

**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 GENERAL RATE INCREASE AND)
CONSOLIDATED RATES)

**CONSUMER ADVOCATE’S MOTION FOR ENTRY
OF A PROCEDURAL SCHEDULE**

Comes the Consumer Advocate Division (“Consumer Advocate”) of the Office of the Tennessee Attorney General and hereby moves for entry of a procedural schedule governing Phase II of Limestone’s rate case in Tennessee Public Utility Commission (“TPUC” or the “Commission”) Docket No. 24-00044.

Pursuant to the *Order Setting Utility Rates* (“Order”) in TPUC Docket No. 24-00044 issued on July 10, 2025, Limestone’s rate increase was divided into two phases.¹ The second phase is to begin some time after March 2, 2026, the date when Limestone has been ordered to file updated information on its revenues as well as on the billing determinants used in calculating each customer’s bill.²

The *Order Setting Utility Rates*, however, did not set forth any schedule for discovery by the Consumer Advocate of the information to be filed by Limestone. Therefore, the Consumer Advocate moves the Commission to enter a procedural schedule that allows sufficient time for

¹ *Order Setting Utility Rates* at 106, TPUC Docket No. 24-00044 (July 10, 2025).

² *Id.* Further, the Commission directed Limestone to propose a rate design and provide supporting testimony. *Id.* at 112.

discovery of this material as well as drafting testimony, and a hearing to cross-examine witnesses, if necessary.

In addition, a procedural schedule providing for discovery would give the Consumer Advocate a reasonable opportunity to explore recent reports of billing problems experienced by Limestone customers under the new tariff filed in Phase I. For example, in one case a customer's bill went from \$44.50 per month to \$14,026.47, with no explanation for the huge increase.³

DISCUSSION

In its *Order*, the Commission set forth its decision to divide the Limestone rate case into two phases. Underlying this decision was the Commissions' recognition that it had insufficient information to set commercial sewer rates:

In developing the phase one rate design, the panel prioritized maintaining affordable residential rates and shifting a higher portion of the additional revenue increase to commercial sewer customers. Depending on the system, the panel's rate design will increase water and sewer rates for residential customers between 20% and 40%. The panel adopted a 63.61% overall revenue increase to the commercial sewer customers. However, the panel did not have enough underlying data for sewer billing determinants to set commercial sewer rates. Basing a rate design on this questionable data could result in extreme rate increases to certain groups of commercial customers, especially small customers such as small offices, which tend to have low sewer usage. Further complicating this problem, Limestone recommended one consolidated sewer rate for all systems. Therefore, the panel directed Limestone to file a rate design for commercial sewer customers to generate an additional \$242,076 from sewer customers, representing a 63.61% increase in overall commercial sewer revenues. Further, Limestone was directed to work with Commission Staff to implement the rate design ordered herein. (Emphasis Added).⁴

With regard to Phase II of the rate case, the Commission found that it would need updated information from Limestone before determining a final rate:

³ Email from Glynn Taylor, River Rest resident, to Karen H. Stachowski, Deputy Attorney General, Consumer Advocate Division (December 22, 2025), attached as CA Motion Exhibit A.

⁴ *Order Setting Utility Rates* at 107. (footnotes removed)

Before implementing phase two of the rate increases, the Commission will need updated information from Limestone, including, but not limited to, the amount of revenues collected by month by system and the latest available monthly billing determinants by system. Accordingly, Limestone shall file this information by March 2, 2026, including a proposed rate design to collect the remaining revenue deficiency and supporting testimony. This should provide ample time for the Consumer Advocate to review the filing and gather the necessary information to file any proposed alternative rate design and testimony, if needed.⁵

This portion of the *Order* explicitly refers to participation by the Consumer Advocate in Phase II. The *Order*, however, does not set forth any timetable for the Consumer Advocate to gather the “necessary information” as referenced in the *Order*.

