

# BAKER DONELSON

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TENN. PUBLIC UTILITY COM. DOCKET ROOM

Chairman, Tennessee Public Utility Commission  
c/o Sharla Dillon, Dockets and Records Manager  
502 Deaderick Street, 4th Floor  
Nashville, Tennessee 37243

RE: **Petition of Tennessee Water Service, Inc. for Approval of an Interim  
Emergency Wildfire Restoration Surcharge, Interim Emergency Water  
Service Availability Surcharge, Interim Emergency Make-Whole Surcharge,  
and an Interim Emergency Operation Cost Pass-Through Mechanism,  
TPUC Docket No. 17-00108**

Ms. Dillon,

Pursuant to Tenn. Code Ann. § 65-5-103, *et. seq.*, enclosed please find an electronic version of the *Petition of Tennessee Water Service, Inc. for Approval of an Interim Emergency Wildfire Restoration Surcharge, Interim Emergency Water Service Availability Surcharge, Interim Emergency Make-Whole Surcharge, and an Interim Emergency Operation Cost Pass-Through Mechanism* (the "Petition"), along with sworn testimony and exhibits.

We have also enclosed a check in the amount of \$25.00 for the required filing fee. Should you have any questions concerning this filing, or require additional information, please do not hesitate to let me know.

Very truly yours,

BAKER, DONELSON, BEARMAN, CALDWELL  
& BERKOWITZ, PC

*Ryan Freeman* /A

Ryan Freeman

Enclosures

cc: Matthew Klein, President, Tennessee Water Service, Inc.

Karen Stachowski, Assistant Attorney General, Consumer Protections and Advocate  
Division

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE**

**IN RE:**

**PETITION OF TENNESSEE WATER  
SERVICE FOR APPROVAL OF AN  
INTERIM EMERGENCY WILDFIRE  
RESTORATION SURCHARGE,  
INTERIM EMERGENCY WATER  
SERVICE AVAILABILITY FEE,  
INTERIM EMERGENCY MAKE-  
WHOLE SURCHARGE AND AN  
INTERIM EMERGENCY  
OPERATIONAL COST PASS-THROUGH  
MECHANISM**

**DOCKET NO. \_\_\_\_\_**

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**PETITION FOR EMERGENCY INTERIM RELIEF**

Tennessee Water Service, Inc. ("TWS" or "Company"), a Tennessee corporation authorized to conduct a public utility business in the State of Tennessee, pursuant to Tenn. Code Ann. § 65-5-103, petition the Tennessee Public Utility Commission ("TPUC" or "Commission") for emergency interim relief for TWS in the form of a Wildfire Restoration Surcharge, Water Service Availability Surcharge, Make-Whole Surcharge, and Operational Cost Pass-Through Mechanism for the purpose of recovering TWS' costs of providing water service to its customers during the period of recovery from the devastating, wind-driven wildfires of 2016 ("2016 Wildfires") that destroyed and/or severely damaged the majority of the homes connected to TWS' drinking water system and for authority to place such rates and charges into effect through a revised tariff.

In support of this Petition, TWS submits the following:

1. TWS is a public utility as defined by Tenn. Code Ann. § 65-4-101 and its public utility operations are subject to the jurisdiction of TPUC.

2. In January 1984, TWS was granted its original Certificate of Convenience and Necessity in Docket No. U-83-7240 to provide water service to customers located in the Chalet Village Subdivision in Sevier County, Tennessee.

3. TWS is engaged in providing drinking water services to approximately 580 customers, although after the 2016 Wildfires only 57 connections remained.

4. The name of the President of TWS and principal address are:

Matthew Klein, President  
Tennessee Water Service, Inc.  
4944 Parkway Plaza Boulevard, Suite 375  
Charlotte, North Carolina 28217

5. The currently-tariffed rates and charges of TWS were approved by TPUC on September 15, 2009, in Docket No. 09-00017. A copy of the Order is attached hereto as Exhibit A. Under the tariff, there is a fixed minimum monthly charge of \$18.70 for 0 - 1000 gallons of usage. Customers are then subject to a volumetric charge of \$13.30 per 1000 additional gallons of usage.

6. The average customer uses approximately 4,000 gallons of water per month and has an average bill of \$58.60.

7. As demonstrated by the newspaper articles attached hereto as Exhibit B, on November 28, 2016, the 2016 Wildfires spread rapidly through the City of Gatlinburg, Tennessee ("Gatlinburg"), and surrounding area tragically destroying and severely damaging many homes and businesses. Approximately 90% of TWS' customers lost their homes, in whole or in part, from the fires.

8. Attached as Exhibit C is a map of the Chalet Village Subdivision that illustrates the extent of the loss from the 2016 Wildfires. The portions of the map highlighted in yellow were the only remaining active connections in the immediate aftermath of the 2016 Wildfires.

9. Finally, attached hereto as Exhibit D is a series of photographs taken by representatives of TWS illustrating some of the destruction. Of the approximately 580 connections prior to the 2016 Wildfires, only 57 connections remained active after the destruction from the 2016 Wildfires.

10. After the 2016 Wildfires, approximately 76 additional customers (whose homes were only partially damaged) have reconnected, bringing the total number of active connections to 133.

11. Additionally, the 2016 Wildfires damaged TWS' drinking water system serving Chalet Village (See, Exhibit E, Letter to David Foster from Matthew Klein).

12. To alleviate the pressure felt by customers affected by the 2016 Wildfires, TWS put a hold on all bills for affected homes (See, Exhibit F, Status Update Letter to TWS Customers from Matthew Klein). TWS extended the due date on all outstanding balances until March 31, 2017, for services rendered prior to the 2016 Wildfires, and it informed customers that after March 31, 2017, normal billing would resume for those customers for whom water service had been restored.

13. As shown by the Exhibits to the Pre-filed Direct Testimony of Richard Linneman filed in support of this Petition, the effect of the 2016 Wildfires has been extremely detrimental to TWS' revenue, with the company projecting a net operating loss of \$72,201 for the 2017 fiscal year. Through July 2017, TWS has only received customer revenue of \$21,302, which is over \$100,000 less than its budgeted target for the same period. The 2017 Revenue and Projections

exhibit and the 2016 and 2017 Expenses and Projections exhibit, both attached to the Pre-filed Direct Testimony of Richard Linneman as Exhibits E and F, respectively, illustrate this actual and projected revenue deficiency. Additionally, operations and maintenance expenses have remained near prior-year levels, and with the first two quarters of 2017 O&M expenses already determined, total projected O&M for 2017 is only \$20,000 less than in 2016. In short, while revenue has decreased by significantly, expenses have remained fairly consistent.

