

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

August 22, 2018

IN RE:

PETITION OF INTEGRA WATER TENNESSEE, LLC  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE  
AND NECESSITY AND AUTHORITY TO CHARGE  
RATES IN CASEY COVE SUBDIVISION LOCATED  
IN DEKALB COUNTY, TENNESSEE

DOCKET NO.  
17-00014

---

ORDER APPROVING STIPULATION AND SETTLEMENT AGREEMENT AND  
GRANTING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

---

This matter came before Vice Chair Kenneth C. Hill, Commissioner Herbert H. Hilliard, and Commissioner David F. Jones of the Tennessee Public Utility Commission, (“TPUC” or “Commission”), the voting panel assigned to this docket, at a regularly scheduled Commission Conference held on July 23, 2018, for consideration of the *Initial Petition for Certificate of Public Convenience and Necessity By Integra Water Tennessee, LLC* (“*Petition*”) filed by Integra Water Tennessee, LLC (“Integra,” “Company” or “Petitioner”) on February 8, 2017, requesting a Certificate of Public Convenience and Necessity (“CCN”) to operate a wastewater disposal system in DeKalb County, Tennessee.

**BACKGROUND AND PETITION**

Integra Water Tennessee, LLC is a limited liability company organized under the laws of the State of Tennessee in October 2016 with a principal address located at 600 University Park Place, Suite 275, Birmingham, AL 35209.<sup>1</sup> In its *Petition*, which includes several exhibits, including the documentation indicating it is registered and in good standing with the Tennessee

---

<sup>1</sup> *Initial Petition for Certificate of Public Convenience and Necessity By Integra Water Tennessee, LLC*, Exhibit 4 (February 8, 2017).

Secretary of State,<sup>2</sup> Integra seeks to operate a wastewater disposal system in the Casey Cove Estates Subdivision (“Casey Cove” or “Subdivision”) in DeKalb County, Tennessee.<sup>3</sup> The Casey Cove project will consist of three phases: phase one (1) consisting of eighteen (18) residential homes; and, phases two (2) and three (3) expanding to a total of twenty-seven (27) residential homes and a four unit condominium building. The project is slated to be completely built out within two years, though no houses have been built and no lots have been sold at this time.<sup>4</sup> Integra filed a copy of its SOP Application for a State Operating Permit for a recirculating sand filter treatment system to support thirty-one (31) homes with a 9,424 gpd flow rate.<sup>5</sup>

In his pre-filed testimony attached to the *Petition*, managing member Michael J. Myers states that Cecil Brown will provide operation support at Casey Cove as their Certified Operator. He further states that Integra Water, LLC, an affiliate company located in Birmingham, Alabama, will be providing Integra with customer service support, billing accounting and financial support. Mr. Myers also testifies that the investor owned utility companies affiliated with Integra have been providing water and wastewater ownership and management for more than twenty (20) years. Finally, Mr. Myers affirms that Integra will comply with all the Commission’s rules regulations, and orders pertaining to the provision of wastewater service rules in Tennessee.<sup>6</sup>

In its *Petition*, Integra states that no jurisdictions are able to provide service to the requested service area, providing a letter from the DeKalb Utility District as evidence.<sup>7</sup> Further, Integra states that no other public or private utility providers are providing service in the area.<sup>8</sup> In

---

<sup>2</sup> *Id.* at Exhibit 4.

<sup>3</sup> *Id.* at p. 1.

<sup>4</sup> *Petitioner’s Responses to Staff Data Requests of January 4, 2018*, Response to Request Nos. 2, 16, (January 18, 2018).

<sup>5</sup> *Initial Petition for Certificate of Public Convenience and Necessity By Integra Water Tennessee, LLC*, Exhibit 6 (February 8, 2017).

<sup>6</sup> *Amended Pre-Filed Direct Testimony of Michael J. Myers*, p. 2 (July 20, 2018).

<sup>7</sup> *Id.* at p. 2 and Exhibit 22.

<sup>8</sup> *Id.* at p. 2.

addition, Integra has provided a copy of the contract with the Developer of Casey Cove, Mitchell Bowman.<sup>9</sup>

The Consumer Protection and Advocate Division of the Attorney General's Office ("Consumer Advocate") filed a *Petition to Intervene* on March 6, 2017.<sup>10</sup> On March 13, 2017, the voting panel in this docket voted unanimously to convene a contested case proceeding and to appoint the Commission's General Counsel or her designee to prepare this matter for Hearing.<sup>11</sup> The Hearing Officer granted the Consumer Advocate's *Petition to Intervene*.<sup>12</sup> The Hearing Officer issued an *Order Establishing Procedural Schedule* on April 19, 2017.

As the Parties began to file motions concerning discovery and to exchange discovery requests, Integra amended its *Petition* to change the rate requested in its *Petition*.<sup>13</sup> The Hearing Officer suspended the procedural schedule by order in June 2017 while the Parties continued the discovery process, as the Consumer Advocate indicated certain deficiencies existed in Integra's *Petition*, even after the filing of the *Amendment to Petition for Certificate of Public Convenience and Necessity by Integra Water Tennessee, LLC* ("Amended Petition").<sup>14</sup> The Hearing Officer issued an *Order Establishing Amended Procedural Schedule* on October 5, 2017. The Consumer Advocate pre-filed witness testimony on November 7, 2017. The Parties filed a *Stipulation and Settlement Agreement* on January 3, 2018. Commission Staff followed this filing with a Data Request to Integra in order to obtain clarification on a number of items.<sup>15</sup>

On June 5, 2018, Integra filed its *Third Amendment for Certificate of Public Convenience and Necessity by Integra Water Tennessee, LLC* along with a revised tariff. Then, on July 6,

---

<sup>9</sup> *Petitioner's Responses to Second Discovery Request of the Consumer Protection and Advocate Division*, Response 2-21 (October 23, 2018).

