

## Dear Commissioners,

My name is Jay Patel, representing Stone Brook Inn, and I am here today to formally oppose/object the recently approved rate design that assigns sewer charges based on a fixed number of ERUs without consideration of actual metered water usage.

This change replaces a system that was accurate, measurable, and fair—with one that is arbitrary and based on assumptions and theoretical approach and fundamentally disconnected from real, recorded water usage consumption and discharge for sanitation service for which we get charged and we pay for delivered service. It was transparent. It was reliable. It was defensible. And it aligned with basic principles of utility rate-making as indicated in the documents of docket.

Let me explain why this new ERU assigning system is based on assumption and theoretical. Based on the statement provided by Limestone Water Utility, that we have been assigned with correct ERUs of 8 for billing and the details of calculation is provided as:

“Using the estimated **capacity** of 50 guests, this results in approximately 8 ERUs ( $50 \times 0.167$ ).

Limestone also states that :

“ your account is billed for 8 ERUs, and the charges are correct as rendered.”

In fact, Limestone Water has never rendered service for 8 ERUs (72000 Gallons per month) in last 11 months billing cycle since May 2025 because our average monthly water usage for 11 months was 13,182 GPM and maximum was 21,000 GPM.

Typically, this type of calculation is used for **theoretical** analysis, design and construction for one-time costing purpose and **NOT** for **recurring** billing purpose.

Now let me provide our realistic business model:

We have only 19 rentable units at 21 Wayson Ln, Counce TN 38326 and we can accommodate only 19 guests at a time. Not to mention, we do not have **any** permanent guest and our occupancy varies daily. Some time we have no guest at all. Our average annual occupancy is about 30% and this can be matched with our average **verifiable** water meter readings submitted for last 31 monthly water utility invoices from First Utility District of Hardin County.

I'd like to walk you through a simple comparison that clearly shows why the proposed sewer rate structure is not fair, reasonable, or based on actual usage.

Under the **previous system**, our billing was based on **measured water usage**, which is the most accurate and industry-accepted method.

- Our average monthly water usage is about **14,500 gallons**.
- Our wastewater discharge closely matches that at **14,500 gallons**.
- Based on this, our **average monthly water bill was \$196.64**, and our **average monthly sewage bill was approximately \$264.30**.
- Our sewage rate per 1000 gallons was \$18.23 and Water : Sewage Ratio was 1 : 1.34
- This reflects a system that is **data-driven, transparent, and proportional to actual usage**.

Now let's look at what happens under the proposed changes.

In **Phase 1**, the billing method shifts away from usage to a flat assignment of **8 ERUs (Equivalent Residential Units)**.

- Even though our actual usage remains essentially the same,
- Our sewage bill jumps from **\$264 to \$444.80** per month.
- That is a **68% increase**, without any increase in water usage.
- Our sewage rate per 1000 gallons went up to \$30.50 and Water : Sewage Ratio increased to 1 : 2.31.

Moving to **Phase 2**, still based on the same 8 ERUs:

- The sewage bill skyrockets further to **\$1,311.36 per month**.
- That's nearly a **400% increase** from the original bill — again, with **no change in actual wastewater discharge**.
- Our sewage rate per 1000 gallons will drastically increase to \$89.92 and Water : Sewage ratio will skyrocket to 1 : 6.56
- No other business in our community has been affected to the extent of **400% billing increase**. The **root cause** of this imbalance and inequality is failure of current ERU-based rate design or assignment which is detached from the usage.

With this ERU rate design—

The same customer, with similar operations, is being charged wildly inconsistent effective rates solely due to an **imposed** ERU assumption that **ignores** real data.

The Core Problem is:

👉 We are being charged for wastewater we do not produce.

The shift from a **metered, usage-based system** to a **flat ERU-based system**:

- Ignores actual consumption data
- Overestimates discharge by a wide margin
- Imposes excessive and unjustified financial burden

In reality following formula can be used for ERU calculation:

$$\text{ERU} = \frac{\text{Commercial Average Monthly Consumption(Gallons)}}{\text{Single Family Average Monthly Consumption(Gallons)}}$$

If considered, this new ERUs are tied to actual usage and discharge.