14. As shown in the Pre-filed Direct Testimony of Bryce Mendenhall filed in support of this petition, TWS was in the process of implementing a number of capital improvements in the system when the 2016 Wildfires occurred. Additional capital improvements are now needed to address the damage to the system caused by the 2016 Wildfires and to provide for system reliability, efficiency, and integrity. Mr. Mendenhall's Pre-Filed direct testimony identifies and explains the capital projects and demonstrates the projects are reasonable, necessary, and in the public interest for TWS to provide safe and reliable service to customers.

15. Because of the damage from the wildfires and corresponding loss of customer connections in 2016, TWS' system revenue and revenue projections are not sufficient to allow TWS a fair opportunity to recover its reasonable operating costs and to provide a fair and reasonable return on equity. Furthermore, for TWS to maintain and improve its drinking water system and provide safe and reliable service to its customers in accordance with TPUC's requirements during this time of rebuilding, the proposed emergency relief is necessary.

16. For TWS to adequately maintain its drinking water system and provide safe and reliable service to its customers while they engage in rebuilding their homes, the Company proposes the following emergency interim relief measures:

- a. Interim Emergency Wildfire Restoration Surcharge - Under Tenn. Code Ann. § 65-5-103(d)(2)(A)(iii), a public utility may request and the Commission may authorize a mechanism to recover the operational expenses, capital costs, or both, if such expenses or costs are found to be in the public interest and are related to weather-related natural disasters. TWS proposes that the Commission approve an Interim Emergency Wildfire Restoration Surcharge (the "Restoration Surcharge") to be applied to both active and inactive customer bills for capital costs incurred prior to and after the 2016 Wildfires as these costs are directly in line with the public interest in rebuilding the Chalet Village drinking water system. The Exhibit attached to the Pre-Filed testimony of Mr. Linneman shows the projected capital costs to make necessary repairs for damages caused by the 2016 Wildfires as determined by an engineering report prepared for TWS. The Restoration Surcharge would allow TWS to cover the debt and return on equity portion of approximately \$300,000 of capital improvements. The Restoration Surcharge would be an additional \$3.78 each month for all customers. In the alternative, TWS proposes that the Commission approve such a surcharge under its general authority to implement an alternative regulatory method for public utility rate review and cost recovery in lieu of a general rate case under Tenn. Code. Ann. § 65-5-103(d)(1)(A).
- b. Interim Emergency Water Service Availability Surcharge - Under its current tariff, TWS customers are billed a fixed minimum charge of \$18.70 per month for 0 - 1000 gallons of usage. Customers are then subject to a volumetric

charge of \$13.30 per 1000 gallons of additional usage. Currently, TWS is not charging those customers who have not reconnected to the drinking water system since the 2016 Wildfires and are thus inactive customers. TWS proposes that the Commission approve an Interim Emergency Water Service Availability Surcharge ("Water Service Surcharge") to these inactive customers along with active customers. The Water Service Surcharge would provide for TWS to earn a return on capital assets that are already in place to serve all of TWS' customers, both active and inactive,. The Exhibits attached to Mr. Linneman's Pre-Filed Testimony reflect both the capital assets in place and the projected revenue shortfall for TWS on expenses. The Water Service Surcharge would only apply to all TWS customers and would total \$6.77.

c. Interim Emergency Make-Whole Surcharge

Under Tenn. Code Ann. § 65-5-103(d)(2)(A)(iii), a public utility may request and the Commission may authorize a mechanism to recover the operational expenses, capital costs, or both, if such expenses or costs are found to be in the public interest and are related to weather-related natural disasters. TWS proposes that the Commission approve an Interim Emergency Make-Whole Surcharge ("Make-Whole Surcharge") to be applied to the bills of its inactive customers to offset the O&M expenses that are not being met due to the projected revenue shortfall. TWS expects a projected revenue shortfall to expenses of approximately \$72,000. This shortfall includes adjustments for projected additional revenue from the two surcharges mentioned above. In order to meet its remaining projected expenses, TWS must make up the

remaining revenue shortfall in this surcharge. The Make-Whole Surcharge would be \$14.26.

A comparison of active and inactive customer monthly bills under the proposed surcharges is shown below:

Changes to Monthly Bills from Surcharges		
Customer Status	Average Monthly Bill Prior to Proposed Surcharges	Average Monthly Bill After Proposed Surcharges
Active	\$58.60	\$69.15
Inactive	\$0.00	\$24.81

- d. Interim Emergency Operational Costs Pass-Through Mechanism - Under its current tariffs, no provision relates to an operational costs pass-through mechanism. Tenn. Code Ann. § 65-5-103(d)(5)(B) provides that a public utility may request and the Commission may authorize a mechanism to allow for and permit a timely adjustment of rates resulting from changes in electrical and purchased water costs, which are essential, non-discretionary expenses, upon a finding that such programs are in the public interest. TWS purchases water from Gatlinburg which has also experienced a similar loss of customer connections and demand resulting from the 2016 Wildfires. Although Gatlinburg has not yet announced a water rate increase, a pre-approved mechanism to pass-through an increase of non-discretionary water supply costs is reasonable under the circumstances. TWS proposes that in the event



of an increase or decrease to TWS' non-discretionary operational costs to obtain and distribute water to its customers, which includes at least water purchase costs from Gatlinburg and electricity, the Company may adjust its charges to pass the increase or decrease through to active customers without the need for prior approval from TPUC. As will be demonstrated by the supporting testimony accompanying this Petition, approval of this cost pass-through mechanism will be vital to the ability of TWS to continue to provide safe and reliable drinking water to its customers. TWS will provide Commission and Staff notice of any increase prior to implementing the pass through.

17. The four proposed changes to TWS' charges and rates are specifically and narrowly tailored to the needs that have arisen because of the 2016 Wildfires. These proposals are intended to have a limited timeframe of effect. TWS proposes that the interim period for which they are applicable be no more than eighteen (18) months from the date of the Commission's approval of this Petition.

18. With respect to O&M expenses and capital expenditures that are incurred prior to a ruling on this Petition and are not paid from system revenues, TWS requests that the Commission permit TWS to accrue said expenses in a deferral account with recovery thereof to be addressed in the Company's next rate case.

19. TWS further requests that should the collection percentage from inactive customers exceed the collection percentage experienced by TWS prior to the 2016 Wildfires, TWS be permitted to include uncollected revenue from inactive customers in a deferral account with recovery thereof to be addressed in the Company's next rate case.

