

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**



IN RE:)
)
JOINT PETITION OF AQUA)
UTILITIES COMPANY AND TRA)
STAFF (AS A PARTY) TO)
INCREASE RATES AND CHARGES)

DOCKET NO. 15-00044

JOINT PETITION

Aqua Utilities Company (“Aqua” or “Company”) and TRA Staff (As a Party) (“Party Staff”) (collectively, the “Parties”), pursuant to Tenn. Code Ann. § 65-5-103, jointly petition the Tennessee Regulatory Authority (“Authority”) for an increase to Aqua’s rates and charges for the purpose of recovering Aqua’s costs of providing water and wastewater services to its customers and for authority to place such rates and charges into effect through a revised tariff.

In support of the Joint Petition, the Parties submit the following:

1. Aqua Utilities Company is a public utility as defined in Tenn. Code Ann. § 65-4-101 and is engaged in providing water and wastewater services to approximately 371 residential water customers and 301 residential wastewater customers located in Aqua’s service territory in Hardin County, Tennessee. The name and principal business address of the Company are:

Aqua Utilities Company
James E. Clausel, Owner
408 Main Street
Savannah, TN 38372

2. The names and principal business address of the Party Staff are:

David Foster, Chief of Utilities
Joe Shirley, Deputy Chief of Utilities
Tennessee Regulatory Authority
502 Deaderick Street, Fourth Floor
Nashville, TN 37243

3. The currently-tariffed rates and charges of Aqua were approved by the Authority over eight years ago on February 5, 2007 in Docket No. 06-00187. Under the current rates and charges, the Company's revenues and revenue projections are not sufficient to allow the Company a fair opportunity to recover its reasonable operating costs and to provide a fair and reasonable net operating income. In order for Aqua to maintain its utility systems and provide safe and reliable services to its customers in accordance with Authority requirements, an increase to its rates and charges should be granted.

4. As shown by the Exhibits to the Pre-filed Direct Testimony of Joe Shirley filed in support of this Joint Petition, the Company is projected to experience a net operating loss of \$57,597 for the Twelve Month Attrition Period Ending May 31, 2016. Using the operating margin method to establish a fair margin of 6.5% of operating expenses, Aqua is projected to incur a revenue deficiency of \$72,416 during the attrition period absent any rate relief.

5. The Parties propose to eliminate this revenue deficiency by increasing certain rates and charges for water and wastewater services as follows:

a. For water service, increase the minimum monthly charge for the first 1,000 gallons from \$12.00 to \$19.65; increase the volumetric charge for monthly water use in excess of 1,000 gallons from \$2.89 per 1,000 gallons applied pro-rata to \$3.05 per 1,000 gallons applied pro-rata; increase the reconnect charge due to seasonal disconnects from \$60.00 to \$120.00; and increase the new water service connection charge (tap fee) from \$1,000.00 to \$1,425.00.

b. For wastewater service, increase the minimum monthly charge for the first 1,000 gallons from \$12.00 to \$19.65; increase the volumetric charge for monthly wastewater use in excess of 1,000 gallons from \$2.89 per 1,000 gallons applied pro-rata to \$3.05 per 1,000

gallons applied pro-rata; increase the reconnect charge due to seasonal disconnects from \$60.00 to \$120.00; and increase the new wastewater service connection charge (tap fee) from \$1,000.00 to \$1,425.00.

c. If the proposed rates and charges are approved and implemented, the average monthly residential water bill is projected to increase from \$18.85 to \$26.88, which constitutes a 42.6% increase over the eight-year period since Aqua's last rate adjustment; and the average monthly residential wastewater bill is projected to increase from \$17.11 to \$25.04, which constitutes a 46.3% increase over the eight-year period since Aqua's last rate adjustment.

6. In accordance with Authority Rule 1220-4-1-.05, Aqua notified its customers of the proposed increase to rates and charges by direct mail to the customers' billing addresses on file with the Company as of April 7, 2015. A copy of the Notice, which was mailed to customers on April 8, 2015, is attached to the Affidavit of Kay Godwin filed in support of this Joint Petition. A copy of the Notice was also posted at the Company's principal business office and will remain displayed until the rate hearing in this matter has been conducted or, if necessary, a re-notice issued.

