shall be granted for permitted but not yet tributary connections and future connections tributary to the system upon showing that the capacity of a sewage system is adequate to meet actual daily wastewater flows from a facility included in Paragraph (b) or (c) of this Rule without causing flow violations at the receiving wastewater treatment plant or capacity-related sanitary sewer overflows within the collection system as follows:

- (1) Documented, representative data from that facility or a comparable facility shall be submitted by an authorized signing official in accordance with Rule .0106 of this Section to the Division for all flow reduction requests, as follows:
  - (A) dates of flow meter calibrations during the time frame evaluated and indication if any adjustments were necessary;
  - (B) a breakdown of the type of connections (e.g. two bedroom units, three bedroom units) and number of customers for each month of submitted data as applicable. Identification of any non-residential connections including subdivision clubhouses and pools, restaurants, schools, churches and businesses. For each non-residential connection, information identified in Paragraph (c) of this Rule (e.g. 200 seat church, 40 seat restaurant, 35 person pool bathhouse);
  - (C) a letter of agreement from the owner or an official, meeting the criteria of Rule .0106 of this Section, of the receiving collection system or treatment works accepting the wastewater and agreeing with the adjusted design rate;
  - (D) age of the collection system;
  - (E) analysis of inflow and infiltration within the collection system or receiving treatment plant, as applicable;
  - (F) if a dedicated wastewater treatment plant serves the specific area and is representative of the residential wastewater usage, at least the 12 most recent consecutive monthly average wastewater flow readings and the daily total wastewater flow readings for the highest average wastewater flow month per customers, as reported to the Division;
  - (G) if daily data from a wastewater treatment plant cannot be used or is not representative of the project area: 12 months worth of monthly average wastewater flows from the receiving treatment plant shall be evaluated to determine the peak sewage month. Daily wastewater flows shall then be taken from a flow meter installed at the most downstream point of the collection area for the peak month selected that is representative of the project area. Justification for the selected placement of the flow meter shall also be provided; and
  - (H) an estimated design daily sewage flow rate shall be determined by calculating the numerical average of the top three daily readings for the highest average flow month. The calculations shall also account for seasonal variations, excessive inflow and infiltration, age and suspected meter reading and recording errors.
- (2) The Division shall evaluate all data submitted but shall also consider other factors in granting, with or without adjustment, or denying a flow reduction request including: applicable weather conditions during the data period (i.e. rainy or drought), other historical monitoring data for the particular facility or other similar facilities available to the Division, the general accuracy of monitoring reports and flow meter readings, and facility usage, such as whether the facility is in a resort area.
- (3) Flow increases shall be required if the calculations required by Subparagraph (f)(1) of this Rule yield design flows higher than that specified in Paragraphs (b) or (c) of this Rule.
- (4) The permittee shall retain the letter of any approved adjusted daily design flow rate for the life of the facility and shall transfer such letter to a future permittee.

*History Note: Authority G.S. 143-215.1; 143-215.3(a)(1);  
Eff. September 1, 2006;  
Readopted Eff. September 1, 2018.*

## Petitioner's Exhibit AJS-5 Proposed Rate Design - Water Sewer

**Limestone Water Operating Company, LLC**

**24000-XXX**

## Rate Design - Water

**For the Period Ending April 30, 2024**[illegible]

# Petitioner's Exhibit AJS-5 Proposed Rate Design - Water Sewer

Limestone Water Operating Company, LLC

24000-XXX

Rate Design - Passthrough

For the Period Ending April 30, 2024

---

1                      Formula:         $R = G / (1-L)$

2

3

G =	\$	4.92
-----	----	------

4

L=		18.45%
----	--	--------

5

R=	\$	6.03
----	----	------

6

7

# Petitioner's Exhibit AJS-5 Proposed Rate Design - Water Sewer

Limestone Water Operating Company, LLC

24000-XXX

Rate Design - Sewer

For the Period Ending April 30, 2024

Line Number	Service Area & Customer Type	Base Year Customer Count / ERU	Residential Customer Equivalent	Customer Equivalents (E) (C) x (D)	Base Year At Present Rates Revenue (F)	Proposed Revenue Increase (G)	Base Year Proposed Revenue (H) (F) + (G)	Base Year Proposed Monthly Rate (I)
(A)	(B)	(C)	(D)	(E) (C) x (D)	(F)	(G)	(H) (F) + (G)	(I)
1								
2	Residential	1,794	1.00	1,794	\$918,798	\$946,337	\$1,865,135	\$86.64
3	Commercial	525	1.00	525	\$268,879	\$276,938	\$545,817	\$86.64
4								
5								
6	<b>Total</b>	<b>2,319</b>		<b>2,319</b>	<b>\$1,187,678</b>	<b>\$1,223,275</b>	<b>\$2,410,952</b>	

\*Commercial unit counts are based on Equivalent Residential Unit (ERU) and are determined by premise/facility type

# Petitioner's Exhibit AJS-6 Rate Comparison Water/Sewer

Limestone Water Operating Company, LLC  
24000-XXX  
Rate Comparison - Water  
For the Period Ending April 30, 2024

Category	Meter Size		Present Rate	Proposed Rate	Proposed \$ Increase	Proposed % Increase
Aqua Utilities	3/4" & 5/8"	First 1,000 gallons	\$19.65	\$50.62	\$ 30.97	157.63%
		Each 1,000 gallons	\$3.05	\$ 10.55	\$ 7.50	246.05%
		Average Bill (3,000 gallons)	\$ 25.75	\$ 82.29	\$ 56.54	219.56%
Aqua Utilities	1"	First 1,000 gallons	\$19.65	\$63.28	\$ 43.63	222.04%
		Each 1,000 gallons	\$3.05	\$ 10.55	\$ 7.50	246.05%
		Average Bill (3,750 gallons)	\$ 28.04	\$ 102.86	\$ 74.82	266.87%
Aqua Utilities	1.5"	First 1,000 gallons	\$19.65	\$253.12	\$ 233.47	1188.16%
		Each 1,000 gallons	\$3.05	\$ 10.55	\$ 7.50	246.05%
		Average Bill (15,000 gallons)	\$ 62.35	\$ 411.44	\$ 349.09	559.89%
Aqua Utilities	2"	First 1,000 gallons	\$19.65	\$405.00	\$ 385.35	1961.05%
		Each 1,000 gallons	\$3.05	\$ 10.55	\$ 7.50	246.05%
		Average Bill (24,000 gallons)	\$ 89.80	\$ 647.75	\$ 557.95	621.32%
Candlewood Lakes	Unmetered	All	\$40.00	\$67.50	\$ 27.50	68.75%

# Petitioner's Exhibit AJS-6 Rate Comparison Water/Sewer

Limestone Water Operating Company, LLC  
24000-XXX  
Rate Comparison - Sewer  
For the Period Ending April 30, 2024