20. Furthermore, TWS proposes that it will provide TPUC with semi-annual expense reports to illustrate the effects of each of these proposed forms of relief, and that it will commit to file a petition for a general rate case no more than eighteen (18) months of the approval by TPUC of this Petition.

21. In accordance with TPUC Rule 1220-4-1-.05, TWS will notify its customers of the proposed changes in its rates and charges by direct mail to the customers' billing addresses on file with TWS as of September 25, 2017.

22. Considering TWS' present financial condition, the Company requests this Petition be heard and approved at the regularly-scheduled Commission Conference on October 23, 2017, thereby providing the immediate relief needed for TWS to continue providing safe and reliable services.

23. In further support of this Petition, TWS will file seasonably herewith the following:

- a. Pre-filed Direct Testimony, Exhibits, and Workpapers of Richard Linneman, Finance, Planning & Analysis Manager of TWS, regarding the ratemaking principles, methodologies, and calculations used to project TWS' revenue deficiency and to support the proposed rates and charges changes/additions.
- b. Pre-filed Direct Testimony and Exhibits of Bryce Mendenhall, Vice-President of Operations of TWS, regarding TWS capital projects that were in process prior to and during the 2016 Wildfires.

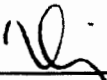
WHEREFORE, the TWS requests the Commission to:

1. Schedule the Petition for hearing on October 23, 2017, upon proper notice;

2. Find that the interim relief mechanisms proposed by TWS are just, reasonable, necessary, and in the public interest;
3. Approve TWS' filing of a revised tariff implementing the proposed rates and charges effective October 23, 2017;
4. Approve TWS' request to defer any net O&M and capital expenses that are incurred prior to approval of the Petition to be addressed in the Company's next rate case.
5. Approve TWS' request to include uncollected revenue from inactive customers in a deferral account with recovery thereof to be addressed in the Company's next rate case.
6. Grant such other and further relief as circumstances may warrant.

Respectfully submitted,


**For Tennessee Water Service, Inc.:**

  
\_\_\_\_\_  
Matthew Klein, President  
4944 Parkway Plaza Boulevard, Suite 375  
Charlotte, North Carolina 28217

**CERTIFICATE OF SERVICE**

I hereby certify that on September 22, 2017, a true and correct copy of the foregoing Petition was served by electronic mail upon the following:

Karen Stachowski, Assistant Attorney General  
Office of the Attorney General & Reporter,  
Consumer Protection and Advocate Division  
P.O. Box 20207  
Nashville, TN 37202-0207

 PRESIDENT  
\_\_\_\_\_  
TENNESSEE WATER SERVICE, INC.

October 13, 2009

Christopher J. Ayers  
Partner  
D: 919.783.1152  
F: 919.783.1075  
cayers@poynerspruill.com

**VIA E-MAIL AND OVERNIGHT DELIVERY**

Sharla Dillon, Docket & Records Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

filed electronically in docket office on 10/13/09

**RE: Petition of Tennessee Water Service, Inc.  
to Change and Increase Certain Rates and Charges  
TRA Docket No. 09-00017**


Dear Ms. Dillon:

Pursuant to the Order Approving Settlement Agreement issued September 15, 2009 in the above-referenced docket, enclosed are the original and four (4) copies each of the tariff for Tennessee Water Service, Inc., ("TWS") and the Rules, Regulations and Conditions of Service, both effective November 3, 2009, along with a copy of the Public Notice filed pursuant to TRA Rule 1220-4-1-05. Copies of this entire submission in *pdf* format were also submitted to you by e-mail concurrent with the date of this letter.

Also included for filing is a CD containing TWS' report on Tennessee deposit refunds in electronically searchable format as required by paragraph 15(b) of the Settlement Terms set forth in the *Proposed Settlement Agreement Between TWS and the Consumer Advocate and Protection Division* on August 17, 2009. **Please file and maintain this report under seal, as it contains customers' personally identifiable information.**

Thank you for your assistance. If you have any questions, please do not hesitate to call.

Sincerely,

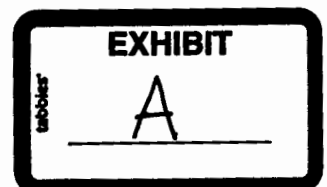


Christopher J. Ayers  
Attorney for Tennessee Water Service, Inc.

/mkl

Enclosures

cc: Office of Attorney General, Consumer Advocate and Protection Division (via U.S. Mail)  
J. Keith Coates, Jr., Esq. (via e-mail)



TENNESSEE WATER SERVICE

FIFTH SHEET NO. 1

CANCELLING FOURTH SHEET NO. 1

Applies to Chalet Village North

WATER SERVICE

METERED SERVICE

Base Facility Charge per month \$18.70  
0 – 1000 gallons usage per month

All usage over 1000 Gallons per month \$13.30 per 1000 gallons

MINIMUM CHARGE: \$18.70 per month

DELAYED PAYMENT CHARGE:

An additional charge amounting to ten per cent (10%) of net bill will be added to all water bills under the foregoing schedule, if not paid within twenty-one (21) days of the billing date.

NEW ACCOUNT CHARGE:

Each new account shall pay a one-time service fee of \$20 at the time application for service is filed with the Company.

RECONNECTION CHARGE:

If water service cut off by utility for good cause: \$35.00  
If water service discontinued at customer's request: \$35.00

(Customers who ask to be reconnected within 9 months of disconnection will be charged the base facility charge for the service period they were disconnected.)

FREQUENCY OF BILLING:

Bills will be rendered monthly in arrears.

NSF CHECK CHARGE:

A charge of \$10 will be applied to customers whose check is returned by the bank due to non-sufficient funds (one charge per check each time it is returned).

*October 4, 2009*  
Issued ~~August 24, 2009~~

*November 3, 2009*  
Effective: ~~September 23, 2009~~

Issued by  CEO  
Issuing Officer Title

2335 Sanders Road, Northbrook, Illinois 60062  
Address of Officer

Applies to Chalet Village North

**RULES, REGULATIONS AND CONDITIONS OF SERVICE**

**Section XV. CLEAR NOTICE OF RETURNED CHECK FEES**

48. The Company shall provide a clear and conspicuous notice of any returned check fee charge and other charges and fees, including the amount of the charge, on its monthly billings to customers.

**Section XVI. ABILITY TO WAIVE FEES**

49. The Company shall implement and establish a process to permit waiving all fees associated with late payment including, but not limited to, disconnection, reconnection, and late fees, in special circumstances such as financial distress or for disabled customers, family members of customers or customers with a unique situation.