7. In light of the Company's present financial condition, the Parties request the Joint Petition be heard and approved at the regularly-scheduled Authority Conference on May 11, 2015, thereby providing the immediate rate relief needed for Aqua to continue providing safe and reliable services.

8. In further support of this Joint Petition, the Parties have filed seasonably herewith the following:

a. Pre-filed Direct Testimony of James E. Clausel regarding a general overview of Aqua Utilities Company's operations and a summary of the rate relief requested;

b. Pre-filed Direct Testimony, Exhibits and Workpapers of Joe Shirley regarding the ratemaking principles, methodologies and calculations used to project the revenue deficiency for the attrition period and to recommend the rate design to eliminate the projected revenue deficiency;

c. Affidavit of Kay Godwin regarding the notice of rate hearing provided to the Company's customers of record; and

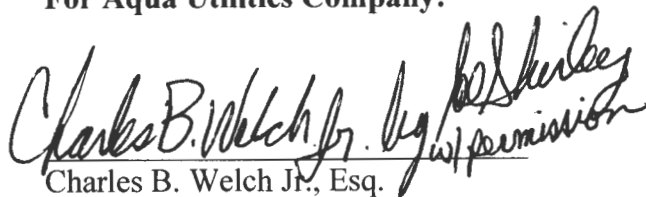
d. Revised Tariff providing the adjustments to rates and charges calculated by the Parties' cost of service study.

WHEREFORE, the Parties jointly request the Authority to:

1. Schedule the Joint Petition for hearing on May 11, 2015, upon proper notice;
2. Find that the rates and charges proposed by the Parties are just and reasonable and in the public interest;
3. Approve the Company's Revised Tariff implementing the proposed rates and charges effective May 12, 2015; and
4. Grant such other and further relief as circumstances may warrant.

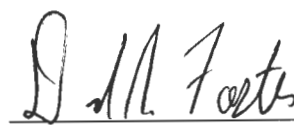
RESPECTFULLY SUBMITTED,

For Aqua Utilities Company:



Charles B. Welch Jr., Esq.
Farris Bobango PLC
618 Church Street, Suite 300
Nashville, TN 37219
(615) 726-1200
cwelch@farris-law.com
Counsel for Aqua Utilities Company

For TRA Staff (As a Party):



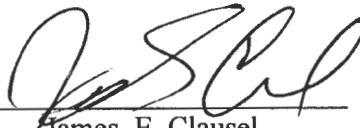
David Foster, Chief of Utilities
Tennessee Regulatory Authority
502 Deaderick Street, Fourth Floor
Nashville, TN 37243
(615) 770-6884
david.foster@tn.gov

VERIFICATION

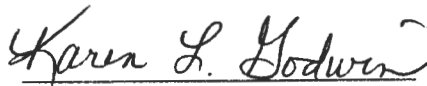
STATE OF TENNESSEE)

COUNTY OF Hardin)

I, James E. Clausel, hereby declare under penalty of perjury, that I am owner of Aqua Utilities Company; that I am authorized to make this verification on behalf of Aqua Utilities Company; that I have read the foregoing Joint Petition; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.


James. E. Clausel

Sworn to and subscribed before me the 8th day of April, 2015


Notary Public

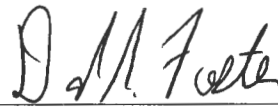
My commission expires: My Commission Expires
March 25, 2017



CERTIFICATE OF SERVICE

I hereby certify that on the 10 day of April 2015, a true and correct copy of the foregoing Joint Petition was served by electronic mail upon the following:

Cynthia Kinser, Esq. (Cynthia.Kinser@ag.tn.gov)
Vance Broemel, Esq. (Vance.Broemel@ag.tn.gov)
Wayne Irvin, Esq. (Wayne.Irvin@ag.tn.gov)
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, TN 37202

A handwritten signature in black ink, appearing to read "D. M. Foster", written over a horizontal line.

David Foster