Therefore, if the Consumer Advocate is to meaningfully participate and comment in this phase of the Docket, a procedural schedule allowing for discovery and filing testimony is necessary. The Consumer Advocate needs to be able to probe the information provided by Limestone and, if necessary, cross-examine Company witnesses.

In *Tennessee Consumer Advocate v. Tennessee Regulatory Authority and United Cities Gas Company*, the Tennessee Court of Appeals held that:

The issue of consideration of documents and/or communication is not an issue of “judicial notice” or “administrative notice” but an issue of admissibility of evidence and procedural fairness in respect to notice of the matter to be considered and opportunity to cross-examine, or impeach the source or contradict the evidence to be considered.⁶

In the Limestone case, the Consumer Advocate is attempting to do exactly what the Court of Appeals said is its right: to have the opportunity to “cross-examine, or impeach the source or contradict the evidence to be considered.”⁷

⁵ *Id.* at 106.

⁶ *Tennessee Consumer v Tennessee Regulatory Authority and United Cities Gas Co.*, p 6, Appeal No. 01A001-9606-BC-00286 (Middle Section) (March 5, 1997), copy attached as CA Motion Exhibit B.

⁷ *Id.*

Without a proper procedural schedule, however, the Consumer Advocate will not have this opportunity. According to the Commission's *Order*, the rates of Phase II are intended to be effective May 1, 2026.⁸ There is, therefore, a very short time for the Consumer Advocate to make its case. Without a procedural schedule that would be impossible.

In addition to issues raised by the Company's supplied material, the Consumer Advocate has recently learned of certain apparent billing irregularities for commercial customers in applying the new Limestone tariff. In one instance, a customer's bill went from \$44.50 per month to \$14,026.47.⁹ Such an extreme increase warrants exploration including discovery, a process that can only be done in a practical manner by the implementation of a procedural schedule.

CONCLUSION

For the foregoing reasons, the Commission should grant the Consumer Advocate's Motion for the Entry of a Procedural Schedule.

RESPECTFULLY SUBMITTED,



VANCE L. BROEMEL (BPR No. 011421)

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⁸ *Order Setting Utility Rates* at 106.

⁹ Email from Glynn Taylor, River Rest resident, to Karen H. Stachowski, Deputy Attorney General, Consumer Advocate Division (December 22, 2025).

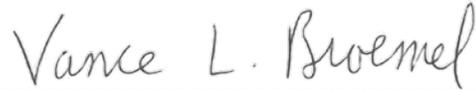
CERTIFICATE OF SERVICE

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

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This the 4th day of February, 2026.



VANCE L. BROEMEL
Senior Assistant Attorney General

From: [Karen H. Stachowski](#)
To: [Vance Broemel](#); [Victoria Glover](#); [Shilina B. Brown](#); [Terra N. Allen](#); [Alora Stuart](#); [Clark Kaml](#); ddittmoreBRC@outlook.com
Subject: FW: LIMESTONE - old natchez cc info
Date: Monday, December 22, 2025 8:57:00 AM

FYI

From: Glynn Taylor [REDACTED]
Sent: Monday, December 22, 2025 7:21 AM
To: Karen H. Stachowski <Karen.Stachowski@ag.tn.gov>
Cc: Alora Stuart <Alora.Stuart@ag.tn.gov>; Terra N. Allen <Terra.Allen@ag.tn.gov>
Subject: LIMESTONE - old natchez cc info

Ms. Stachowski –

This email is to supplement files I am also electronically dropping today.

As we discussed previously via voice call, I am the President and an owner of Old Natchez Country Club, and we are a commercial customer of Limestone Water's Cartwright Creek wastewater subsidiary.