**Section XVII. PROMPT RECONNECTION**

50. The Company shall provide prompt and timely reconnection service for all customers within no more than two (2) days of receiving the first installment payment from the past due customer.

**Section XVIII. ALTERNATE ADDRESS NOTIFICATION**

51. The Company shall establish and implement a process to permit and notify customers of the opportunity to provide an alternate address for notification of a potential disconnection. If a customer has provided such an alternate address, the Company shall be required to provide the required notice of disconnection to that address in addition to the customer's primary billing address.

Issued October 4, 2009  
~~August 24, 2009~~

Effective: November 3, 2009  
~~September 23, 2009~~

Issued by  CEO  
Issuing Officer Title

2335 Sanders Road, Northbrook, Illinois 60062  
Address of Officer

STATE OF TENNESSEE  
COUNTY OF SEVIER

SS:

Joi Whaley, being duly sworn, says that she is the Advertising  
Director of:

THE MOUNTAIN PRESS  
&  
GOOD NEWS IN THE SMOKIES

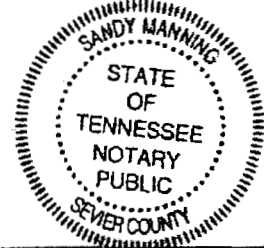
newspapers printed and published in Sevier County and that  
the Notice, of which the annexed is a printed copy, has been  
regularly published

1 times as follows: 10-4  
09, 20 09

Sworn to before me this 5 day of Oct, 2009

Manning

MY COMMISSION EXPIRES:  
June 26, 2012



PUBLIC NOTICE		
On September 18, 2008, a Notice No. 08-0017, the Tennessee Regulatory Authority (TRA) approved an increase in the water rates for Tennessee Water Service, Inc. for its Cloud Village public water utility system.		
The new rates will become effective 30 days from the date of this posting and will be presented in with three phases over the next 12 months.		
	Basic Facilities Charge	Usage Charge per 1,000 gals.
Current (in-month)	\$19.34 (includes first 1,000 gallons)	\$8.11
New Phase I rate (year 1-6)	\$19.36 (includes first 1,000 gallons)	\$11.37
New Phase II rate (year 7-12)	\$17.33 (includes first 1,000 gallons)	\$11.34
New Phase III rate (year 13+)	\$16.71 (includes first 1,000 gallons)	\$11.30
Based on average monthly usage of 4,342 gallons, the monthly bill under each phase will be:		
	All Amount	Percentage Increase
Current	\$194.11	N/A
Phase I (year 1-6)	\$247.36	41.1%
Phase II (year 7-12)	\$223.58	11.7%
Phase III (year 13 and forward)	\$208.24	11.34%
In addition, the facilities charge of \$462.71 has been eliminated, and customers will now be billed on a monthly basis rather than every two months. A complete copy of the bill changes and the reasons for them are on file with the Tennessee Regulatory Authority at <a href="http://www.tra.gov/tis">http://www.tra.gov/tis</a> and are open to public inspection. You may also contact the company at 1-800-625-7800 if you have questions.		



**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN RE:**

**PETITION OF TENNESSEE WATER SERVICE, INC.  
FOR APPROVAL TO AMEND ITS RATES AND CHARGES**

**DOCKET NO. 09-00017**

**CONFIDENTIAL**

**TENNESSEE WATER SERVICE, INC.  
REPORT ON DEPOSIT REFUNDS**

Filed October 13, 2009

# After the flames, ‘mountain tough’ Gatlinburg looks to the future

By Darryl Fears December 8, 2016

GATLINBURG, Tenn. — As two wildfires that nearly destroyed this tourist town continue to smolder in the surrounding mountains, officials vowed to reopen for business Friday.

“I want to let everyone know that Gatlinburg is still here,” Mayor Mike Werner said. “The shopping district is intact. People need to know that the beloved pancake houses are still standing. The doughnut shops, the candy stores and caramel corn places are all still here. Our businesspeople are working hard to get open by the end of this week.

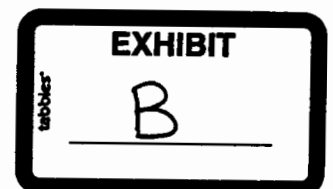
“We are mountain tough.”

The drive to reopen downtown less than two weeks after much of the town burned makes sense from a business perspective. Sevier County, where Gatlinburg sits near Great Smoky Mountains National Park just south of Knoxville, raked in \$2 billion last year in tourism alone, ranking it third in that category behind Nashville and Memphis, according to Tennessee’s tourism commission.

But visitors who flock to Gatlinburg for the start of the busy Christmas season this weekend will see more than the beloved fun rides and amusing replicas of King Kong scaling a skyscraper and the Titanic hitting an iceberg. They will drive past the frightful remains of hotels and apartments that burned on the main street into the city.

On the steep roads that branch off into scorched mountains, tourists can see where showcase homes were reduced to their foundations. More than 2,400 structures were damaged or destroyed, 14 people lost their lives, and more than 125 were injured.

Two juveniles charged with aggravated arson sat at the Sevier County Juvenile Detention Center awaiting arraignment. On Wednesday, when police handed down the charges, hundreds of people were still in Red Cross shelters and hotel rooms, and the smell of smoke was still strong on the main drag into Gatlinburg.



Many of the hotel maids, store cashiers, restaurant food-prep assistants and trash-haulers who make the city work are still piecing their lives back together. Hundreds of people lost everything they owned, from driver's licenses to cars parked by the curb to their household belongings.

April Calhoun, a cashier at a Family Dollar store, said her family barely survived. When the fire struck without warning late Nov. 28, they staggered from their apartment to a sidewalk off East Parkway, the road that ushers visitors into town, struggling to breathe.

Calhoun said she locked eyes with her husband in the orange haze outside their apartment and cried. "To the left, there was fire. Behind us. All of downtown. We were like, 'We're not going to make it.' We just thought: 'We're dead. There's no way out.'"

They could barely see three steps ahead. They held shirts over the noses of their children, ages 4 to 11, who were already wheezing. "I knew that if something was going to happen, it was going to happen to the kids first because they are so small," she said. "We didn't want to say anything, but they could see their whole world was on fire."

A stranger in a truck stopped out of nowhere and offered the family a ride that saved their lives, she said this week while sitting at a Red Cross shelter, wearing donated clothes.

Two of her daughters, Alexis and Piper, sat on either side of her, staring blankly. A Red Cross official said they appeared to be experiencing trauma.

