

the property, assets, and real estate of Aqua Utilities Company, Inc., as well as a CCN to provide water and wastewater to customers formerly served by Aqua Utilities Company, Inc.³

Limestone filed its *Application* to expand its Certificate of Public Convenience and Necessity (“CCN”) with the Commission on July 18, 2025.⁴ The Company seeks to expand its existing service territory to include Sugar Loaf Road Subdivision in Sevier County, Tennessee.⁵ The proposed development will consist of 18 lots. The development site is located at 1415 Sugar Loaf Road, Sevier County, Tennessee 37876, and is platted for one home per lot. The project will encompass approximately 58.40 acres.⁶ While the subdivision is located within the boundaries of the City of Sevierville, the city does not intend to provide the Sugar Loaf Road Subdivision with water and wastewater services.⁷

With its Application, Limestone filed the Direct Testimony of Todd Thomas.⁸ Mr. Thomas holds the position of Senior Vice President of Central States Water Resources, LLC, (“CSWR” or “Central States”), a holding company that operates utility operating companies in 11 states.⁹ Mr. Thomas’s responsibilities at Central States include engaging and overseeing management and maintenance service providers, including those contractors responsible for day-to-day operations and maintenance of CSWR operating affiliates, as well as oversight of customer service providers.¹⁰

Further, Mr. Thomas stated that Limestone is a subsidiary of CSWR, and as a subsidiary, Limestone will have access to the working capital necessary to operate the system until appropriate

³ See *In re: Joint Application of Aqua Utilities Company, Inc. and Limestone Water Utility Operating Company, LLC for Authority to Sell or Transfer Title to the Assets, Property, and Real Estate of a Public Utility and for a Certificate of Public Convenience and Necessity*, Docket No. 19-00062, *Order Approving Sale of Assets, Property, and Real Estate and Certificate of Public Convenience of Aqua Utilities Company, LLC Subject to Conditions and Requirements of the Tennessee Public Utility Commission* (December 7, 2020).

⁴ *Application*, (July 18, 2025).

⁵ *Id.* at 1.

⁶ *Id.* at 4.

⁷ *Id.* at Ex. 24 Communication from City of Sevierville -Not Providing Service.

⁸ *Id.* at Ex. 9, Todd Thomas, Pre-Filed Direct Testimony (“Ex. 9”).

⁹ *Id.* at Ex. 9, p. 1; *Id.* at Ex. 7 Officer/Key Employee Organization Chart, p. 1 (unnumbered).

¹⁰ *Id.* at Ex. 9, pp. 1-2.

rates can be established.¹¹ Limestone also has a surety bond in the amount of \$300,000 to ensure the proper operation and maintenance of the wastewater system.¹²

The system to be constructed is a decentralized wastewater system utilizing watertight, precast concrete septic tanks with pumps, controls, and PVC pipe collection force mains. The secondary process of wastewater treatment will be located in the south of the property. Treated final effluent processed by the fixed film treatment will then be pump-dispersed into a shallow soil horizon drip field system on gradual slopes along the south and west edge of the property. Treated effluent will be reused on the property by a GeoFlow Waterflow PRO drip irrigation system utilizing a 0.25 gpd/ft² soil load rate.¹³

Limestone filed a copy of a Utility Service Agreement (“Developer Agreement”) executed on March 19, 2025, between Limestone and Chris Mouhourtis (“Developer”).¹⁴ In accordance with the Developer Agreement, the Developer will design and construct all sewer infrastructure for the project at its sole expense.¹⁵ The Developer will provide “as-built” construction plans to Limestone upon completion of the sewer infrastructure.¹⁶ The Developer Agreement provides that all sewer infrastructure shall become property of the Utility upon completion of construction and acceptance by the Utility. Additionally, the Developer granted a non-exclusive easement and use of passage within all utility easements, rights-of-way, and streets that shall be used in connection with the maintenance, construction, and operation of the sewer infrastructure.¹⁷

¹¹ *Id.* at Ex. 9, pp. 6, 10.

¹² *Id.* at Ex. 15 Surety Bond.

¹³ *Id.* at Ex. 9, pp.12-13.

¹⁴ *Id.* at Ex. 22 Utility Service Agreement, p. 1 (“Ex. 22”).

¹⁵ *Id.* at Ex. 22, p. 2.

¹⁶ *Id.*

¹⁷ *Id.* at Ex. 22, p. 3.

The *Application* identifies DSH & Associates, LLC, as the designated contractor for this project.¹⁸ Limestone provided a copy of DSH & Associates, LLC’s contractor’s license.¹⁹ Limestone also filed in this docket a copy of its Tennessee Department of Environment and Conservation (“TDEC”) permit application (SOP - 25014) for the treatment facility to serve Sugar Loaf Road Subdivision.²⁰

II. STANDARD FOR COMMISSION APPROVAL

No public utility is permitted to begin construction or operation of a new utility facility or service without first obtaining a CCN from the Commission as set forth in Tenn. Code Ann. § 65-4-201(a), which reads:

No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the commission, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate

Additionally, in order to obtain a CCN to provide wastewater service, Commission Rule 1220-4-13-.17(1) requires that a public wastewater utility satisfy the following requirements:

Any public wastewater utility requesting a Certificate of Public Convenience and Necessity (“CCN”) in accordance with Tenn. Code Ann. §§ 65-4-201, et seq., shall file an application that complies with Rule 1220-01-01-.03 and this rule. Each applicant shall demonstrate to the Commission that it possesses sufficient managerial, financial, and technical capabilities to provide the wastewater services for which it has applied. Each application shall demonstrate that there exists a public need for wastewater service and include the required financial security consistent with Tenn. Code Ann. § 65-4-201 and these rules.

