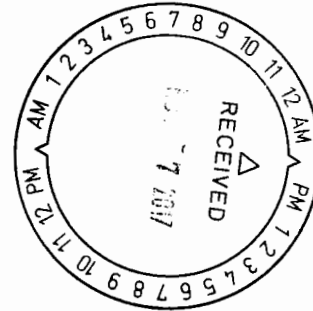


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Chairman, Tennessee Public Utility Commission
c/o Sharla Dillon, Dockets and Records Manager
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243



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,

Attached for filing please find *Tennessee Water Service, Inc.'s Responses to Second Discovery Requests of the Consumer Protection and Advocate Division* in the above-captioned matter.

As required, an original of this filing, along with four (4) hard copies, will follow. 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
s/ Ryan Freeman

Ryan Freeman

Enclosures

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

IN RE:)
)
PETITION OF TENNESSEE WATER)
SERVICE, INC. FOR APPROVAL OF) DOCKET NO. 17-00108
AN INTERIM EMERGENCY)
WILDFIRE RESTORATION)
SURCHARGE, INTERIM EMERGENCY)
WATER SERVICE AVAILABILITY)
FEE, EMERGENCY MAKE-WHOLE)
SURCHARGE AND AN INTERIM)
EMERGENCY OPERATIONAL COST)
PASS-THROUGH MECHANISM)
)

2

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2-1. State whether the Company has applied for any grants, low-interest loans, governmental assistance, or any other subsidies or payments resulting from the Gatlinburg wildfires. If so, provide the details of each such application, including but not confined to the:

- a. Identity of the person with the Company responsible for each application;
- b. Name the entity to which the application was made;
- c. Date of the application; description of the application;
- d. Status of the application;
- e. Amounts received or to be received related the application; and
- f. Copies of each such application, documents submitted with the application or requested afterwards relating to the application and any responses received (if any).

RESPONSE:

Neither the Company nor any of its affiliates have filed or currently plan to file for any grants, low interest loans, government assistance, or any other subsidies because of the 2016 Gatlinburg Wildfires.

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2-2. Provide the capital budget supporting the requested \$300,000 of the Company's new plant additions broken down by project, including:

- a. Description and purpose of each project;
- b. Budget amount; and
- c. Budget assumptions, including any supporting documentation, for each project.

RESPONSE:

- a. Below is a description and purpose for each project:
 - i. **Well #1 Booster Station Replacement (\$125,000)** – This structure was significantly damaged in the 2016 Wildfires. Please see attached Exhibit 2-2a for photographic evidence of the destruction. This project is necessary to replace the destroyed booster station.
 - ii. **Upper Booster Station (\$30,000)** – This structure was also destroyed by the 2016 Wildfires. The Upper Booster Station was located on top of the 100,000-gallon Upper Storage Reservoir. This project is required to replace the existing structure.
 - iii. **Upper Storage Reservoir Reconditioning (\$45,000)** – As recommended by TWS' engineer, this project is in place to perform reconditioning of the 100,000-gallon Upper Storage Reservoir that was damaged from direct flame contact to its exterior and heat damage to interior as a result of the 2016 Wildfires. Attached Exhibit 2-2b is a third-party evaluation of the Upper Storage Reservoir with the recommendation to perform this proposed reconditioning.
- b. Budgeted amounts are listed above in response to 2-2(a).
- c. The budget assumptions as follows:

Budget estimates represent internal staff analysis of comparable capital projects designed and constructed on similar facilities in North Carolina.

All documentation is provided in the abovementioned exhibits to this Response.

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2-3. Referring to the Company's Response to CPAD #1-1, the Company states that it has no affiliate performing functions for it. However, in its Response to CPAD #1-14, the Company identifies expenses that were allocated charges. Additionally in its Response to CPAD #1-47, the Company identifies a number of Utilities, Inc. (UI) employees as having knowledge of discoverable materials in this Docket. Referring to page 3, Section 6.(b) for the definition of "affiliate"¹ for purposes of the Consumer Advocate's Discovery Requests, is it the Company's contention that UI is not an affiliate of Tennessee Water? If yes, explain the basis for your position.

RESPONSE:

Based upon the Consumer Advocate's supplied definition in the footnote below, TWS would consider Utilities, Inc. an affiliate doing business in the State of Tennessee. TWS is a wholly-owned subsidiary of Utilities, Inc.