<sup>10</sup> *CAD's Petition to Intervene*, (March 6, 2017).

<sup>11</sup> *Order Convening a Contested Case and Appointing a Hearing Officer*, (March 21, 2017).

<sup>12</sup> *Order Granting the Petition to Intervene Filed by the Consumer Advocate*, (March 16, 2017).

<sup>13</sup> *Amendment to Petition for Certificate of Public Convenience and Necessity By Integra Water Tennessee, LLC*, (May 18, 2017).

<sup>14</sup> *Order Suspending Procedural Schedule*, pp. 2-3 (June 30, 2017).

<sup>15</sup> *Data Request*, (January 4, 2018).

2018, Integra and the Consumer Advocate filed the *Amended Stipulation and Settlement Agreement* (“*Amended Settlement Agreement*”), as described below.

#### **STIPULATION AND SETTLEMENT AGREEMENT**

The *Amended Settlement Agreement* provides that the monthly rate of \$82 per residential unit and other fees as set forth in the Second Amended Tariff, filed on June 5, 2018 in this docket will not be increased for the lesser of five (5) years or at such time as Integra has completed the full build-out of Case Cove serving all thirty-one (31) customers. Conditions which must be satisfied in order to qualify for an emergency rate or fee increase during the agreed upon moratorium are stated in the *Amended Settlement Agreement*.<sup>16</sup>

With regard to Operating Margin, Integra’s rates, in subsequent rate proceedings, shall be determined with the use of an operating ratio set at 6%. Integra may in the future propose to set base rates upon a Rate Base/Rate of Return model, which will be filed with TPUC for review.<sup>17</sup>

Further, Integra agrees to comply with the Affiliate Transaction Rules<sup>18</sup> proposed by the TPUC on April 7, 2017 until the official rule is finalized and with the official rule once final. Integra shall retain its records to verify that the cost of a product or service provide by an affiliate is lower than the actual costs of receiving such product or service from an independent third party and make available to TPUC or CAPD upon request.<sup>19</sup>

Integra agrees to file financial security with TPUC in the amount of no less than a \$20,000 bond or irrevocable letter of credit.<sup>20</sup> Integra filed a \$20,000 bond on January 4, 2018.

---

<sup>16</sup> *Amended Stipulation and Settlement Agreement*, pp. 4-5 (July 6, 2018).

<sup>17</sup> *Id.* at 5.

<sup>18</sup> *In Re: Rulemaking to Revise TRA Wastewater Rules*, Docket No. 16-00112, *Pre-Filed Proposed Final Rules*, pp. 13-15, Tenn. Comp. R. & Regs. 1220-4-13-.16 (April 7, 2017).

<sup>19</sup> *Amended Stipulation and Settlement Agreement*, pp. 5-6 (July 6, 2018).

<sup>20</sup> *Id.* at 6.

The *Amended Settlement Agreement* authorizes Integra to charge no more than 1% late payment fees. Said late payment fees are consistent with the proposed Tariff filed on June 5, 2018.<sup>21</sup>

Integra is authorized to charge a System Access Fee of \$84 per year to the owner of each parcel of property which is provided a tap or tap availability when the system is built. Integra shall provide notice to customers prior to purchase of the lot. When a customer signs up for service, the System Access Fee is no longer charged and the customer is charged the approved monthly rate for service.<sup>22</sup>

The *Amended Settlement Agreement* also provides that Integra will develop a process to maintain a record of all consumer complaints and inquiries and Integra's response to those matters. Said database shall be available to TPUC and to the Consumer Advocate for review.<sup>23</sup> Integra filed a document detailing this process on July 6, 2018.<sup>24</sup>

Integra also agrees not to seek to recover the attorneys' fees or costs associated with any of its *Petitions* or filings related to this docket. Further, Integra waives recovery of attorneys' fees or costs associated with its *Petitions* or filings related to this docket in any future filings.

### **THE HEARING**

A Hearing in this matter was held before the voting panel of Commissioners during the regularly scheduled Commission Conference on July 23, 2018, as noticed by the Commission on July 13, 2018. Participating in the Hearing were:

Integra Water Tennessee, LLC – Benjamin A. Gastel, Esq., Branstetter, Stranch & Jennings, PLLC, The Freedom Center, 223 Rosa L. Parks Avenue, Suite 200, Nashville, Tennessee 37203; Michael J. Myers, member, 600 University Park Place, Suite 275, Birmingham, AL 35209.

---

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Integra's Process for Handling and Maintaining a Record of Customer Complaints*, (July 6, 2018).

Consumer Protection and Advocate Division – Vance Broemel, Esq. and Karen H. Stachowski, Esq., Office of the Attorney General, P.O. Box 20207, Nashville, TN 37202; David N. Dittmore, Office of the Attorney General, P.O. Box 20207, Nashville, TN 37202.

During the Hearing the *Amended Settlement Agreement* was presented to the panel, and each of the Parties confirmed its agreement thereto. Michael J. Myers, member of Integra, presented testimony summarizing the *Amended Settlement Agreement* and answered questions from the panel. Members of the public were given an opportunity to offer comments, at which time, no comments were submitted.