Category	Customer Type		Present Rate	Proposed Rate*	Proposed \$ Increase	Proposed % Increase
Aqua Utilities	Residential	First 1,000 gallons	\$19.65	\$86.64	\$ 66.99	340.90%
		Each 1,000 gallons	\$3.05	\$ -	\$ (3.05)	-100.00%
		Average Bill (3,000 gallons)	\$ 25.75	\$ 86.64	\$ 60.89	236.46%
Shiloh Falls	Residential	First 1,000 gallons	\$8.90	\$86.64	\$ 77.74	873.46%
		Each 1,000 gallons	\$3.71	\$ -	\$ (3.71)	-100.00%
		Average Bill (3,000 gallons)	\$ 20.03	\$ 86.64	\$ 66.61	332.54%
Grassland	Residential		\$42.00	\$86.64	\$ 44.64	106.28%
Arrington Retreat	Residential		\$55.25	\$86.64	\$ 31.39	56.81%
Hideaway	Residential		\$55.25	\$86.64	\$ 31.39	56.81%
Hardeman	Residential		\$55.25	\$86.64	\$ 31.39	56.81%
Chapel Woods	Residential		\$29.00	\$86.64	\$ 57.64	198.75%
Lakeside Estates	Residential		\$43.37	\$86.64	\$ 43.27	99.76%
Grassland	Commercial	Base	\$37.00	\$86.64	\$ 49.64	134.16%
		Each 1,000 gallons	\$8.75	\$ -	\$ (8.75)	-100.00%
		Average Bill (3,000 gallons)	\$ 63.25	\$ 86.64	\$ 23.39	36.98%
Arrington	Commercial	Base	\$37.00	\$86.64	\$ 49.64	134.16%
		Each 1,000 gallons	\$8.75	\$ -	\$ (8.75)	-100.00%
		Average Bill (3,000 gallons)	\$ 63.25	\$ 86.64	\$ 23.39	36.98%
Hideaway	Commercial	Base	\$37.00	\$86.64	\$ 49.64	134.16%
		Each 1,000 gallons	\$8.75	\$ -	\$ (8.75)	-100.00%
		Average Bill (3,000 gallons)	\$ 63.25	\$ 86.64	\$ 23.39	36.98%
Hardeman	Commercial	Base	\$37.00	\$86.64	\$ 49.64	134.16%
		Each 1,000 gallons	\$8.75	\$ -	\$ (8.75)	-100.00%
		Average Bill (3,000 gallons)	\$ 63.25	\$ 86.64	\$ 23.39	36.98%
Lakeside Estates	Commercial	Base up to 300 gallons per day	\$68.37	\$86.64	\$ 18.27	26.72%
		Each addt 100 gallons per day	\$15.00	\$ -	\$ (15.00)	
		Average Bill (450 gpd)	\$ 98.37	\$ 86.64	\$ (11.73)	-11.93%

\*Represents proposed rate per ERU



Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

Original Sheet #1  
Effective Date:

## **Limestone Water UOC**

### **Water & Wastewater Service Tariff**

#### **Rate Schedules**

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**Petitioner's Exhibit AJS-7: Proposed Limestone Water Consolidated Tariff**

Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

Original Sheet #3  
Effective Date:

**SCHEDULE OF RATES & CHARGES – WATER SERVICE**

Availability: This rate is available to water customers located at the following systems:

Aqua Utilities, Candlewood Lakes

For Metered Service

**Monthly Minimum**

For service through a 5/8" water meter	\$50.62 / month
For service through a 3/4" water meter	\$50.62/ month
For service through a 1" water meter	\$63.28 / month
For service through a 1 ½" water meter	\$253.12 / month
For service through a 2+" water meter	\$405.00 / month

**Commodity Charge:** \$4.52 / 1,000 gallons

For Unmetered Service

Monthly Minimum: \$67.50 / month

For Wholesale Water Systems

**Pass-Through Charge\*:** \$6.03 / 1,000 gallons

Non-Recurring Charges:

Service Connection/Tap Fee Charge:	Actual Cost
Disconnection Charge:	\$35.00
Reconnection Charge:	\$35.00
Returned Check Charge:	\$16.00
Late Payment Charge:	5%
Meter Tampering Penalty Fee	\$250.00

\*Currently applicable solely to Customers served in the Aqua Utilities service area

**Petitioner’s Exhibit AJS-7: Proposed Limestone Water Consolidated Tariff**

Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

Original Sheet #4  
Effective Date:

**SCHEDULE OF RATES & CHARGES – SEWER SERVICE**

Availability: This rate is available to sewer Customers located at the following systems:

Aqua Utilities, Cartwright Creek (Grassland, Hideaway, Arrington Retreat, Hardeman Springs), Chapel Woods, Lakeside Estates, and Shiloh Falls

Monthly Flat Rate per Equivalent Residential Unit\*:

Monthly Rate: \$86.64 / month

Non-Recurring Charges:

<b>Service Connection/Tap Fee Charge:</b>	Actual Cost
<b>Disconnection Charge:</b>	\$35.00
<b>Reconnection Charge:</b>	\$35.00
<b>Returned Check Charge:</b>	\$16.00
<b>Late Payment Charge:</b>	5%

\*Equivalent Residential Units (“ERU’s”) have been assigned to each Commercial Customer utilizing typical wastewater flow rates derived from the Tennessee Department of Environment and Conversation “Plans Review and Approval of Sewage Works Construction Plans and Documents”.

Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

Original Sheet #5  
Effective Date:

## **Limestone Water UOC**

### **Water & Wastewater Service Tariff**

### **Rules and Regulations**

## **RULES AND REGULATIONS**

### **A. Statement of Purpose**

The general purpose of these rules and regulations are to establish procedures for furnishing water, sewerage and sewage treatment services on a uniform basis to Customers within the service area boundaries of Limestone Water Utility Operating Company.

### **B. Rates, Rules and Regulations Governing Rendering of Service**

1. A copy of all Rates, Rules, Regulations and Conditions of Service is on file with the Commission and may be inspected by the public by contacting the Company.
2. All Services furnished by the Company shall be subject to these Rates, Rules, Regulations and Conditions of Service, and are made a part of all applications or contracts (both oral and written) for service. They are subject to revision, change, modification or cancellation by the Company, subject to the approval of the Commission, or by the Commission through utility industry orders and rules. The failure of the Company to enforce any of the terms of these Rates, Rules, Regulations and Conditions of Service shall not diminish or sacrifice its right to do so.
3. Upon request by an Applicant or Customer, the Company shall supply without charge, a copy of applicable rate schedules.

### **C. Definition of Terms**

1. Applicant – An Applicant is any person, firm, corporation, or government entity making an application for service and may include developers.
2. Collection Sewer – A pipeline, including force pipelines, gravity sewers, interceptors, trunk sewers, manholes, and necessary appurtenances, including service tees, wyes, and saddles, which is owned and maintained by the Company, located on public property or on private easements, and used to transport sewage waste from the Customer's Lateral Sewer to the point of disposal. A "Pressure Collection Sewer" is a Collection Sewer, including tees, wyes, and saddles, operated under pressure from pump units owned and operated by customers connecting to the Collection Sewer.

**Petitioner's Exhibit AJS-7: Proposed Limestone Water Consolidated Tariff**

Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

Original Sheet #7  
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3. Commercial Service – The words Commercial Service shall mean the provision of service to a Customer whose primary use is for other than the Customer's personal dwelling.
4. Commission - The word Commission shall mean the Tennessee Public Utility Commission.
5. Company - The word Company shall mean Limestone Water Utility Operating Company.
6. Company Service Pipe – The portion of the water Service Pipe extending from the Distribution Main to and including the Curb Cock, or the outlet connection of the Meter, installed and maintained at the cost and expense of the Company.
7. Curb Cock – A valve on the Company Service Pipe, located at or near the Customer's property line, and used to shut off water service to the Premises. The Curb Cock is owned and maintained by the Company.
8. Customer - The word Customer shall mean any person, firm, corporation, association or government unit furnished water and/or sewerage services by the Company.
9. Customer Service Pipe – The portion of water service pipe from the inlet to the Meter if applicable, or to the Curb Cock if no meter is in place, to the Customer's Premises, installed and maintained at the cost and expense of the Customer.
10. Discontinuance of Service – Disconnection or termination of service not at Customer request.
11. Distribution Main – The Distribution Main means water pipe owned, operated, or maintained by the Company and used for the purpose of distribution of water and to which the Company Service Pipe is connected.
12. Engineer - The word Engineer shall mean the consulting engineer of Limestone Water.