¹ **Affiliate** is defined as "any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater clarification, "control" is the ownership of 20% or more of the shares of stock entitled to vote for the election of directors in the case of a corporation, or 20% or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term "Affiliate" shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an "affiliate" for purposes of this Discovery Request." *First Discovery Request of the Consumer Protection and Advocate Division to Tennessee Water Service, Preliminary Matters and Definitions*, § 6(b), page 3.

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2-4. Referring to the Company's Response to CPAD #1-12, the Company states it does not utilize the "NARUC USOA for reporting services because it uses a JD Edwards accounting system." Pursuant to Tenn. Code Ann. § 65-4-111, the Tennessee Public Utility Commission (TPUC) identified the Uniform System of Accounts as adopted and amended by the National Association for Railroad and Utility Commissioners (sic) as the system of accounting to be followed by utilities under its authority. Water companies are specifically set out in TPUC Rule 1220-04-01.-11(g).

- a. Has the Company previously informed TPUC that it would not utilize the required system of accounting?
- b. If yes, what was TPUC's response to this notification?
- c. Identify each TPUC representative you notified and the Company representative who made the contact.
- d. Provide documentation evidencing this contact, the content of the communication and all responses from TPUC Staff (if any).
- e. Confirm or deny whether the Company is complying with instructions set forth in the NARUC approved water USOA.

RESPONSE:

- a. TWS does not believe that it has previously discussed its system of accounting with TPUC. However, TWS may reasonably believe that TPUC has notice—constructive or actual—of TWS' accounting methods based upon its previous general rate case. TWS does not believe that it has changed its method of accounting since that time.
- b. See Response to 2-4(a).
- c. See Response to 2-4(a).
- d. See Response to 2-4(a). See also, Docket No. 09-00017
- e. For internal accounting, TWS is not in compliance with the instruction set forth in the NARUC-approved water USOA due to the requirements of its JD Edwards

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accounting system. However, TWS is complying because it is able to convert accounts from the internal G/L object accounts being used to the NARUC-approved water USOA, which TWS has demonstrated in response to a previous discovery request.

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2-5. Referring to the Company's Response to CPAD #1-16, the Company provided no response to this part of the question of "whether TWS or Utilities Inc., or any other affiliate intends to acquire such insurance to provide protection for similar events which may occur in the future." Further, while TWS did object to this request "to the extent that it is still considering claim options and may submit a claim in the future", this objection does not address plans for acquiring insurance. Provide a response to this part of the question and documentation to support the response.

RESPONSE:

Currently, TWS has no plan in place to change its current insurance coverage as it relates to current assets covered or business interruption coverage.

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2-6. Referring to the Company's Response to CPAD #1-17, the Company states that "TWS does not have any business interruption insurance." However, the Consumer Advocate requested this information of any affiliates, including Utilities, Inc.

- a. Provide a response to this part of the question and documentation to support the response.
- b. Provide copies of all business interruption insurance policies.

RESPONSE:

- a. Business interruption insurance coverage is not carried by TWS or any of its "affiliates" as defined by the Consumer Advocate.
- b. N/A

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2-7. Referring to the Company's Response to CPAD #1-21, the Company that "it anticipates that such a write-off [resulting from the 2016 wildfires] would be completed in October 2017." Provide a copy of the accounting entry, identifying the plant balance and associated account and depreciation rate for any impaired asset. If such entry does not include a reversal of depreciation expense recorded associated with the impaired asset, provide the rationale for not making such entry. Provide a copy of all supporting documentation for the entry as soon as it becomes available.

RESPONSE:

At the time of TWS' responses to the Consumer Advocate's First Discovery Requests, the possibility of write-offs was still under consideration. Now, based upon a full review of the age of the assets that were destroyed because of the 2016 Gatlinburg Wildfires, TWS does not believe there are any write-offs necessary because all of the destroyed assets were fully depreciated. Should TWS' decision change based upon new information, TWS will supplement this response with documentation for any entry made to write-off an asset.

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2-8. Referring to the Company's Response to CPAD #1-22, the Company objected to the discovery request to the extent it calls for a legal conclusion. However, the Consumer Advocate's request does not call for a legal conclusion. Rather the Consumer Advocate is requesting a ratemaking/accounting conclusion about "at what point in time does TWS believe it will be appropriate to consider the associated service lines are no longer 'used and useful'" for customers that do not return to their former properties. Provide a response and documentation to support your response.