The problem with current ERU-based assignment—when not tied to actual usage—is threefold:

First, it is inherently inaccurate.

ERUs are estimates. They are averages. They do not reflect the operational realities of individual businesses, especially those with fluctuating or below-average usage patterns.

For example: Car wash station Vs. Hotel

Assigned ERUs<sub>(Based on rate design)</sub> 2 Vs. 8

Actual used ERUs 8 Vs. 2

This creates imbalance among businesses.

Second, it creates **inequality**.

Two businesses with vastly different water usage can be charged the same amount. That violates the principle of fairness and results in some customers subsidizing others.

I have done an extensive research for this and let me provide real use cases for **inequality**:

I noticed there are two businesses listed in this docket in our area (Shiloh-Falls) as Shopping Center and assigned 1 ERU each. In one of the shopping center there is a laundromat and a restaurant. Laundromat have 11 washing machines and each machine consume 550 gallons of water each day that is equivalent to 1.83 ERUs. So, the shopping Center should have been assigned more than  $11 \times 1.83 = 20.17$  ERUs + for restaurant. In this use case they are paying **much less than** what they are putting in the sewer system.

Few other use cases are Car Wash station, Gas Stations and Restaurants, not listed in Limestone's commercial list who are using lots of water but enjoying the residential rates for sewage. We have several of these types of businesses and that is why they do not have to complain about commercial rate increase.

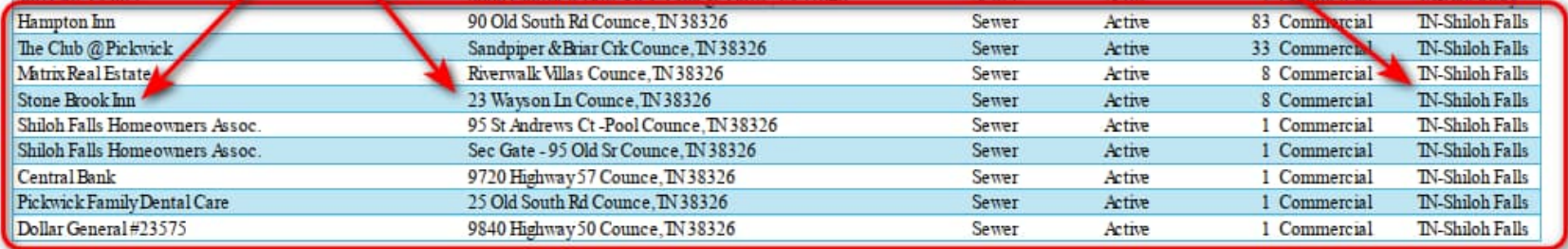
Another good example for inequality is our neighbor that is also a business and in-fact I do not see their name and address on the list of commercial property in this docket. Upon further research, we found out that their sewage bill for Limestone is less than their water bill. I would like to mention here that we have more than 50 businesses in our area, i.e. Shiloh-Falls 38326, but only 9 of those are listed as commercial in this docket, some of these 50 are newly established and not on the list of Limestone's commercial billing. These businesses are classified for residential billing rates and that is why they are NOT affected by the commercial rate increase and it contributes towards Limestone's revenue deficit that has impacted listed commercials only. I have included an image of DR2-18 ERU Summary to support this on Page 9.