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Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

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13. Grinder Pump – The individual Grinder Pump installed at each applicable Customer's Premises that receives and pumps sewage from the Customer through the remainder of the Customer's Lateral Sewer to the Company's Collection Sewer. This includes the pump, the pump sump, electrical control panel, and interconnecting wiring. The Grinder Pump and all attendant components are installed and maintained at the cost and expense of the Customer. Additionally, the Customer is responsible for all costs of maintaining the pump sump including the pumping of any accumulated sludge.
14. Lateral Sewer – The words Lateral Sewer shall mean the piping extending from the Collection Sewers to the Customer's Premises (for Customers with gravity only sewer connections) and shall include the Service Box (for Customers with Grinder Pumps), installed and maintained at the cost and expense of the Customer.
15. Main - The word "Main" shall mean a water pipe, owned, operated and maintained by a utility, which is used for the purpose of transmission or distribution of water but is not a water service pipe.
16. Meter - The word "Meter" shall mean any device for measuring the quantity of water used as a basis for determining charges for water service to a Customer.
17. Premise - The word "Premises" as used herein shall be restricted to the following:
1. A building under one roof owned or leased by one Customer and occupied as one (1) residence or one (1) place of business; or
  2. A combination of buildings owned or leased by one (1) Customer, on one (1) common enclosure occupied by one (1) family as a residence or one (1) corporation or firm as a place of business;
  3. Each unit of a multiple house or building separated by a solid vertical partition wall occupied by one (1) family as a residence or one (1) firm as a place of business; or
  4. A building owned or leased by one (1) Customer and having a number of apartments, offices, or lofts which are rented to tenants using in common one (1) hall and one (1) or more means of entrances; or



**Petitioner's Exhibit AJS-7: Proposed Limestone Water Consolidated Tariff**

Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

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5. A building two (2) or more stories high under one (1) roof owned or leased by one (1) Customer and having an individual entrance for the ground floor occupants and one for the occupants of the upper floors; or
6. A combination of buildings, such as a garden-type apartment, owned by one (1) Customer, on one (1) common enclosure, none of the individual buildings of which is adapted to separate ownership; or
7. A public building, or
8. A single plot, used as a park or recreational area

18. Residential Service - The words Residential Service shall mean the provision of wastewater service to a Customer whose primary use is for the Customer's personal dwelling.

19. Service Box – For Customers with Grinder Pumps, a below ground valve assembly installed at each individual Customer's property that connects to the Customer's lateral sewer and where the Customer's Service line is connected. The Service Box is owned and maintained by the Customer.

20. Termination of Service – Disconnection or termination of service at Customer request.

**D. Access to Property:**

1. Company shall have access at all reasonable hours to meters, service connections, and other property owned by it which may be located on Customer's Premises for purposes of installation, maintenance, operation, or removal of its property at the time service is to be terminated. Any employee of the Company whose duties require him to enter the Customer's premises shall wear a distinguishing uniform or other insignia, identifying him as an employee of the Company, or carry on his person a badge or other identification which will identify him/her as an employee or agent of the Company, the same to be shown by him/her upon request.

**E. Commencement of Service**

Date of Issue: July 16, 2024  
Issued by: Josiah Cox, President

Date Effective:  
1630 Des Peres Road St 140, St. Louis MO 63131

**Petitioner's Exhibit AJS-7: Proposed Limestone Water Consolidated Tariff**

Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

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**1. General**

1. A prospective Customer shall not connect or reconnect service, nor employ any person to do so, without authorization by the Company.
2. The Company shall not be under any duty to permit connection or to supply water or sewer service to any Customer whose Premises does not abut on a Distribution Main or Collection Sewer.
  - i. Any Distribution Mains and/or Collection Sewers required to service such abutting properties shall be constructed at the cost of the Applicant, and these sewers shall become the property of the Company to be credited to the account for contribution in aid of construction. If the said Applicant does not wish to construct his own Distribution Mains and/or Collection Sewers, the Company may construct them and charge the Applicant the total project costs for the same. The Applicant shall obtain at its expense the easements required by the Company for any Distribution Mains and/or Collection Sewers. Plans for any Distribution Main and/or Collection Sewer extensions shall be reviewed and approved by the Engineer prior to construction.
3. Requests by Governmental Units for public fire protection service will be governed by these rules and shall only be permitted to the extent that Distribution Mains and water storage facilities are of adequate size to accommodate fire protection service.
4. All Applicants must make application to the Company in a manner prescribed by the Company, setting forth all purposes for which service will be used.
5. Applications for service, when accepted by the Company, shall cover only the Premises and uses applied for.
6. The Customer, in accepting conditions for service, is responsible for all service furnished until the Customer notifies the Company to terminate the service for its account or until the Company has accepted a new service application for the Premises.
7. Any change in the identity of a Customer will require new application, and the Company may, after notice, discontinue service until such new application has been made and accepted.

**2. Installation and Maintenance of service lines**

**1. Water**

Date of Issue: July 16, 2024  
Issued by: Josiah Cox, President

Date Effective:  
1630 Des Peres Road St 140, St. Louis MO 63131

**Petitioner's Exhibit AJS-7: Proposed Limestone Water Consolidated Tariff**

Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

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- i. Where Company Distribution Mains are or may be installed, the Company will install the Company Service Pipe provided the Company Service Pipe is required for general water service to Premises abutting such mains.
- ii. Company Service Pipes for construction or temporary service shall be installed and removed at the Customer's expense.
- iii. A Customer Service Pipe shall not extend from one dwelling, building, structure or parcel of real estate to another dwelling, building, structure or parcel of real estate across a public street or across a property line unless the property line crossed is located within a building complex.
- iv. The Company will make all connections to its Distribution Mains and will specify the size, kind, quality and location of all materials used in the Company Service Line.
- v. The Company Service Pipe shall be furnished, installed and maintained only by the Company and shall remain under its sole ownership, control and jurisdiction.
- vi. Service Pipes for Private Fire Protection Service from the Distribution Main to the curb or property line shall be permitted at the sole discretion of the Company and shall consider the size of Distribution Mains and the adequacy of water storage equipment. Private Fire Protection Service shall be requested by contacting the Company.
- vii. The Customer's Service Pipe shall be installed and maintained by the Customer, free from leaks and other defects, at their own expense and risk, and for failure to do so, water service may be discontinued. The Customer's Service Pipe shall be installed in accordance with applicable governmental regulations and Company specifications below the frost line on firm and continuous earth to give unyielding and permanent support.
- viii. For new Customer Service Lines, the Customer shall install their Customer Service Line to the Meter, Curb Cock or property line at a point approved by the Company, after which the Company will install the Company Service Line from the Distribution Main to the Customer's Service Line.
- ix. Where the Company's Service Line is already installed to the Meter, Curb Cock, or property line, the Customer shall connect with the Company Service Pipe as installed.

**Petitioner's Exhibit AJS-7: Proposed Limestone Water Consolidated Tariff**

Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

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- x. The Customer shall make all changes in the Customer's Service Pipe required on account of changes of grade or other causes.
- xi. No fixture shall be attached to, or any branch made in, the Company Service Pipe between the Meter and the Distribution Main, other than by authorized employees of the Company.
- xii. There shall be no more than one Customer Service Pipe supplying a single Premise, unless otherwise approved by the Company.
- xiii. If a Customer, occupant, owner, or any of their agents should damage Company property, repairs shall be made only by the Company, but at the Customer's expense.
- xiv. The Customer shall install and properly maintain on their Customer Service Line a shutoff valve approved by the Company. It shall be in an accessible location, protected from freezing and adequate to shut off and drain all plumbing. Further, where a Customer's Service Line is branched or arranged to supply more than one building, additional valves shall be installed in such manner that service to one of the buildings may be shut off without shutting off service to other buildings. A drawing showing the layout of branched Customer Service Lines and shutoff valves may be required to be submitted and approved by the Company prior to installation of the Customer Service Lines and shutoff valves.
- xv. A Customer Service Line which is irregularly located because there was not a Distribution Main abutting the Premises at the time the Customer Service Line was installed, shall be required at the Customer's expense, to be relocated and connected to the Distribution Main abutting the Premises when replacement becomes necessary.

