

STATE OF TENNESSEE

Office of the Attorney General



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June 27, 2017

Ms. Sharla Dillion
Docket Manager
Tennessee Regulatory Agency
600 Deaderick Street, 4th Floor
Nashville, Tennessee 37242-0001

Docket no. 16-000139

RE: Petition of Tennessee Wastewater Systems, Inc. for Approval of Adjustment of Its Rates and New Tariff

Dear Ms. Dillon:

We are filing the attached *Supplemental Attachments to TWSI's Response to the CAD's Informal Discovery* in the above-referenced docket. The Parties recently participated in a status conference and agreed to the filing of these emails with attachments. The originals/copies will be delivered shortly. These attachments are the redacted versions of these attachments. The confidential/un-redacted attachments will be emailed to the Commission in a separate email.

Respectfully,

A handwritten signature in blue ink that reads "Karen H. Stachowski".

Karen H. Stachowski
Assistant Attorney General

cc: Jeff Ridsen, Esq.
Henry Walker, Esq.

Karen H. Stachowski

From: Walker, Henry <HWALKER@bradley.com>
Sent: Thursday, May 04, 2017 4:31 PM
To: 'Hal Novak (halnovak@whnconsulting.com)'; Karen H. Stachowski
Cc: 'Jeff Ridsen'
Subject: RE: Rough Estimate Design Flow

Oops. Just as I hit send, Jeff called from his car and said the design flow for customer 6-1 is 6,500 not 10,500.



Henry M. Walker

Partner

e: hwalker@bradley.com w: bradley.com

d: 615.252.2363 f: 615.252.6363

Roundabout Plaza, 1600 Division Street, Suite 700

Nashville, TN 37203

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From: Walker, Henry
Sent: Thursday, May 04, 2017 4:27 PM
To: 'Hal Novak (halnovak@whnconsulting.com)' <halnovak@whnconsulting.com>; 'Karen H. Stachowski' <Karen.Stachowski@ag.tn.gov>
Cc: Jeff Ridsen <Jeff.Ridsen@Adenus.com>
Subject: FW: Rough Estimate Design Flow

As a supplement to my last email----Jeff just called. He has calculated the design flow numbers for the first three accounts in your data request. They are shown below. He has not had time yet to go find the actual contracts (and says he probably won't be able to until after filing the responses to the staff on Tuesday) but explained that one can calculate the design flow for each of the 23 customers by looking at the tariff rates and the customer's bill and then backing out the design flow. Even if you don't have the 2014 tariff, you can use the 2015 tariff (which Hal has). The only difference will be the bonding rate and that's just a few cents.

I'm sure Hal can also figure out the math but Jeff can walk him through the process if you would like. In this way, you can readily determine the design flow that has been used to bill each of these customers. Then, when you get the contracts, you can made sure that the design flow numbers you have calculated match what is in the contracts.

Hal, send back an email if you want Jeff to walk you through the math (he offered to do it for me but I declined) and he'll give you a call.



Henry M. Walker

Partner

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From: Jeff Ridsen [<mailto:Jeff.Ridsen@Adenus.com>]
Sent: Thursday, May 04, 2017 4:10 PM

To: Walker, Henry <HWALKER@bradley.com>

Subject: Rough Estimate Design Flow

[External Email]

Any difference in rate should be due to bonding.

6-1 – 10,500

6-2 – 1100

6-3 - 750



Jeff Risdén

GENERAL COUNSEL

Adenus Group, LLC | 849 Aviation Pkwy, Smyrna, TN 37167

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Karen H. Stachowski

From: Walker, Henry <HWALKER@bradley.com>
Sent: Tuesday, May 02, 2017 4:47 PM
To: 'Hal Novak'
Cc: Vance Broemel; Karen H. Stachowski; Alex Bradley
Subject: RE: TWSI Informal Response to Sixth Informal Discovery Request

Ok. After a long talk with Jeff and studying the tariff, I finally got a firm understanding of how TWSI's commercial customers are billed.

Here—especially for the benefit of us lawyers—is my understanding of how commercial customers (other than cabins) are billed by TWSI. I believe that all 23 accounts you have asked about fall within the commercial category and all date to January 2015.

First, each commercial customer signs a service contract with TWSI. That contract contains the customer's "design daily flow" which is the amount of daily capacity the customer is purchasing. His bill is based on that capacity, not upon actual usage (unless he uses over that amount and then a surcharge is added.)