"My daughter is having to deal with her best friend being found dead with her mother," Calhoun said of Alexis, 11.

Her friend, Chloe Reed, 12, set out with her mother, Constance, and sister Lily, 9, in an attempt to escape the fire in another part of Gatlinburg, off Ski Mountain Road in Chalet Village. They were found dead after a five-day search.

The girls were sixth-graders at the Pi Beta Phi K-8 school. On the afternoon before their lives were threatened, they talked and laughed during recess the way they usually did.

Alexis knew Chloe was missing and became emotional at the shelter when she learned her friend did not make it. "I was kind of crying. I was really sad and crying. I just couldn't believe she would die," the girl said.

"I'm really happy that all of my children are alive and that we are here and that we're together," said April Calhoun. "I know that could have been us, and my entire heart goes out to that family. They must've been so scared."

The Chimney Tops 2 and Cobbly Nob fires, as they're known, were freakish blazes fueled by drought, high winds and a decades-long buildup of underbrush resulting from the rush to douse previous fires to protect the park and county.

Thirty-mph winds pushed flames over mountains and catapulted burning material onto parched brush. Soon the fire took on the personality of monster blazes that ravage California, New Mexico, Nevada and the rest of the West but rarely the Southeast.

Sevier County, Gatlinburg and the Tennessee Emergency Management Agency are on the defensive, trying to explain why many residents were not warned, why news stations broadcast reports that the fire was far away even as the wind pushed over the mountains and down the slopes toward their homes.

Officials said winds damaged communications equipment, hampering their ability to alert residents. “No one could have predicted that a front would come in with near-hurricane winds,” said Henri Grissino-Mayer, a geography professor at the University of Tennessee at Knoxville.

Yet while the sudden wind that carried fire to the welcome mats of hundreds of homes was unpredictable, Grissino-Mayer said, the wildfire was foreseen. As a fire ecologist, he has issued warnings that for years went unheeded by people who said the temperate Great Smoky Mountains are too wet to burn.

Local lore holds that the mountains are called the Smokies because of the clouds and fog, but before the park was established in 1934, the mountains burned all the time, Grissino-Mayer said. Meanwhile, the resort towns of Gatlinburg and Pigeon Forge kept expanding into burn zones.

“I will tell you it’s going to happen again,” he said. “These forests are supposed to burn. It might not happen till 10 years from now, but it will. And they [people] will rebuild from this. It’s what we do. In the face of catastrophe, we want to show how resilient we are as humans.”

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Despite two days of rain earlier this week, fires are still burning in the surrounding forest; Chimney Tops 2 covers 17,000 acres, and Cobbly Nob is 815. Both are about half-contained, with 780 firefighters and 61 fire engines, helicopters and bulldozers fighting to put them out.

Downtown Gatlinburg has been closed but is intact, suffering little more than smoke damage and two weeks of revenue loss.

“It only takes one building to catch fire and they would have all gone up,” Grissino-Mayer said, because the stores are connected like rowhouses. “The downtown area is extremely lucky.”

“I love Gatlinburg. But it’s all wood, and as a fire ecologist, I look at it as all fuel to burn. It looks beautiful. It’s very rustic. It’s what we all want to see. But it’s wood.”

Forests need fire to grow and diversify, and there is debate among ecologists across the United States over whether officials should let more fires burn. Fire clears away pine needles and leaves so seeds can reach dirt. It opens pine cones to release

seeds. It brings down branches and other nutrient-rich shrubbery so they can enrich the soil.

Without fire, many conservationists say, the fires next time will be larger and more aggressive.

The lingering smoke on Nov. 28 was annoying enough for some hotel guests to cut their visits short and go home. It seemed to get worse by the hour, and no one seemed to know why.

Katrina Mills looked at the sky, wrinkled her face and went back indoors at her place off East Parkway. Coty Weaver went Christmas shopping with his wife and 7-year-old daughter, Kylie. Michael Gentzkow returned home to his place off the parkway and undressed to his boxers to watch a movie.

Like most of those people, April Calhoun, 31, watched the television news for signs. Her husband, Terry, 32, covered every opening in the apartment with heavy-duty duct tape because the smoke was so thick.

"The news stories had said all day it was from the Chimney fires 10 miles away. No one was in any danger," Calhoun said.

About 8 p.m., it was clear to everyone that the reports were wrong. Mills's son burst into her door. "The mountain's on fire!" At 8:30, Gentzkow looked out his door and shouted to his fiancée, who was on the phone with police. "Oh my God, we're getting the hell out of here," he said. "This place is burning." "The whole side of the mountain was flames shooting out everywhere," he later recalled. On the road home, Weaver stopped at a police blockade that would not let him pass.

It was not until 9 p.m., after the television and phones suddenly cut off, that the Calhouns peeked out the door. April recalled that her husband's face went pale.

"He turned around and said, April, we got to get out. We got to get out now!"

\*\*\*\*\*

Her anger remains strong. "It's ridiculous that that many people had to die in something like this when it could've been prevented," she said at the shelter, while a man dressed as Santa tried to cheer children into singing carols. "I can't believe there were no alerts."

Sevier County officials said they contacted the Tennessee Emergency Management Agency to ask for an evacuation alert to Gatlinburg late that Monday. But the wind had already disabled phone, Internet and electricity service, interrupting all communication.

Weaver's house and black Mazda 6 burned to nothing in a fire so hot that it melted the car's tire rims. But he gave his misfortune a positive spin.

“A lot of that comes down to our faith in Christ. We look at this and see so much good is coming from it. Our nation’s divided, and so many things are keeping us apart . . . and all of a sudden here, it doesn’t matter what color or race, all of a sudden we’re helping each other,” he said.

In the next breath, he said the church where he and his wife were married burned down across the street from his house.

Logan Coykendall opened two hotels his company owns to firefighters, National Guardsmen, his own newly homeless workers and others who needed shelter.

“It’s obviously a catastrophic event going on that my team is in the middle of,” Coykendall said. He was forced to evacuate guests from threatened hotels in Gatlinburg and put them up at hotels in Pigeon Forge. He estimated that his losses at the two hotels amounted to \$10,000 per day.

“It wasn’t a hard decision for us,” he said. “Emergency responders were sleeping on the ground.”

Calhoun saw all the good of a community coming together, and Red Cross workers have been so kind to her family that she has decided to stay as long as they will let them.

But part of the reason she is staying in the shelter is a growing distrust in her community — the emergency managers who failed to alert everyone, the inaccurate reports on the television news, neighbors who panicked and left her apartment complex without bothering to knock on her door.