**2. Sewer**

**i. Grinder Pumps**

- I. All applicable Customers must have an approved Grinder Pump and collection system which meets the specifications as established by the Company.

**ii. Special Pretreatment Sewage Requirements**

- I. For all sewerage connections, in addition to the customary tap fees, the Company reserves the right to require any nonresidential user to provide special

treatment for any high strength effluent before discharge into its sewerage system. In the event that the Customer or Applicant proposes to discharge, or actually consistently discharges, an abnormally high volume or strength of waste, the Company may require the Customer or Applicant to install a pretreatment facility, grease trap or other device on the Premises, to prevent the exceeding of discharge limits, or other adverse impacts upon the Company's system. The installation of any such device as well as its operation and maintenance shall be the responsibility of the Customer or Applicant, and subject to the approval and inspection of the Company. Additionally, if excessive volumes or high strength of sewage are received, the Company may require the Customer to monitor flow volume in order to adjust the monthly sewer service rate.

**F. Meters**

1. The Company shall have the right to place a Meter on any service pipe and charge for water service by Meter measurement if necessary.
2. All Meters, except fire Service line Meters, shall be furnished, installed, maintained, tested, repaired, removed and replaced only by the Company and shall remain its property. In case of damage to any Meter by reason of any act, neglect or omission on the part of the Customer (such damages occasioned by fire, hot water, accident or misuse), the Customer shall reimburse the Company for the cost of repairing or replacing the Meter.
3. The Company reserves the right to determine the kind, size and type of Meter that shall be placed on any service pipe.
4. Meters may be located either in an outdoor Meter box or vault, or inside the Customer's Premises, at the option of the Company.
5. If the Meter is to be installed inside, it shall be located as near as possible to the point where the service pipe enters the building in a clean, dry, safe place not subject to wide temperature variations so that the Meter may easily be examined, read or removed. The Customer shall, at their expense, provide suitable pipe connections and shut-off valves, one each at the inlet and outlet sides of the Meter, and other appropriate fittings designed by the Company.
6. If the Meter is to be installed in a Meter box or vault, it shall be located in a convenient and readily accessible location at or near the street right-of-way

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Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

Original Sheet #14  
Effective Date:

- line. Meter boxes or vaults for settings for single Meters shall be furnished, installed and maintained by the Company. The Company shall at its expense, provide suitable pipe connection and shutoff valves, and such other fittings as may be designated by the Company. Upon a request by the Customer before the original installation is made, the Meter box or vault will be located at the point requested, if feasible under proper utility standards. The Meter box or vault may be constructed to protect the Meter from freezing and damage by vehicular traffic, and its location and design shall prevent, as far as possible, the inflow of surface water.
7. Separate Premises shall be separately metered and billed, and only one Premise shall be supplied through one Meter.
  8. The Company reserves the right to put seals and locks on all Meters or Meter couplings.
  9. No Customer shall remove or cause or permit the removal of a Meter by their agents once it has been installed by the Company, and any change in location of the Meter desired by the Customer shall first be approved by the Company in writing, but in any situation shall be made by the Company at the Customer's expense. Violation of this tariff provision may result in the Customer being charged a Meter tampering penalty fee in accordance with the tariff.
  10. If a Customer requests an additional self-serving Meter or Meters for their Premises (i.e. lawn sprinkling or swimming pool), the Company will make the requested installation at the expense of the Customer and billing will occur as provided in Rule E.
  11. The Company may at any time, remove the Meter for routine tests, repair, or replacement.
  12. Meters may register in either U.S. gallons or cubic feet. Meter readings in units or hundred cubic feet may be converted to units of hundred gallons for billing purposes if the existing schedule of charges is stated in gallon units. The factor used for making a conversion is one cubic foot as being equivalent to seven and forty-eight hundredths (7.48) U.S. gallons.
  13. Every water Meter shall be tested as required by these rules prior to its installation either by the manufacturer, the Company, or any approved organization equipped for Meter testing. Meters with oil-enclosed gear trains should be stored in an inverted position, and, unless so stored, shall be tested immediately before installation. All water Meters removed from service for repair or testing in accordance with these rules shall be restored to the

**Petitioner's Exhibit AJS-7: Proposed Limestone Water Consolidated Tariff**

Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

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prescribed limits of accuracy by these rules before again being place in service.

14. The Company shall maintain records of the following data, where applicable, for each Meter and/or associated metering device until retirement: (a) the complete identification – manufacturer, number, and type; and (b) the dates of installation and removal from service, together with the location.
15. All Meters used for measuring quantity of water delivered to a Customer shall be in good mechanical condition and shall be adequate in size and design for the type of service which they measure and shall be accurate to the following standards.
16. For determination of minimum test flow and normal test flow limits, the Commission will use as a guide the appropriate standard specifications of the American Water Works Association for the various types of Meters.
17. Displacement Meters shall be tested at each of the rates of flow stated above for the various size Meters. A Meter shall not be placed in service if it registers less than ninety-five percent (95%) of water passed through it at the minimum flow or over-registers or under-registers more than two percent (2%) at the intermediate or maximum limit, except that a repairs Meter shall not over-register or under-register more than two percent (2%) of the intermediate and maximum flow and shall register not less than the following appropriate percentage of the water passed through it at the minimum test flow: If manufactured on or after January 1, 1947 – ninety percent (90%). If manufactured prior to January 1, 1947 – eighty-five percent (85%).

**G. Multiple Meter Settings**

1. When more than one Meter setting is installed at a Customer's Premises because of conditions warranted and determined by the Customer, each Meter setting shall be treated separately as if it belonged to a separate Customer, and the registrations of such Meters will not be combined.
2. When more than one Meter setting is installed on a Customer's Premises because of conditions warranted and determined by the Company, the registration of all such Meters shall be combined and the minimum charge shall be the sum of the individual minimum charges for all such Meters.

**H. Meter Testing**

1. Company shall adopt schedules for periodic and routine tests and repairs of its Meters. The Company will make a test of the accuracy of registration of a Meter upon written request by a Customer. The Customer will be required to



bear the full cost of any subsequent test of their Meter if requested at less than eighteen (18) months after the preceding test, and accuracy of the Meter is found to be in compliance with rules of the Commission. The results of such tests will be reported to the Customer in writing within ten (10) days after the test is complete or the Customer shall be given the opportunity of being present at such requested tests.