#### **STANDARD FOR COMMISSION APPROVAL**

No public utility is permitted to begin construction or operation of a new utility facility or service without first obtaining a CCN from the Commission, as set forth in Tenn. Code Ann. § 65-4-201(a), which states:

No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the commission, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system, or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate; provided, however, that this section shall not be construed to require any public utility to obtain a certificate for an extension in or about a municipality or territory where it shall theretofore have lawfully commenced operations, or for an extension into territory, whether within or without a municipality, contiguous to its route, plant, line, or system, and not theretofore receiving service of a like character from another public utility, or for substitute or additional facilities in or to territory already served by it.<sup>25</sup>

Additionally, in order to obtain a CCN to provide wastewater service, TPUC Rule 1220-4-13-.04(1)(b) provides:

---

<sup>25</sup> Tenn. Code Ann. § 65-4-109 (2017 Supp.).

Any public wastewater utility requesting a Certificate of Public Convenience and Necessity (CCN) authorizing such public utility to construct and/or operate a wastewater system and/or expand the area in which such a system is operated, shall file an application in compliance with Rule 1220-1-1-1.03 and this rule. All applicants shall demonstrate to the Authority that they are registered with the Secretary of State, have obtained the financial security required under 1220-4-13-.07, and possess sufficient managerial, financial, and technical abilities to provide the wastewater services for which they have applied. Each application shall justify existing public need and include the required financial security consistent with Tenn. Code Ann. § 65-4-201 and these rules.<sup>26</sup>

### **FINDINGS AND CONCLUSIONS**

In its *Petition*, Integra has asked the Commission for approval pursuant to Tenn. Code Ann. § 65-4-201(a) and TPUC Rule 1220-4-13-.04(1)(b) to provide service to Case Cove in DeKalb County, Tennessee. Based on a review and consideration of the pleadings, pre-filed testimony, the entire administrative record and the agreed upon terms contained in the *Amended Settlement Agreement*, the Commission finds as follows:

The panel concluded that the *Amended Stipulation and Settlement Agreement* provides a fair and reasonable rate to consumers while allowing Integra the financial ability to maintain the water system during the build-out and provide necessary levels of revenue to the Company going forward. Accordingly, in light of the entire record, the panel voted unanimously to approve the *Amended Stipulation and Settlement Agreement*.

Further, the panel concluded that Integra has demonstrated that it possesses the requisite managerial, financial and technical capabilities to provide wastewater services to Casey Cove and that a public need exists for such service as required under Tenn. Code Ann. § 65-4-201(a) and TPUC Rule 1220-4-13-.04(1)(b). Accordingly, the panel voted unanimously to issue the CCN requested, contingent upon the filing of the following documents in this Docket within fifteen (15) days from receipt of the Order:

1. The deed and/or easements for all the land and entitlement to ownership rights to the

---

<sup>26</sup> Tenn. Comp. R. & Regs. 1220-4-13-.04(1)(b).

wastewater system;

2. A final copy of the State Operating Permit as issued by the TDEC;
  3. All final signed contracts between Integra and the Developer;
  4. A copy of the final signed plat from DeKalb County, Tennessee showing Integra Water Tennessee, LLC as the utility of record;
  5. “As-built” plans for the sewer system and the collection system capable of providing wastewater service to thirty-one (31) equivalent dwelling units certified as being inspected by Integra;
- and,
6. A Tariff including a monthly rate of \$82, an annual lot fee of \$84, and all other fees, rules and regulations with an effective date of July 23, 2018.

**IT IS THEREFORE ORDERED THAT:**

1. The *Amended Stipulation and Settlement Agreement* filed on July 6, 2018 is approved. A copy of the *Amended Stipulation and Settlement Agreement* is attached as an Exhibit hereto and incorporated as if stated herein verbatim.
2. The *Initial Petition for Certificate of Public Convenience and Necessity by Integra Water Tennessee, LLC* is approved contingent upon Integra Water Tennessee, LLC filing the following in this docket:
  - a). The deed and/or easements for all the land and entitlement to ownership rights to the wastewater system;
  - b). A final copy of the State Operating Permit as issued by the TDEC;
  - c). All final signed contracts between Integra and the Developer;
  - d). A copy of the final signed plat from DeKalb County, Tennessee showing Integra Water Tennessee, LLC as the utility of record;
  - e). “As-built” plans for the sewer system and the collection system capable of



providing wastewater service to thirty-one (31) equivalent dwelling units certified as being inspected by Integra; and,

f) A Tariff including a monthly rate of \$82, an annual lot fee of \$84, and all other fees, rules and regulations with an effective date of July 23, 2018.

3. Any person who is aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within fifteen (15) days from the date of this Order.

4. Any person who is 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 sixty (60) days from the date of this Order.

**Vice Chair Kenneth C. Hill, Commissioner Herbert H. Hilliard and Commissioner David F. Jones concur.**

**ATTEST:**



---

**Earl R. Taylor, Executive Director**

# EXHIBIT A

IN THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE

IN RE:

PETITION OF INTEGRA WATER  
TENNESSEE, LLC FOR A CCN AND  
AUTHORITY TO CHARGE RATES IN  
CASEY COVE SUBDIVISIONS LOCATED  
IN DEKALB COUNTY, TENNESSEE

)  
)  
)  
)  
)  
)  
)

DOCKET NO. 17-00014

---

AMENDED STIPULATION AND SETTLEMENT AGREEMENT

---

In compromise and settlement of this matter, Tennessee Public Utility Commission (TPUC) Docket No. 17-00014, Herbert H. Slatery III, the Tennessee Attorney General and Reporter, by and through the Consumer Protection and Advocate Division (Consumer Advocate) and Integra Water Tennessee, LLC (Integra) respectfully submit this Amended Stipulation and Settlement Agreement (Amended Settlement Agreement). Subject to TPUC approval, the Consumer Advocate and Integra (individually, a Party and collectively, the Parties) stipulate and agree to the following:

**BACKGROUND**

1. On February 8, 2017, Integra filed a Petition to Receive a Certificate of Public Necessity (*Petition*) from the TPUC to provide water service to customers located in the Casey Cove in DeKalb County, Tennessee. Integra's *Petition* sought to serve 31 customers.