RESPONSE:

TWS continues to maintain its objection that the inclusion of the abovementioned service lines in its rate base is a decision that is more properly left to TPUC. Moreover, TWS believes that this Request still calls for a legal conclusion despite the Consumer Advocate's statement that it does not. Nonetheless, to the extent that this request calls for the Company's position regarding this issue, TWS submits that its position is that the service lines in question will remain "used and useful" and included in rate base until the point in time that each service line has reached its fully depreciated life, regardless of whether or not the current (or future) owner of a lot decides to rebuild or otherwise receive water service from TWS. The Company does not foresee a situation that would permanently impair the service lines and, therefore, believes the service lines are and should continue to be considered used and useful.

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2-9. Referring to the Company's Response to CPAD #1-23, the Consumer Advocate referenced Paragraph 14 of the Company's Petition and requested it to identify the "capital system improvements prior to the 2016 Wildfires." Furthermore, the Consumer Advocate asked the Company to explain "why such project costs unrelated to the 2016 Wildfires should be incorporated into emergency rate relief." The Company provided the same list of projects as found in Bryce Mendenhall's Testimony² and the Company simply stated "the projects listed above are related to or were otherwise damaged because of the 2016 Wildfires." This response is confusing since the Consumer Advocate requested a list of the capital system improvement projects planned prior to the 2016 Wildfire and not a list of "costs incurred and projected to incur from damages sustained directly for the 2016 Wildfires."³ For example:

- a. In Mendenhall's Testimony, he states that the "Emergency System Activation" were costs associated with getting the system back online immediately for customers who were unaffected by the 2016 Wildfires and needed water service."⁴ However the presence of this project on the list in response to CPAD #1-23 means the Company has identified it as a capital system improvement that was in the process of being implemented prior to the 2016 wildfire.
 - i. Is it correct that the Emergency System Activation was a capital system improvement project planned prior to the 2016 wildfire?
 - ii. If not, explain its presence on this list.
 - iii. If it should not be on this list, update your response to reflect this correction and any other errors on this list.
- b. In Mendenhall's Testimony, he states that repairs to the interconnects with the municipal system of the City of Gatlinburg was "immediately necessary following the 2016 Wildfires." However, the presence of this project on the list in response to CPAD #1-23 means the Company has identified it as a capital system

² Mendenhall Pre-Filed Direct Testimony, page 3.

³ *Id.* at page 3, lines 5-6.

⁴ *Id.* at page 3, line 9 and page 4, lines 1-2.

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improvement that was in the process of being implemented prior to the 2016 wildfire.

- i. Is it correct that the Gatlinburg Water Interconnect Repair was a capital system improvement project planned prior to the 2016 wildfire?
 - ii. If not, explain its presence on this list.
 - iii. If it should not be on this list, update your response to reflect this correction and any other errors on this list.
- c. Beyond the specified projects in CPAD #2-11a. and b. above, if there are other projects that should be removed from this list (because they were not previously planned), correct your project list accordingly and submit it to the Consumer Advocate.
- d. In its Response to CPAD #1-23(b), the Company merely provides a simple conclusory statement without any explanation or discussion on why previously planned capital improvement projects should be included in the emergency rate relief:
- i. The Consumer Advocate requests that the Company provide a full and complete explanation for each project provided in the existing list or the updated list provided in response to CPAD #2-11c. above and any other subsequently identified.
 - ii. For example: (a) does the Fire Hydrant Replacements project simply replace fire hydrants damaged by the 2016 wildfire or does it include the cost of additional hydrants that did not exist⁵ prior to the wildfire? (b) If the cost of the project includes additional fire hydrants, explain why the Interim Emergency Wildfire Restoration surcharge should include this project rather than Tennessee Water addressing the additional capital cost in the next rate case.
- e. Does the Upper Storage Reservoir Reconditioning project include one or both of the ground storage tanks identified by the Company as not damaged by the wildfire?⁶ Again, if the cost of the project includes recoating inside and outside of storage tanks not damaged by the wildfire, explain why the emergency rate relief should include this expense rather than the Company addressing the additional capital expenses in the next rate case.

⁵ It has been reported that Tennessee Water has added ten more fire hydrants to the development than existed prior to the wildfire. See <http://wkcrn.com/2017/10/05/some-wildfire-survivors-homeowners-could-see-utility-rate-hike/>

⁶ Exhibit E to the *Petition for Emergency Relief*. Tennessee Water stated to TPUC staff that the ground storage tanks were not damaged by fire but that Tennessee Water intended to recoat the inside and outside of the tanks.