Therefore, in order to see if a customer has been billed correctly, you have to know first how much "design daily flow," i.e., how much daily capacity, the customer has purchased.

Second, after you look up the customer's design daily flow, you still cannot calculate the customer's bill without doing some additional math.

The utility's rate levels for smaller customers increase in increments of 100 gallons per day of usage. Starting at 1,000 gallons per day, the tariff rate levels increase in increments of 1,000 gallons per day. The tariff language, however, does not address explicitly how a customer should be billed if his design daily flow falls in between two rate levels. For example, if your design daily flow is over 1,000 gallons per day, the tariff says that the "monthly rate will be \$200 [I picked a round number for simplicity] per 1,000 gallons of daily flow." How should that be interpreted? If your design daily flow is, for example, 1,100 gallons per day, should you be charged for a daily flow of 2,000 gallons? Or billed on a pro-rata basis? The tariff is not explicit.

Because the utility does not want customers to be tempted to underestimate their daily capacity requirements, TWSI bills on a pro rata basis. For example, if the tariffed rate for capacity of 1,000 gallons a day is \$400 a month and the rate for 2,000 gallons a day is \$600 a month, the customer who has a design daily flow of 1,100 a day will receive a bill for \$420 (10% of the difference between the rate levels). If the customer's design daily flow is 1500 gallons a day, the utility would charge him \$500, 50% of the difference between the two rate levels, and so forth.

In other words, every customer who has a design daily flow that falls between two rate levels is billed at the lower level, plus a pro rata share of the next level. These pro rata adjustments are automatically made by the company's billing system. The tariffs do not explicitly require the utility to bill in this way but that is how TWSI has chosen to do it.

Back to the informal discovery request: as I understand it, you have identified 23 monthly bills where the "totals in the ledger don't match the tariff" but they will/should match if you look up each customer's contracted capacity and then calculate the bill as described above. To check each of these, it will require someone to go find the service contract for each of those 23 customers, look up the customer's design daily flow, then find the tariff in effect at the time the bill

was rendered, check to see if the customer's meter reading that month indicated usage in excess of the contracted capacity, recalculate the bill to make sure it was done correctly---and, finally, put all that in an explanation.

Now help me understand why it makes sense to go through that for each of these 23 bills? and how this helps determine the company's need for a rate increase ? I know you have a good reason for asking these questions; I must be missing something. What is it ?



Henry M. Walker

Partner

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Karen H. Stachowski

From: Walker, Henry <HWALKER@bradley.com>
Sent: Tuesday, May 02, 2017 10:58 AM
To: 'Hal Novak'
Cc: Vance Broemel; Karen H. Stachowski; Alex Bradley
Subject: RE: TWSI Informal Response to Sixth Informal Discovery Request

Good---since the analysis is the same for all of those questions, why don't you pick out some of them --say four or five--- and I will ask him to check the calculation---keeping in mind that as he said below he does not have ready access to the 2014 tariffs. (I talked to Jeff this morning and he is in the middle of responding to the TRA staff data requests .)



Henry M. Walker

Partner

e: hwalker@bradley.com w: bradley.com

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From: Hal Novak [mailto:halnovak@WHNConsulting.com]
Sent: Tuesday, May 02, 2017 10:47 AM
To: Walker, Henry <HWALKER@bradley.com>
Cc: Vance Broemel <vance.broemel@ag.tn.gov>; Karen H. Stachowski <karen.stachowski@ag.tn.gov>; Alex Bradley <alex.bradley@ag.tn.gov>
Subject: Re: TWSI Informal Response to Sixth Informal Discovery Request

Henry -

This analysis sounds like what I'm looking for. If you could have Jeff provide this analysis for 6-1 through 6-23 showing the design flow and using the appropriate rates (January 2015 in this particular case), then it appears that will reconcile the revenue in the ledger back to the tariff for these particular accounts.

Thanks.

Hal Novak, CPA
WHN CONSULTING
www.whnconsulting.com

Phone: 713-298-1760

From: Walker, Henry <HWALKER@bradley.com>
Sent: Tuesday, May 2, 2017 10:36 AM
To: 'Hal Novak'
Subject: FW: TWSI Informal Response to Sixth Informal Discovery Request

Take a look at jeff's explanation below. I am following up with Jeff to make sure I understand it but wanted to go ahead and share this with you now. He says a similar analysis would apply to all 23 questions.