2. If the Certificate of Convenience and Necessity (CCN) is awarded, Integra will be a public utility pursuant of the laws of Tennessee, and its public utility operations are subject to the jurisdiction of TPUC.

3. In its *Petition*, Integra sought a \$60 flat monthly rate for all customers to receive wastewater service. Integra also sought a \$20 new account fee; an actual cost reconnection fee;

and a 1% late penalty fee.

4. On March 6, 2017, the Consumer Advocate filed a Petition to Intervene in this Docket. The intervention petition was subsequently granted without objection.

5. On May 17, 2017, Integra filed its *First Amended Petition* revising its proposed flat monthly rate of \$60 per residential unit to \$90 per residential unit.

6. On September 27, 2017, Integra filed two documents: a *Second Amended Petition* and an *Amended Tariff*. The *Second Amended Petition* requested a Reconnection Charge of \$100 and revised its Late Payment Penalty to 10% per month. The *Amended Tariff* reflected these two changes.

7. On October 3, 2017, Integra filed a *Notice of Filing of Instructions* which contained Integra's Instructions and Water Service Application. In this Application, the online credit card convenience fee is assessed in the amount of \$2.95 for each payment transaction.

8. On October 25, 2017, the Consumer Advocate sent Integra a letter (Clarification Letter) seeking clarification to Integra's responses to the Consumer Advocate's Second Discovery Request.

9. On November 1, 2017, Integra filed its response to the Consumer Advocate's Clarification Letter including a *Second Amended Tariff*. The *Second Amended Tariff* set out the following Rates and Charges: (a) \$90 per month flat rate for service; (b) \$20 Application Fee; (c) \$100 Reconnection Charge; (d) 1% per month Late Penalty Fee; (e) Credit Card Convenience Fees that vary depending on the size of the transaction; and (f) a Refundable Security Deposit equal to the monthly service rate, which is currently \$90. After this filing, Integra clarified that it had inadvertently failed to include a Return Check Fee of \$23.50 in the *Second Amended Tariff*.

10. Over several months, the Consumer Advocate and Integra worked together to

resolve issues regarding Integra's proposed application, contract and tariff terms. For example, Integra agreed to remove release language and not to require certain private information to be required to apply for service.

11. On November 7, 2017, the Consumer Advocate's witness David N. Dittmore filed testimony raising the following general concerns: (a) Integra should be required to not increase the fees for the lesser of five years or when Casey Cove has completed the full build-out for the 31 customers; (b) Integra should have an operating ratio of 6.5% annually to be applied in future Integra revenue requirement calculations; (c) Integra should agree to comply with the Commission's proposed Affiliate Transaction Rules and retain records verifying affiliate transactions are priced at the lower of actual cost of the affiliate, or the market cost of the product or service available from third parties and provide access to TPUC and the Consumer Advocate to those records; (d) Integra should not receive a CCN until it has posted a \$20,000 financial security issued by a licensed commercial bonding or insurance company or an irrevocable letter of credit issued by a financial institution acceptable to TPUC; and (e) the late penalty should be 1% and calculated as simple interest.

12. On January 3, 2018, the Parties filed a Stipulation and Settlement Agreement for consideration by TPUC.

13. On January 4, 2018, TPUC Staff issued a Data Request to Integra. Integra responded timely to the Data Request on January 18, 2018.

14. On May 24, 2018, the Hearing Officer held a status conference with the Parties.

15. On June 4, 2018, Integra filed two documents: a *Third Amended Petition* and a *Second Amended Tariff*. The *Third Amended Petition* requested a System Access Fee of \$82 per year and a reduction of Integra's proposed flat monthly rate of \$90 per residential unit to \$82 per

residential unit. The *Second Amended Tariff* reflected these changes.

16. The Parties to this Amended Settlement Agreement have engaged in discovery and have undertaken discussions to resolve all disputed issues in this case. As a result of the information obtained during discovery and the discussions between the Parties, and for the purpose of avoiding further litigation and resolving this matter upon acceptable terms, the Parties have reached this Amended Settlement Agreement, subject to TPUC approval.

#### **SETTLEMENT TERMS**

Subject to TPUC approval, in furtherance of this Amended Settlement Agreement, the Parties have agreed to the settlement terms set forth below and in the Tariff attached as Exhibit A:

##### **LIMITATION ON FUTURE RATE INCREASE**

17. Integra agrees the monthly rate of \$82 per residential unit and other fees or charges set forth in the *Second Amended Tariff* attached as Exhibit A will not be increased for the lesser of five years or at such time as Integra has completed the full build-out of Casey Cove subdivision serving all 31 customers. The only exception to this limitation on future rate increases is if emergency rate relief is necessary and in the public interest. In seeking emergency rate relief Integra shall show each of the following:

- a. The events giving rise to the emergency rate relief request are extraordinary and outside the control of Integra such as an act of God or force majeure;
- b. Due to the events, the Integra's financial situation has been significantly impaired, or is likely to be significantly impaired, impacting its ability to provide safe, reliable and efficient service to its customers in the near future and Integra does not have the financial resources to address the situation without a request regarding emergency rate relief;

- c. While any applicable insurance claims are pending, Integra identifies its insurance coverage or access to grants or other governmental assistance and demonstrates such insurance is not sufficient to mitigate its losses;
- d. Integra has filed a claim(s) with its insurance carrier(s), applied for grants, and other governmental assistance and took its own remedial actions to reduce its losses;
- e. Integra establishes any other factors set by TPUC by law, regulation or rule required for emergency relief.