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- f. Additionally if there are other such projects that should be removed from this list (because they were previously planned before the 2016 wildfires)?
 - i. Provide a correct project list and submit it to the Consumer Advocate.
 - ii. Provide the requested information from CPAD #1-23 for the corrected list.
 - 1. Associated costs and in-service dates. CPAD #1-23(a).
 - 2. Explanation of why such projects unrelated to the 2016 Wildfires should be incorporated into emergency rate relief that purportedly is due to the 2016 Wildfires. CPAD #1-23(b).

RESPONSE:

- a. See Responses below:
 - i. No. This is not correct.
 - ii. This project and others that appeared in TWS' Response to Request 1-23 are mistakenly labeled as capital improvements planned prior to the 2016 Wildfires. Upon subsequent review of its Response to Request 1-23, TWS has realized that it misinterpreted the question being asked by the Consumer Advocate. TWS believed that Request 1-23 requested a list of all capital projects that the Company was proposing and whether any of these projects were planned prior to the 2016 Wildfires. Upon reflection, TWS submits that its Response to Request 1-23 should have been "nothing" as there are no projects that were previously planned that have been included in this Petition. Furthermore, all projects that are included on this list provided in TWS' Response to Request 1-23 have arisen because of, are related to, or are the result of damage to TWS' water system assets because of the 2016 Wildfires.
 - iii. See response above to 2-9(a)(ii). All projects listed in Response to Request 1-23 should be removed.
- b. See Responses below:
 - i. No. This is not correct.
 - ii. See Response to 2-9(a)(ii).
 - iii. See Response to 2-9(a)(iii).

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- c. As detailed in Response to 2-9(a)(ii-iii). All projects in this list should be removed. Therefore, there is no list to produce.
- d. As detailed in Response to 2-9(a)(ii-iii), this inclusion of the projects listed in Response to Request 1-23 was an error. None of these projects is a previously-planned capital improvement.⁷ Fire Hydrant Replacements, for example, only represent the Company's effort to replace or repair those hydrants that were damaged by the heat or flame contact during the 2016 Wildfires and, therefore, are not projects planned prior to the 2016 Wildfires. Moreover, this project is not going to increase the overall number of hydrants that existed prior to the 2016 Wildfires.
- e. The Upper Storage Reservoir Reconditioning project only includes the 100,000-gallon ground storage reservoir. The evaluation, attached previously as Ex. 2-2b, indicates that flame contact caused discoloration to the exterior siding and that there were indications of heat penetration to the interior surface as a result of the 2016 Wildfires. The report recommended the proposed reconditioning to protect the integrity of the tank structure and mitigate the effect of the 2016 Wildfires. This project is included in the current Petition because it is only intended to address damage sustained from the 2016 Wildfires.
- f. Please see Response to 2-9(a)(ii) and 2-9(d).

⁷ No explanations for the list that appeared in Response to Request 1-23 are being provided as that list should be considered removed in its entirety because it was errantly included based on a misinterpretation of Request 1-23. To the extent that the Consumer Advocate would like an explanation of the projects that were listed but only relate to damage sustained in the 2016 Wildfires, TWS is able to supplement its Response with this information if requested.

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2-10. Referring to CPAD #1-36, the Company estimates legal fees and costs associated with the Petition to be \$50,000 and are to be amortized over three years.

- a. Provide invoices and other supporting documentation for the legal fees and costs incurred thus far in the Petition. This information should be broken down between fees and costs of internal personnel and those contracted from the outside.
- b. Explain why the Company is seeking amortization of its rate case costs estimated to be \$50,000 in this Docket when the Company amortized rate case costs of \$26,000 in rate case, Docket No. 09-00017⁸, over four years?

RESPONSE:

- a. Please see attached Confidential Exhibit 2-10 for a breakdown of the costs incurred by TWS through October 2017. Please see attached Confidential Exhibit 2-10a for the invoices for these costs.
- b. TWS has re-examined its initial estimate and hereby submits that this estimate (currently) should be adjusted to \$30,000. This amount is in line with the costs from the previous TWS rate case in 2009. Additionally, the costs of both travel and legal fees have increased since the 2009 TWS rate case.