BACKGROUND

Pursuant to Limestone's Petition to Increase Rates etc. (TPUC Docket# 2400044) our monthly wastewater charge increased from \$44.50 for April 2025 to \$14,026.47 for May 2025. Prior to Limestone's acquisition of Cartwright Creek in 2021 our final monthly wastewater charge was \$608. Understandably we immediately contacted Limestone to resolve what we assumed was a billing error as we had received no prior notice of such an increase. After being repeatedly informed by several Limestone representatives that the "new rate was approved by TPUC" we filed a complaint with TPUC on June 12, 2025. Following this filing we eventually were routed to Limestone's Aaron Silas with whom we began correspondence on 7/29/25. Through the course of our own research regarding the "Commercial Rate Design" portion of the Petition and correspondence with Mr. Silas we concluded:

- Calculation of our company's waste water charge was egregiously overstated by several magnitudes at \$14,000 vs \$2,300.
- The sources of this overstatement included specifically, Limestone's arbitrary methodology in assigning ERUs and generally the design of the plan itself.
- The veracity and practical usefulness of the entire commercial rate design is questionable because the inaccuracies and flaws in the setting of our company's rate were not isolated and are easily identified in the rates assigned to other commercial customers.
- The commercial rate design includes a number of divergences from the Panel's guidelines and other material inconsistencies including 3 utility districts (accounting for 7 commercial customers) that were listed on the roster of commercial customers provided TPUC, but not listed in the final rate design plan, and our company accounting for 100% of the \$132,000

revenue increase set forth for Cartwright Creek commercial in the rate design plan.

- TPUC commissioners and staff were likely “blind” to both the degree of error in the initially assigned rates and the methodology underlying the rates because full details of the methodology underlying the commercial rate design were never submitted by Limestone in the evidentiary record.

In correspondence dated 9/9/25 we presented several of the above referenced conclusions to Limestone along with our belief that the Consumer Advocate would likely enjoin our complaint and that TPUC would agree that our rate should be adjusted and that the broader commercial rate design should be reviewed. Without questioning or objecting to any of our conclusions, Limestone agreed on 9/12/25 to adjust our rate, and provided a general reassurance that they were “considering ways to have the most up to date information from commercial customers prior to Phase 2 and were planning a data gathering campaign for appropriate ERU adjustments to present to the Commission”. After some additional back and forth regarding what 12 months of data to use in recalculating our monthly rate we reached agreement that our monthly charge under Phase 1 would be \$3,379 – \$10,647 less than (24%) of what it was initially set. While Limestone’s adjustment of our rate from astoundingly mis-guided level represented improvement we do not believe it is still yet consistent with the intent or guidelines of TPUC.

CONCERNS REGARDING PHASE 2

At several points, following Limestone’s agreement to adjust our rate based on the methodology and amount that we provided we asked for updates as to details of how our rate might evolve in Phase 2 of the tariff implementation. At each inquiry Limestone was unable to provide any details. Given the lack of transparency regarding Phase 2, the identified problems of Phase 1 and Limestone’s reticence to acknowledge flaws within the commercial rate design, we understandably are concerned that Phase 2 of the tariff will find us again dedicating significant resources to cause a flawed implementation to be corrected.

COURSE OF ACTION

As stated, we believe it is the case that the Commercial Rate Design as conceived and implemented in Phase 1 is so flawed that, prior to codifying any commercial rate design for Phase 2, those flaws should be rigorously and transparently memorialized, and the plan should most likely be re-designed utilizing a wholly different approach that causes commercial customers to receive the benefit of increases that are restricted to be within the parameters TPUC has set forth. Very specifically, Limestone’s approach of establishing ERUs for each commercial customer and multiplying those ERUs by a monthly rate to set a monthly charge, should be replaced with an approach similar to that utilized for residential customers whereby the revenue deficiencies approved by TPUC are captured via increases that are within specific percentages, likewise set forth by TPUC, of customers pre-tariff rates. Any assertion by Limestone that it is not possible to identify pre-tariff rates at which commercial customers were billed prior to Limestone’s acquisition of various utility districts must be regarded as non-factual, and set aside, as such has been disproven both in the discovery process to date and by our company’s own actions. Examination of the current commercial rate design must begin with a thorough review of Limestone’s characterization and presentation of its methodology to TPUC which we believe will establish that Limestone either misstated or withheld information from TPUC in regards to the arbitrary discretion with which it would apply the methodology and the