DR.2-18 ERU Summary

Beauchamp Animal Hospital c/o Dr. Charles Bea	1110 Battlewood Street Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Freda Moon c/o Garrett Properties LLC	2177 Hillsboro Road Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Cedarwood Nursery c/o Randy Knowles	2164 Hillsboro Road Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
J&R Garden Center c/o Randy Knowles	2170 Hillsboro Road Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Harpeth School of Gymnastics c/o Scott Webster	2204 Hillsboro Road Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Ambassador Agency c/o West Yoder	1107 Battlewood Street Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
TN Farmers Insurance c/o Zach Pelham	2176 Hillsboro Road Suite 128 Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Jennifer Guthrie	1250 Old Hillsboro Road Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Restaurant Great Wall of China	2176 Hillsboro Road Suite 132 Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Robert & Susan Yost R&R	2176 Hillsboro Road Suite 136 Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Russ Haselton Edward J	2176 Hillsboro Road Suite 134 Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Rebecca Annastas	2205 Hillsboro Road Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Sonic Drive In - Grassland	1103 Battlewood Street Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Little House Animal Hospital	1109 Battlewood Street Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Bethlehem U.M. Church	2419 Bethlehem Loop Rd Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Grace Center Church	2420 Bethlehem Loop Rd Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
The Good Tree Boutique	2176 Hillsboro Road Suite 126 Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Maureen Sharp	1111 Battlewood Street Franklin, TN 37069	Sewer	Active	1 Commercial	TN-Grasslands
Amenity Center	5500 Hardeman Springs Blvd Arrington, TN 37014	Sewer	Active	1 Commercial	TN-Hardeman Springs
Comfort Station #1	8000 Clubview Drive -CS1 College Grove, TN 37046	Sewer	Active	1 Commercial	TN-Hideaway
Comfort Station #2	8000 Clubview Drive -CS2 College Grove, TN 37046	Sewer	Active	1 Commercial	TN-Hideaway
Sip N Shack	8000 Clubview Drive -SNS College Grove, TN 37046	Sewer	Active	1 Commercial	TN-Hideaway
Golf House	8000 Clubview Drive -GH College Grove, TN 37046	Sewer	Active	1 Commercial	TN-Hideaway
Turf Care Center	8000 Clubview Drive -TCC College Grove, TN 37046	Sewer	Active	1 Commercial	TN-Hideaway
Hampton Inn	90 Old South Rd Counce, TN 38326	Sewer	Active	83 Commercial	TN-Shiloh Falls
The Club @ Pickwick	Sandpiper & Briar Crk Counce, TN 38326	Sewer	Active	33 Commercial	TN-Shiloh Falls
Matrix Real Estate	Riverwalk Villas Counce, TN 38326	Sewer	Active	8 Commercial	TN-Shiloh Falls
Stone Brook Inn	23 Wayson Ln Counce, TN 38326	Sewer	Active	8 Commercial	TN-Shiloh Falls
Shiloh Falls Homeowners Assoc.	95 St Andrews Ct -Pool Counce, TN 38326	Sewer	Active	1 Commercial	TN-Shiloh Falls
Shiloh Falls Homeowners Assoc.	Sec Gate - 95 Old Sr Counce, TN 38326	Sewer	Active	1 Commercial	TN-Shiloh Falls
Central Bank	9720 Highway 57 Counce, TN 38326	Sewer	Active	1 Commercial	TN-Shiloh Falls
Pickwick Family Dental Care	25 Old South Rd Counce, TN 38326	Sewer	Active	1 Commercial	TN-Shiloh Falls
Dollar General #23575	9840 Highway 50 Counce, TN 38326	Sewer	Active	1 Commercial	TN-Shiloh Falls

Incorrect address for our business. Ours is 21 Wayson Ln. 23 Wayson Ln is another business hooked to the same sewage system but not listed here

Only 9 businesses are listed for TN-Shiloh-Falls Vs. we have more than 50 business in Counce, TN and only one utility, Limestone Water, serving the community



Third, it removes accountability.

When billing is no longer tied to measurable consumption, there is no incentive for conservation, efficiency, or operational discipline. The system becomes detached from actual service provided.

For example, we have invested a sum of money in renovation for low flow toilets, low flow faucets and showers hoping for resource conservation and save some money on water and sewage billing. But with this new fixed rate ERU based rate design, we are going backwards and it ignores the basic principle of conservation. All our investments is **null and void**.

In my case, the data clearly shows that actual water usage is consistently lower than what is implied by the assigned ERUs. Yet I am being billed as if I am consuming—and discharging—far more than I actually do.

That is not just unfair—it is unjustifiable.

Utility rate structures must meet basic regulatory standards: they must be just, reasonable, and based on cost of service. A flat ERU assignment that ignores actual usage fails all three tests.

I want to emphasize:

This is not a request for special treatment.

This is a request for accurate treatment.

If metered water data exists—and it does—then it should be used. It is the most reliable indicator of wastewater generation. Ignoring that data in favor of a **rigid classification system** is a step backward, unfair and unjustified. We are providing last 5 years usage data for your validation. Please refer to last two pages, 13 & 14.

