

August 18, 2026

Via Email

Electronically Filed in TPUC Docket Room
on August 19, 2026 at 10:58 a.m.

Mr. Melvin J. Malone
Butler Snow LLP

RE: TPUC Docket [REDACTED] – Stone Brook Inn ERU Assignment

Dear Mr. Malone:

I acknowledge receipt of your July 24, 2026, correspondence denying Stone Brook Inn's request for a reduction in its assigned sewer ERUs. After reviewing your response, I respectfully disagree with several of the assumptions and conclusions upon which Limestone's determination is based.

1. The Dispute Concerns the Accuracy of the Design-Capacity Assumptions

Your letter states that Limestone has assigned 8 ERUs based on an estimated design capacity of approximately 50 guests, derived from a presumed occupancy of 2.5 guests per accommodation.

The central issue is not whether the ERU methodology exists or whether rates are billed through ERUs. Rather, the issue is whether Limestone's underlying assumptions regarding Stone Brook Inn's design capacity are accurate and supported by evidence.

Limestone continues to rely on published and/or generalized internet descriptions and occupancy assumptions while disregarding decades of actual operational data. No documentation has been provided demonstrating that Stone Brook Inn has a realistic design capacity of 50 guests on a sustained basis or that such capacity reasonably reflects the facility's characteristics and intended use.

2. The 2.5 Guests-Per-Room Assumption Is Unsupported

Limestone states that Stone Brook Inn consists of nineteen accommodations and that each accommodation can house multiple guests, leading to an assumed occupancy of 2.5 guests per room.

However, no engineering study, site inspection, building permit analysis, occupancy certificate, or other objective evidence has been presented to support the 2.5 guest assumption. The assumption appears to be arbitrary.

The fact that a room theoretically can accommodate multiple occupants does not establish that an average occupancy of 2.5 persons should be assigned for wastewater billing purposes. We have business policy to accommodate only one guest for our 11 of 19

single bed units and only two guests for our 8 of 19 double bed units. That concludes only **$(11 \times 1) + (8 \times 2) = 27$** guest capacity. Capacity assumptions should be based on verifiable facility data, not speculative estimates. We strongly disagree with Limestone's 8 ERU assignment based on assumed capacity of 50 guests for our business model and request to immediately review the ERU assignment.

3. Actual Water Consumption Demonstrates the Assumption Is Unreasonable

Although Limestone asserts that actual water usage is not used to calculate sewer charges, actual metered consumption remains highly relevant when evaluating whether an estimated design-capacity assumption is reasonable.

Limestone's own TPUC complaint response acknowledged that Stone Brook Inn's average monthly water consumption was approximately 14,387 gallons.

If the property truly generated wastewater demand equivalent to approximately 50 guests on a continuing basis, one would reasonably expect water consumption data to support that conclusion. Instead, more than two years of metered usage demonstrates usage levels substantially below what would be expected from the assumed guest population underlying the 8-ERU assignment.

While actual consumption may not be the billing determinant under the tariff, it is highly relevant evidence when assessing whether Limestone's design-capacity assumptions are realistic.

4. The TPUC's directions of an ERU Methodology Does Not Validate Every Individual Assignment

Your letter notes that the TPUC found Limestone's use of an ERU billing methodology reasonable and directed the Company to implement a process for challenging ERU assignments.

Stone Brook Inn is not challenging the Commission's authority to approve an ERU-based structure. Rather, it is challenging the accuracy of the specific ERU assignment applied to its property.

The existence of a Commission-approved methodology does not relieve Limestone of the obligation to ensure that the data and assumptions used to assign ERUs are accurate, unbiased, and supported by facts. Otherwise, the Commission's directive to establish a challenge process would have little practical meaning.

5. Objection to the Unapproved and Unsubstantiated ERU Methodology

The record of the Commission's most recent hearing does not appear to contain any specific approval of the Equivalent Residential Unit ("ERU") methodology currently being implemented by Limestone Water. To the extent Limestone Water has independently selected and implemented this methodology, it should not be characterized as a Commission-approved methodology without clear documentary evidence demonstrating such approval.

It is our position that the ERU methodology being imposed on customers has not been adequately justified and may result in charges that are disproportionate to actual wastewater usage. Other methodologies exist for determining a reasonable and equitable ERU assignment, and the Commission should require Limestone Water to demonstrate why the methodology it has selected is appropriate, necessary, and consistent with applicable regulatory standards.

Of particular concern is Limestone Water's change in billing practices. Prior to June 2025, Limestone Water billed customers based upon actual water-meter usage. Since June 2025, Limestone Water has asserted that obtaining or utilizing actual usage data is difficult and has instead relied upon an ERU-based methodology. This raises a fundamental and material question: If actual usage data was available and routinely utilized for customer billing before June 2025, why is Limestone Water now claiming that obtaining or using such data is impractical or difficult?

Limestone Water's current position appears inconsistent with its own established billing practices. The company previously demonstrated that customer water-usage information could be obtained and used for billing purposes. A change in methodology should therefore be supported by substantial evidence explaining the reason for the change, the necessity of the new methodology, and the basis upon which the resulting charges are considered reasonable and equitable.

Rather than implementing a controversial ERU methodology that may produce charges unrelated to a customer's actual wastewater usage, it would be more reasonable and transparent to continue using verified water-meter usage data where such data is available and historically has been used for billing.

