

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

IN RE:)
)
PETITION OF LIMESTONE WATER)
UTILITY OPERATING COMPANY,) **DOCKET NO. 24-00044**
LLC, TO INCREASE CHARGES, FEES)
AND RATES AND FOR APPROVAL OF)
A GENRAL RATE INCREASE AND)
CONSOLIDATED RATES)
)

CONSUMER ADVOCATE’S RESPONSES TO COMMISSION STAFF’S SECOND SET OF DISCOVERY REQUESTS

The Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), pursuant to Rules 26, 33, and 34 of the Tennessee Rules of Civil Procedure, Tennessee Public Utility Commission (“TPUC” or the “Commission”) Rule 1220-01-02-.11, and the Agreed Procedural Schedule entered by the Hearing Officer in this Docket, hereby submits its responses to the *Second Set of Discovery Request of Commission Staff* (“Staff”) filed on January 31, 2025.

CONSUMER ADVOCATE'S RESPONSES

2-01. Refer to Excel files (a) AB-1.1 Limestone Wastewater Consumer Advocate Revenue Requirement Schedules.xls, worksheet ‘OpsResults’ (cell L14) and (b) AB-1 Limestone Consolidated Revenue Requirements.xlsx, worksheet ‘OpsResults’ (cell L14) and worksheet ‘Wastewater’ (cell L14).

It appears the Consumer Advocate's rate base figure for its revenue deficiency calculation reflects the Company's unadjusted April 30, 2024 amounts, as opposed to the Consumer Advocate's proposed rate base value.

Please provide clarification on this observation. If the amounts referenced in the files and cells in the first paragraph above are in error, please provide corrected schedules that reflect the Consumer Advocate's proposed revenue deficiency calculation.

RESPONSE:

The Consumer Advocate confirms that the amounts referenced in the files and cells showing the Company's unadjusted April 2024 amounts were in error. See footnote 1 on page 3 of Mr. Dittmore's Testimony Adopting the Direct Testimony of Alex Bradley explaining this correction, which was filed February 6, 2025. The corrected files were filed with Mr. Dittmore's adoption and are also provided as an attachment to this response.

The Consumer Advocate also notes that these corrections and updated files have changed numbers referenced in Mr. Novak's Direct Testimony. These corrections are specifically listed in a separate letter to the Chairman filed in this Docket.

2-02. In the Consumer Advocate's response to Staff's first DR as issued on January 17, the Consumer Advocate did not provide revised revenue requirement schedules for its changes in rate base schedules. Please provide revised schedules that reflect the changes made by the Consumer Advocate in response to Staff's initial data request as issued on January 17.

RESPONSE:

See <Revised 1.1 Limestone Wastewater.xls> and <Revised 1.2 Limestone Water.xls> filed with Mr. Dittmore's Testimony Adopting the Direct Testimony of Alex Bradley filed on February 6, 2025, as well as provided as an attachment to these requests.

2-03. Refer to Excel file WHN Revenue Analysis3 – Limestone 24-00044 Confidential.xlsx, worksheet 'Revenue Summary' (cells G40 and G42) and Table 2 on page 12 of Mr. Novak's testimony. Mr. Novak proposes a total of \$493,125 – which represents tap fees and inspection fees – be added to the Company's other revenues. In his testimony on pages

11-13, Mr. Novak argues that these charges have been incorrectly recorded by the Company as CIAC and should be reclassified as other revenue.

However, please refer to Excel files (a) AB-1.1 Limestone Wastewater Consumer Advocate Revenue Requirement Schedules.xls, worksheet 'CompRateBase' and (b) AB-1.2 Limestone Water Consumer Advocate Revenue Requirement Schedules.xls, worksheet 'CompRateBase. On these schedules, no corresponding adjustments have been made to reduce the Company's CIAC.

Please provide an explanation as to why an adjustment for tap and inspection fees was proposed to increase the Company's operating revenues, yet no corresponding entries were made to the Company's CIAC for sewer and water operations. If these omissions are in error, please provide revised schedules reflecting the Consumer Advocate's position.

RESPONSE:


There is no error between the schedules that are cited.

The CIAC cited in Revenue Requirement Schedules AB-1.1 of \$5,513,784 for wastewater service and Schedule AB-1.1 of \$166,937 for water service represent the historical amounts of CIAC recorded by the Company through the end of the Test Period.

