

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

January 1, 2026

IN RE:)	
)	
PETITION OF LIMESTONE WATER UTILITY)	DOCKET NO.
OPERATING COMPANY, LLC, FOR APPROVAL)	25-00066
OF AND AUTHORITY TO BORROW UP TO)	
\$4,000,000 TO FINANCE ADDITIONS AND)	
IMPROVEMENTS TO FACILITIES AND)	
ACQUISITIONS PURSUANT TO TENN. CODE ANN.)	
§ 65-4-109)	

ORDER GRANTING 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 TENN. CODE ANN. § 65-4-109

This matter came before Chairman David F. Jones, Vice Chairman John Hie, Commissioner Herbert H. Hilliard, Commissioner Robin L. Morrison, and Commissioner David Crowell of the Tennessee Public Utility Commission (the “Commission” or “TPUC”), the voting panel assigned to this docket, during a regularly scheduled Commission Conference held on December 8, 2025. The panel convened to consider the *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 Tenn. Code Ann. § 65-4-109* (“*Petition*”) filed by Limestone Water Utility (“Limestone” or the “Company”) on August 27, 2025.

I. BACKGROUND AND PETITION

Limestone is a Tennessee limited liability company with its principal office and place of business at 1630 Des Peres Road, Suite 140, St. Louis, Missouri 63131. Limestone is a wholly owned subsidiary of CSWR, LLC (“CSWR”), which, through various subsidiaries, provides water and

wastewater services in 11 states. The Company provides residential water service to approximately 573 customers and wastewater service to approximately 1,914 customers in the State of Tennessee.¹

On August 27, 2025, Limestone filed its *Petition* with the Commission requesting approval of a proposed financing arrangement. Limestone proposes to obtain a fully amortizing senior secured loan of up to \$4,000,000. The loan’s maturity date will be up to 20 years from the date of issuance. The interest rate will be established based on economic conditions and market rates at the time of issuance. The debt will be secured by a statutory first lien on all of the Company’s equity. The Notes would be for a term of up to 20 years from the date of issuance.²

With its *Petition*, Limestone filed the Pre-Filed Direct Testimony of Brent Thies, Vice President & Corporate Controller.³ Mr. Thies stated that proceeds will be used for “construction, completion, extension or improvements or additions to its facilities, and other capital investments, all of which shall be necessary and proper for the provision of utility service, and the improvement or maintenance of its service to its customers.”⁴

The Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”) filed a *Petition to Intervene*.⁵ There being no objections filed, the Administrative Judge entered an order granting the intervention.⁶ The Consumer Advocate filed the Pre-Filed Direct Testimony of Clark Kaml, Financial Analyst.⁷ Mr. Kaml made the following recommendations:

1. That Funds from the proposed debt issuance be used exclusively for capital improvements to systems Limestone currently owns and operates;

¹ *Petition*, p. 1 (August 27, 2025).

² *Id.* at 4.

³ Brent Thies, Pre-Filed Direct Testimony, p. 2 (August 27, 2025).

⁴ *Id.* at 9.

⁵ *Consumer Advocate Petition to Intervene* (September 29, 2025).

⁶ *Order Granting the Petition to Intervene Filed by the Consumer Advocate* (October 7, 2025).

⁷ Clark D. Kaml, Pre-Filed Direct Testimony (November 6, 2025).

2. That the interest rate on the proposed loan be limited to “a rate that is competitive and consistent with rates of similar utilities” and

3. That the Company be required to provide information regarding how and when the Grasslands wastewater treatment project will be funded and when necessary upgrades will be completed.⁸

After discussion between the parties regarding the recommendations, Limestone filed the Pre-Filed Supplemental Testimony of Brent Thies.⁹ Mr. Thies stated that the parties resolved the issues raised by Mr. Kaml. With respect to the funds from the proposed debt issuance being used exclusively for capital improvements to systems Limestone currently owns and operates, the Company will file semi-annual reports showing how much of the loan has been drawn to date, how much has been spent per project, and the remaining loan balance, until the Commission is satisfied that the entire loan amount has been expended for capital improvements to existing systems. Regarding the Grasslands project, Mr. Thies testified that Limestone will provide semi-annual updates to the Commission and the Consumer Advocate regarding both the progress of the Grasslands project and Limestone’s expectations for financing the project. Finally, Mr. Thies stated that the parties agreed that this matter does not prevent the Consumer Advocate from raising the issue of the reasonableness of the interest rate in the future, including in a future rate proceeding.¹⁰

II. STANDARD FOR COMMISSION APPROVAL

Commission approval is required for these financing programs pursuant to Tenn. Code Ann. § 65-4-109, which provides:

No public utility shall issue any stocks, stock certificates, bonds, debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the commission for such proposed issue. It shall be the

⁸*Id.* at 3.