“No one had done anything to tell me. They said they went door to door. They did not in my neighborhood,” she said. But there was a silver lining, a stranger whose name she did not get after he drove her family through the fire.

“He’s an angel,” she said. “He saved all of our lives.”

“The past 11 days have been the most challenging and emotional days our community has likely ever had to endure,” said Cassius Cash, superintendent of Great Smoky Mountains National Park. He said love, strength and support, such as that from the stranger who helped Calhoun, eased the pain. “Our community has shone brightly in the midst of this disaster and proven that we are truly mountain tough.”

Darryl Fears has worked at The Washington Post for more than a decade, mostly as a reporter on the National staff. He currently covers the environment, focusing on the Chesapeake Bay and issues affecting wildlife.

🐦 Follow @bydarrylfears



# Death toll rises to 13 in Tennessee wildfires as grim search for survivors continues

**By Lindsey Bever, Angela Fritz and Peter Holley** December 2, 2016

Efforts to pinpoint the cause of deadly wildfires that engulfed two tourist towns outside Great Smoky Mountains National Park and shut down one of the country's most popular natural attractions focused Thursday on their devastating path through East Tennessee, where 13 people have been found dead and hundreds of buildings have burned.

Gatlinburg Fire Chief Greg Miller told reporters that the devastation has been “unfathomable” and warned that the death toll could continue to rise, as numerous people were still missing.

“We’re never going to give up hope. I will always hang onto hope that there’s a chance of rescue,” he said at a news conference Thursday. “But now, we are at hour 65 from the beginning of the fires. We have to come to a realization that the potential is great that it could be more of a recovery than a rescue.”

Although officials said emergency workers have made significant progress with search efforts, Miller noted that in some areas around Sevier County, structures were destroyed so completely that “to search much further would take forensics.”

The American Red Cross launched a service to try to reunite those who were separated; the number of those unaccounted for, however, is not clear. Officials said midday Thursday that they were following up on about 70 leads, though that number did not necessarily reflect the number of those missing.

At least 80 people have been treated for injuries suffered in the fires, which spread into Gatlinburg and Pigeon Forge on Monday, and some remain hospitalized.

The fires are estimated to have damaged or destroyed more than 700 homes and businesses — nearly half of them in the city of Gatlinburg. Additionally, thousands of wooded acres have burned in the most-visited national park in America. Park



Superintendent Cassius Cash said that the first fires, which were spotted last week, were “likely to be human-caused” but that others were started when strong winds knocked trees into power lines.

As people throughout the region tried to move forward and return to their routines — and their homes — on Thursday, some schools were still closed, and access to Gatlinburg remained limited. Officials said the main roads, with a few exceptions, would be open to property owners Friday to allow them to return to their neighborhoods to assess the damage.

“We’re mountain tough and have a strong, strong faith in God,” Gatlinburg Mayor Mike Werner said Thursday afternoon.

Werner said nearly his entire neighborhood had burned to the ground.

By Friday, relatives and officials had named several victims from the fire.

Alice Hagler, who went missing at Chalet Village, was identified Wednesday night by her son Lyle Wood, who said his mother’s body had been found “in the ruins of her home, her life taken by a devastating fire that impacted so many lives in East Tennessee,” according to the Knoxville News Sentinel.

Jon and Janet Summers, a Memphis couple who were also reportedly staying at the rental cabins, were confirmed to be among the dead, according to the newspaper.

Officials said a couple from Canada, 71-year-old John Tegler and 70-year-old Janet Tegler, also died in Chalet Village; authorities were still trying to notify family members for another victim on Friday, according to the News Sentinel.

A telethon for the American Red Cross of East Tennessee’s relief efforts raised more than \$270,000 by Friday.

Country music icon Dolly Parton, who was born and raised in the area and whose Dollywood theme park was in the path of the fires, launched her own fundraiser and pledged to donate \$1,000 per month for six months to families who lost their homes.

“I have always believed that charity begins at home,” she said in statement. “We want to provide a hand up to those families who have lost everything in the fires . . . until they get back up on their feet.”

The Pigeon Forge theme park was not damaged, but company officials said that more than a dozen rental cabins managed by Dollywood were damaged or destroyed. Dollywood remained closed Thursday.

The “Chimney Tops 2” fire was first reported Nov. 23 in the Great Smoky Mountains National Park near Gatlinburg, according to the National Park Service. The wildfire exploded on Monday, as massive walls of flames spread down the mountains into Gatlinburg and Pigeon Forge with shocking speed, according to those who fled with little more than the clothes on their backs.

Rain “provided some relief” Wednesday, the Tennessee Emergency Management Agency said, and all wildfires in Gatlinburg were out by late afternoon, though some were still smoldering. Gatlinburg remained under an emergency evacuation order,

with an overnight curfew in place, according to the agency.

Miller, the Gatlinburg fire chief, stressed Thursday that the precipitation should not give people a false sense of security “because fire is a tremendous beast.”

He said there are about 200 firefighters on the ground — 20 percent of them still battling active blazes. Search-and-rescue efforts continued in the charred, smoke-choked mountains, but some areas remained unreachable, authorities said. First responders also struggled with small mudslides and rock slides as the lush foliage that once held the ground in place had burned away.

Park officials estimated that more than 17,000 acres had burned.

Property damage was extensive, both to private residences and to buildings at the heart of the tourism industry.

The News Sentinel reported fire damage to the Chalet Village, among other popular rental cabins, hotels and resorts. The Westgate Smoky Mountain Resort & Spa, a mountainside resort boasting spacious villas steps away from the national park, reported heavy destruction, but officials said the core of the resort survived and would reopen in the coming weeks.

The Alamo Steakhouse in Pigeon Forge and Gatlinburg’s Mountain Lodge Restaurant were destroyed, according to the News Sentinel, which has compiled a running list of the structures that sustained damage. Employees at the Ripley’s Aquarium of the Smokies, which houses more than 10,000 exotic sea creatures, were forced to evacuate and leave the animals behind Monday as wildfires grew, but the structure made it unscathed, and the animals were unharmed, according to the newspaper.

Gatlinburg, with a population of about 4,000 about 43 miles south of Knoxville, is surrounded on three sides by Great Smoky Mountains National Park. The Smokies, part of the Appalachian mountain range, straddle the border between eastern Tennessee and North Carolina. Considered the gateway town to the Tennessee side of the park, Gatlinburg draws more than 11 million visitors a year, according to tourism officials. It is known for its mountain chalets and ski lodge — drawing honeymooners and other visitors all year long.