In contrast, the \$493,125 amount cited in Mr. Novak's testimony and workpapers represents the incremental Tap Fee and Inspection Fee amounts for the Attrition Period. Instead of classifying these forecasted incremental revenue collections during the Attrition Period as CIAC, Mr. Novak included them as revenues consistent with past Commission practice as cited in his testimony. There has been no attempt by the Consumer Advocate to reclassify any prior Tap Fees and Inspection Fees that were erroneously recorded by the Company, since this would be beyond the scope of the rate case and more appropriately considered within the context of a compliance audit.

After the December 19th filing date for the Consumer Advocate's direct testimony, it was discovered that in Docket No. 19-00034, the Commission had changed its previous requirement for Cartwright Creek to record Tap and Collection Fees as revenue instead of CIAC. However, the prior Commission precedent for other utilities currently owned by Limestone would still remain in effect.

RESPECTFULLY SUBMITTED,



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TPUC Docket No. 24-00044

CA Responds to Staff DR No. 2

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail, with a courtesy copy by electronic mail provided upon:

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This the 7th day of February, 2025.



VICTORIA B. GLOVER
Assistant Attorney General

Limestone Water Operating Company, LLC - Wastewater
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For the 12 Months Ending April 30, 2024

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Limestone Water Operating Company, LLC
Results of Operations
For the 12 Months Ending April 30, 2024

Line No.		Consumer Advocate	Company	E/ E/	Difference
1	Wastewater Rate Base	\$ 1,186,162 A/	\$ 2,383,921		\$ -1,197,759
2	Water Rate Base	754,949 B/	888,407		-133,458
3	Total Rate Base	1,941,111	3,272,328		-1,331,217
4	Operating Income At Current Rates	-344,928	-1,263,169		918,241
5	Earned Rate Of Return	-29.08%	-52.99%		23.91%
6	Fair Rate Of Return	7.37% C/	9.64%		-2.27%
7	Required Operating Income	142,972	315,394		-172,421
8	Operating Income Deficiency	487,901	1,578,563		-1,090,662
9	Gross Revenue Conversion Factor	1.298829 D/	1.367496		-0.068667
10	Gross Income Conversion Factor		1.010101		
11	Revenue Deficiency	\$ 633,699	\$ 1,673,836		\$ -1,040,137

Limestone Water Operating Company, LLC - Wastewater
Results of Operations
For the 12 Months Ending April 30, 2024

Line No.		Consumer Advocate	Company E/	Difference
1	Rate Base	\$ 1,186,162 A/	\$ 2,383,921	\$ -1,197,759
2	Operating Income At Current Rates	-140,908 B/	-924,062	783,154
3	Earned Rate Of Return	-11.88%	-38.76%	26.88%
4	Fair Rate Of Return	7.37% C/	9.64%	-2.27%
5	Required Operating Income	87,367	229,767	-142,401
6	Operating Income Deficiency	228,274	1,153,829	-925,554
7	Gross Revenue Conversion Factor	1.298829 D/	1.367496	-0.068667
8	Gross Income Conversion Factor		1.010101	-1.010101
9	Revenue Deficiency	\$ 296,489	\$ 1,223,275	\$ -926,786

Limestone Water Operating Company, LLC - Wastewater
Average Rate Base
For the 12 Months Ending April 30, 2024

Line No.		Test Period	A/	Adjustments	Adjusted Test Period	B/
Additions:						
1	Utility Plant in Service	\$	9,973,659	\$	988,169	\$ 10,961,828
2	Land and Land Rights		0		-543,901	-543,901
3	Utility Plant Acquisition Adjustment		0		0	0
4	Prepayments		5,545		0	5,545
5	Working Capital		<u>129,461</u>		<u>0</u>	<u>129,461</u> C/
6	Total Additions	\$	<u>10,108,664</u>	\$	<u>444,268</u>	\$ <u>10,552,933</u>
Deductions:						
7	Accumulated Depreciation	\$	3,199,129	\$	0	\$ 3,199,129
8	CIAC For Finance and Escrow Riders		653,857		0	653,857
9	Contributions in Aid of Construction		5,124,592		389,192	5,513,784
10	Total Deductions	\$	<u>8,977,578</u>	\$	<u>389,192</u>	\$ <u>9,366,770</u>
11	Rate Base	\$	<u>1,131,087</u>	\$	<u>55,076</u>	\$ <u>1,186,162</u>

