

IN THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE

IN RE:

PETITION OF LIMESTONE WATER	)	
UTILITY COMPANY, LLC TO INCREASE	)	
CHARGES, FEES AND RATES, AND FOR	)	DOCKET NO. 24-00044
APPROVAL OF A GENERAL RATE	)	
INCREASE AND CONSOLIDATED	)	
RATES	)	

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PETITION TO INTERVENE

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The Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), by and through counsel, pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (“TPUC” or the “Commission”) to grant the Consumer Advocate’s intervention into this proceeding because consumers’ interests, rights, duties, or privileges may be determined or affected by the *Petition of Limestone Water Utility Operating Company, LLC to Increase Charges, Fees and Rates and for Approval of a General Rate Increase and Consolidated Rates* (“Petition”) filed in TPUC Docket No. 24-00044. For cause, the Consumer Advocate would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public-utility services by initiating and intervening as a party in any matter or proceeding before the Commission in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101, *et seq.*, and TPUC rules.

2. Limestone Water Utility Company, LLC (“Limestone” or the “Company”) is a public utility regulated by the Commission. It provides water service to approximately 573 water connections being served by two water systems and eight wastewater service to approximately

1,914 sewer connections in five (5) Tennessee counties.<sup>1</sup> The Company “is an indirect wholly owned subsidiary of Central States Water Resources, LLC (“CSWR”), which provides managerial and operational services to the Company.”<sup>2</sup> Its principal place of business is located at 1630 Des Peres Road, Suite 140, St. Louis, Missouri, 63131.<sup>3</sup>

3. Limestone operates two water systems and eight wastewater systems in Tennessee and the rates for each system are unique.<sup>4</sup> These rates have remained in place since the prior operators of each system were in control, as this is Limestone’s first rate case filed in Tennessee.

4. The Company asserts that the current rates are causing it to incur operation losses, with a net operating loss of \$2,630,461 during the test year.<sup>5</sup> The Company’s water revenue deficiency is calculated to be \$450,561 and a sewer revenue deficiency of \$1,223,275.<sup>6</sup> This revenue deficiency has led the Company to propose a revenue requirement of approximately \$2,410,952 for the Attrition Year.<sup>7</sup>

5. Additionally, the Company asserts that, based upon its revenue requirements during the Attrition Year, the Company would earn an estimated return on common equity of approximately 11.90%.<sup>8</sup> This includes an upward adjustment of 1.50% for extraordinary Company-specific risks.<sup>9</sup> This requested ROE produces an overall rate of return of 9.64% on a total rate base of \$3,272,329.<sup>10</sup> The Company’s return on equity based on its current rates is approximately (35.6)% for its water operations and (35.5)% for its sewer operations.<sup>11</sup> Limestone

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<sup>1</sup> *Petition of Limestone Water Utility Company, LLC to Increase Charges, Fees and Rates and for Approval of a General Rate Increase and Consolidated Rates*, at 1, ¶ 1, TPUC Docket No. 24-00044 (July 16, 2024).

<sup>2</sup> *Id.* at 2, ¶ 2.

<sup>3</sup> *Id.* at ¶ 3.

<sup>4</sup> *Id.* at ¶ 1.

<sup>5</sup> *Id.* at 5, ¶ 11.

<sup>6</sup> *Petition* at 4, ¶ 10.

<sup>7</sup> *Id.* ¶ 9.

<sup>8</sup> *Id.* at p. 5, ¶ 12.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* ¶ 11.

is also proposing to update its tariff to reflect the consolidated rate structure and to update and consolidate its terms, conditions, and service charges.<sup>12</sup>

6. Limestone also proposes that it be allowed to place into effect a consolidated rate structure, moving from a different rate schedule for each system to one consolidated rate for all its systems.<sup>13</sup> If the proposed rates are approved, the monthly bill for an average residential customer with one person in the household using 3,000 gallons would be approximately \$64 per month for water and \$86.64 per month for sewer services.<sup>14</sup> This is a 219.56% increase for the average consumer.<sup>15</sup>

7. The interests of consumers may be affected by determinations and orders made by TPUC in this rate case with respect to the following: (i) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-103(a) and other relevant statutory and regulatory provisions; (ii) the review and analysis of the Company's documentation, financial spreadsheets, and materials; and (iii) the interpretation, application, and/or implementation of the terms and conditions of the Commission's Orders in prior TPUC dockets involving Limestone, as well as any related settlement agreements applicable to these dockets.

8. Only by participating as a party to this proceeding can the Consumer Advocate Adequately carry out its statutory duty to represent the interests of Tennessee consumers.

Accordingly, the Consumer Advocate respectfully requests the Commission to grant this Petition to Intervene.

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<sup>12</sup> *Petition*, at 5, ¶ 13.

<sup>13</sup> *Id.*

<sup>14</sup> *Direct Testimony of Aaron Silas*, Petitioner's Exhibit AJS-6 Rate Comparison Water/Sewer.

<sup>15</sup> *Id.*

RESPECTFULLY SUBMITTED,

  
**JONATHAN SKRMETTI** (BPR No. 031551)

Attorney General and Reporter  
State of Tennessee



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**VICTORIA B. GLOVER** (BPR No. 037954)

Assistant Attorney General

**VANCE L. BROEMEL** (BPR No. 011421)

Senior Assistant Attorney General

**SHILINA B. BROWN** (BPR No. 020689)

Senior Assistant Attorney General

Office of the Tennessee Attorney General

Consumer Advocate Division

P.O. Box 20207

Nashville, Tennessee 37202-0207

Phone: (615) 360-4219

Fax: (615) 741-1026

Email: [victoria.glover@ag.tn.gov](mailto:victoria.glover@ag.tn.gov)

Email: [vance.broemel@ag.tn.gov](mailto:vance.broemel@ag.tn.gov)

Email: [shilina.brown@ag.tn.gov](mailto:shilina.brown@ag.tn.gov)

**TPUC Docket No, 24-00044**

*CA's Petition to Intervene*

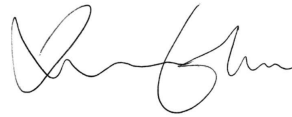
**CERTIFICATE OF SERVICE**

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

Melvin J. Malone  
The Pinnacle at Symphony Place  
150 3rd Avenue South, Suite 1600  
Nashville, TN 37201  
[melvin.malone@butlersnow.com](mailto:melvin.malone@butlersnow.com)

Russ Mitten  
David Woodsmall  
General Counsel – Central States Water Resources  
CSWR, LLC  
1630 Des Peres Road, Suite 140  
St. Louis, MO, 63131  
[dwoodsmall@cswrgroup.com](mailto:dwoodsmall@cswrgroup.com)

This the 2<sup>nd</sup> day of August, 2024



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**VICTORIA B. GLOVER**  
Assistant Attorney General