#### OPERATING MARGIN

18. The adequacy of Integra's rates in subsequent rate case proceedings shall be determined by the use of an operating ratio set at 6.0%. For the purposes of calculating the revenue requirement, taxes and depreciation/amortization expense are added to the operating expenses and the margin is determined as a percentage of this total.

19. Integra has stated it may, in the future, propose to set base rates upon a Rate Base/Rate of Return model. If it does so, Integra will file notice with TPUC and TPUC may take what action it deems necessary.

#### AFFILIATE TRANSACTIONS

20. Integra agrees to comply with the Affiliate Transaction Rules<sup>1</sup> proposed by TPUC on April 7, 2017 (ATR) until the official rule is finalized and to comply with the official rule once final. Further, Integra shall retain its records<sup>2</sup> verifying that the cost of a product or service provided by an affiliate as defined in the ATR is lower than the actual costs of receiving such

---

<sup>1</sup> Tenn. Comp. R. & Regs. 1220-4-13-.16. A copy of the final proposed rules can be found in TPUC Docket No. 16-00112.

<sup>2</sup> All records related to affiliate transactions shall be preserved and maintained "for a minimum of three (3) years as specified in Rule 1220-4-13.03." Tenn. Comp. R. & Regs. 1220-4-13-.16(5).

product or service from an independent third party. Integra agrees to make such verifying information regarding affiliate transactions to TPUC and/or Consumer Advocate upon request.

#### PROOF OF FINANCIAL SECURITY

21. Integra has filed with TPUC financial security in the amount of no less than a \$20,000 bond issued by a licensed commercial bonding or insurance company, or an irrevocable letter of credit issued by a financial institution acceptable to TPUC.

#### LATE PENALTY FEE

22. Integra shall be authorized to charge no more than a 1% late payment fee (if it so elects) consistent with the proposed Tariff attached as Exhibit A.

#### SYSTEM ACCESS FEE

23. Integra shall be authorized to charge a System Access Fee of \$84 per year to the owner of each property parcel which is provided a tap or the availability of a tap, when the system is built. All customers shall be provided notice of this fee prior to purchase of a lot or lots. Once a customer signs up for service, the System Access Fee will no longer be charged. Instead, the customer will be charged the approved monthly flat rate for service.

#### CUSTOMER COMPLAINTS

24. By no later than February 28, 2018, Integra will develop a process to maintain a record of all consumer complaints and inquiries and Integra's response to those matters. The database shall be available to TPUC and the Consumer Advocate for review, upon request.

#### PETITION ATTORNEYS' FEES

25. Integra agrees not to seek to recover the attorneys' fees or costs associated with any of its *Petitions* or filings related to this Docket and waives recovery of such fees or costs associated with its *Petitions* or filings related to this Docket in any future filing.



### GENERAL TERMS

26. All pre-filed discovery (formal and informal), testimony and exhibits of the Parties are introduced into evidence without objection, and the Parties waive their right to cross-examine all witnesses with respect to all such pre-filed testimony. If, however, questions should be asked by any person, including a Commissioner, the Parties may present testimony and exhibits to respond to such questions and may cross-examine any witnesses with respect to such testimony and exhibits. The Parties would ask to permit any out of town witnesses to be available by telephone to reduce the costs associated with such appearance.

27. After the filing of this Amended Settlement Agreement, the Parties agree to support this Amended Settlement Agreement before TPUC and in any hearing, proposed order, or brief conducted or filed in this Docket. The provisions of this Amended Settlement Agreement are agreements reached in compromise and solely for the purpose of settlement of this Docket. The provisions in this Amended Settlement Agreement do not necessarily reflect the positions asserted by any Party. None of the Parties to this Amended Settlement Agreement shall be deemed to have acquiesced in or agreed to any ratemaking or accounting methodology or procedural principle.

28. This Amended Settlement Agreement shall not have any precedential effect in any future proceeding or be binding on any of the Parties in this or any other jurisdiction except to the limited extent necessary to enforcement and implementation of the provisions hereof.

29. The Parties agree and request TPUC to order that the settlement of any issue

pursuant to this Amended Settlement Agreement shall not be cited by the Parties or any other entity as binding precedent in any other proceeding before the TPUC or any court, state or federal except to the limited extent necessary to implement the provisions hereof and for the limited purpose of enforcement should it become necessary.

30. The terms of this Amended Settlement Agreement have resulted from extensive negotiations between the signatories and the terms hereof are interdependent. The Parties jointly recommend that TPUC issue an order adopting this Amended Settlement Agreement in its entirety without modification.

31. If TPUC does not accept the settlement in whole, the Parties are not bound by any position or term set forth in this Amended Settlement Agreement. In the event that TPUC does not approve this Amended Settlement Agreement in its entirety, each of the signatories to this Amended Settlement Agreement will retain the right to terminate this Amended Settlement Agreement by giving notice of the exercise of such right within 15 business days of the date of such non-approval; provided, however, that the signatories to this Amended Settlement Agreement could, by unanimous consent, elect to modify this Amended Settlement Agreement to address any modification required by, or issues raised by, TPUC within the same time frame. Should this Amended Settlement Agreement terminate, it would be considered void and have no binding precedential effect, and the signatories to this Amended Settlement Agreement would reserve their rights to fully participate in all relevant proceedings notwithstanding their agreement to the terms of this Amended Settlement Agreement.