⁸ *Order Approving Settlement Agreement*, TPUC Docket No. 09-00017. Exhibit 1, page 5, paragraph 14.

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2-11. Referring to the Customer Notification filed with TPUC on October 24, 2017 which included a letter dated September 22, 2017 (Customer Notice Letter) and a notice in the Mountain Press newspaper (Newspaper Notice) date October 24, 2017, provide responses to the following:

- a. Was the Customer Notice Letter sent in envelopes identifying the sender as Utilities, Inc. rather than Tennessee Water? Provide a copy of the envelope used to mail the Customer Notice Letter.
- b. Will the Company be mailing a second letter to its customers of the change in the hearing date to December 12, 2017?
- c. In its Customer Notice Letter, what steps did the Company take to confirm the identities and contact information of its current customers so they could be provided notice of the rate change?
- d. How many people contacted the Company to inform it that they are no longer the owner?
- e. Identify the people who contacted the Company and the date of the notice they were no longer an owner.
- f. What did the Company do in response to this information?
- g. How many Customer Notice Letters were returned to the Company as undeliverable?
- h. What steps were taken to reach the customers whose Customer Notice Letters were returned to the Company, and when were those steps taken?

RESPONSE:

- a. No. The envelopes used to send the Customer Notice Letter were blank and had only the customer's mailing information. Because the envelopes were blank, TWS is not providing a copy of the envelope.
- b. Yes. The updated Customer Notice Letter was issued to customers on November 3, 2017, and is attached hereto as Exhibit 2-12.

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- c. TWS maintains a current list of its customers in the ordinary course of its business, and this current list was the source of customer identities and contact information.
- d. There is no record of any person having contacted TWS to inform the Company that he or she is no longer an owner of the property.
- e. N/A. See above Response 2-11(d).
- f. N/A. See above Response 2-11(d).
- g. There were no letters that were returned as undeliverable.
- h. N/A.

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2-12. Referring to the Customer Notification filed with TPUC on October 24, 2017, the Newspaper Notice simply states that customers “may also visit the TPUC website at <https://www.tn.gov/tpuc> and check the Active Docket Index for Docket No. 17-00108 to keep up to date on the filings.” This Newspaper Notice does not state that a copy of the proposed tariff changes and the reasons for those changes are on file with TPUC and are open for public inspection under TPUC Rule 1220-04-01-.05(2).

- a. Did the Company provide such a notification to its customers by a separate means than the Customer Notice Letter and Newspaper Notice?
- b. If yes, provide a copy of this public notice and explain how it was disseminated.

RESPONSE:

- a. TWS did not provide such notification by another means. In its November 3, 2017, updated Customer Notice Letter, attached hereto as Exhibit 2-12,⁹ TWS has included the language referenced above to inform its customers that a copy of the proposed tariff changes and the reasons for those changes are on file with TPUC and are open for inspection.
- b. N/A

⁹ See attached Exhibit 2-12a for an example of the envelope in which the letter was sent (redacted to remove the customer address)

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2-13. What steps has the Company taken to advise its customers of their ability to participate in the upcoming December 12, 2017 public hearing, including their ability to attend and provide oral comments, send emails and letters to TPUC or appear at the hearing? Provide documentation of this notice. If the Company provides such notice in the future, provide a copy of the notice.

RESPONSE:

TWS initially informed its customers of the upcoming December 12, 2017 hearing in its October 24, 2017 Newspaper Notice. This Notice informed customers of the date of the hearing and directed them to TPUC's website for information regarding Docket No. 17-00108. TWS has now provided another updated notice including (a) an updated Customer Notice Letter (Exhibit 2-12), which was mailed to TWS customers on November 3, 2017; and (b) a newspaper notice that will be published on or before November 10, 2017. Each notice informs customers of the date, location, and time of the December 12, 2017, hearing. *See* Ex. 2-12. Also, each notice informs customers that they may appear at the hearing and provide testimony and it directs customers to the TPUC website for information on how to voice their concerns or view a complete copy of the proposed tariff changes and the reasons for such changes.