¹⁸ *Id.* at App. A, p. 4.; *Id.* at Ex. 20 Contractor’s License (“Ex. 20”).

¹⁹ *Id.* at Ex. 20.

²⁰ *Id.* at Ex. 21 Application for an SOP.

III. THE HEARING

The hearing in this matter was held before the panel during the regularly scheduled Commission Conference on November 3, 2025, as noticed by the Commission on October 24, 2025.

Participating in the hearing were:

Limestone Water Utility Operating Company, LLC – Melvin Malone, Esq., Butler Snow LLP, 1320 Adams Street, Suite 1400, Nashville, Tennessee 37208; and Todd Thomas, Senior Vice President, 1630 Des Peres Road, Suite 140, St. Louis, Missouri 63131.

During the hearing, Mr. Thomas amended, ratified, and then summarized his Pre-Filed Testimony and was subject to questioning before the panel. Members of the public were given an opportunity to offer comments, but no one sought recognition to do so.

IV. FINDINGS AND CONCLUSIONS

In its *Application*, Limestone asked the Commission for approval in accordance with Tenn. Code Ann. § 65-4-201(a) and Commission Rule 1220-4-13-.17 to amend its CCN to provide service to Sugar Loaf Road Subdivision in Sevier County, Tennessee. Based on a review and consideration of the pleadings, pre-filed testimony, and the entire administrative record, the panel made the following findings and conclusions:

The panel found that Limestone has demonstrated that it possesses the requisite managerial, financial, and technical capabilities to provide wastewater services to Sugar Loaf Road Subdivision and that a public need exists for such services, as required under Tenn. Code Ann. § 65-4-201(a) and Commission Rule 1220-4-13-.17. There are, however, certain documents that are required to be filed with the Commission, which cannot be finalized or are otherwise not available until after a CCN is granted. Therefore, the panel voted unanimously to approve Limestone's *Petition* contingent upon the Company filing the following documents in this docket: (1) the deed and/or easements for all the land and ownership rights to the wastewater system within 15 days of being issued and before the

first customer is connected to the wastewater system as set forth in contracts submitted by Limestone with the Commission; (2) final copy of the State Operating Permit issued by the Tennessee Department of Environment and Conservation within 15 days of issuance; (3) a copy of the performance bond from the developer or builder of the wastewater system made payable to the Utility to ensure the construction of the wastewater system. The performance bond should be for an amount equal to or greater than the cost of the system as provided in contracts between the builder, developer and/or utility; (4) a copy of the as-built plans with signed certification by Limestone indicating the wastewater system has been inspected and is approved to begin operation; and (5) a copy of the signed plat, once the area of development is approved by the City and/or County government within 15 days of being issued and before the first customer is connected to the wastewater system.

Further, the panel found that Limestone is in compliance with all Commission rules. The panel also directed Limestone to file a report in this docket demonstrating its compliance with the filing requirements prior to providing wastewater to the Sugar Loaf Road Subdivision. In the event the compliance report is not filed, the panel directed the Company to file a report on the status of providing wastewater service to Sugar Loaf Road Subdivision, as well as the status of its compliance with the filing requirements of this Order, within six months from the date of this Order and every six months thereafter until the installation is complete.

IT IS THEREFORE ORDERED THAT:

1. The *Application of Limestone Water Utility Operating Company, LLC, to Expand its Certificate of Convenience and Necessity to Serve the Sugar Loaf Road Subdivision*, filed on July 18, 2025, is approved contingent upon Limestone Water Utility Operating Company, LLC, filing the following in this docket:

- a. The deed and/or easements for all the land and entitlement to ownership rights to the wastewater system within 15 days of being issued and before the first customer

is connected to the wastewater system as set forth in contracts submitted by Limestone Water Utility Operating Company, LLC, with the Commission;

- b. A final copy of the State Operating Permit issued by the Tennessee Department of Environment and Conservation within 15 days of issuance;
- c. A copy of the as-built plans with signed certification by Limestone Water Utility Operating Company, LLC, indicating the wastewater system has been inspected and is approved to begin operation;
- d. A copy of the signed plat, once the area of development is approved by the City and/or County government within 15 days of being issued and before the first customer is connected to the wastewater system;
- e. A copy of the fully executed performance bond from the developer or builder of the wastewater system made payable to Limestone Water Utility Operating Company, LLC, to ensure the construction of the wastewater system. The performance bond should be for an amount equal to or greater than the cost of the system as provided in contracts between the builder, developer, and/or utility;

2. Limestone Water Utility Operating Company, LLC, shall file a report in this docket demonstrating its compliance with these filing requirements before providing wastewater service to Sugar Loaf Road Subdivision. If the compliance report is not filed within six months from the date of this Order, Limestone Water Utility Operating Company, LLC, shall file a report on the status of providing wastewater service to Sugar Loaf Road Subdivision and its compliance with each of the filing requirements no later than six months from the date of this Order and every six months thereafter until the installation is complete.

3. Any person aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within 15 days from the date of this Order.

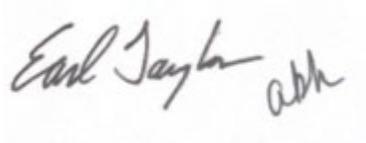
4. Any person aggrieved by the Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within 60 days from the date of this Order.

FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:

**Vice Chairman John Hie,
Commissioner Herbert H. Hilliard,
Commissioner Clay R. Good, and
Commissioner David Crowell concurred.**

None dissented.

ATTEST:

A handwritten signature in cursive script that reads "Earl Taylor" followed by the initials "abh". The signature is written in dark ink on a light-colored background.

Earl R. Taylor, Executive Director