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IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:	)	
	)	
JOINT APPLICATION OF LIMESTONE WATER UTILITY OPERATING COMPANY, LLC, AND THE CITY OF GRAND JUNCTION, FOR APPROVAL OF THE ACQUISITION OF AND TO OPERATE THE SAULSBURY DISTRIBUTION WATER SYSTEM, AND TO TRANSFER OR ISSUE A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY	)	**DOCKET NO. 26-00036**

CONSUMER ADVOCATE'S SECOND SET OF DISCOVERY REQUESTS TO LIMESTONE WATER UTILITY COMPANY, LLC

This Second Set of Discovery Requests is hereby served upon Limestone Water Utility Company, LLC ("Limestone" or the "Company"), pursuant to Rules 26, 33, 34, and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Regs. 1220-01-02-.11. The Consumer Advocate Division of the Office of the Attorney General ("Consumer Advocate") requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate Division, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Ryan McGehee, on or before August 24, 2026, at 2:00 p.m. Central.

PRELIMINARY MATTERS AND DEFINITIONS

This Second Set of Discovery Requests incorporates by reference the same Preliminary Matters and Definitions as outlined in the Consumer Advocate's First Discovery Request to Limestone, are to be considered continuing in nature, and are to be supplemented from time to time as information is received by the Company which would make a prior response inaccurate, incomplete, or incorrect.

FIRST SET OF DISCOVERY REQUESTS

2-1. Financial and Managerial Capability. Refer to the *Petition*, Exhibit 5. In Limestone's "Central States Water Resources Corporation Entity Organizational Chart," the top corporate entity is US Water LLC.[1] However, it appears that Sciens Water Opportunities Fund ("Sciens Water") bought Central States Water in 2018.[2] The news article stated:[3]

> In the private-equity sphere, investors can take a different approach: focusing on private water utilities. John Rigas, CEO of the Sciens Water Opportunity Fund, a private-equity fund that invests in companies addressing the problems facing U.S. water infrastructure, says that only about 16% of the 75,000 water utilities are currently investor-owned.
>
> Rigas sees an opportunity to buy underperforming utilities, refurbish them, and operate them more effectively. One of the fund's portfolio companies is Central States Water Resources (CSWR), a water and wastewater utility based in St. Louis that specializes in acquiring and improving small systems. When Sciens bought CSWR in November 2018, it had 3,000 connections—industry lingo for the fresh water pipes into a home and wastewater pipes out of a home—and operated solely in Missouri. "Less than four years later, it has 133,000 connections owned or under contract pending approval in 12 states. That makes it the fastest-growing utility in the U.S.," says Rigas.

Also on its website, Sciens Water states it owns "CSWR." More specifically, it states:[4]

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1 *Joint Application of Limestone Water Utility Operating Company, LLC and the City of Grand Junction, For Approval of the Acquisition of and to Operate the Saulsbury Distribution Water System, and to Transfer or Issue a Certificate of Public Convenience and Necessity*, Exhibit 5, TPUC Docket 26-00036 (April 24, 2026).

2 Lauren Foster, 3 Ways to Invest in America's Crumbling Water Infrastructure, Barron's (September 23, 2022), https://www.barrons.com/articles/water-infrastructure-jackson-mississippi-invest-xylem-danaher-51663877439.

3 *Id. See also* How Investor-Owned Utilities are Reshaping the U.S. Water Market Through M&A?, The Future of Water, Episode #122 at Minute 26:35, Bluefield Research (July 1, 2025), https://www.bluefieldresearch.com/podcast/how-are-investor-owned-utilities-reshaping-the-u-s-water-market-through-ma/?utm_campaign=Waterline%20Newsletter&utm_medium=email&_hsenc=p2ANqtz-81jxCtthUkh3pskHG69u2-CdvPah9kZSthRRU07oFBeijOqTBo5zABnHdb4MILcVJd9NhbGcVXcazogt4qTUnpRwYo5NfII8xCY7E7oN9y01-ePw4&_hsmi=370392134&utm_content=370393618&utm_source=hs_email

4 Portfolio Investments, Sciens Water Opportunities Fund (Last visited August 5, 2026), https://scienswater.com/portfolio/.

> Central States Water Resources is a regulated water and wastewater utility, headquartered in St. Louis, MO, that specializes in acquiring small, non-compliant systems and rehabilitating them to meet modern environmental and regulatory standards.
>
> Under Sciens' ownership, CSWR rapidly expanded from a regional operator into a national leader, growing its customer base across multiple states and establishing itself as one of the leading private water utility platforms in the country.
>
> The company addresses critical infrastructure needs by investing capital into failing water/sewer systems and enhancing their operations so that customers receive high-quality service. CSWR has successfully brought hundreds of utilities into regulatory compliance, dramatically improving public health and environmental outcomes in the communities it serves.

Explain why the *Petition's* organizational chart does not include Sciens Water since it bought Central States Water in 2018 and continues to own Central States Water.

Admit or deny the following:

a. CSWR and Central States Water are the same company. If this is not correct, provide and explanation of each company, including the articles of corporation, the relationship to each other, and the relationship of each with Sciens Water.
b. US Water is wholly owned by Sciens Water. If this is not correct, explain the relationship between Sciens and US Water.
c. CSWR is wholly owned by US Water. If this is not correct, explain the relationship between Sciens and US Water.
d. Limestone is wholly owned by CSWR. If this is not correct, explain the relationship between CSWR and Limestone, including percent of equity ownership.
e. CSWR is wholly owned by Sciens Water is the sole owner of CSWR. If this is not correct, explain the ownership relationship and percentage.