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2-14. Referring to the Proposed Tariff and the Newspaper Notice filed with TPUC on October 24, 2017, the amount of each proposed surcharge is set out differently in the two documents. It appears the Newspaper Notice informs the Company's customers of the proposed surcharge amounts as set out in the Petition but does not inform the Company's customers of the revised surcharge amounts as set out the Proposed Tariff. A summary of the differences are set out in the table below:

	Newspaper Notice	Proposed Tariff
Interim Wildfire Restoration Surcharge	\$3.78/month for all Customers	\$2.52/month for all Customers
Interim Emergency Water Service Availability Surcharge	\$6.77/month for all Customers	\$4.51/month for all Customers
Interim Emergency Make-Whole Surcharge	\$14.25/month for inactive customers	\$11.09/month for inactive customers

Provide responses to the following:

- a. Did the Company provide its customers notice of the changes in the proposed surcharge amounts between the Petition and the Proposed Tariff? If yes, provide a copy of this notice and explain how it was disseminated.
- b. If no the Company has not provides such notice, does the Company intend to provide notice to its customers of these changes in the proposed surcharge amounts? If yes, when the notice is issued provide documentation of this publication as soon as possible and explain how it was disseminated.

RESPONSE:

- a. Please see Exhibit 2-12. Customers were mailed an updated Customer Notice Letter on November 3, 2017, that explains the different surcharge amounts, stating "[i]n prior communications with customers, the amounts of the first three surcharges listed above were slightly higher because they were based on a 12-

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month calculation. The amounts listed here reflect a calculation of the monthly amount of each surcharge based on an 18-month interim emergency relief time period.” This information will also appear on or before November 10, 2017, in a newspaper notice.

b. N/A

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2-15. Referring to the Company's Response to CPAD # 1-40, the Company states that "it will not continue to bill a customer after such time that a customer cancels his/her service account with TWS, although due to the assumptions being made about the hypothetical circumstance and without knowing what TPUC will ultimately approve, TWS reserves the right to modify this response accordingly."

- a. With the filing of the Company's Proposed Tariff on October 24, 2017, does the Company change its position as set out in its Response to CPAD #1-40 that a customer can cancel his/her service account and avoid the assessments of the Interim Make-Whole Surcharge, the Interim Wildlife Restoration Surcharge, Interim Water Service Availability Surcharge, and Interim Emergency Operational Costs Pass-Through Mechanism?
- b. If yes its position has changed, provide the authority to assess such charges to former customers of the Company and how the Company will collect such charges from former customers.

RESPONSE:

- a. TWS has not changed its position as set out in its response to CPAD Discovery Request 1-40.
- b. N/A.

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2-16. Referring to the Company's Response to CPAD # 1-40, the Company states that "it will not continue to bill a customer after such time that a customer cancels his/her service account with TWS, although due to the assumptions being made about the hypothetical circumstance and without knowing what TPUC will ultimately approve, TWS reserves the right to modify this response accordingly." Provide responses to the following requests:

- a. What steps has the Company taken to advise its customers of their options regarding their water service so they may avoid paying charges? Provide copies of these contacts with its customers and explain how the contact was made.
- b. How has the Company trained its employees regarding how to inform customers of their options with regard to water service if their property has been destroyed?
- c. Provide documentation of such training such as training manuals, scripts, frequently asked question sheet, etc.

RESPONSE:

- a. TWS has not taken any steps to inform customers that they may cancel their service. However, customer service representatives have discussed account service cancellation options with customers who have called TWS.
- b. TWS trains its customer service representative to address various water service scenarios, including the initiation and termination of water service. With respect to the 2016 Wildfires, customer service representatives received a statement from Matthew Klein, attached as Exhibit 2-16a, on November 29, 2016, and informed customer service staff of the news of the devastating event. On the same day, customer service staff received an email from Linda Schnaufer, the Customer Service Director for Utilities, Inc., attached as Confidential Exhibit 2-16b, providing information about severance, collections, and other customer-related issues. On December 1, 2016, Ms. Schnaufer shared a communication that was sent to media and customers with the customer service staff, attached as Exhibit 2-16c. As well, on December 1, 2016, customer service staff received a draft "Frequently Asked Questions" sheet, attached as Confidential Exhibit 2-16d. Furthermore, the information in the FAQ sheet was discussed and distributed to all staff on the morning of December 2, 2016.
- c. See abovementioned Exhibits in Response to Request 2-16(b).

TENNESSEE WATER SERVICE, INC.
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2-17. Referring to the Company's Response to CPAD # 1-40, the Company states that "it will not continue to bill a customer after such time that a customer cancels his/her service account with TWS, although due to the assumptions being made about the hypothetical circumstance and without knowing what TPUC will ultimately approve, TWS reserves the right to modify this response accordingly." If TPUC approves the Company's Petition, will the Company send notices to its customers before implementation of any approved surcharges advising the customers of their options regarding their water service so they may determine whether it is in their best interest to continue to be a customer?