I respectfully urge the Commission to:

A return to **metered, usage-based sewage billing**, or an **ERU assignment that reflects actual historical water usage data and discard** the use of **fixed ERU assignments** without usage validation.

Allow customers to be billed based on actual metered water consumption where available.

Or, at minimum, provide a clear adjustment mechanism when ERU assignments materially exceed real usage.

Because without such safeguards, this system will continue to produce inflated bills that do not reflect reality. We know that this is not the last rate increase. Coupling any future rate increases with the current inflated ERU assignment will drive sewage expenses to an unsustainable level, making it nearly impossible to maintain profitable operations.

In closing, I ask you to restore fairness, accuracy, and accountability to this rate structure.

Billing should reflect what is used—not what is assumed.

I would like to add a message to the commission and utility:

“We do not want to underpay, at the same time, we do not want to get overcharged.”

Thank you for your time and consideration.

First Utility District of Hardin County Account No. 2396

Meter Reading Date	Present Reading	Previous Reading	Usage	Charges
5/26/2021			24000	\$ 243.39
6/25/2021			14000	\$ 146.81
7/28/2021			24000	\$ 243.39
8/27/2021			19000	\$ 195.10
9/28/2021			21000	\$ 214.42
10/26/2021			15000	\$ 177.91
11/23/2021			23000	\$ 233.73
12/21/2021			23000	\$ 233.73
1/26/2022			25000	\$ 253.05
2/23/2022			10000	\$ 108.18
3/22/2022			26000	\$ 262.71
4/26/2022			17000	\$ 175.79
5/25/2022			23000	\$ 233.73
6/28/2022			25000	\$ 253.05
7/26/2022			23000	\$ 233.73
8/26/2022			13000	\$ 137.15
9/27/2022			17000	\$ 175.79
10/26/2022			23000	\$ 233.73
11/22/2022			14000	\$ 170.18
12/21/2022			12000	\$ 127.50
1/26/2023			17000	\$ 188.54
2/23/2023			9000	\$ 98.52
3/28/2023			20000	\$ 204.76
4/26/2023			14000	\$ 180.43
5/25/2023			21000	\$ 264.94
6/23/2023			12000	\$ 156.28
7/25/2023			11000	\$ 144.21
8/24/2023			18000	\$ 387.35
9/25/2023	1129000	1112000	17000	\$ 216.65
10/24/2023	1145000	1129000	16000	\$ 204.57
11/20/2023	1160000	1145000	15000	\$ 192.50
12/20/2023	1173000	1160000	13000	\$ 168.36
1/19/2024	1183000	1173000	10000	\$ 132.14
2/23/2024	1199000	1183000	16000	\$ 204.57
3/21/2024	1220000	1199000	21000	\$ 264.94
4/24/2024	1239000	1220000	19000	\$ 240.79
5/23/2024	1251000	1239000	12000	\$ 156.28
6/24/2024	1263000	1251000	12000	\$ 156.28
7/23/2024	1281000	1263000	18000	\$ 228.72
8/23/2024	1298000	1281000	17000	\$ 216.65
9/24/2024	1316000	1298000	18000	\$ 228.72

10/23/2024	1324000	1316000	8000	\$ 107.99
11/20/2024	1337000	1324000	13000	\$ 168.36
12/19/2024	1351000	1337000	14000	\$ 290.43
1/22/2025	1375000	1351000	24000	\$ 301.15
2/19/2025	1380000	1375000	5000	\$ 71.78
3/20/2025	1398000	1380000	18000	\$ 228.72
4/22/2025	1413000	1398000	15000	\$ 204.57
5/28/2025	1422000	1413000	9000	\$ 132.14
6/24/2025	1428000	1422000	6000	\$ 95.92
7/24/2025	1438000	1428000	10000	\$ 144.21
8/21/2025	1457000	1438000	19000	\$ 252.86
9/24/2025	1475000	1457000	18000	\$ 240.79
10/22/2025	1493000	1475000	18000	\$ 240.79
11/20/2025	1506000	1493000	13000	\$ 290.43
12/17/2025	1518000	1506000	12000	\$ 168.36
1/20/2026	1528000	1518000	10000	\$ 144.21
2/20/2026	1537000	1528000	9000	\$ 132.14
3/25/2026	1558000	1537000	21000	\$ 277.01