consequences of its application to commercial customers. Additionally, we believe that there are likely additional aspects of the both the commercial rate design and the broader tariff design that should be reviewed including Limestone's roster of commercial customers, Limestone's characterization of commercial customers waste-water flows and the capacity and likelihood of each utility district to add additional residential and commercial customers in the near future at rates in excess of the exceptionally modest estimates incorporated into the analysis to date.

Given our first-hand experience in receiving an un-announced \$13,000 (35,000%) monthly increase and identifying questionable aspects of the design, we are requesting to be included in any review process for Phase 2, and hope the Consumer Advocate's Division can assist us in doing so, be that via participation in Public Hearings, joining a complaint, meeting in person, via phone etc. Our company fully appreciates and understands the need to upgrade wastewater facilities, we simply believe that the contributions of our company, and commercial customers in general, in doing so have been completely mis-managed to date, but can be aligned with TPUCs objectives, and we are able and ready to assist in designing a rate plan that does so.

SUBMITTED MATERIALS

Via the portal established for this matter we have submitted the following documents pertinent to this matter:

- **"Limestone – analysis.9.29.25"** – final calculation of ERU's for our company utilizing a methodology and calculations prepared by our company to which Limestone reluctantly agreed to adopt.
- **"EMAIL – 9.12.25 – eru reduction agreed"** – email thread in which we provide details of the adjustment requested and set forth flaws associated with the rate assigned to our company and the broader commercial plan; and Limestone confirms acceptance of our requested adjustment.
- **"EMAIL – 9.8.25 – plan design q&a"** – email thread in which many different aspects of the rate design are discussed as we were building our understanding of the plan, especially Mr. Silas confirmation (yellow highlights at top of thread) that no details or discussion of the methodology of determining the "third variable" was provided TPUC.

Best Regards,

Glynn Taylor

[REDACTED]
[REDACTED]

of service since 1995

TENNESSEE CONSUMER ADVOCATE,)
)
 Plaintiff/Appellant,) TN Regulatory Authority
) Trial No. 95-01134
)
 VS.)
)
 TENNESSEE REGULATORY AUTHORITY) Appeal No.
 AND UNITED CITIES GAS COMPANY,) 01A01-9606-BC-00286
)
 Defendant/Appellee.)

FILED
 March 5, 1997
 Cecil W. Crowson
 Appellate Court Clerk

IN THE COURT OF APPEALS OF TENNESSEE
 MIDDLE SECTION AT NASHVILLE

APPEAL FROM THE DAVIDSON COUNTY
 TENNESSEE PUBLIC SERVICE COMMISSION,
 AT NASHVILLE, TENNESSEE

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REVERSED AND REMANDED

HENRY F. TODD
 PRESIDING JUDGE, MIDDLE SECTION

CONCUR:

BEN H. CANTRELL, JUDGE,
 WILLIAM C. KOCH, JR., JUDGE

through its pipelines to patrons in parts of Tennessee.

The Administrative Proceedings.

On January 20, 1995, United filed with the Public Utilities Commission (hereafter P.S.C.), an application for approval of a scheme of variable rates based upon the wholesale price of gas purchased from suppliers.

P.S.C. granted leave to the Consumer Advocate to intervene.

On May 12, 1995, the P.S.C. entered an order approving the proposed scheme on condition that an independent consultant be engaged to review the "mechanism" and report to the commission annually.

On October 31, 1995, United Gas submitted to the Commission for approval, a contract with Consulting & Systems Integration, providing that the work was to be performed by a Mr. Frank Creamer. Subsequently, United Gas requested that Anderson Consulting be substituted for Consulting Systems because Mr. Creamer had severed his connection with Consulting Systems and affiliated with Anderson.