2. Measuring devices for test of Meter may consist of a calibrated tank for volumetric measurement or tank mounted upon scales for weight measurement. If a volumetric standard is used, it shall be accompanied by a certificate of accuracy from any standard laboratory as may be approved by the Commission. If a weight standard is used, the scales shall be tested and calibrated periodically by such approved laboratory and a record maintained of the results of the test.
3. When basic standards are used for Meter tests, they shall be of a capacity sufficient to ensure accurate determination of accuracy and shall be subject to the approval of the Commission.
4. By special permission of the Commission, a standard meter may be provided and used by the Company for the purpose of testing Meters in place. This standard Meter shall be tested and calibrated periodically to ensure its accuracy within the limits required by these rules and regulations. In any event, such test shall be made at least once every sixty (60) days while the standard Meter is in use and a record of such tests shall be kept by the utility.
5. All Meters tested in accordance with these rules for periodic or complaint tests shall be tested in the condition as found in the Customer's service prior to any alteration or adjustment in order to determine the average Meter error. Tests shall be made at the intermediate and maximum rates of flow and the meter error shall be the algebraic average of the errors of the two (2) tests.
6. Upon completion of adjustment and test of any water Meter under the provisions of these rules, the Company shall affix thereto a suitable seal in such a manner that adjustment or registration of the Meter cannot be changed without breaking the seal.
7. Company shall maintain records of at least the last two (2) tests made of any Meter. The record of the Meter test made at the time of the Meter's retirement shall be maintained for a minimum of six (6) months. Test records shall include: (a) the date and reason for the test; (b) the reading of the Meter before making any test; (c) the accuracy "as found" at each rate of flow; (d) the accuracy "as left" of each rate of flow; and (e) in the event test of the Meter is made by using a standard Meter, the Company shall retain all data taken at the



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time of the test in sufficiently complete form to permit the convenient checking of the test methods and the calculations.

**I. Billing:**

1. The bill form used shall show: (a) the name of the Company; (b) the reading of the Meter at the beginning and at the end of the period for which the bill is rendered; (c) the dates on which the Meter was read at the beginning and end of the billing period; (d) the number and kind of units metered; (e) the gross and/or net amount of the bill; (f) the date by which the Customer must pay the bill in order to avoid any penalty; (g) a distinct marking to identify an estimated bill; (h) any conversions from meter reading units to billing units; and (i) the main office address.

**J. Terms and Conditions of Billing And Payment**

1. At a metered Premise, water sold shall be based on Meter measurement. Meters shall be scheduled to be read at not greater than quarterly intervals. The Company shall have the option to issue interim estimated monthly bills to Customers whose Meters are read bi-monthly. Estimated bills shall not be less than a minimum bill as prescribed in the Company's current tariffs.
2. At an unmetered Premise, water sold shall be a flat charge as stated in the Schedule of Rates and Charges.
3. Private Fire Protection Service charges shall be payable quarterly in advance.
4. Special charges shall be payable on demand.
5. All bills for service are due on or before the due date printed on the bills and considered delinquent if not paid by such date. The due date will be at least twelve (12) days after the postmarked date of the bill, if mailed, or the date of delivery if delivered by other means.
6. Customers are responsible for providing the Company with their correct addresses. Failure to receive bills will not release Customer from payment obligations.
7. The use of water by the same Customer at different Premises or localities will not be combined for billing.
8. Company may not send a customer two successive estimated bills, except due to extenuating circumstances. The Company may estimate the bill of any Customer for good cause including, but not limited to: request of Customer; inclement weather; labor or union disputes; inaccessibility of a Customer's Meter; other circumstances beyond the control of the Company or its agents and employees; and, a billing period with a varying Meter reading schedule; or

the Company may render an estimated bill when a Meter is found to be not registering. In such cases, the Company shall estimate the charge for the water used by averaging the amount registered over a similar period preceding or subsequent to the period of nonregistration or for corresponding period in previous years, adjusting for any changes in the Customer's usage.

9. The Company may include charges for special services with charges for water service on the same bill if such charges are identified.

**K. Disputed Bills**

1. When a Customer disputes a bill, the Company will not terminate service for nonpayment so long as the Customer: (i) pays the undisputed portion of the bill, (ii) pays all future bills by the due date, and (iii) enters into bona fide discussions with the Company to settle the dispute.
2. In instances where the Customer and Company cannot agree as to what portion of a bill is undisputed, it shall be sufficient that the Customer pay an amount equal to their average bill for the twelve (12) months immediately preceding the disputed bill. In those cases where the Customer shall pay an amount equal to 1/12 of the estimated annual cost of service.
3. If the Company and the Customer arrive at a mutually satisfactory settlement of a disputed bill, the Company may enter into a settlement agreement providing for payment of the outstanding balance in installments over a reasonable period of time. Such an agreement shall be limited to the bill in dispute or the delinquent account.
4. A settlement agreement may be in writing and signed by the Customer or their representative and an authorized representative of the Company. A settlement reached by telephone may be confirmed by the Company in writing and mailed to the Customer, with instructions to sign a confirming copy and return it to the Company.
5. The Company shall not be required to enter into concurrent settlement agreements relating to the same service account.
6. The Company shall not be required to enter into a subsequent agreement with a Customer who defaults upon the terms and conditions of a previous agreement entered into within the previous twelve (12) months.
7. If the Customer fails to comply with the terms and conditions of a settlement agreement, the Company may discontinue service without further notice to the Customer.
8. If agreement cannot be reached on settlement of the dispute, the Customer may register their dispute with the Commission.

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**L. Adjustments to Bills**

1. Service bills which are incorrect due to Meter or billing errors shall be adjusted in accordance with Commission Rules and to the known date of error or one (1) year, whichever is shorter.
2. Whenever a Meter in set service is tested and found to have over registered more than two percent (2%), the Company shall adjust the Customer's bill for the excess amount paid. If the time at which the error first developed or occurred can be definitely determined, the estimated amount of over-charge is to be based thereon.
3. Adjustment for leaks may be given as determined by the Company.

**M. Denying or Discontinuing Service**

1. The Company may refuse new wastewater service unless a Customer agrees in writing to a "Subscription Service Contract" that would allow either:
  - i. The Company to install and have exclusive right to use a cutoff valve in the water line between the water Meter and the Premises (or in Customer's water line where no Meter exists) in accordance with both the rules and regulations of the Company, as found in the tariff approved by the Commission, and this rule; or
  - ii. The Company to execute an agreement with a water provider to terminate water services. If the water service is discontinued based on an agreement between a water service provider and the Company, this agreement shall be submitted and on file with the Commission prior to any termination of water service in accordance with its provisions so that each Customer is treated in a just and reasonable manner.
2. Discontinuance Upon Customer's Request
  1. The Customer shall notify the Company at least three (3) days in advance of the desired termination day and shall remain responsible for payment of all service until service is terminated pursuant to such request. The Company shall terminate service within three (3) working days of the requested termination date. The Customer shall not be liable for any service rendered to such address or location after the expiration of these three (3) days.

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**3. Termination Without Customer's Request**

1. The Company may deny or disconnect service without request by the Customer and without prior notice only:
  - i. If a condition dangerous or hazardous to life, physical safety or property exists; or
  - ii. Upon order by any court, the Commission or other duly authorized public authority; or
  - iii. If fraudulent or unauthorized use is detected and the Company has reasonable grounds to believe the affected Customer is responsible for such use; or
  - iv. If the Company's regulating or measuring equipment has been tampered with and the Company has reasonable grounds to believe that the affected Customer is responsible for such tampering; or
  - v. If a Customer violates the terms of a settlement agreement described in Rule K, Disputed Bills; or
  - vi. Where the Customer's water service line or inside piping may, in the opinion of the Company, cause a cross-connection with non-potable water or otherwise jeopardize the health and safety of other Customers of the Company's facilities; or
  - vii. For violation of any of these Rules and Regulations on file with and approved by the Commission, or for any condition which adversely affects the safety of the Customer or other persons, or the integrity of the Company's delivery system.
2. The Company may discontinue Private Fire Protection Service immediately after written notice to such Customer and the appropriate Fire Department for leakage within such Private Fire Protection Service system and until such leaks are repaired.
3. In all other instances, the Company, upon providing the Customer with seven (7) days prior written notice may disconnect service for any of the following reasons:
  - i. The Customer fails to repair any leak in the Customer Service Pipe or other plumbing fixtures.
  - ii. The Customer vacates the Premises or fails to pay their bills or other charges related to their service installations or facilities in accordance with these rules and the Company's rate schedules, or otherwise violates any of these rules.