Understandable why you could not follow their arithmetic. Unless you know the customer's design flow, you would not know how they are pro-rating the bill. In every case, however, it benefits the customer because the pro-rata charge (based on design flow) is less than charging the customer at the next highest usage category.

Bradley Arant Boult Cummings LLP
Henry M. Walker
Partner
e: hwalker@bradley.com w: bradley.com
Bio: <http://www.bradley.com/hwalker>
d: 615.252.2363 f: 615.252.6363
Roundabout Plaza, 1600 Division Street, Suite 700
Nashville, TN 37203

-----Original Message-----

From: Jeff Riden [<mailto:Jeff.Riden@Adenus.com>]
Sent: Tuesday, May 02, 2017 9:04 AM
To: Walker, Henry <HWALKER@bradley.com>
Subject: RE: TWSI Informal Response to Sixth Informal Discovery Request

Henry -

See if the below explanation will suffice for Hal. Feel free to fill in any blanks or expound where needed.

The commercial rates are based on design flow. TWSI prorates the rates where the design flow falls in-between a category. So for these questions that don't cleanly align with a tariff tier, TWSI is prorating the rate based on the design flow thus not charging the customer for flow they are not using. For example, in question 6-1 the design flow for that system is 10,500 gpd. Tier 3.3 is the base rate (\$720.29). Each additional 1000 gpd is charged at \$157.95. Instead of charging the customer for a full additional 7000 gpd, TWSI prorates the charge to more accurately reflect the 6500 the system is designed for. So the \$157.95 is multiplied by 6.5. The calculation is as follows:

Tier 3.3 (4000 gpd) = \$720.29
Additional 6500 gpd = \$1026.68 (6.5 x \$157.95)

Total: \$1746.97

* NOTE - the Jan 2015 example in the request is based on 2014 tariff rates. I don't have a copy of those rates handy. These numbers are based off the 2015 rates which were effective in Sept 2015.

Jeff Riden
GENERAL COUNSEL

Adenus Group, LLC | 849 Aviation Pkwy, Smyrna, TN 37167
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-----Original Message-----

From: Walker, Henry [<mailto:HWALKER@bradley.com>]
Sent: Monday, May 1, 2017 7:05 PM
To: Hal Novak <halnovak@WHNConsulting.com>
Cc: Jeff Ridsen <Jeff.Ridsen@Adenus.com>
Subject: Re: TWSI Informal Response to Sixth Informal Discovery Request

Part of the problem is that we could not figure out what you are asking. It would be helpful if you took one of the questions and walked us through it. state specifically where you see numbers that do not match the tariff or don't understand the numbers.

Sent from my iPhone

On May 1, 2017, at 5:58 PM, "Hal Novak" <halnovak@WHNConsulting.com<<mailto:halnovak@WHNConsulting.com>>> wrote:

[External Email]

Jeff -

I appreciate your response here, but this summary really doesn't answer my questions at all for Items 6-1 through 6-23. I'm already familiar with how the tariff works, and the particular account that you selected to discuss (Location TNCOM0015) was not related to any of the questions we requested.

Specifically, we are unable to reconcile the charges for the particular accounts detailed in Items 6-1 through 6-23 to the charges contained in the Company's tariff. We therefore need the Company analyze the charges included in the ledger for the particular month in question for the accounts listed in Items 6-1 through 6-23 and reconcile these charges back to the Company's tariff. What you've provided here does not do that.

Hal Novak, CPA
WHN CONSULTING
www.whnconsulting.com<<http://www.whnconsulting.com/>>

Phone: 713-298-1760

From: Jeff Ridsen <Jeff.Ridsen@Adenus.com<<mailto:Jeff.Ridsen@Adenus.com>>>
Sent: Monday, May 1, 2017 5:10 PM
To: Karen H. Stachowski
Cc: Vance Broemel; Hal Novak; Alex Bradley (alex.bradley@ag.tn.gov<<mailto:alex.bradley@ag.tn.gov>>); Walker, Henry
Subject: TWSI Informal Response to Sixth Informal Discovery Request

Karen –

Regarding questions 1-23:

I believe that all of these questions arise from the same issue. Let's take one account and walk through it.