Furthermore, if Limestone Water maintains that the ERU methodology currently being imposed has been approved by the Commission, then Limestone Water should be required to produce a complete copy of the Commission's approval. That documentation should specifically identify:

- The exact ERU methodology approved by the Commission;
- The criteria, formula, or standards authorized for assigning ERUs;
- The date on which the methodology was approved;
- The Commission proceeding, docket, or order in which the approval was granted;
- The effective date of the methodology;
- The specific authorization permitting Limestone Water to implement the methodology; and
- The authorized signatures or other official evidence establishing that the methodology was formally approved by the Commission.

Absent such documentation, Limestone Water should not be permitted to represent that its ERU methodology has been approved by the Commission merely because the Commission has addressed wastewater rates or related matters generally.

Accordingly, we respectfully request that the Commission require Limestone Water to substantiate the legal and regulatory basis for its ERU methodology and to explain the material departure from its prior practice of billing customers based upon actual water-meter usage. Until Limestone Water can establish that the specific ERU methodology and its assignment criteria were properly authorized, the Commission should carefully scrutinize its implementation and consider requiring the continued use of actual usage data where such data is available.

6. Missing Transparency as directed by TPUC's last hearing.

We have not received any documentation identifying the number of ERUs assigned to each commercial customer in Limestone Water's communication dated July 24, 2026.

This omission is particularly concerning because the Commission specifically directed Limestone Water to provide greater transparency regarding ERU assignments and to establish a formal process through which customers may challenge or dispute their assigned ERUs.

Without a complete listing of the ERUs assigned to all commercial customers, it is not possible for affected customers or the Commission to independently evaluate whether Limestone Water has applied its adopted ERU methodology consistently, accurately, reasonably, and equitably.

Accordingly, we respectfully request that Limestone Water provide a complete and verifiable record of the ERUs assigned to each commercial customer within the Shiloh Falls

jurisdiction, together with the classification and specific determinants used to establish each assignment. Such disclosure is essential to ensure the transparency and accountability contemplated by the Commission's directive.

7. Comparisons of Other Commercial Facilities Remain Relevant

Your letter suggests that comparisons with other commercial customers are not determined because each property is evaluated individually.

While every property is unique, comparative analysis remains relevant in determining whether assignments are being applied consistently and equitably. Significant disparities between similarly situated properties naturally raise questions regarding the validity of the assumptions used and whether customers are being treated uniformly under the approved methodology.

Transparency regarding how assumptions are developed and applied is necessary to ensure confidence in the fairness of the ERU assignment process.

As you may recall, in our statement presented at the April 28, 2026 public hearing, we raised a significant concern regarding Limestone Water's commercial customer classification and ERU assignment methodology. Specifically, we pointed out that Limestone Water's list of commercial determinants does not appear to include all commercial customers. As a result, certain commercial customers are being classified and billed as residential customers.

This raises a fundamental concern regarding whether Limestone Water has properly identified and assigned ERUs to all customer classes under its adopted methodology. If the utility has failed to accurately identify commercial customers and assign ERUs based on the applicable commercial determinants, the resulting billing is inherently inequitable, unreasonable, and unjustified.

We have also identified two commercial properties that are classified as "Super Center" and contain multiple businesses operating at the same address. Significantly, the "Super Center" classification does not appear anywhere in the list of commercial determinants used under Limestone Water's adopted ERU methodology. Nevertheless, these two commercial properties have each been assigned to only one ERU.

This raises a very serious and fundamental question: How were these properties determined to be entitled to only one ERU when the "Super Center" classification is not even included among the established commercial determinants?

Limestone Water should be required to explain, with supporting documentation, the specific methodology, criteria, and calculations used to assign one ERU to each of these properties.

Absent a clear and consistent basis for these assignments, such classifications appear to be arbitrary, unreasonable, unjustified, and inequitable, particularly when compared with the treatment of other customers under Limestone Water's ERU methodology.

We respectfully request that the Commission require Limestone Water to provide a complete explanation of its customer classification and ERU assignment process and demonstrate that the methodology has been applied consistently, transparently, reasonably, and equitably to all customers.

8. Stone Brook Inn Continues to Request Supporting Documentation

Your letter states that Limestone will reevaluate the assignment if documentation demonstrates that the information relied upon by the Company is materially inaccurate.

Accordingly, Stone Brook Inn respectfully requests that Limestone provide the documentation and calculations used to determine:

1. The basis for concluding that the Inn should be assigned 2.5 guests per accommodation.
2. The source materials relied upon establishing a 50-guest design capacity.
3. Any site-specific analysis, inspection reports, engineering evaluations, or occupancy data used in making this determination.
4. The methodology is used to ensure consistency among similarly situated commercial customers.
5. ERU assignments summary report for residential and commercial customers for transparency among all customers.

Without access to the information forming the basis of the assignment, it is difficult for any customer to meaningfully challenge the accuracy of the Company's conclusions.

Conclusion

Stone Brook Inn remains willing to work cooperatively with Limestone to resolve this matter. However, Limestone's response does not address the fundamental concern that the 8-ERU assignment is based on assumptions that have not been substantiated with objective, property-specific evidence and that appear inconsistent with the Inn's actual operating characteristics.

For these reasons, Stone Brook Inn respectfully requests that Limestone reconsider the assignment and provide the supporting documentation necessary for a meaningful review.

Sincerely,

Manager

Stone Brook Inn