RESPONSE:

Currently, TWS does not have any plans to send an additional notice after TPUC approval to inform customers of their ability to terminate their water service account. However, TWS will rely on guidance from TPUC regarding any additional notice.

TENNESSEE WATER SERVICE, INC.
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2-18. Provide a copy of the Company's monthly water bills from the City of Gatlinburg for service provided during the period of September, 2016 through September, 2017.

RESPONSE:

Please see attached Exhibits 2-18a and 2-18b.

TENNESSEE WATER SERVICE, INC.
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2-19. Provide documentation and calculation supporting the amount of water loss with the Gatlinburg Water Interconnect by month, for the period of October, 2016 through September, 2017. Include an explanation of the steps taken by the Company to address this loss.

RESPONSE:

TWS objects to this request as it is vague, ambiguous, and unlikely to lead to the discovery of admissible evidence, especially within the context of an emergency petition. Furthermore, this information is unrelated to the requests made in TWS' Petition. TWS also objects to the undefined term "water loss" and the phrase "with the Gatlinburg Water Interconnect."

Notwithstanding its objections, TWS submits the following answer. The term "water loss" as used by the Consumer Advocate is understood, for purpose of this Response, by TWS to mean water which was purchased or pumped for which there was no revenue collected.¹⁰ See attached Exhibit 2-20 for documentation of the "water loss" for TWS from 2014-2016.

TWS water system assets were damaged as a result of the 2016 Wildfires, including, but not limited to, fire hydrants, individual water service lines, and water meters. Each of these damaged assets has contributed (and will likely continue to contribute) to "water losses" within the TWS water system until such time that the "water loss" can be identified and mitigated.

The actual "water loss" ratio¹¹ for TWS directly after the 2016 Wildfires was 68%. This ratio has been significantly reduced to 35% according to the most current billing. This improvement in "water loss" is directly attributed to TWS' mitigation (i.e., capital improvements) of leaks within its water system associated with damage from the 2016 Wildfires. This improvement may be also attributed to decreased pumping operations resulting from reduced consumption based on current active customers.

¹⁰ TWS reserves the right to respond further to this request based upon various definitions of "water loss," "unaccounted water," and "non-revenue water" if necessary.

¹¹ Water loss ratio is defined here as the volume of purchased/pumped water compared to billed consumption.

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2-20. Provide the water loss ratio calculation by year for the period 2014-2016.

RESPONSE:

TWS objects to this request as it is vague, ambiguous, and unlikely to lead to the discovery of admissible evidence, especially within the context of an emergency petition. Furthermore, this information is unrelated to the requests made in TWS' Petition. TWS also objects to the undefined term "water loss."

Notwithstanding its objections, see attached Exhibit 2-20, which incorporates the definition of "water loss" ratio from footnote 11 in Response 2-19.

TENNESSEE WATER SERVICE, INC.
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2-21. Provide the Company's Quarterly Surveillance reports (TPUC form 3.07) for the following periods:

- a. Fourth Quarter 2014;
- b. First Quarter 2015;
- c. Second Quarter 2015;
- d. Third Quarter 2015;
- e. Fourth Quarter 2015;
- f. First Quarter 2016;
- g. Second Quarter 2016;
- h. Third Quarter 2016; and
- i. Fourth Quarter 2016.

RESPONSE:

- a. Please see attached Exhibit 2-21a.
- b. Please see attached Exhibit 2-21b.
- c. Please see attached Exhibit 2-21c.
- d. Please see attached Exhibit 2-21d.
- e. Please see attached Exhibit 2-21e.
- f. Please see attached Exhibit 2-21f.
- g. Please see attached Exhibit 2-21g.
- h. Please see attached Exhibit 2-21h.
- i. Please see attached Exhibit 2-21i.

TENNESSEE WATER SERVICE, INC.
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2-22. Identify and provide the supporting calculation for all Allowance for Funds Used During Construction (AFUDC) rates applied to Construction Work in Progress since January, 2016.

RESPONSE:

Please see attached Confidential Exhibit 2-22a and Confidential Exhibit 2-22b.

TENNESSEE WATER SERVICE, INC.
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2-23. Provide a thorough explanation how the Company applies the AFUDC rate to construction projects.