– Look at TNCOM0015 on the MTN Commercial without Food spreadsheet (line 1227 on exhibit 5-2):

Sewer Charge - \$50.30

Escrow Charge - \$21.75

Maintenance Charge - \$28.60

Billing and Collecting - \$1.50

Bonding Charge - \$1.48

Total - \$103.63

The total amount billed to the customer ---\$103.63---is calculated from Section 6 of the TWSI tariff, Tier 1 on the Commercial w/out Food rate. (I can walk you through the tariff if you would like.) That total amount consists of 1. the basic rate for service (\$80.40) plus 2. the cost of bonding (\$1.48) and 3. money for the escrow account (\$21.75).

Here is the confusing part: the basic rate for service of \$80.40 is not shown on this chart. It is the sum of three numbers : “sewer “ (\$50.30) “ maintenance (\$28.60) and “billing and collection “ (\$1.50). Those three numbers are used purely for TWSI’s internal, cost allocation purposes. They have nothing to do with TWSI’s retail rates.

These allocation numbers were developed years ago when TWSI paid another company to handle all the maintenance as well as the billing and collection for TWSI’s properties in East Tennessee. Under the parties’ agreement, the parties estimated that the cost of “maintenance “ per customer was about 35% of the customer’s charge for basic service (exclusive of escrow and bonding costs) and that the cost of billing and collection for that customer was \$1.50. In this example, the customer’s basic charge for service was \$80.40. Of that amount, TWSI paid its East Tennessee partner \$28.60 for “maintenance “ and \$1.50 for “billing and collections. “ Although TWSI no longer has any relationship with that company, we still show these internal allocations on the books of TWSI.

To reiterate, the total amount of revenue collected from the customer by the company is \$103.63. That includes the basic cost of providing service, plus bonding costs and escrow charges. The basic cost of providing service (\$80.40) is not shown on this chart but is the sum of the “sewer charge “ the “maintenance charge “ and the “billing and collection “ charge. It is broken out that way for internal reasons that today have nothing to do with how the company operates and has never had anything to do with how ratepayers are billed.

This analysis applies to questions 1-23 in your latest request for information.

For question 24 and 25, we are currently working on our responses to TPUC's Second Data Request. These responses are due next Monday (5/8). I believe our responses should address these two questions. If not, we can discuss anything you feel needs to be clarified.

Kind regards,

Jeff

<image001.gif>

Jeff Ridsen

GENERAL COUNSEL

Adenus Group, LLC | 849 Aviation Pkwy, Smyrna, TN 37167

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Karen H. Stachowski

From: Jeff Riden <Jeff.Riden@Adenus.com>
Sent: Thursday, May 18, 2017 1:52 PM
To: Karen H. Stachowski
Cc: Vance Broemel; Hal Novak; Alex Bradley; Walker, Henry
Subject: FW: Meter Usage Breakdown
Attachments: Meter Usage Breakdown.xlsx

Karen –

Attached is a reconciliation of a sampling of the bills you provided. I think the spreadsheet is fairly self-explanatory as to how the rate is calculated, but for sake of explanation... Say a customer is contracted for 655 gallons per day. They will have a base rate at the tier level for 600 gpd. They are then charged 15 cents per gallon for the additional flow, so Tier 2.3 (500-600gpd) which has a rate of \$115.35. Then the additional 55 gpd are billed at 15 cents per gallon for an addition amount of \$8.25. So this customer should have a total bill of \$123.61. The only difference is when a customer uses over 1000 gpd. They are charged the base rate per thousand and then 15.8 cents per additional gallon.

Thanks,

Jeff



Jeff Riden

GENERAL COUNSEL

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Karen H. Stachowski

From: Jeff Risdien <Jeff.Risdien@Adenus.com>
Sent: Thursday, May 18, 2017 1:52 PM
To: Karen H. Stachowski
Cc: Vance Broemel; Hal Novak; Alex Bradley; Walker, Henry
Subject: FW: Meter Usage Breakdown
Attachments: Meter Usage Breakdown.xlsx

Karen –

Attached is a reconciliation of a sampling of the bills you provided. I think the spreadsheet is fairly self-explanatory as to how the rate is calculated, but for sake of explanation... Say a customer is contracted for 655 gallons per day. They will have a base rate at the tier level for 600 gpd. They are then charged 15 cents per gallon for the additional flow, so Tier 2.3 (500-600gpd) which has a rate of \$115.35. Then the additional 55 gpd are billed at 15 cents per gallon for an addition amount of \$8.25. So this customer should have a total bill of \$123.61. The only difference is when a customer uses over 1000 gpd. They are charged the base rate per thousand and then 15.8 cents per additional gallon.