32. By agreeing to this Amended Settlement Agreement, no Party waives any right to continue litigating this matter should this Amended Settlement Agreement be rejected by TPUC in whole or in part.

33. No provision of this Amended Settlement Agreement shall be deemed an admission of any Party. No provision of this Amended Settlement Agreement shall be deemed a waiver of any position asserted by a Party in this Docket or any other docket.

34. Except as specifically agreed in this Amended Settlement Agreement, any request made by Integra in its *Petitions* shall be deemed to have been withdrawn upon the approval of this Amended Settlement Agreement by TPUC.

35. All exhibits and schedules attached to or referenced in this Amended Settlement Agreement are hereby incorporated by reference into this Amended Settlement Agreement.

36. The Consumer Advocate's agreement to this Amended Settlement Agreement is expressly premised upon the truthfulness, accuracy and completeness of the information provided by Integra to TPUC and Consumer Advocate throughout the course of this Docket, which information was relied upon by the Consumer Advocate in negotiating and agreeing to the terms and conditions of this Amended Settlement Agreement.

37. The acceptance of this Amended Settlement Agreement by the Attorney General shall not be deemed approval by the Attorney General of any of Integra's acts or practices.

38. Each signatory to this Amended Settlement Agreement represents and warrants that it/he/she has informed, advised and otherwise consulted with the Party for whom it/he/she signs regarding the contents and significance of this Amended Settlement Agreement and has obtained authority to sign on behalf of such Party, and based upon those communications, each signatory represents and warrants that it/he/she is authorized to execute this Amended Settlement Agreement on behalf of its/his/her respecting Party.

39. This Amended Settlement Agreement shall be governed by and construed under the law of the State of Tennessee, Tennessee choice of law rules notwithstanding.

40. Nothing herein limits or alters the Sovereign Immunity of the State of Tennessee or any of its entities or subdivisions.

41. Integra agrees, once approved, this Amended Settlement Agreement subject it to jurisdiction of and for enforcement by TPUC and other state tribunals pursuant to applicable State law. Integra agrees this Amended Settlement Agreement will become effective upon oral approval of TPUC. Integra hereby waives any right to appeal TPUC's order approving the Amended Settlement Agreement.

The foregoing is agreed and stipulated to this 6<sup>th</sup> day of July, 2018.


*[Parties' signature pages follow – remainder of page intentionally left blank]*

Amended Stipulation and Settlement Agreement  
Tennessee Public Utility Commission Docket No. 17-00014  
Integra Water Tennessee, LLC Signature Page

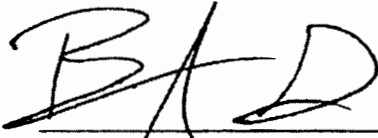
Integra Water Tennessee, LLC.

HAVE SEEN AND AGREED.

By:

  
\_\_\_\_\_  
**JOHN MCDONALD**  
Member, Integra Water, LLC  
600 University Park Place, Suite 275  
Birmingham, AL 35209  
Tel: 877.511.2911

Counsel for Company:

  
\_\_\_\_\_  
**BENJAMIN A. GASTEL (BPR #028699)**  
Branstetter, Stranch & Jennings, PLLC  
The Freedom Center  
223 Rosa L. Parks Avenue, Suite 200  
Nashville, Tennessee 37203  
Tel: 615.254.8801  
Fax: 615.255.5419  
Email: beng@bsjfirm.com

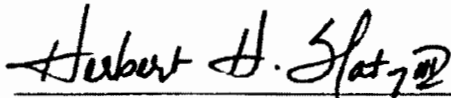
*[additional signature page follows – remainder of page intentionally left blank]*

Stipulation and Settlement Agreement  
Tennessee Public Utility Commission Docket No. 17-00014  
Attorney General's Signature Page

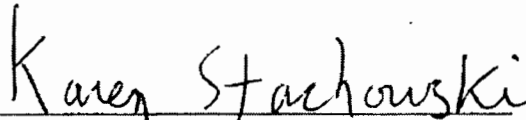
CONSUMER PROTECTION AND ADVOCATE DIVISION

HAVE SEEN AND AGREED.

By:



**HERBERT H. SLATTERY III (BPR #09077)**  
Attorney General and Reporter  
State of Tennessee



**KAREN H. STACHOWSKI (BPR #019607)**

Assistant Attorney General  
Office of the Attorney General  
Public Protection Section  
Consumer Protection and Advocate Division  
P.O. Box 20207  
Nashville, Tennessee 37202-0207  
Phone: (615) 741-1671  
Fax: (615) 532-2910  
Email: Karen.Stachowski@ag.tn.gov