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- iii. Nonpayment of a service bill based on estimated consumption after the estimated Meter reading has been verified.
  - iv. The Customer fails to provide free and non-hazardous access to the Premises and Meter so that the Company's representatives may make Meter readings and necessary inspections and maintain, replace or remove the Meter, or fails to maintain Customer-owned meter settings. including pits and vaults.
  - v. The Customer installs a new service pipe and other fixtures or alters or removes an existing service pipe or other fixtures. including the Meter, without the Company's consent.
  - vi. The Customer fails to remedy a condition or use on their Premises which, in the Company's engineering judgment, endangers the Company's distribution system.
  - vii. Misrepresentation of identity of Applicant for the purpose of obtaining water service.
  - viii. A Customer selling or providing service to other Premises not specifically included in the accepted application.
  - ix. Where two or more Premises are supplied through a single Service Pipe, any violation of the Rates, Rules, Regulations and Conditions of Service of the Company shall be deemed a violation as to all, and the Company may enforce compliance with these rules and regulations by discontinuing service. Such action, however, will not be taken until the Customer not in violation has been given reasonable notice to acquire a separate Company Service Pipe.
  - x. The Customer fails to pay for any sewer service charges and discontinuance of water service is duly authorized by the appropriate governmental unit.
  - xi. A Customer occupies a Premises already receiving water service without making application and fails to pay for water service used prior to the Company accepting such Customer's application.
4. When a prospective Customer is refused service, or an existing Customer has service disconnected under the specific provisions included in the Company's tariff approved by the Commission, the Company shall notify the Customer or prospective Customer promptly of the reason for refusal. The notification shall include an explanation of the Commission's dispute resolution process found in Rule 1220-01-03. A copy of such notification or

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other documentation shall be sent within five (5) business days to the local county health department and the Commission. If service is disconnected using a water shut-off valve, the utility is not required to notify the county health department.

**5. Prohibited Disconnection**

1. Except as otherwise provided in subsection M-1 and M-2, the Company shall postpone disconnection of Residential Service for thirty (30) days if, prior to the disconnect date specified in the disconnect notice, the Customer provides the Company a medical statement from a licensed physician or public health official stating that disconnection would be a serious and immediate threat to the health or safety of a designated person in the household of the Customer.
2. The Company may not disconnect service to the Customer:
  - i. Due to nonpayment for service by a previous occupant of the Premises to be served.
  - ii. Upon failure to pay for goods or services not approved by the Commission.
  - iii. Upon failure to pay for concurrent service received at a separate Premises. However, if Service is discontinued or terminated at the separate Premises, any unpaid balance may be transferred to the other account on the next regular billing.
  - iv. Upon failure to pay for a different class of service received at the same or different locations: or
  - v. Upon failure to pay for service provided in the name of another Customer.
3. If a Customer proceeds with a complaint before the Commission pursuant to Commission Rules and complies with Rule K Disputed Bills.

**6. Notice and procedure for Involuntary Disconnection**

1. Except as otherwise provided in Section M-2, service to any Customer shall not be disconnected for a violation of any rule or regulation of the Company or for the nonpayment of a bill, except after seven (7) days prior written notice to such Customer.
2. The Company may discontinue service to a Customer on the date specified in the notice of discontinuation. or within a reasonable time thereafter, only between the hours of 8:00 a.m. and 4:00 p.m.
3. Service shall not be discontinued on a day, or a day immediately preceding a day, when the services of the Company are not available to

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the general public for the purpose of reconnecting discontinued water service.

**N. Reconnection of Service After Discontinuance**

1. When service has been discontinued because of violations of the Rates, Rules, Regulations and Conditions of Water Service or because of nonpayment, a reconnection charge will be made as set forth in the schedule of the rates and charges of the Company.
2. The Company will reconnect service within the one (1) working day after it is requested provided:
  1. The conditions, circumstances or practices which caused the disconnection have been corrected;
  2. Satisfactory settlement of all delinquent charges owed the Company by the Customer authorized by these rules has been made; and
  3. A responsible person is present in the Premises to see that all water outlets are closed to prevent damage from escaping water.
3. No Customer whose service has been discontinued by the Company shall re-establish service or cause service to be re-established except by the Company.

**O. Modifications of Facilities at Customers Expense**

1. If a Customer requests for their convenience, or by their actions requires, that the Company's facilities be relocated or modified, compatible with water utility construction practices, the Company will require reimbursement for the full cost of performing such service.
2. Where such changes become necessary due to altered or additional use on the Customer's part, such as the causing of pressure fluctuations which affect service to other Customers or damage to the Company's system, the Customer shall bear the cost of such changes in the facilities in question.

**P. Requirements for Valves and Other Devices**

1. Check valves, relief valves, flush valves and vacuum breakers required or recommended by this rule must be installed and maintained by, and at the cost and expense of the Customer.
2. Check and relief valves will be required for Customers having boilers, hot water heaters (heating systems) connected directly or indirectly with the Distribution Mains of the Company. The check valve must be in the supply pipe to any heating system and a relief valve between the check valve and heating system.



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3. As a precaution against collapse of boilers, a vacuum valve should be installed in the steam line in case the water supply is interrupted.
4. The Company is not responsible for accidents or damages resulting from imperfect action or failure of check, relief or vacuum valves or failure of the Customer to provide necessary safety devices.
5. Any Customer desiring or requiring a pressure reducing device for water service to their Premises shall install and maintain such device at their cost and expense.

**Q. Plumbing Regulation and Work**

1. All plumbing work shall be done in accordance with the plumbing code of the Governmental Unit or units applicable in the Company's service area and/or regulations adopted by any duly constituted board or commission having Jurisdiction.
2. All plumbing work connected to the Company Distribution Mains shall be submitted for Company inspection before being covered.
3. If the Company determines plumbing work to be defective, though not necessarily in direct violation of these rules and regulations, the Company may insist it be corrected before water service is initiated.
4. Except where the plumbing is a simple extension or additional fixture on a service in use, the plumber shall turn off the water after completion testing.
5. No plumber, or any other person, shall initiate water service without permission from the Company.
6. No plumber, or any other person, shall connect to the Company Distribution Main or to any service pipe or extend pipe to any Premises for the purpose of securing a supply of water until application has been made and accepted by the Company as provided in these Rates, Rules, Regulations and Conditions of Water Service.

**R. Cross Connections**

1. A cross-connection is any physical connection whereby the Company's public water supply is connected with any other water supply, whether public or private, either inside or outside of any building or buildings, in such manner that a flow of water into the Company's public water supply is possible either through the manipulation of valves or because of ineffective check or back-pressure valves, or because of any other arrangement.
2. By-pass arrangements, jumper connections, removable sections, swivel or change-over devices, and other temporary or permanent devices through



which, or because of which, backflow can occur, are considered to be cross-connections.

3. No cross-connection will be permitted unless an acceptable form of protection against contamination by backflow into the water distribution system is provided. An acceptable form of protection is one which meets the approval of the Tennessee Department of Health, or any successor agency or organization, and the local regulating health agency. The required protective device or system shall be provided and installed by the Customer and maintained by him in good working condition at their own cost and expense and shall be subject to the inspection, Testing, and approval of the Company before being placed in service, and at such times thereafter as may be deemed necessary by the Company.
4. Any cross-connection in violation of this rule shall immediately be removed or corrected in a manner acceptable to the Tennessee Department of Health, or any successor agency or organization and the local regulation health authority, and the Company. Failure to do so may result in discontinuance of water service without notice.
5. The Customer Service Pipe and all connections and fixtures attached on a Customer's Private Fire Protection Service system shall be subject to the inspection of the Company to determine compliance with its cross-connection rule before water will be turned on, and all Premises receiving a supply of water and all Service Pipes, Meters and fixtures, including any and all fixtures within the Premises, shall at all reasonable hours be subject to inspection by any duly authorized employee(s) of the Company.