Despite widespread destruction and chaos, officials said the last few days were not without some good news. Miller said rescuers were able to free three people who became trapped in an elevator at the Westgate resort after it lost power during a fire. The trapped occupants, who were able to reach rescuers using their cellphones, were like many in the region who narrowly escaped tragedy.

Linda Monholland ended her shift at the Park View Inn around 9 p.m. Monday, stepped outside the Gatlinburg resort and found herself surrounded by high flames, according to the Associated Press. For 20 minutes, she and five colleagues struggled through the thick smoke and blowing embers of a sudden wildfire until they found safety in a tourist trolley turned evacuation shuttle.

“It was like we were in hell; hell opened up,” Monholland told the AP Tuesday from an 80-acre sports facility pressed into service as a shelter. “Walking through hell, that’s what it was. . . . I never want to see something like that again in my life, ever.”

Tennessee Gov. Bill Haslam (R) said that the state was sending resources, including the National Guard, to help those left homeless by fire, which he called the worst in at least 100 years.

Although wind gusts exceeding 60 mph caused the disaster to explode in Sevier County, fires have been brewing for months in this region. More than 150,000 acres have been charred in the Southeast by large fires, according to the U.S. Forest Service, and nearly 4,000 firefighters have been called into action to fight blazes that keep popping up.

The wind carried the flames from the nearby Chimney Tops fire across ground parched by a historic drought and into the surrounding towns. The fire moved too fast and too far to contain. “This is a fire for the history books,” Miller said Tuesday. “The likes of this has never been seen here. But the worst is definitely over with.”

However, forecasts of strong wind gusts and severe thunderstorms through midweek threatened lightning strikes — and more fires.

Jeff Barker sat on the curb outside a shelter Tuesday afternoon, his eyes bloodshot and glassy with tears. He couldn’t bring himself to go inside. When he was returning from work on Monday, cars were being stopped from entering Gatlinburg, Barker said. So he set off on foot.

“By the time I arrived at my apartment, apartment’s gone, car’s gone, pets are gone,” he said. “It’s devastating when you come home, and all you can do is flee with the clothes on our back.”

Inside the gymnasium, other refugees from the fire were resting on cots or sharing stories of loss with neighbors.

Carol Lilleaas, a Gatlinburg resident, said she fled her home with only her animals and her husband’s ashes. She does not know what happened to her house or what she might be returning to. “It will be there, or it won’t,” she said.

Gatlinburg’s downtown was mostly spared, volunteer fire department Lt. Bobby Balding told the News Sentinel. But he added: “It’s the apocalypse on both sides.”

Katie Brittain, manager at the Dress Barn in Pigeon Forge, said that when she showed up to work Monday, the sky was brown and ash was raining down. Despite the ominous conditions, store employees were not sure whether they were supposed to evacuate from their location, not far from Dollywood.

Brittain said employees stayed put but grew increasingly nervous as the smoke thickened and the wind increased that afternoon. By the end of the day, she said, the inside of the store “smelled like a bonfire.” “My eyes were burning, and our throats were getting scratchy,” she said. “Everyone was kind of in a state of disbelief.”

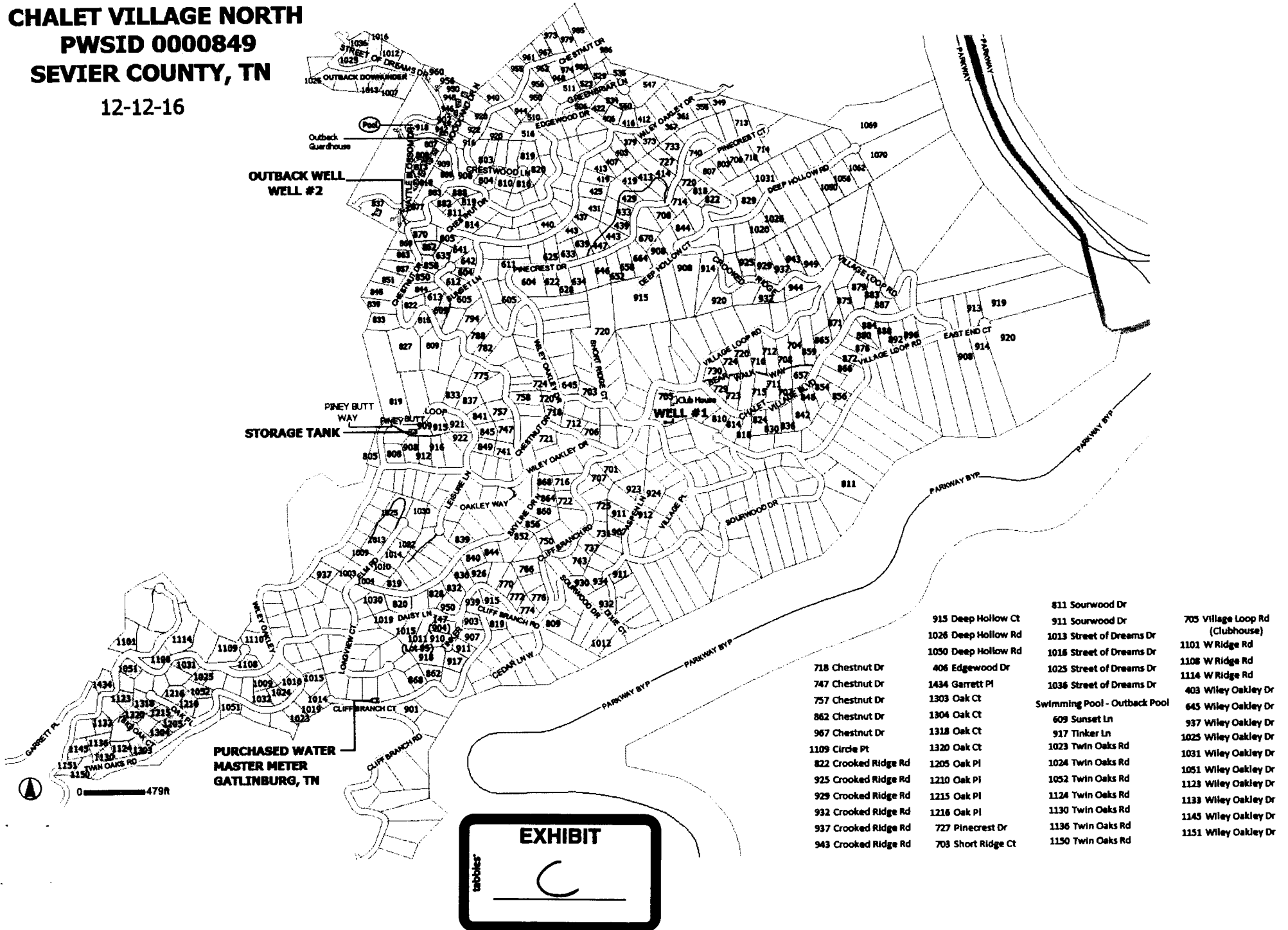
*This post, originally published Nov. 30, has been updated. Leslie Wylie contributed from Gatlinburg. Travis Andrews and Sarah Larimer contributed from Washington.*