by Vame Swenel

**TARIFF OF**  
**INTEGRA WATER TENNESSEE, LLC**

**SCHEDULE OF RATES, TERMS AND CONDITIONS**  
**FOR**  
**WASTEWATER SERVICE**  
**FOR CASEY COVE SUBDIVISION**

**Issued by:** INTEGRA WATER TENNESSEE, LLC

**Address:** 600 UNIVERSITY PARK PL STE 275  
BIRMINGHAM, AL 35209-6789 USA

**Issue Date:**

**Effective Date:**

**EXHIBIT A**

## TABLE OF CONTENTS

<u>Section No.</u>	<u>Name</u>	<u>Section Page(s)</u>
	<b>Schedule of Rates and Charges</b>	1-1
	<b>Rules and Regulations</b>	2-1
1.	Purpose	2-1
2.	Definitions	2-1
3.	Authorization of Rules and Regulations	2-1
4.	Application and Contract	2-1
5.	Customer Duty and Responsibility	2-1 to 2-2
6.	Company Contact	2-2
7.	Billing and Payment	2-2 to 2-3
8.	Disputed Bill	2-3
9.	Nonpayment Penalties	2-3
10.	Credit/Debit Card Use Fees	2-3
11.	Alternate Address Notification	2-3 to 2-4
12.	Disconnection of Service	2-4
13.	Change in Ownership, Tenancy Service	2-4
14.	System Access Fee	2-4
15.	Customer's Statement of Rights and Responsibilities	2-4
16.	Construction Standards	2-5
17.	Inspection	2-5
18.	Commission Regulations	2-5
	<b>Statement of Utility Customer Rights And Responsibilities</b>	2-6

**EXHIBIT A**



## **Schedule of Rates and Charges**

**Residential Monthly Wastewater Service:**

All residential Customers \$82 per month

**Miscellaneous Charges:**

System Access Fee \$84 per year

Application Fee \$20

Reconnection Charge \$100

Late Payment Penalty 1 % per month

Return Check Fee \$23.50 per check

Credit Card Convenience Fee \$2.95 for each transaction for bill \$0-\$49.99  
\$3.50 for each transaction for bill \$50-\$149.99  
2.75% of the total amount for bill over \$150

(only one credit card convenience fee can be charged per bill)

Refundable Security Deposit 1 multiplied by the monthly wastewater service charge

No other charges or fees of any other type by whatever name can be charged to any Customer without the prior approval of the TPUC.

## **RULES AND REGULATIONS**

### **1. Purpose**

The general purpose of these rules and regulations are to establish procedures for furnishing wastewater service on a uniform basis to the Customers within the service area boundary of Integra Water Tennessee, LLC.

### **2. Definitions**

- A. Company – shall mean Integra Water Tennessee, LLC.
- B. Customer – shall mean any person who receives wastewater service from the Company.
- C. Commission – shall mean the Tennessee Public Utility Commission.
- D. Residential Service – shall mean the provision of wastewater service to a Customer whose primary use is for a customer's personal dwelling or residence.
- E. Commercial Service – shall mean the provision of wastewater service to a Customer whose primary use is other than residential service.
- F. Consumer Advocate – shall mean the Consumer Protection and Advocate Division of the Tennessee Attorney General's Office.

### **3. Authorization of Rules and Regulations**

Integra Water Tennessee, LLC, a corporation organized and engaged in business as a wastewater public utility in the state of Tennessee under a Certificate of Convenience and Necessity approved by the Commission on December 12, 2017 under Docket No. 17-00014.

### **4. Application and Contract**

Each Customer will complete an application and contract for wastewater service in the form attached as Attachment 1. A Customer may be asked to provide a security deposit of no more than 1 times the monthly scheduled tariff charges unless they are not able to provide evidence they have previously received utility services for a period of 12 months with timely payments or they are a service member of the armed forces. The security deposit shall be held in an escrow account and automatically returned to the Customer at the end of 12 months of service with timely payments.

### **5. Customer Duty and Responsibility**

- A. Each Customer shall have the duty to maintain his/her/its wastewater system on the Customer's side of the wastewater connection. Failure to properly maintain service lines may result in temporary suspension of wastewater service after proper notice and an opportunity to respond.

- B. Each Customer shall have the responsibility to promptly notify the Company of any and all service interruptions, unexpected odors and leaks of the system for which the Customer becomes aware.

6. Company Contact

- A. The Company's Customer contact information is listed here and Company representatives shall be available Monday – Friday from 8 a.m. to 5 p.m. local time (Central Time Zone) of the Customers to respond to Customer inquiries.

Customer Service  
600 University Park Place Suite 275  
Birmingham, AL 35209-6789 USA  
Phone: 877-511-2911  
Email: [info@integrawater.com](mailto:info@integrawater.com)  
Website: [www.integrawater.com](http://www.integrawater.com)

- B. The Company's Emergency Contact is listed here for Customers to report emergency situations such as service interruptions, odor issues and leaks in the system. The number shall be answered 24 hours per day 7 days a week by a live person. The number shall appear on all communications with Customers including billings:

Customer Service—Emergency Contact  
600 University Park Place Suite 275  
Birmingham, AL 35209-6789 USA  
Phone: 877-511-2911

7. Billing and Payment

- A. Bills cannot be paid in person.
- B. Customers may pay bills by check, auto draft, over the telephone or online.
- C. Bills for monthly wastewater service will be mailed to the Customer during the first week of each month for the wastewater service for that month's service.
- D. In addition to three days allowed for mailing of the bills, Customers shall have at least 14 days additional days after the mailing of the bill to remit their payment for the particular month's service.
- E. Wastewater bills shall be paid by the due date on the bill. The due date shall be at a minimum 17 days after mailing of the bill by the Company.

- F. When the due date for a bill falls on a weekend or state or federal holiday, the due date shall be the next business day.

**8. Disputed Bill**

In disputing a period billing statement, a Customer shall first try to resolve the issue by discussion with the Company's personnel. The Company's personnel shall investigate the disputed issue and shall try to resolve that issue by negotiation. If the negotiation does not resolve the dispute, the Customer may obtain informal review by contacting the Consumer Services Division for a formal review with the Commission. While a Customer is proceeding with either informal or formal review of a dispute, no termination of service shall be permitted if any amounts not disputed are paid when due.