**S. Extension Plan**

**1. Water**

1. This rule shall govern the extension of mains by the Company within its certified area where there are no water mains.
2. Upon receipt of a written application for a main extension, the Company will provide the applicant(s) an itemized estimate of the cost of the proposed extension. This estimate shall include the cost of all labor and materials required, including valves, fire hydrants, booster stations, storage facilities, reconstruction of existing mains (if necessary), jack and bore, and the direct costs associated with supervision, engineering, permits, and bookkeeping. The estimate will not include unanticipated costs such as rock excavation.

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3. Applicant(s) shall enter into a contract with the Company for the installation of said extension and shall tender to the Company the amount determined in subsection 2 above. Any applicable New Service Connection Fee will become due after the cost incurred by the Company has been ascertained and as specified in the Schedule of Service Charges. The contract may allow the Customer to contract with an independent contractor for the installation and supply of material, except that mains of twelve (12") or greater diameter must be installed by the Company, and the reconstruction of existing facilities must be done by the Company.
4. If a developer contracts with the Company for a main extension and agrees to pay the full cost of the extension, including all labor, materials, and other associated costs, the developer will not be entitled to any refunds. These main extensions will remain the property of the Company, and the developer will have no claim to refunds for future connections or extensions.
5. The cost to single-family residential applicant(s) connecting to a main extension for which other applicant(s) paid an amount determined in subsection 2, above, subject to subsequent adjustment for actual cost, shall be as follows:
  - i. For single-family residential applicant(s) applying for service in a platted subdivision, the Company shall divide the actual cost of the extension by the number of lots abutting said extension to determine the per lot extension cost. When counting lots, corner lots which abut existing mains shall be excluded.
  - ii. For single-family residential applicant(s) applying for service in areas that are unplatted in subdivision lots, an applicant(s) cost shall be equal to the total cost of the main extension divided by the total length of the main extension in feet times one hundred (100) feet.
  - iii. For industrial, commercial, or multifamily residential applicants, the cost will be equal to the amount calculated for

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single-family residence in subsection 5(i) and 5(ii) above, multiplied by the flow factors of the applicants' meter. The flow factors of the various sizes of meters are as follows:

Meter Size	Flow Factor
5/8"	1.0
3/4"	1.0
1"	1.25
2"	2.9
4"	14.0

6. Refunds of funds paid by applicant(s) outside of developers for any estimated costs or actual costs of a main extension shall be made to such applicant(s) as follows:
  - i. Should the actual cost of the extension be less than the estimated cost, the Company shall refund the difference to the applicant(s) as soon as the actual cost has been ascertained.
  - ii. During the first five (5) years after the main extension is completed, the Company will refund to the applicant(s) who paid for the extension the money collected from applicant(s) in accordance with subsection 5 above. The refund will be paid within a reasonable time after the money is collected.
  - iii. The sum of all refunds to any applicant shall not exceed the total amount which the applicant(s) has paid.
7. Extensions made under this rule shall be and remain the property of the Company.
8. The Company reserves the right to further extend the main and to connect mains on intersecting streets and easements. Connecting new Customers to such further extensions shall not entitle the applicant(s) paying for the original extension to a refund for the connection of such Customers.

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9. Extensions made under this rule shall be of Company-approved pipe sized to meet water service requirements. If the Company chooses to size the extension larger in order to meet the Company's overall system requirements, the additional cost caused by the larger size of pipe shall be borne by the Company.

No interest will be paid by the Company on payments for the extension made by the applicant(s).

10. If extensions are required on private roads, streets, through private property, or on private property adjacent to public right-of-way, a proper deed of easement must be furnished to the Company without cost to the Company, before the extension will be made.

2. Sewer

1. Collecting sewers will be extended within the Company's certificated service area, at the applicant's cost, if service is requested by the applicant at a location where facilities do not exist (the "applicant" is sometimes referred to in this rule as the "original applicant"). The applicant shall enter into a contract with the Company. The applicant may choose to have the Company perform all work under the terms and conditions of this tariff or have a private contractor perform the work under the terms and conditions this tariff. For purposes of this rule, an extension could include, in addition to a collecting sewer, one or more pump station or treatment plant facilities, as necessary to provide the service.
2. The pipe used in making extensions shall be of a type and size which will be reasonably adequate for the area to be served. Such determination as to size and type of pipe shall be left solely to the judgment of the Company. If the Company desires a pipe size, lift station, treatment plant, or any other facility larger than reasonably required to provide service to the applicant, the additional cost due to larger size shall be borne by the Company.
3. The Company will extend collecting sewers for the applicant under the following terms and conditions:

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- i. Upon receipt of written application for service, the Company will provide the applicant an itemized estimate of the cost of the proposed extension. Said estimate shall include the cost of all labor and materials required, including reconstruction of existing facilities if necessary, jack and bore and the direct costs associated with supervision, engineering, permits, and bookkeeping.
  - ii. The applicant shall enter into a contract with the Company for the installation of said extension and shall tender to the Company a contribution-in-aid-of-construction equal to the amount determined above, plus any appropriate fees as provided in the Schedule of Rates or the Schedule of Service Charges.
  - iii. If, as a result of reasonably unforeseen circumstances, the actual cost of the extension exceeds the estimated cost of the extension, the applicant shall pay the additional cost.
4. When the applicant elects to construct an extension, the Company will connect said extension to its existing collecting sewers under the following terms and conditions:
  - i. Applicant shall enter into a contract with the Company which provides that the applicant construct said collecting sewers and/or other facilities to meet the requirements of all governmental agencies and the Company's rules. Plans for the extension shall be submitted to the Company for approval prior to construction. Applicant's choice of construction contractor is subject to approval by the Company. Applicant shall contribute said facilities to the Company with a detailed accounting of the actual cost of construction, and contribute to the Company the estimated reasonable cost of the Company's inspection.
  - ii. The Company, or its representative, shall have the right to inspect and test the extension prior to connecting it to the existing collecting sewers and acceptance of ownership.

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- iii. Connection of the extension to existing Company collecting sewers shall be made by, or under direct supervision of, the Company or its representative.
  - iv. The Company shall have the right to refuse ownership and responsibility for the sewer extension until applicant has met the contractual obligations as provided in subsection 4(i).
5. If a developer contracts with the Company to install the sewer extension and agrees to pay the full cost of the extension, including all labor, materials, and associated costs, the developer will not be entitled to any refunds. These sewer extensions will remain the property of the Company, and the developer will have no claim to refunds for future connections or extensions.
6. The cost to additional applicants connecting to the sewer contributed by the original applicant shall be as follows:
- i. For a single-family residential applicant applying for service in a platted subdivision, the Company shall divide the actual cost of the extension, including income tax impact if any, by the number of lots abutting said extension to determine the per lot extension cost. When counting lots, corner lots which abut existing sewers shall be excluded.
  - ii. For a single-family residential applicant requesting service to areas that are not platted in subdivision lots, the applicant's cost shall be equal to the total cost of the extension times 100 feet divided by the total length of the extension in feet.
  - iii. For an industrial, commercial, or multi-family residential applicant, the cost will be equal to the amount calculated for a single-family residence in subsection 4(i) or 4(ii), as appropriate, multiplied by a water usage factor. The water usage factor shall be determined by dividing the average monthly usage in gallons by 7,000 gallons, but shall not be less than 1.