Limestone Water Operating Company, LLC - Wastewater
Comparative Rate Base
For the 12 Months Ending April 30, 2024

Line No.		<u>Consumer Advocate</u> A/	<u>Company</u> B/	<u>Difference</u>
	Additions:			
1	Utility Plant in Service	\$ 10,961,828	\$ 10,961,828	\$ 0
2	Land and Land Rights	-543,901	0	-543,901
3	Utility Plant Acquisition Adjustment	<u>0</u>	<u>0</u>	<u>0</u>
4	Prepayments	5,545	5,545	0
5	Working Capital	<u>129,461</u>	<u>129,461</u>	<u>0</u>
6	Total Additions	\$ <u>10,552,933</u>	\$ <u>11,096,834</u>	\$ <u>-543,901</u>
	Deductions:			
7	Accumulated Depreciation	\$ 3,199,129	\$ 3,199,129	\$ 0
8	Accumulated Amortization	653,857	0	653,857
9	Contributions in Aid of Construction	5,513,784	5,513,784	0
10	Total Deductions	\$ <u>9,366,770</u>	\$ <u>8,712,913</u>	\$ <u>653,857</u>
11	Rate Base	\$ <u>1,186,162</u>	\$ <u>2,383,921</u>	\$ <u>-1,197,759</u>

Limestone Water Operating Company, LLC - Wastewater

Comparative Working Capital

For the 12 Months Ending April 30, 2024

Line No.		Consumer Advocate ^{A/}	Company ^{A/}	Difference
1	Operaing Expenses for Test Period	\$ 129,461	\$ 129,461	\$ 0
2	Working Capital Requirement	\$ 129,461	\$ 129,461	\$ 0

Limestone Water Operating Company, LLC - Wastewater
Income Statement at Current Rates
For the 12 Months Ending April 30, 2024

Line No.		Test Period A/	Adjustments	Adjusted Test Period Amount
	Operating Revenues:			
1	Sewer Revenues	\$ 843,404	\$ 142,642	\$ 986,046
2	Other Revenues	201,451	354,492	555,943
3	Total Sewer Revenue	\$ 1,044,855	\$ 497,134	\$ 1,541,989
	Operating & Maintenance Expenses:			
4	Gain/Loss of Utility Property	\$ 76,473	\$ -76,473	\$ 0
5	Customer Record Collect (Billing)	73,193	-18,030	55,163
6	Customer Collection Expenses	237	0	236
7	Customer Record Collect (Bank Fees)	15,415	-8	15,407
8	Uncollectibles	4,969	-3	4,966
9	Meals & Travel	31	-31	0
10	Communication	3,553	0	3,553
11	Support Services (Admin Expenses Transferred)	302,529	-12,495	290,034
12	Bank Fees	19,541	-10	19,531
13	Legal	4,738	-3,426	1,312
14	Audit And Accounting	5,562	-2,621	2,941
15	MGMT Consult	4,854	-3	4,851
16	IT	669	-252	417
17	Property Insurance-Commercial	43,429	1,632	45,061
18	Regulatory Expense	27,519	639	28,158
19	Purchased Treatment	352	0	352
20	Sludge Removal	(80)	0	(80)
21	Purchased Power	173,269	2,151	175,420
22	Fuel for Power Production	38	0	38
23	Chemicals	18,508	0	18,508
24	Materials and Supplies	7,590	316	7,906
25	Mowing and Lawn Maintenance	141,876	0	141,876
26	Contract Services	413,507	84,642	498,149
27	Contract Services-Collections	31,578	0	31,578
28	Maintenance Expense	87,595	-300	87,295
29	Contract Operations - Pumping Ops	480	0	480
30	Pumping Maintenance	100	0	100
31	Treatment & Disposal	37,967	-4,634	33,333
32	Contract Services-Testing	42,596	318	42,914
33	Bad Debt	6,749	0	6,749
34	Misc, Expense	20,011	-9	20,003
35	Total Operating & Maintenance Expenses	\$ 1,564,846	\$ -28,597	\$ 1,536,249
36	Depreciation Expense	465,940	0	465,940
37	Amortization Expense	-189,623	-103,551	-293,174 C/
38	Amortization of Regulatory Asset Expense	0	0	0
39	General Taxes	2,073	0	2,073
40	Property Taxes	25,379	0	25,379
41	State Income Taxes	0	-13,323	-13,323
42	Federal Income Taxes	0	-40,247	-40,247
43	Total Operating Expenses	\$ 1,868,615	\$ -185,718	\$ 1,682,897
44	Utility Operating Income	\$ -823,759	\$ 682,852	\$ -140,908