**9. Nonpayment Penalties**

- A. A penalty of 1% of the monthly charges shall be due after the 25th day after the date on the bill. This penalty shall be calculated as simple interest and not compounding interest. Thereafter, after 3 days and notice and an opportunity to respond is provided to the Customer, the Company may disconnect the Customer's service.
- B. A fee of \$100 will be charged for reconnection of service.
- C. The Company may permit the Customer to make payments to bring his/hers/its account current including the costs of the late penalties, disconnection and re-connection fees for a period of up to 5 month billing cycles. Service shall be promptly turned back on again upon payment of the charges or payment of the first payment by the Customer arranged payment plan to the Company.
- D. If the Customer is a member of the armed services on active duty, the Company will comply with state and federal law regarding collection from active duty service members before disconnecting service.

**10. Credit/Debit Card Use Fees**

The Company will clearly and conspicuously advise its Customers of the fact it charges a fee to pay the Customer's bill by debit or credit card on its bills and it shall be a separate clearly delineated charge. The notice shall include the amount of the fee and methods of payment available to the Customer without having to pay the fee. The Company's website shall also include the notice.

**11. Alternate Address Notification**

Customers may provide an alternate address for notification for potential disconnection that will also receive any required notices of disconnection. In addition during the initial application for

service of process, the Customer will be notified at least twice a year of this option on the monthly bills along with the address and telephone number to contact to add the alternative contact and address. The Company's website shall also clearly and conspicuously disclose how to add an alternate address notification to the Customer's account.

#### 12. Disconnection of Service

After notice and an opportunity to be heard is given to the Customer, service under any Customer contract may be discontinued if the following reasons exist:

- A. Nonpayment as set forth in this tariff.
- B. Material misrepresentation on an application.
- C. For modifying or repairing any Company property without Company permission.
- D. For intentionally damaging any service pipes or Company property.
- E. Abandonment or vacating the premises for more than 30 days without notice to the Company and nonpayment as set forth in this tariff.

#### 13. Change in Ownership, Tenancy Service

A new application and contract must be made and approved by the Company on any change in ownership of property, or in tenancy, or in the service as described in the application. In the event of failure of a new owner or tenant to make such application, the Company shall have the right to discontinue service until such new application is made and approved consistent with the Disconnection of Service section of this Tariff.

#### 14. System Access Fee

A System Access Fee will be charged in advance for the upcoming year. Potential purchasers of property parcels will be notified of this fee prior to purchase. The owner of each property parcel which is provided a tap or the availability of a tap, when the system is built, will be required to pay a System Access Fee of \$84.00 per year. This fee will be billed and payable semi-annually. Owners of record as of June 1<sup>st</sup> will be billed for one-half of the total System Access Fee or \$42.00 in June, and owners of record as of December 1<sup>st</sup> will be billed for one-half of the total System Access Fee or \$42.00 in December. As each customer connects to the sewer and signs up for service, he/she will be credited on a pro-rated basis until that time. Thereafter, the System Access Fee will not be charged. Any System Access Fees not used within the paid year will be credited to the monthly billing for permanent service.

#### 15. Customer's Statement of Rights and Responsibilities

The Company will provide a copy of the "Customer's Statement of Rights and Responsibilities" when sewer service is extended to a Customer, annually, and upon first notice of an impending service disconnection.

**EXHIBIT A**

16. Construction Standards

Within 10 days of a written request, the Company shall provide copies of its required construction standards at no costs. The standards shall also be filed with the Commission and any updates provided within 10 business days of becoming effective to the Commission.

17. Inspection

All pipes, valves and fixtures of the Company shall be subject to inspection by the Company or its duly authorized agent during reasonable hours and times.

18. Commission Regulations

The Company in its operation shall comply with all the applicable rules and regulations promulgated from time to time by the Commission.

## **STATEMENT OF UTILITY CUSTOMER RIGHTS AND RESPONSIBILITIES**

The Tennessee Utility Commission has established rules about utility/customer/company relationships. These rules cover Customer relations, Customer billing, reconnection, service disconnection and other matters. These rules assure Customers of certain rights and outline Customer responsibilities.

**Customer Rights.** The Company will:

- Provide service if you are a qualified applicant.
- Follow specific procedures before your service is disconnected.
- Continue service for a reasonable time if you provide a physician's statement that a medical emergency exists in your home.
- Give you written information about Commission rules and your rights and responsibilities as a Customer under those rules.

**Customer Responsibilities.** You, the Customer will:

- Use services safely and pay for them promptly.
- Contact the Company when you have a problem with payment, service, safety, billing, or Customer service.
- Notify the Company about billing or other errors.
- Contact the Company when you anticipate a payment problem to attempt to develop a payment plan.
- Notify the Company when you are moving to another residence.
- Notify the Company about stopping service in your name or about stopping service altogether.
- Permit access for essential Company personnel and equipment.

To contact the Company, call the telephone number shown on your utility bill.

If you have a problem, call the Company first at

Customer Service  
600 University Park Place Suite 275  
Birmingham, AL 35209-6789 USA  
Phone: 877-511-2911

If you cannot resolve the problem, you may contact the Consumer Services Division of the Commission at the following

Telephone number: (615) 741-2904  
Facsimile: (615) 741-8953  
Mailing Address: 502 Deaderick Street, 4<sup>th</sup> Floor, Nashville, TN 37243  
Website Address: <http://www.tn.gov/tpuc/article/csd-online-utility-complaint-form>

**EXHIBIT A**