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7. Refunds of contributions shall be made to the original applicant as follows:
  - i. Should the actual cost of an extension constructed by the Company actual costs for inspection by the Company be less than the estimated cost, the Company shall refund the difference as soon as the actual cost has been ascertained.
  - ii. During the first five (5) years after the extension is completed, the Company will refund to the original applicant who paid for the extension monies collected from additional applicants in accordance with subsection 4 above.
  - iii. The sum of all refunds to the applicant shall not exceed the total contribution, including income tax and inspection costs associated with the extension, which the applicant has paid.
  - iv. If two or more entities are considered an original applicant, the refund shall be distributed to each entity based upon the percentage of the actual extension cost contributed by each entity.
8. Any extension made under this rule shall be and remain the property of the Company in consideration of its perpetual upkeep and maintenance.
9. The Company reserves the right to connect additional extensions to a collecting sewer contributed by the applicant. The connection of new customers to such additional extensions shall not entitle the applicant to any refund.

**T. Interruptions In or Curtailment Of Water Supply**

1. The Company reserves the right at any time to shut off the water in the Distribution Mains in case of accident or emergency, or for the purpose of making connections, extensions, improvements, alterations, repairs, changes, or for other proper business or utility reasons, and may restrict the use of water to reserve a sufficient supply in its reservoirs for public fire service or other emergencies whenever the public welfare may so require.

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2. When, in the judgment of the Company, sufficient supplies of water are not available to meet existing and anticipated demands or to preserve and replenish water storage in amounts sufficient to provide fire protection, the Company shall have the right to restrict, limit, curtail or interrupt water service to any Customer or Customers. The Company shall not be liable for any damage by reason of any such restriction, limitation, curtailment or interruption.
  3. During any period of Company imposed restricting or curtailing water service, the Company shall not supply new service or additional service to any Customer, except for residential Premises occupied for which application for service has previously been made.
  4. When feasible, prior to the application of this rule, the Company shall use its best efforts to inform the public of the emergency nature of its water supply situation and request voluntary curtailment of water usage by all Customers.
  5. The Company shall endeavor to maintain a supply of water to provide for the sanitary and health requirements of its residential and human needs Customers (hospitals, medical centers, nursing homes, and apartments) and its fire protection service. The Company shall first order curtailment of usage by all Customers for sprinkling, decorative fountains, swimming pools and other similar nonessential usage. Thereafter, the Company shall curtail or limit on a pro rata basis water usage to all Customers whose average daily volume of water purchased during the preceding calendar year exceeded 100,000 gallons for any billing month during such period; provided, the Company reserves the right to order temporary, limitation or interruption of water usage for any Customer without regard to any Priority of Service when in its judgment such temporary, limitation or interruption is necessary to forestall injury to life or property. If any Customer fails to comply with any mandatory restriction, limitation or interruption of Service imposed under this paragraph (d), the Company may discontinue service to such Customer.
  6. Company notice to Customers may be given by written notice or it may be given orally by any authorized agent of the Company. The notice shall be considered given when actually communicated in the case of oral notice or deposited in the United States Mail, if written.
- U. Interruptions in Wastewater Service: Where Company finds that through no fault of the Customer the Customer's wastewater service is interrupted and remains out of service in excess of twenty-four (24) hours after the Customer has notified the Company of the interruption, the Company shall refund to that Customer the pro-rata portion of the month's charges for the period of days during which the service was not



provided. The Company may refund the amount owed as a credit toward the Customer's subsequent bill for service.

**V. Responsibility of Company**

1. Under normal conditions of use of water, the pressure at a Customer's service connection shall be not less than twenty-five (25) psig. Pressure outside the limits specified will not be considered a violation when the variations: (a) arise from the action of the elements; (b) are infrequent fluctuations not exceeding five (5) minutes' duration; (c) arise from service interruptions; and (d) are from causes beyond the control of the utility.
2. The Company will undertake to use reasonable care and diligence to prevent and avoid interruptions and fluctuations in water service and to maintain reasonable pressure on the distribution system, but it cannot and does not guarantee to furnish at all times any given quantity for fire or general purposes or that interruptions or fluctuations in service will not occur. In the event there occurs any excess or deficiency in the pressure, volume or supply of water for any cause whatsoever, other than willful default or neglect on the part of the Company, the Company shall not in any way or under any circumstances be held liable or responsible to any person, firm, corporation or Governmental unit for any resulting loss or damage.
3. Unless due to willful default or neglect on the part of the Company, the Company shall not be liable for any damages resulting from the breaking of mains or service pipes, interruption of the supply of water or cutting off water for necessary repairs or maintenance, or from any other act, omission or event.
4. The Company shall in no event be responsible for maintaining any service line owned by the Customer, nor for damages created by sewage escaping therefrom, nor for defects in lines or fixtures on the property of the Customer. The Customer shall at all times comply with all regulations of the Commission, and of the Company, relating to the service lines and shall make all changes in his line required on account of grade or otherwise. All leaks in any pipe or fixture on the Premises of the Customer shall be immediately repaired. If the Customer fails to repair any such leak, the service may be discontinued until repairs are made.
5. The Company shall not be considered an insurer of property or persons. or to have undertaken to extinguish fire or to protect any persons or property against loss or damage by fire, or otherwise. The Company agrees only to furnish and provide such supply of water as shall then be available.

**W. Ownership of Property**

**Petitioner's Exhibit AJS-7: Proposed Limestone Water Consolidated Tariff**

Limestone Water Utility Operating Company, LLC  
TRA No. 1: Water & Wastewater Service Tariff

Original Sheet #34  
Effective Date:

1. Water

1. Unless otherwise agreed to, all pipe, fittings, equipment, Meters or other fixtures installed at the expense of the Company shall at all times be and remain the property of the Company and may at any time during reasonable hours be inspected by the Company and/or removed by it for repairs or replacements, or upon the Discontinuance of Service.

2. Sewer

1. For Customers with gravity connections, the Customer shall own and maintain all piping within the Premises and exterior piping and service lines.
2. For Customers with Grinder Pumps, the Customer shall own and maintain all piping within the Premises and external piping connecting to the Grinder Pump. The Company shall maintain the grinder pump and service line and the Customer shall be responsible for the cost of repair and maintenance of the grinder pump and service line. The Customer shall be responsible for furnishing and maintaining electrical power to the grinder pump.

**VERIFICATION**

I, Aaron Silas, Director of Regulatory and Customer Operations, verify, state, and affirm that I prepared or supervised the preparation of the Direct Testimony filed with this Verification, and that Direct Testimony is true and accurate to the best of my knowledge, information, and belief after a reasonable inquiry on this 12th day of July, 2024.



Aaron Silas  
Director of Regulatory and Customer  
Operations

STATE OF MISSOURI

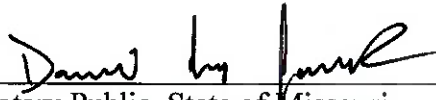
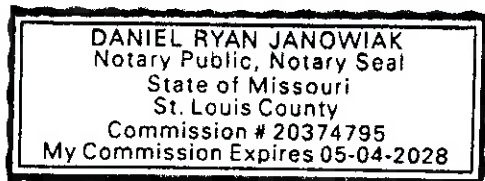
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COUNTY OF ST. LOUIS

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SUBSCRIBED AND SWORN TO before me on this the 13<sup>th</sup> day of July, 2024.



Notary Public, State of Missouri

My Commission Expires 5/4/28