Limestone Water Operating Company, LLC - Wastewater
Comparative Water Revenue Summary
For the 12 Months Ending April 30, 2024

Line No.	Customer Class	Consumer Advocate A/	Company B/	Difference
1	Cartwright Creek - Grassland	\$ 296,218	\$	\$ 296,218
2	Cartwright Creek - Arrington/Hardeman/Hideaway	278,736		278,736
3	Cartwright Creek	97,446		97,446
4	Aqua Utilities	118,127		118,127
5	Chapel Woods	49,822		49,822
6	Lakeside Estates (DSH)	54,005		54,005
7	Shiloh Falls	91,692		91,692
9	Total Sewer Sales Revenue	\$ 986,046	\$ 1,172,345	\$ 986,046
10	Forfeited Discounts	56,508		56,508
11	Non-Sufficient Fund Fees	65		65
12	Inspection Fees	11,550		11,550
13	Connection Fees / Tap Fees	481,575		481,575
14	Total Other Operating Revenue	\$ 549,698	\$ 15,077	\$ 534,621
14	Total Revenues	\$ <u>1,535,744</u>	\$ <u>1,187,422</u>	\$ <u>1,520,668</u>

Limestone Water Operating Company, LLC - Wastewater
Excise and Income Taxes
For the 12 Months Ending April 30, 2024

Line No.		Consumer Advocate A/
1	Operating Revenues	\$ <u><u>1,541,989</u></u>
	Operating Expenses:	
2	Gain/Loss of Utility Property	\$ 0
3	Customer Record Collect (Billing)	55,163
4	Customer Collection Expenses	236
5	Customer Record Collect (Bank Fees)	15,407
6	Uncollectibles	4,966
7	Meals & Travel	0
8	Communication	3,553
9	Support Services (Admin Expenses Transferred)	290,034
10	Bank Fees	19,531
11	Legal	1,312
12	Audit And Accounting	2,941
13	MGMT Consult	4,851
14	IT	417
15	Property Insurance-Commercial	45,061
16	Regulatory Expense	28,158
17	Purchased Treatment	352
18	Sludge Removal	-80
19	Purchased Power	175,420
20	Fuel for Power Production	38
21	Chemicals	18,508
22	Materials and Supplies	7,906
23	Mowing and Lawn Maintenance	141,876
24	Contract Services	498,149
25	Contract Services-Collections	31,578
26	Maintenance Expense	87,295
27	Contract Operations - Pumping Ops	480
28	Pumping Maintenance	100
29	Treatment & Disposal	33,333
30	Contract Services-Testing	42,914
31	Bad Debt	6,749
32	Misc, Exepense	20,003
33	Depreciation Expense	465,940
34	Amortization Expense	-293,174
35	Total Operating Expenses	\$ <u><u>1,709,016</u></u>
36	NOI Before Excise and Income Taxes	\$ -167,027
37	AFUDC	
38	Interest Expense	37,947 B/
39	Pre-tax Book Income	\$ <u><u>-204,974</u></u>
40	Schedule M Adjustments	
41	Excise Taxable Income	\$ <u><u>-204,974</u></u>
42	Excise Tax Rate	6.50%
43	Excise Tax Payable	\$ <u><u>-13,323</u></u>
44	Excise Tax - Deferred	0
45	State Excise Tax Expense	\$ <u><u>-13,323</u></u>
	Pre-tax Book Income	\$ -204,974
46	State Excise Tax Expense	-13,323
47	Schedule M Adjustments	0 D/
48	FIT Taxable Income	\$ <u><u>-191,651</u></u>
49	FIT Rate	21.00%
50	Federal Income Tax Expense	\$ <u><u>-40,247</u></u>