Thanks,

Jeff



Jeff Risdien

GENERAL COUNSEL

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**BLACK
BEAR
WATER
METERS**

Lot #

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- 11R
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- 13R1
- 14R
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	1006
	1013
	1016
	1029
	1032
	1034
Star Crest	1037
2	1038
	1039
	1040
	1060
	2093
	3008
	3023
	3027
	3030
SMOKY	1
COVE	5
WATER	7
SUMMIT	
VIEW	36
LEGACY	110R
MOUNTAIN	118
ELK	112

SPRINGS	103
THE HIGHLANDS	2
LEGACY PRESERVE	74 125 123

Karen H. Stachowski

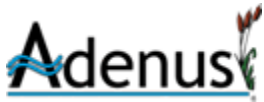
From: Jeff Risdien <Jeff.Risdien@Adenus.com>
Sent: Monday, May 22, 2017 3:17 PM
To: Karen H. Stachowski; Vance Broemel; Cynthia Kinser
Cc: Walker, Henry (hwalker@bradley.com)
Subject: TWSI Metered Customers
Attachments: ETN Comercial Meters.pdf; ETN Meter With Account Number.xlsx

Karen –

Thank you for the time on Friday. Attached are the non-Southridge metered customers for TWSI. These customers are billed according to the tier corresponding with their use (flow) with any flow falling between tiers billed at a pro-rated 15 cents a gallon (15.8 for over 1000 gpd) as described in my email last week. Any significant fluctuation you're seeing in monthly bills likely stems from these customers. I trust these accounts will shed some light on those you've been unable to reconcile. Please let me know if you have any questions.

Regards,

Jeff



Jeff Risdien

GENERAL COUNSEL

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TN WASTEWATER SYSTEMS, INC. Current Customer Report - Detailed

Sort Order: Location No.

Limited to : Route No COM - EAST TN COMMERCIAL, COMB - EAST TN COMMERCIAL - BULK

Location No	Location City, State, Zip
TNBBR102R	SEVIERVILLE, TN-37862
TNBCO0002	TOWNSEND, TN-37882
TNBCSW001	TOWNSEND, TN-37882
TNGRC0001	BEAN STATION, TN-37708
TNLMEPOOL	SEVIERVILLE, TN-37876
TNLOF0089	LOUISVILLE, TN-37777
TNLPR0COF	SEVIERVILLE, TN-37862
TNLPR0DCH	SEVIERVILLE, TN-37862
TNLPR0DPO	SEVIERVILLE, TN-37862
TNSMC0003	SEVIERVILLE, TN-37876
TNSTC2144	SEVIERVILLE, TN-37876
TNTCO0001	TOWNSEND, TN-37882
TNTCO002A	TOWNSEND, TN-37882
TNTCO002B	TOWNSEND, TN-37882
TNTCO002C	TOWNSEND, TN-37882
TNTSB0001	SEVIERVILLE, TN-37862
TNTR0001	SEVIERVILLE, TN-37876
TNTR0002	SEVIERVILLE, TN-37876
TNTR0003	CONCORD, TN-37922
TNTTS0002	TOWNSEND, TN-37882
TNTTS0118	TOWNSEND, TN-37882
TNTTS7955	TOWNSEND, TN-37882
TNTTS7967	TOWNSEND, TN-37882
TNTTS9022	TOWNSEND, TN-37882

Karen H. Stachowski

From: Jeff Riden <Jeff.Riden@Adenus.com>
Sent: Tuesday, May 23, 2017 9:42 AM
To: Karen H. Stachowski
Cc: Vance Broemel; Walker, Henry (hwalker@bradley.com)
Subject: TWSI Meter Read History Report
Attachments: Meter Reading History 1-1-2015 - 12-31-2016.xls

Karen –

Attached are the meter reads for 2015 and 2016. Let me know if after working through these accounts you're still struggling to reconcile the numbers.