The May 3, 1996, order of the Commission, which is the subject of this appeal, approved the contract with Anderson Consulting and thereby satisfied all of the conditions for activation of the rate plan conditionally approved in the May 12, 1995 order.

On appeal, the Consumer Advocate presents ten issues for review. Only those which relate to the May 3, 1996, order will be considered.

The appellant's fourth, fifth, sixth and seventh issues are:

Mr. Novak: That's not true, sir.

Chairman: Well, now wait a minute now, fellows. We can take judicial notice, and will take judicial notice of all our records and reports like that to the Commission and you can refer to that in your argument.

Mr. Williams: What I would also like to do, Commissioner, maybe we need to have a longer period of time. I would like to know what the staff's position -- it was indicated that the staff had a position that the rule operated effectively, that the Commissioners had obviously heard and were considering. I would like disclosure under the statute of the staff's position on why they think that it operates correctly.

Com. Hewlett: Well, that would be in my way of thinking not impossible to get into the record, but very difficult it is most appropriate, as I understand the law, for us to discuss with our technical staff. That's the reason that the Consumer Advocate Division was created because of the ex parte concerns of when our staff were parties to the case and when they are not. Our staff, as I understand it, it not a party to this case, and they are a resource for us for analyzing anything that is before this Commission. In this case this situation. So, I think you are trying to make a party to the case somebody that is not.

Mr. Williams: No, sir, what we are trying to do is get all the salient information on the record. The statute explicitly, the UAPA explicitly requires that the Commission disclose when it has any of the position papers that are presented by the staff, and the Public Records Act does not prevent the disclosure of those items either.

Chairman: We will rule on that at the beginning of the meeting at 1:30.

Mr. Williams: Okay.

Chairman: Well, we will evaluate that with our legal counsel, and rule on it before issuing an order or in the order in this manner.

The record of proceedings clearly indicates that the Commission considered a report of an expert despite the objections of the Consumer Advocate and his efforts to impeach the report by cross-examination of the expert. T.C.A. § 65-2-109(1) and (2), authorize the consideration of a broad spectrum of evidence. However, no authority is cited to empower the Commission to deny a protesting party access to all evidence considered by the Commission and opportunity to

including any staff memoranda and data, and be afforded an opportunity to contest and rebut the facts or material so noticed.

Tenn. Code Ann. § 4-5-304(a)(b)

Ex parte communications.

(a) Unless required for the disposition of ex parte matters specifically authorized by statute, an administrative judge, hearing officer or agency member serving in a contested case proceeding may not communicate, directly or indirectly, regarding any issue in the proceeding, while the proceeding is pending, **with any person without notice and opportunity for all parties to participate in the communication.**

(b) Notwithstanding subsection (a), an administrative judge, hearing officer or agency member may communicate with agency members regarding a matter pending before the agency or may receive aid from staff assistants, members of the staff of the attorney general and reporter, or a licensed attorney, **if such persons do not receive ex parte communications of a type that the administrative judge, hearing officer or agency members would be prohibited from receiving, and do not furnish, augment, diminish or modify the evidence in the record.** (Emphasis added.)

This Court concludes that the Commission committed a violation of basic principles of fairness in failing to afford the Consumer Advocate reasonable access to the materials to be considered and reasonable opportunity to cross-examine or otherwise impeach the origin of such materials..

For the foregoing reasons, the order entered by the Public Service Commission on May 3, 1996, is reversed, vacated, and the cause is remanded to the Tennessee Regulatory Authority for such further proceedings and actions as it may deem appropriate including a reconsideration of the subject of the May 3, 1996, order of the Public Service Commission.

Should the Regulatory Authority reach a conclusion different from that expressed in the May 3, 1996, order of the Commission, the way may be opened for a further consideration of the subject matter of the May 26, 1995, order, in which event the authority will be free to examine the merits of the order and the proposal dealt with therein.