Limestone Water Operating Company, LLC - Wastewater

Rate of Return Summary

For the 12 Months Ending April 30, 2024

Line No.	Class of Capital	Consumer Advocate			A/
		Percent of Total	Cost Rate	Weighted Cost Rate	
1	Short-Term Debt	0.00%	0.00%	0.0000%	
2	Long-Term Debt	48.18%	6.64%	3.1992%	
4	Parent Long Term Debt	0.00%	0.00%	0.0000%	
5	Preferred Equity	0.00%	0.00%	0.0000%	
6	Common Equity	51.82%	8.04%	4.1663%	
7	Total	100.00%		7.3655%	
s					
Interest Expense Short-Term Debt					
8	Rate Base			\$ 1,186,162	B/
9	Short-Term Weighted Debt Cost			0.0000%	
10	Short-Term Debt Interest Expense			\$ 0	
Interest Expense Long-Term Debt					
11	Rate Base			\$ 1,186,162	B/
12	Long-Term Weighted Debt Cost			3.1992%	
13	Long-Term Debt Interest Expense			\$ 37,947	
14	Total Interest Expense			\$ 37,947	

Limestone Water Operating Company, LLC - Wastewater
Revenue Conversion Factor
For the 12 Months Ending April 30, 2024

<u>Line No.</u>		<u>Amount</u>	<u>Balance</u>
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.052868 A/	<u>0.052868</u>
3	Balance		1.052868
4	Uncollectible Ratio	0.010000 B/	<u>0.010529</u>
5	Balance		1.042339
6	State Excise Tax	0.065000 C/	<u>0.067752</u>
7	Balance		0.974587
8	Federal Income Tax	0.210000 C/	<u>0.204663</u>
9	Balance		<u>0.769924</u>
10	Revenue Conversion Factor (Line 1 / Line 9)		<u><u>1.298829</u></u>

Limestone Water Operating Company, LLC
CA Proposed Revenue Change
For the 12 Months Ending April 30, 2024

Line No.	Location	Current Rates A/	Proposed Rates	Revenue Change B/	Percent Change
1	Cartwright Creek	\$ 672,400	\$ 1,023,455	\$ 351,055	52.21%
2	Aqua Utilites	269,142	409,659	140,517	52.21%
3	Chapel Woods	49,822	75,834	26,012	52.21%
4	Lakeside Estates	54,005	82,200	28,195	52.21%
5	Shiloh Falls	91,692	139,564	47,872	52.21%
6	Candlewood Lakes	49,920	75,983	26,063	52.21%
7	Total Water Sales Revenues	\$ 1,186,981	\$ 1,806,694	\$ 619,713	52.21%
8	Other Revenues	555,943	590,535	34,592	6.22%
9	Total Revenues	\$ 1,742,924	\$ 2,376,623	633,699	36.36%

Limestone Water Operating Company, LLC - Water
INDEX TO SCHEDULES
For the 12 Months Ending April 30, 2024

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Limestone Water Operating Company, LLC - Water

Results of Operations

For the 12 Months Ending April 30, 2024

Line No.		Consumer Advocate	Company E/	Difference
1	Rate Base	\$ 754,949 A/	\$ 888,407	\$ -133,458
2	Operating Income At Current Rates	-204,021 B/	-204,021	0
3	Earned Rate Of Return	-27.02%	-22.96%	-4.06%
4	Fair Rate Of Return	7.37% C/	9.64%	-2.27%
5	Required Operating Income	55,606	85,626	-30,021
6	Operating Income Deficiency	259,626	289,647	-30,021
7	Gross Revenue Conversion Factor	1.298829 D/	1.367496	-0.068667
8	Gross Income Conversion Factor		1.010101	
9	Revenue Deficiency	\$ 337,210	\$ 314,110	\$ 23,100

Limestone Water Operating Company, LLC - Water
Average Rate Base
For the 12 Months Ending April 30, 2024

<u>Line No.</u>		<u>Test Period</u> A/	<u>Adjustments</u>	<u>Adjusted Test Period</u>
Additions:				
1	Utility Plant in Service	\$ 1,688,819	\$ 0	\$ 1,688,819 B/
2	Land and Land Rights	0	-133,458	-133,458 B/
3	Prepayments	902	0	902 B/
4	Construction Work In Process	0	0	0
5	Working Capital	<u>39,210</u>	<u>0</u>	<u>39,210 C/</u>
6	Total Additions	\$ <u>1,728,931</u>	\$ <u>-133,458</u>	\$ <u>1,595,473</u>
Deductions:				
7	Accumulated Depreciation	\$ 673,587	\$ 0	\$ 673,587 B/
8	Accumulated Amortization	0	0	0
9	Contributions in Aid of Construction	166,937	0	166,937 B/
10	Total Deductions	\$ <u>840,524</u>	\$ <u>0</u>	\$ <u>840,524</u>
11	Rate Base	\$ <u>888,408</u>	\$ <u>-133,459</u>	\$ <u>754,949</u>

