

BUTLER | SNOW

February 27, 2025

VIA ELECTRONIC FILING

David Foster, Director
Utilities Division
c/o Ectory Lawless, Docket Room Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
TPUC.DocketRoom@tn.gov

Electronically Filed in TPUC Docket
Room on February 27, 2025 at 11:48 a.m.

RE: *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, TPUC Docket No. 24-00044*

Dear Mr. Foster:

Attached for filing please find *Limestone Water Utility Operating Company, LLC's Replacement Attachment to Response No. 6 to Staff's January 31st Data Request* in the above-captioned matter. The Attachment was originally filed on February 25, 2025, as confidential and can be replaced with this Attachment as non-confidential.

Please feel free to reach out to me if you have any further questions.

Sincerely,

BUTLER SNOW LLP


Katherine Barnes Cohn

clw

Attachment

cc: Russ Mitten, Limestone Water Utility Operating Company, LLC
 Karen H. Stachowski, Consumer Advocate Division
 Victoria B. Glover, Consumer Advocate Division
 Shilina B. Brown, Consumer Advocate Division

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BUTLER SNOW LLP

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Limestone Water Operating Company, LLC

24000-XXX

Rate Design - Water

For the Period Ending April 30, 2024

Line Number (A)	Service Area & Customer Type (B)	Base Year Customer Count (C)	Residential Customer Equivalent (D)	Customer Equivalents (E) (C) x (D)	Base Year At Present Rates Revenue (F)	Proposed Revenue Increase (G)	Base Year Proposed Revenue (H)* (F) + (G)	Flat Charge Proposed Revenue (I)	Usage Charge Proposed Revenue (J)	Base Year Proposed Flat Monthly Charge (K)	Base Year Proposed Usage Monthly	Base Year Proposed Avg. Monthly
1												
2	Meter Size											
3	5/8"	434	1.00	434	\$144,287	\$297,568	\$441,856	\$331,392	\$110,464	\$63.63	\$ 5.68	\$84.84
4	3/4"	10	1.00	10	\$3,325	\$6,856	\$10,181	\$7,636	\$2,545	\$63.63	\$ 5.68	\$84.84
5	1"	1	1.25	1	\$416	\$857	\$1,273	\$954	\$318	\$79.54	\$ 5.68	\$106.05
6	1.5"	1	5.00	5	\$1,662	\$3,428	\$5,091	\$3,818	\$1,273	\$318.16	\$ 5.68	\$424.21
7	2"	3	8.00	24	\$7,979	\$16,455	\$24,434	\$18,326	\$6,109	\$509.05	\$ 5.68	\$678.73
8	3"	0	15.00	0	\$0	\$0	\$0	\$0	\$0	\$954.47	\$ 5.68	\$0.00
9	4"	0	25.00	0	\$0	\$0	\$0	\$0	\$0	\$1,590.78	\$ 5.68	\$0.00
10	6"	0	50.00	0	\$0	\$0	\$0	\$0	\$0	\$3,181.56	\$ 5.68	\$0.00
11					\$0		\$0					
13	No Meter - (Flat Rate)	124	1.00	124	\$41,225	\$85,020	\$126,244	\$126,244	\$0	\$84.84	\$0.00	\$84.84
14												
15	Total	573		598	\$198,894	\$410,185	\$609,078	\$488,370	\$120,709			

*Base Year Proposed Revenue does not include the Purchased Water expense related to the Aqua Utilities service area as that has been proposed as a separate pass-through charge

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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	Base Year At Present Rates Revenue	Proposed Revenue Increase	Base Year Proposed Revenue	Base Year Proposed Monthly Rate
(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	\$1,305,861	\$2,224,659	\$103.34
3	Commercial	525	1.00	525	\$268,879	\$382,150	\$651,029	\$103.34
4								
5								
6	Total	2,319		2,319	\$1,187,678	\$1,688,011	\$2,875,688	
7								
8	*Commercial unit counts are based on Equivalent Residential Unit (ERU) and are determined by premise/facility type							
9								
10								
11								

Line Number	Description	Water
(A)	(B)	(C)
1		
2	Total Original Cost Rate Base	\$1,452,645
3		
4	Net Income at Present Rates	(\$422,951)
5		
6	Earned Rate of Return	-29.1%
7		
8	Requested Rate of Return	9.6%
9		
10	Required Return on Rate Base	\$140,009
11		
12	Weighted Return on Equity	6.8%
13		
14	Operating Income Deficiency	\$562,960
15		
16	Net Income Required for Return on	\$98,533
17		
18	Gross Revenue Conversion Factor	1.01
19	Gross Income Conversion Factor	1.37
20		
21	Revenue Deficiency	\$603,861
22		
23	Pro Forma Revenue at Present Rat	\$198,894
24		
25	Total Revenue Requirement	\$802,755
26		
27		
28		
29		
30	Filed Revenue Requirement	\$649,455
31		
32	Increase to Revenue Requirement	\$153,300
33		
34		
35		

[illegible]

Line Number	Description	Sewer
(A)	(B)	(C)
1		
2	Total Original Cost Rate Base	\$4,555,707
3		
4	Net Income at Present Rates	(\$1,217,945)
5		
6	Earned Rate of Return	-26.7%
7		
8	Requested Rate of Return	9.6%
9		
10	Required Return on Rate Base	\$439,088
11		
12	Weighted Return on Equity	6.8%
13		
14	Operating Income Deficiency	\$1,657,033
15		
16	Net Income Required for Return on	\$309,014
17		
18	Gross Revenue Conversion Factor	1.01
19	Gross Income Conversion Factor	1.37
20		
21	Revenue Deficiency	\$1,784,211
22		
23	Pro Forma Revenue at Present Rate:	\$1,187,678
24		
25	Total Revenue Requirement	\$2,971,889
26		
27		
28		
29		
30	Filed Revenue Requirement	\$2,410,952
31		
32	Increase to Revenue Requirement	\$560,936
33		
34		
35		

[illegible]

Acquisition Adjustments

Acquisition	Sewer	Water	Total
Aqua	323,487	386,816	710,303
Candlewood		59,322	59,322
Cartwright Creel	1,240,278		1,240,278
Shiloh Falls	150,519		150,519
DSH	31,147		31,147
Total	1,745,431	446,137	2,191,569

20 year amortize 87,271.57 22,306.86

Transaction Costs

Acquisition	Sewer	Water	Total
Aqua	26,112	14,410	40,523
Candlewood Lakes		103,690	103,690
Cartwright Creel	198,892		198,892
Chapel Woods	40,516		40,516
DSH	94,278		94,278
Shiloh Falls	66,556		66,556
Total	426,354	118,100	544,454

30 year amortize 14,211.80 3,936.66

Rate Case Costs

	Sewer	Water	Total
Rate Case Expen	192,400	57,600	250,000

2 year amortizat \$ 96,200.24 \$ 28,799.76

2319 Sewer Customers

598 Water Customers

Increase to Revenue Requirement

Sewer	Water		
\$ 300,393	\$	76,781	Detail Provided in response to CAD DR 66

Rate Impact

\$ 10.79	\$	10.70
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Increase to Revenue Requirement

Sewer	Water		
\$ 66,199	\$	18,337	Detail Provided in response to CAD DR 67

Rate Impact

\$ 2.38	\$	2.55
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Increase to Revenue Requirement

Sewer	Water		
\$ 97,172	\$	29,091	

Rate Impact

\$ 3.49	\$	4.05
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