Thanks,

Jeff



Jeff Riden

GENERAL COUNSEL

Adenus Group, LLC | 849 Aviation Pkwy, Smyrna, TN 37167
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Refer to Attachment "Cabin 2015 2016" of the Company's response to CPAD Data Request 5-2 Supplemental. Please reconcile the billing revenue as shown below from this Attachment for the stated month with the Company's tariffs for the following accounts:

Account 1709 (TNBBR0090) for December 2016

Sewer Revenue	\$45.47
Escrow Revenue	37.20
Maintenance Revenue	75.12
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$160.50

Account 802 (TNBBR0094) for October 2016

Sewer Revenue	\$58.26
Escrow Revenue	47.45
Maintenance Revenue	95.54
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$203.96

Account 356 (TNBBR011R) for December 2016

Sewer Revenue	\$27.51
Escrow Revenue	22.81
Maintenance Revenue	46.43
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$99.46

Account 408 (TNBBR0129) for December 2016

Sewer Revenue	\$22.83
Escrow Revenue	19.06
Maintenance Revenue	38.95
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$83.55

Account 173 (TNBBR012R) for December 2016

Sewer Revenue	\$128.52
Escrow Revenue	103.75
Maintenance Revenue	207.78
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$442.76

Account 1757 (TNBBR0130) for July 2016

Sewer Revenue	\$34.88
Escrow Revenue	28.72
Maintenance Revenue	58.20
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$124.44

Account 2259 (TNBBR013R) for December 2016

Sewer Revenue	\$32.98
Escrow Revenue	27.20
Maintenance Revenue	55.17
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$118.06

Account 264 (TNBBR0146) for July 2016

Sewer Revenue	\$31.84
Escrow Revenue	26.28
Maintenance Revenue	53.34
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$114.10

Account 2249 (TNBBR0147) for November 2016

Sewer Revenue	\$25.08
Escrow Revenue	20.87
Maintenance Revenue	42.55
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$91.21

Account 663 (TNBBR0148) for December 2016

Sewer Revenue	\$24.91
Escrow Revenue	20.72
Maintenance Revenue	42.27
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$90.61

Account 2298 (TNBBR0152) for December 2016

Sewer Revenue	\$25.08
Escrow Revenue	20.87
Maintenance Revenue	42.55
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$91.21

Account 2058 (TNBBR0181) for November 2016

Sewer Revenue	\$25.97
Escrow Revenue	21.57
Maintenance Revenue	43.96
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$94.21

Account 1963 (TNBBR091R) for December 2016

Sewer Revenue	\$34.71
Escrow Revenue	28.58
Maintenance Revenue	57.92
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$123.92

Account 1866 (TNBBR093R) for November 2016

Sewer Revenue	\$36.07
Escrow Revenue	29.67
Maintenance Revenue	60.10
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$128.55

Account 264 (TNBBR141R) for August 2016

Sewer Revenue	\$32.41
Escrow Revenue	26.74
Maintenance Revenue	54.25
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$116.04

Account 264 (TNBBR144R) for August 2016

Sewer Revenue	\$32.41
Escrow Revenue	26.74
Maintenance Revenue	54.25
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$116.04

Account 2015 (TNBBR151R) for July 2016

Sewer Revenue	\$30.73
Escrow Revenue	25.39
Maintenance Revenue	51.57
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$110.33

Account 1346 (TNBBR153R) for December 2016

Sewer Revenue	\$34.35
Escrow Revenue	28.29
Maintenance Revenue	57.35
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$122.70

Account 620 (TNBBR192R) for September 2016

Sewer Revenue	\$31.00
Escrow Revenue	25.60
Maintenance Revenue	52.00
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$111.31

Account 2004 (TNBBR197R) for October 2016

Sewer Revenue	\$22.79
Escrow Revenue	19.03
Maintenance Revenue	38.88
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$83.41

Account 190 (TNESP0051) for October 2016

Sewer Revenue	\$192.03
Escrow Revenue	161.63
Maintenance Revenue	331.87
Billing Revenue	16.50
Bonding Revenue	13.31
Total Revenue	\$715.34

Account 1538 (TNESP0103) for December 2016

Sewer Revenue	\$76.84
Escrow Revenue	62.34
Maintenance Revenue	125.23
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$267.12

Account 1697 (TNHSP0052) for September 2016

Sewer Revenue	\$24.20
Escrow Revenue	20.16
Maintenance Revenue	41.14
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$88.21

Account 1565 (TNHSP0079) for August 2016

Sewer Revenue	\$22.04
Escrow Revenue	18.43
Maintenance Revenue	37.69
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$80.80

Account 159 (TNHSP0084) for September 2016

Sewer Revenue	\$46.58
Escrow Revenue	38.09
Maintenance Revenue	76.88
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$164.26

Account 1723 (TNHSP0261) for September 2016

Sewer Revenue	\$1.50
Escrow Revenue	1.14
Maintenance Revenue	10.13
Billing Revenue	21.40
Bonding Revenue	11.12
Total Revenue	\$45.29