Limestone Water Operating Company, LLC - Water
Comparative Rate Base
For the 12 Months Ending April 30, 2024

Line No.		<u>Consumer Advocate</u> A/	<u>Company</u> B/	<u>Difference</u>
	Additions:			
1	Utility Plant in Service	\$ 1,688,819	\$ 1,688,819	\$ 0
2	Land and Land Rights	-133,458	0	-133,458
3	Utility Plant Acquisition Adjustment	<u>0</u>	<u>0</u>	<u>0</u>
4	Prepayments	902	902	1
5	Working Capital	<u>39,210</u>	<u>39,210</u>	<u>0</u>
6	Total Additions	\$ <u>1,595,473</u>	\$ <u>1,728,931</u>	\$ <u>-133,458</u>
	Deductions:			
7	Accumulated Depreciation	\$ 673,587	\$ 673,587	\$ 0
8	Accumulated Amortization	0	0	0
9	Contributions in Aid of Construction	166,937	166,937	0
10	Total Deductions	\$ <u>840,524</u>	\$ <u>840,524</u>	\$ <u>0</u>
11	Rate Base	\$ <u>754,949</u>	\$ <u>888,407</u>	\$ <u>-133,458</u>

Limestone Water Operating Company, LLC - Wastewater
Comparative Working Capital
For the 12 Months Ending April 30, 2024

Line No.		Consumer Advocate A/	Company A/	Difference
1	Operaing Expenses for Test Period	\$ 39,210	\$ 39,210	\$ 0
2	Working Capital Requirement	\$ 39,210	\$ 129,461	\$ 0

Limestone Water Operating Company, LLC - Water
Income Statement at Current Rates
For the 12 Months Ending April 30, 2024

Line No.		Test Period A/	Adjustments	Adjusted Test Period Amount B/
	Operating Revenues:			
1	Water Sales Revenues	\$ 186,972	\$ 13,962	\$ 200,935
2	Other Revenues	0	0	0
3	Total Water Revenue	\$ 186,972	\$ 13,962	\$ 200,935
	Operating & Maintenance Expenses:			
4	Gain/Loss of Utility Property	\$ 229	\$ -229	\$ 0
5	Customer Record Collect (Billing)	22,813	-6,746	16,069
6	Customer Collection Expenses	71	0	71
7	Customer Record Collect (Bank Fees)	4,604	8	4,612
8	Uncollectibles	1,484	3	1,487
9	Meals & Travel	0	0	0
10	Communication	0	0	0
11	Support Services (Admin Expenses Transferred)	90,366	-3,529	86,837
12	Bank Fees	5,837	10	5,847
13	Legal	809	-55	754
14	Audit And Accounting	1,661	-781	880
15	MGMT Consult	1,450	3	1,452
16	IT	0	0	0
17	Property Insurance-Commercial	12,614	-274	12,340
18	Regulatory Expense	921	-27	895
19	Miscellaneous	5,185	8	5,193
20	Purchased Water	164,876	-5,688	159,188
21	Purchased Power	5,323	-184	5,140
22	Chemicals	1,975	-68	1,907
23	Materials and Supplies	1,866	-64	1,801
24	Mowing and Lawn Maintenance	1,699	0	1,699
25	Contract Services	101,900	11,991	113,891
26	Maintenance Expense	29,287	-3,758	25,529
27	Testing	850	0	850
28	Bad Debt	1,477	0	1,477
29	Total Operating & Maintenance Expenses	\$ 457,298	\$ -9,381	\$ 447,918
30	Depreciation Expense	52,666	0	52,666
31	Amortization Expense	-7,441	-7,455	-14,896 C/
32	Amortization of Regulatory Asset Expense	0	0	0
33	General Taxes	0	0	0
34	State Excise Taxes	0	-20,079	-20,079
35	Federal Income Taxes	0	-60,654	-60,654
36	Total Operating Expenses	\$ 502,523	\$ -97,569	\$ 404,955
37	Utility Operating Income	\$ -315,551	\$ 111,531	\$ -204,021

Limestone Water Operating Company, LLC - Water
Comparative Water Revenue Summary
For the 12 Months Ending April 30, 2024