⁹ Brent Thies, Pre-Filed Supplemental Testimony (November 24, 2025).

¹⁰ *Id.* at 2-3.

duty of the commission after hearing to approve any such proposed issue maturing more than one (1) year from the date thereof upon being satisfied that the proposed issue, sale and delivery is to be made in accordance with law and the purpose of such be approved by the commission.¹¹

III. THE HEARING

The hearing in this matter was held before the panel during the regularly scheduled Commission Conference on December 8, 2025, as noticed by the Commission on November 25, 2025.

Participating in the hearing were:

Limestone Water Utility Operating Company – Melvin Malone, Butler Snow LLP, 150 3rd Avenue S., Ste 1600, Nashville, Tennessee 37201, and Brent Thies, Vice President and Corporate Controller, 1630 Des Peres Rd., Suite 140, St. Louis, Missouri 63131.

Consumer Advocate – Shilina B. Brown, Esq., and Clark D. Kaml, Financial Analyst, Office of the Attorney General and Reporter, Post Office Box 20207, Nashville, Tennessee, 37202-0207.

During the hearing, Mr. Thies ratified and summarized his Pre-Filed Testimony, including the agreements described in his Supplemental 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

The Commission’s review of financing programs, transactions programs, or transactions focuses on whether such financing programs or transactions are in accordance with applicable law and serve the public interest. The potential use of funds described in the *Petition*, including construction, completion, extension, improvements, or additions to its facilities, and other capital investments, are typical business activities and consistent with previous financing transactions approved by the Commission.

¹¹ Tenn. Code Ann. § 65-4-109 (2025).

During the Commission Conference held on December 8, 2025, the panel voted unanimously to approve the *Petition* and made the following findings:

1. The proposed financing transaction is subject to Commission approval pursuant to Tenn. Code Ann. § 65-4-109.

2. The proposed financing transaction is being made in accordance with laws enforceable by the Commission.

3. The proposed financing transaction is in the public interest as it will provide Limestone with access to capital and facilitate a more balanced capital structure.

4. The Parties' agreements, which require that funds obtained through the financial transaction approved herein be limited to capital improvements for systems that Limestone currently owns and operates; that Limestone will provide periodic reports on the funding and progress of the Grasslands wastewater treatment project; and that Limestone will provide information demonstrating recoverable interest expense in a future proceeding, with the Consumer Advocate having the right to contest the reasonableness of such expense, are reasonable and in the public interest and, therefore, approved.

IT IS THEREFORE ORDERED THAT:

1. The *Petition* filed by Limestone Water Utility Operating Company, LLC, on August 27, 2025, is approved.

2. Limestone Water Utility Operating Company, LLC, is authorized to enter the proposed financing transaction as described in the *Petition* and discussed herein.

3. Limestone Water Utility Operating Company, LLC, shall abide by the terms of the agreement with the Consumer Advocate Division of the Office of the Tennessee Attorney General as set forth in the Pre-Filed Supplemental Testimony of Brent Thies, as follows:

a. Funds obtained from the debt issuance shall be used exclusively for capital improvements to systems owned and operated by Limestone as of the date of this Order. Limestone shall file semi-annual reports indicating the amount of the loan drawn to date, the amount spent per project, and the remaining loan balance;

b. Limestone shall provide semi-annual updates to the Commission and the Consumer Advocate Division of the Office of the Tennessee Attorney General regarding the progress of the Grasslands project and the expected funding of the project; and

c. In a future proceeding, the Parties will have an opportunity to present evidence regarding the reasonableness of the interest rate for the proposed loan.

4. The authorization and approval of these financing programs given hereby shall not be used by any party to infer an analysis or assessment of the risks involved, and the decision is not intended to create any liability on the part of the Tennessee Public Utility Commission, the State of Tennessee, or any political subdivision thereof.

5. 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.

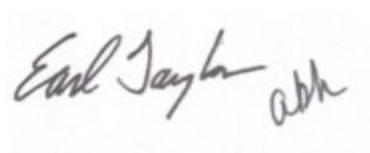
6. Any person aggrieved by the Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within 60 days from the date of this Order.

FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:

**Chairman David F. Jones,
Vice Chairman John Hie,
Commissioner Herbert H. Hilliard,
Commissioner Robin L. Morrison, and
Commissioner David Crowell concurred.**

None dissented.

ATTEST:



Earl R. Taylor, Executive Director