Account 2036 (TNHSP0628) for December 2016

Sewer Revenue	\$22.08
Escrow Revenue	18.46
Maintenance Revenue	37.76
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$81.01

Account 238 (TNHSP136R) for September 2016

Sewer Revenue	\$36.38
Escrow Revenue	29.92
Maintenance Revenue	60.60
Billing Revenue	1.50
Bonding Revenue	1.12
Total Revenue	\$129.61

Account 350 (TNLPR0074) for August 2016

Sewer Revenue	\$24.16
Escrow Revenue	20.12
Maintenance Revenue	41.07
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$87.99

Account 251 (TNLPR063R) for August 2016

Sewer Revenue	\$39.38
Escrow Revenue	32.32
Maintenance Revenue	65.39
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$139.73

Account 1689 (TNSLR0030) for December 2016

Sewer Revenue	\$1.50
Escrow Revenue	1.21
Maintenance Revenue	18.95
Billing Revenue	15.95
Bonding Revenue	32.75
Total Revenue	\$70.36

Account 129 (TNSMC0001) for August 2016

Sewer Revenue	\$28.62
Escrow Revenue	23.70
Maintenance Revenue	48.19
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$103.15

Account 2157 (TNMC0002) for December 2016

Sewer Revenue	\$33.37
Escrow Revenue	21.75
Maintenance Revenue	45.53
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$103.36

Account 198 (TNSMC0005) for October 2016

Sewer Revenue	\$35.94
Escrow Revenue	29.57
Maintenance Revenue	59.89
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$128.11

Account 1981 (TNSMC0007) for August 2016

Sewer Revenue	\$28.44
Escrow Revenue	23.55
Maintenance Revenue	47.91
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$102.54

Account 1571 (TNSMC0040) for December 2016

Sewer Revenue	\$37.90
Escrow Revenue	31.90
Maintenance Revenue	65.50
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$140.72

Account 2173 (TNSMC0096) for December 2016

Sewer Revenue	\$1.50
Escrow Revenue	1.21
Maintenance Revenue	10.13
Billing Revenue	21.40
Bonding Revenue	11.12
Total Revenue	\$45.36

Account 229 (TNSTC1004) for August 2016

Sewer Revenue	\$21.86
Escrow Revenue	18.28
Maintenance Revenue	37.40
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$80.18

Account 1981 (TNSTC1006) for December 2016

Sewer Revenue	\$99.15
Escrow Revenue	80.22
Maintenance Revenue	160.86
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$342.94

Account 678 (TNSTC1034) for August 2016

Sewer Revenue	\$65.32
Escrow Revenue	53.11
Maintenance Revenue	106.82
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$227.89

Account 720 (TNSTC1037) for September 2016

Sewer Revenue	\$31.31
Escrow Revenue	25.85
Maintenance Revenue	52.49
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$112.36

Account 1646 (TNSTC1060) for August 2016

Sewer Revenue	\$56.02
Escrow Revenue	45.66
Maintenance Revenue	91.97
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$196.29

Account 1548 (TNSTC2137) for December 2016

Sewer Revenue	\$27.29
Escrow Revenue	22.63
Maintenance Revenue	46.07
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$98.70

Account 2288 (TNSTC3008) for November 2016

Sewer Revenue	\$20.54
Escrow Revenue	17.22
Maintenance Revenue	35.29
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$75.76

Account 249 (TNSTC3023) for August 2016

Sewer Revenue	\$22.13
Escrow Revenue	18.50
Maintenance Revenue	37.83
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$81.10

Account 302 (TNSTC3030) for August 2016

Sewer Revenue	\$28.22
Escrow Revenue	23.38
Maintenance Revenue	47.56
Billing Revenue	1.50
Bonding Revenue	1.14
Total Revenue	\$101.80

Account 148 (TNTHI0002) for November 2016

Sewer Revenue	\$21.16
Escrow Revenue	17.72
Maintenance Revenue	36.28
Billing Revenue	1.50
Bonding Revenue	1.21
Total Revenue	\$77.87

Karen H. Stachowski

From: Karen H. Stachowski
Sent: Monday, May 08, 2017 2:40 PM
To: Walker, Henry (hwalker@bradley.com); Jeff Ridsen
Cc: Vance Broemel; Cynthia Kinser (Cynthia.Kinser@ag.tn.gov); 'Hal Novak (halnovak@whnconsulting.com)'; Alex Bradley
Subject: 16-00139 Follow-up to discovery requests
Attachments: 16-00139_Follow-up on DR 5-2_05.08.2017.pdf

Henry and Jeff,

I realize you are still responding to TPUC's data request, but I believe that is due tomorrow. I wanted to follow-up on commercial cabin customers. In the discussion on the commercial customers, you suggested that the Consumer Advocate run the math and get back to you where we had discrepancies between our math, the tariff, and billing. Well, Hal and Alex ran the math on the commercial cabins (a few thousand lines of data from last week) and found discrepancies which are listed in the attached document. Could TWSI review the attachment and get back to us?