Line No.	Customer Class	Consumer Advocate A/	Company B/	Difference
1	Aqua Utilities	\$ 151,015	\$	\$ 151,015
2	Candlewood Lakes	49,920		49,920
3	Total Water Sales Revenue	\$ 200,935	\$ 197,053	\$ 200,935
4	Forfeited Discounts			0
5	Non-Sufficient Fund Fees			0
6	Inspection Fees			
7	Connection Fees / Tap Fees			
8	Total Other Operating Revenue	\$ 0	\$ 1,840	\$ -1,840
9	Total Revenues	\$ <u>200,935</u>	\$ <u>198,894</u>	\$ <u>199,094</u>

Limestone Water Operating Company, LLC - Water
Excise and Income Taxes
For the 12 Months Ending April 30, 2024

Line No.		Consumer Advocate	A/
1	Operating Revenues	\$ 200,935	
	Operating Expenses:		
2	Gain/Loss of Utility Property	\$ 0	
3	Customer Record Collect (Billing)	16,069	
4	Customer Collection Expenses	71	
5	Customer Record Collect (Bank Fees)	4,612	
6	Uncollectibles	1,487	
7	Meals & Travel	0	
8	Communication	0	
9	Support Services (Admin Expenses Transferred)	86,837	
10	Bank Fees	5,847	
11	Legal	754	
12	Audit And Accounting	880	
13	MGMT Consult	1,452	
14	IT	0	
15	Property Insurance-Commercial	12,340	
16	Regulatory Expense	895	
17	Miscellaneous	5,193	
18	Purchased Water	159,188	
19	Purchased Power	5,140	
20	Chemicals	1,907	
21	Materials and Supplies	1,801	
22	Mowing and Lawn Maintenance	1,699	
23	Contract Services	113,891	
24	Maintenance Expense	25,529	
25	Testing	850	
26	Bad Debt	1,477	
27	Depreciation Expense	52,666	
28	Amortization Expense	-14,896	
29	Total Operating Expenses	\$ 485,688	
30	NOI Before Excise and Income Taxes	\$ -284,753	
31	AFUDC		
32	Interest Expense	24,152	B/
33	Pre-tax Book Income	\$ -308,905	
34	Schedule M Adjustments		
35	Excise Taxable Income	\$ -308,905	
36	Excise Tax Rate	6.50%	
37	Excise Tax Payable	\$ -20,079	
38	Excise Tax - Deferred	0	
39	State Excise Tax Expense	\$ -20,079	
	Pre-tax Book Income	\$ -308,905	
40	State Excise Tax Expense	-20,079	
41	Schedule M Adjustments	0	
42	FIT Taxable Income	\$ -288,826	
43	FIT Rate	21.00%	
44	Federal Income Tax Expense	\$ -60,654	

Limestone Water Operating Company, LLC - Water

Rate of Return Summary

For the 12 Months Ending April 30, 2024

Line No.	Class of Capital	Consumer Advocate			A/
		Percent of Total	Cost Rate	Weighted Cost Rate	
1	Short-Term Debt	0.00%	0.00%	0.0000%	
2	Long-Term Debt	48.18%	6.64%	3.1992%	
4	Parent Long Term Debt	0.00%	0.00%	0.0000%	
5	Preferred Equity	0.00%	0.00%	0.0000%	
6	Common Equity	51.82%	8.04%	4.1663%	
7	Total	100.00%		7.3655%	
S					
Interest Expense Short-Term Debt					
8	Rate Base			\$ 754,949	B/
9	Short-Term Weighted Debt Cost			0.0000%	
10	Short-Term Debt Interest Expense			\$ 0	
Interest Expense Long-Term Debt					
11	Rate Base			\$ 754,949	B/
12	Long-Term Weighted Debt Cost			3.1992%	
13	Long-Term Debt Interest Expense			\$ 24,152	
14	Total Interest Expense			\$ 24,152	

Limestone Water Operating Company, LLC - Water
Revenue Conversion Factor
For the 12 Months Ending April 30, 2024

<u>Line No.</u>		<u>Amount</u>	<u>Balance</u>
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.052868 A/	<u>0.052868</u>
3	Balance		1.052868
4	Uncollectible Ratio	0.010000 B/	<u>0.010529</u>
5	Balance		1.042339
6	State Excise Tax	0.065000 C/	<u>0.067752</u>
7	Balance		0.974587
8	Federal Income Tax	0.210000 C/	<u>0.204663</u>
9	Balance		<u><u>0.769924</u></u>
10	Revenue Conversion Factor (Line 1 / Line 9)		<u><u>1.298829</u></u>