RESPONSE:

2-2. <u>Financial and Managerial Capability</u>. Refer to the information provided in CA DR 2-1. In the materials provided above, Sciens Water refers to "Central States Water Resources" and "CSWR." Which entity of the corporate family was purchased by Sciens Water in 2018?

RESPONSE:

2-3. Financial and Managerial Capability. Refer to *Limestone's Responses to the Consumer Advocate's First Set of Discovery*, p. 4-5, CA DR No. 1-3(a-d), TPUC Docket No. 19-00062 (February 14, 2020) and information provided in CA DR 2-1 above. Limestone explains that "[redacted]" is the "[redacted]"[5] and it provides "[redacted]."[6] More specifically, US Water "[redacted]"[7] Explain how US Water is the "[redacted]" since Sciens Water purchased "Central States Water Resources" in 2018 and continues its ownership to this day per Sciens Water's website.[8]

RESPONSE:

2-4. Financial and Managerial Capability. Refer to *Direct Testimony of Josiah Cox,* p. 4, TPUC Docket No. 19-00062 (July 26, 2019). In his testimony, Mr. Cox stated:

> In 2018, I was able to attract an additional large institutional private equity investor, which allowed me to expand the scope of my business plan beyond Missouri and Arkansas. This new investor is allowing CSWR to form companies for the purpose of acquiring distressed water and wastewater systems in additional states including Tennessee.

Mr. Cox's statement about an "institutional investor" was made in July 2019, after Sciens Water bought "Central States Water Resources," correct?

RESPONSE:

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5 *Limestone's Responses to the Consumer Advocate's First Set of Discovery*, p. 5, CA DR No. 1-3(b), TPUC Docket No. 19-00062 (February 14, 2020).

6 *Id.* at p. 5, CA DR No. 1-3(c).

7 *Id.* at p. 5, CA DR No. 1-3(a).

8 Portfolio Investments, Sciens Water Opportunities Fund (Last visited August 5, 2026), https://scienswater.com/portfolio/.

2-5. Financial and Managerial Capability. Refer to Limestone's Responses to the Consumer Advocate's First Set of Discovery, CA DR No. 1-40, TPUC Docket No. 19-00062 (February 14, 2020). Limestone explained that "[redacted]."[9] When asked about contracts or commitments from Sciens, Limestone stated "[redacted]"[10] since funding for activities in multiple states have occurred. However, as the owner of "Central States Water Resources," Sciens Water will continue funding "Central States Water Resources," correct?

2-6. Financial and Managerial Capability. Private equity firms can use dividend recapitalization, or recaps, to take the "borrowed money" of its "portfolio companies" to pay dividends to the private equity firm's shareholders. Have any entities in the Central States Water Resources corporate family, shown in Exhibit 5 of the *Petition*, directed its "borrowed money" to US Water or Sciens Water?

RESPONSE:

2-7. Financial and Managerial Capability. Have any entities in the Central States Water Resources corporate family, shown in Exhibit 5 of the *Petition*, entered into any contracts or business arrangements with "portfolio companies" of Sciens Water? If yes:

a. Identify the companies;
b. Describe the service or product;
c. Provide the amount of the contract; and
d. Provide copies of the contracts.

RESPONSE:

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[9] *Id.* at p. 22, CA DR No. 1-40.
[10] *Id.* at p. 22-23, CA DR No. 1-40.

2-8. Rates. Provide the average monthly bill for the customers of the Saulsbury system. If a twelve-month period providing an average monthly residential bill is not available, provide a monthly average residential bill for the most recent three months.

RESPONSE:

2-9. Transaction/ Asset Value. Are there any current commercial customers served in the Saulsbury system? If so, list the names of the commercial customers.

RESPONSE:

2-10. Transaction/ Asset Value. Is Limestone aware of any plans for commercial customers that may move into or build within the Saulsbury system service area? If so, identify the names of the commercial customers.

RESPONSE:

2-11. Transaction/ Asset Value. Is Limestone aware of any planned residential development that may be built in the Saulsbury system service area? If so, identify the developer and the residential development.

RESPONSE:

2-12. Transaction/ Asset Value. If the Company has conducted a cost savings or increases analysis as contemplated in TPUC Rule 1220-04.14.04(2)(a), provide the calculation and workpapers for any cost savings or increases to customers resulting from the purchase of the Saulsbury system.

RESPONSE:

2-13. Transaction. If the Company has conducted a cost savings or increases analysis as contemplated in TPUC Rule 1220-04.14.04(2)(a), provide the calculation and workpapers for any cost savings or increases to Limestone resulting from the purchase of the Saulsbury system.

RESPONSE:

2-14. Transaction. List any known public health or safety and health concerns with the water provided by Grand Junction and served to Saulsbury system customers.

RESPONSE:

2-15. Transaction. Refer to the Company's Response to Consumer Advocate Discovery Request No. 1-12 which describes a comprehensive due diligence review "that encompasses multiple functional areas, including engineering, regulatory affairs, finance, accounting, legal, and compliance."[11]

a. Provide a list of tasks and/or steps undertaken for each due diligence functional area described and categorized in the Company's response to Consumer Advocate Discovery request 1-12 and the date of the completion of review of each individual functional area.

b. With respect to the review of each due diligence functional area, provide the underlying documents, workpapers, and/or reports relied upon by the Company in determining to move forward with the *Petition* in this docket.

RESPONSE:

[Intentionally Left Blank]

11 *Limestone Water Utility Company, LLC Responses To Consumer Advocate's First Set Of Discovery Requests,* p. 8, CA DR No. 1-12, TPUC Docket 26-00036 (July 30, 2026).

RESPECTFULLY SUBMITTED,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via electronic mail, upon:

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This the 7th day of August, 2026.

Ryan McGehee

RYAN MCGEHEE
Assistant Attorney General