Lindsey Bever is a general assignment reporter for The Washington Post. 🐦 Follow @lindseybever

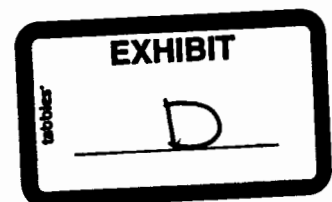
Angela Fritz is an atmospheric scientist and The Post's deputy weather editor. She has a B.S. in meteorology and an M.S. in earth and atmospheric science. 🐦 Follow @angelafriz

Peter Holley is a general assignment reporter at The Washington Post. He can be reached at [peter.holley@washpost.com](mailto:peter.holley@washpost.com). 🐦 Follow @peterjholley

**12-12-16**



# Chalet Village Well #1



## Chalet Village Well #1 (inside)



## Chalet Village Piney Butt Booster





## Chalet Village Well #1 Parking Lot



**Chalet Village Chestnut Drive**  
**(customer's car)**



**From:** Matthew Klein  
**Sent:** Saturday, February 11, 2017 10:09 AM  
**To:** Joe Shirley <[Joe.Shirley@tn.gov](mailto:Joe.Shirley@tn.gov)>; David Foster <[David.Foster@tn.gov](mailto:David.Foster@tn.gov)>; Patsy Fulton <[Patsy.Fulton@tn.gov](mailto:Patsy.Fulton@tn.gov)>  
**Cc:** [jconner@bakerdonelson.com](mailto:jconner@bakerdonelson.com); Tony Konsul <[TJKonsul@uiwater.com](mailto:TJKonsul@uiwater.com)>; Richard Linneman <[RLinneman@uiwater.com](mailto:RLinneman@uiwater.com)>  
**Subject:** RE: TWS - Chalet Village Update

David, Joe, and Patsy, as a follow-up to my earlier e-mail, attached is a letter being issued to all customers within Chalet Village.

Please let me know if you have any questions.

Also, as noted below, we would like to further discuss an appropriate date and time to tour Chalet Village with you. Please let us know what works for you.

Thank you.

Matt

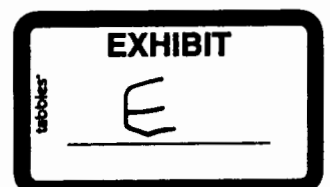
Matthew Klein  
(704) 302-4900 (cell)  
[mklein@uiwater.com](mailto:mklein@uiwater.com)

**From:** Matthew Klein  
**Sent:** Monday, February 06, 2017 10:30 PM  
**To:** 'Joe Shirley' <[Joe.Shirley@tn.gov](mailto:Joe.Shirley@tn.gov)>; David Foster <[David.Foster@tn.gov](mailto:David.Foster@tn.gov)>; Patsy Fulton <[Patsy.Fulton@tn.gov](mailto:Patsy.Fulton@tn.gov)>  
**Cc:** [jconner@bakerdonelson.com](mailto:jconner@bakerdonelson.com); Tony Konsul <[tjkonsul@uiwater.com](mailto:tjkonsul@uiwater.com)>; Richard Linneman <[RLinneman@uiwater.com](mailto:RLinneman@uiwater.com)>  
**Subject:** TWS - Chalet Village Update

David, Joe, and Patsy, I hope you are well.

I want to provide a brief update on our assessment of and response to the damage at Chalet Village. Here are a few notes:

- Hired an engineering firm to (potentially) assess the entire distribution system's integrity.
- Had both ground storage tanks assessed to be sure there was no fire damage. The outcome is positive, but we will be recoating both the inside and outside of the tanks in the next few months.
- Installed new temporary telemetry controls at wells and storage tanks which allows for communication between the wells and tank.
- Repaired some leaking hydrants in the distribution system.
- Rebuilt the interconnection device with Gatlinburg and replaced the cover structure.
- Sampled the potable water supply to insure it's safe for consumption.



We would like to further discuss an appropriate date and time to tour Chalet Village with you. Please let us know what works for you.

If you have any questions, please let us know. We will offer additional information soon. Thank you.

Matt

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[mklein@uiwater.com](mailto:mklein@uiwater.com)



## A Message from Matthew Klein, President, Tennessee Water Service, Inc.

To all of our customers,

I hope you are well and are recovering from the wildfire tragedy that struck your neighborhood and many others. As promised, we want to provide a brief update on our assessment of, and repairs to, the Chalet Village service area.

First, we retained an engineering firm to evaluate the need for further assessment of the integrity of the water system. Also, we have repaired some leaking hydrants and rebuilt the interconnection device with Gatlinburg. Most importantly, we sampled the water supply to make sure it remains safe for consumption.

Second, as stated in my previous letter to you, we have continued to put a hold on all bills for homes affected by this tragedy. All outstanding balances have been extended an additional sixty (60) days, until March 31, 2017, to allow you an appropriate amount of time to make your payment for services rendered prior to the wildfire. If you need additional time (beyond March 31) to pay your bill, please feel free to contact Customer Service at (800) 531-2321 to request a payment arrangement to further extend the balance owed.

Third, please be assured that no penalties or late charges will be assessed on those bills.

Fourth, we are pleased that we have been able to restore water service for some customers. For those customers with restored water service, beginning with the March 31, 2017, bill, your due date for payment will return to the normal 23 days as approved by the Commission in our rules of operation.

Our goal continues to be straightforward—to eliminate at least one small concern from your minds in order to let you focus on your families, neighbors, and the community. We stand ready to provide whatever assistance we can as the process of rebuilding lives and homes begins. Our prayers and thoughts are with all members of this wonderful community who have been effected by this tragedy.

If you have any questions, please feel free to contact Customer Service at (800) 531-2321 or [customerservice@uiwater.com](mailto:customerservice@uiwater.com).

Sincerely,

Matthew Klein



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Sincerely,

Matthew Klein