Also, I wanted to check to see if you be filing, with TPUC, the informal discovery interactions we've had. It is my understanding that TPUC expects such exchanges of information to be shared with them so they are "in the loop".

Respectfully,

Karen H. Stachowski | Assistant Attorney General

State of Tennessee

Office of the Attorney General & Reporter
Consumer Protection and Advocate Division
Post Office Box 20207

Nashville, TN 37202-0207

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Karen.Stachowski@ag.tn.gov



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Karen H. Stachowski

From: Jeff Riden <Jeff.Riden@Adenus.com>
Sent: Wednesday, June 14, 2017 3:36 PM
To: Karen H. Stachowski
Cc: Vance Broemel; Walker, Henry
Subject: RE: TPUC Dockets

Karen –

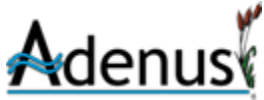
The contracts provided appear to be commercial cabin contracts which should be billed at the commercial cabin rate in the tariff (unless there's something I'm not aware of regarding those accounts -- I'm also assuming they correspond to the accounts listed on the first sheet). I was referring to actual commercial customers (ie. Lowes, Walmart, subdivision clubhouses, etc...) who contract for a specific amount of gallons per day. That list does not contain those customers.

I'm waiting to hear back on the audit timeframe.

Charles is back from vacation next week, so we would be available to meet towards the end of next week.

Thanks,

Jeff



Jeff Riden

GENERAL COUNSEL

Adenus Group, LLC | 849 Aviation Pkwy, Smyrna, TN 37167
Direct: 615.220.7171 | Toll Free: 888.4.ADENUS Ext: 145 | Mobile: 615.691.2018 | Fax: 615.220.7207

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From: Karen H. Stachowski [mailto:Karen.Stachowski@ag.tn.gov]
Sent: Wednesday, June 14, 2017 3:11 PM
To: Jeff Riden <Jeff.Riden@Adenus.com>
Cc: Vance Broemel <Vance.Broemel@ag.tn.gov>; Walker, Henry <HWALKER@bradley.com>
Subject: RE: TPUC Dockets

1. 16-000139.
 - a. Smyrna Meeting. In the contracts you provided to me, I didn't see a "contract rate" listed. In your explanation on 5/18/17 (email), you mention a customer contracting for a certain gallons per day which ties them to a Tier so I was looking for the contract rate in the documents you provided us. For convenience, attached are the contracts you provided to me on our recent visit.
 - b. Audit. Do you have a time-frame on the completion of the audit?

- c. Follow-up Meeting. Cynthia had requested a follow-up meeting after we filed Hal's testimony and Henry had responded that TWSI had some questions that needed to be answered (TWSI discovery request). Are you ready to meet to discuss the status of this docket?

2. 16-00096. We are waiting to hear back from management.

Karen H. Stachowski | Assistant Attorney General

State of Tennessee

Office of the Attorney General & Reporter

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From: Jeff Riden [<mailto:Jeff.Riden@Adenus.com>]
Sent: Wednesday, June 14, 2017 2:54 PM
To: Karen H. Stachowski <Karen.Stachowski@ag.tn.gov>
Cc: Vance Broemel <Vance.Broemel@ag.tn.gov>; Walker, Henry <HWALKER@bradley.com>
Subject: TPUC Dockets

Karen –

Checking in regarding the status of the following:

1. Your review of the billing and the contracts we provided last week. Do you have any remaining questions? BTW – the auditors began work on the billing audit last week.
2. Settlement agreement. Where are we at with it?

Thanks,

Jeff



Jeff Risen

GENERAL COUNSEL

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Direct: 615.220.7171 | Toll Free: 888.4.ADENUS Ext: 145 | Mobile: 615.691.2018 | Fax: 615.220.7207

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