

October 16, 2025

**VIA ELECTRONIC FILING**

Electronically Filed in TPUC Docket  
Room on October 16, 2025 at 3:24 p.m.

Jerry Kettles, Director  
Economic Analysis  
c/o Ectory Lawless, Docket Manager  
Tennessee Public Utility Commission  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243  
TPUC.DocketRoom@tn.gov

**RE: *Petition of Limestone Water Utility Operating Company, LLC for Approval of and Authority to Borrow up to \$4,000,000 to Finance Additions and Improvements to Facilities and Acquisitions Pursuant to T.C.A. § 65-4-109, TPUC Docket No. 25-00066***

Dear Mr. Kettles:

We are in receipt of your data requests to Limestone Water Utility Operating Company, LLC (“Limestone”), dated October 8, 2025. Please find Limestone’s responses below.

1. *Provide a list of debt financing transactions that have been approved, are pending, or have been denied for affiliates of Limestone that operate in other states. Provide the interest rate and term for financing transactions that are pending or in effect for affiliates of Limestone that operate in other states.*

**Response:** The docket numbers for all debt financing transactions for affiliates of Limestone are S-36519 (Magnolia - LA), S-37190 (Magnolia - LA), S-37393 (Magnolia - LA), WF-2023-0023/SF-2023-0024 (Confluence Rivers - MO), WS-21155A-24-0086 (Cactus State - AZ), and 2022-00217 (Bluegrass Water - KY). Additionally, please see Attachment “DR 1 – Debt Schedules,” for the associated interest rate and term. All debt financing transactions for affiliates of Limestone have been previously approved. Note that the Texas and Mississippi Commissions do not require utilities to obtain commission approval for debt financing; however, Limestone’s affiliates in those states have nonetheless pursued financing activities consistent with applicable regulatory practices. For completeness, attachment DR-1 includes debt financing for all affiliates, including Texas and Mississippi.

2. *In the Direct Testimony of Brett Thiess, among other uses, potential uses of the proceeds of the indebtedness include “... plans to rehabilitate the Grassland wastewater system,*

*Neuhoff Building  
1320 Adams Street, Suite 1400  
Nashville, TN 37208*

MELVIN J. MALONE  
615.651.6705  
C 615.948.7801  
melvin.malone@butlersnow.com

*T 615.651.6700  
F 615.651.6701  
www.butlersnow.com*

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*expand the Shiloh Falls spray field, and drill a redundant drinking water well at Candlewood Lakes.”*

(a) *Provide the current total estimated project costs of (1) rehabilitation of the Grassland’s system; (2) expansion of the Shiloh Falls spray field; and (3) the redundant drinking water well at Candlewood Lakes.*

(b) *What is the expected time to completion for each of these projects?*

**Response:** a) 1. Grasslands Facility Replacement: \$16,000,000  
2. Shiloh Falls Spray Field: \$2,500,000  
3. Candlewood Lakes Well Installation: \$1,344,174 (awarded bid)

b) 1. Grasslands Facility Replacement: 7/1/2027  
2. Shiloh Falls Spray Field: 3/1/2027  
3. Candlewood Lakes Well Installation: 6/30/2026

3. *What interest rate for the requested indebtedness is used for internal financial projections? How was the interest rate determined? What is the expected annual interest expense?*

**Response:** Please see **CONFIDENTIAL** Attachment “DR 3 – Term Sheet August 2025” for the interest loan agreement which is being submitted **UNDER SEAL AS CONFIDENTIAL AND PROPRIETARY**. In other similar instances from CoBank, the interest rate is based on the SOFR (Secure Overnight Financing Rate). Expected interest expense, once the funds included in this financing are fully drawn, would be the 7% times the \$4 million, for a total of \$280,000. Since the loan will be amortizing, the interest expense will decrease every year.

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

Very truly yours,

BUTLER SNOW LLP



Melvin J. Malone

cc: Russ Mitten, Central States Water Resources  
Vance Broemel, Consumer Advocate Division  
Shilina B. Brown, Consumer Advocate Division

**DR 1 - Debt Schedules**

<b>Entity</b>	<b>Lender</b>	<b>Type</b>	<b>Origination Date</b>	<b>Maturity Date</b>	<b>Original Amount</b>	<b>Interest Rate</b>
Affiliate #1	CoBank	20 yr amortizing	11/20/2042	11/20/2042	7,000,000	6.60%
Affiliate #2	CoBank	20 yr amortizing	12/20/2042	12/20/2042	30,000,000	6.35%
Affiliate #3	CoBank	20 yr amortizing	10/20/2043	10/20/2043	20,000,000	7.07%
Affiliate #4	CoBank	20 yr amortizing	9/20/2044	9/20/2044	30,000,000	5.82%
Affiliate #5	CoBank	20 yr amortizing	6/20/2044	6/20/2044	12,000,000	5.87%
Affiliate #6	CoBank	20 yr amortizing	4/20/2044	4/20/2044	20,000,000	6.68%
Affiliate #7	CoBank	20 yr amortizing	11/20/2042	11/20/2042	2,900,000	6.70%

**PUBLIC DR 3 - Term Sheet August 2025**



6340 South Fiddlers Green Circle  
Greenwood Village, CO 80111  
800-542-8072  
[www.cobank.com](http://www.cobank.com)