RESPONSE:

AFUDC is calculated by using the total construction projects balance less AFUDC. This balance is then multiplied by the AFUDC rate and divided by 12 for the monthly calculation. The September 2017 work paper is attached as Confidential Exhibit 2-23 as an example of this calculation.

TENNESSEE WATER SERVICE, INC.
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2-24. Does the Company or any of its affiliates, including but not limited to Utilities Inc., have property loss insurance?

- a. If not, provide a discussion of whether such insurance purchase has been considered and any available support for the decision not to purchase such insurance.
- b. If so, provide the following:
 - i. An overview of the insurance claim(s).
 - ii. The timing of the claim(s), including whether it has been submitted. If such a claim has not been submitted, identify the date that it is anticipated to be submitted.
 - iii. It has been approximately 11 months since the 2016 wildfires, explain why the Company has not yet filed such claims.
 - iv. Whether such insurance coverage is dependent upon a particular regulatory claim?
 - v. Provide a copy of the insurance policy(ies).
 - vi. The estimated reimbursement expected from the insurance coverage.

RESPONSE:

TWS has property loss insurance because UI carries property loss insurance for all of its subsidiaries.

- a. N/A
- b. For the answers as to TWS' insurance claims, please see response to CPAD's Discovery Request 1-16. For information regarding UI's property insurance, see below:
 - i. TWS has not filed any property claims since the date of the 2016 Wildfires.
 - ii. N/A.
 - iii. See explanation provided in response to CPAD's Discovery Request 1-16.

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- iv. See explanation provided in response to CPAD's Discovery Request 1-16.
- v. Please see attached Confidential Exhibits 2-24a and 2-24b, a copy of UI's property insurance policy.
- vi. Currently, TWS does not anticipate any reimbursement from insurance coverage.

TENNESSEE WATER SERVICE, INC.
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2-25. Provide the Company's monthly Operating statement for the periods July, 2016 through September, 2017. To the extent possible, such Operating Statement should be presented by revenue and expense category (including depreciation and Taxes Other than Income) consistent (to the extent possible) with the FERC Uniform System of Accounts major categories.

RESPONSE:

Please see attached Confidential Exhibit 2-25.

TENNESSEE WATER SERVICE, INC.
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2-26. Provide a summary of the monthly depreciation expense calculation associated with the Company identifying the following:

- a. Asset type;
- b. Related depreciation rate by asset type;
- c. Accumulated depreciation balance by asset type; and
- d. Monthly depreciation expense calculation that ties to the financial records of the Company by asset type.

RESPONSE:

Please see attached Exhibit 2-26 for response to subparts a-d.

TENNESSEE WATER SERVICE, INC.
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2-27. Provide all supporting workpapers for the update to the Make-Whole surcharge request as included in the tariff submittal of October 24, 2017.

RESPONSE:

Please see attached Exhibit 2-27.

TENNESSEE WATER SERVICE, INC.
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CONSUMER PROTECTION AND ADVOCATE DIVISION

2-28. Provide the following concerning the Company's recording costs to Account 610;

Purchased Water Expense:

- a. Are such costs accrued each month to match the estimated or actual consumption within that particular month?
- b. If such costs are not accrued, are they based exclusively on invoiced costs from the vendor?
- c. If (b) is yes, explain whether costs recorded in a given month are related to the prior months' consumption.
- d. For the period January 2017 through June, 2017 indicate whether there are any:
 - i. Labor costs charged to Account 610.
 - ii. Costs allocated from UI charged to Account 610.
- e. Identify all water suppliers.

RESPONSE:

- a. The costs are accrued each month using the most recent invoice available (consumption info is available on the invoice).
- b. N/A.
- c. N/A.
- d. There are no labor costs or allocated charges included in the Purchased Water Expense; these are direct expenses only.
- e. The Town of Gatlinburg is the only water supplier.

TENNESSEE WATER SERVICE, INC.
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2-29. Provide the following concerning the Company's recording costs to Account 615;

Purchased Power Expense:

- a. Are such costs accrued each month to match the estimated or actual electricity used within that particular month?
- b. If such costs are not accrued, are they based exclusively on invoiced costs from the vendor?
- c. If (b) is yes, explain whether costs recorded in a given month are related to the prior months' consumption.
- d. For the period January 2017 through June, 2017 indicate whether there are any
 - i. Labor costs charged to Account 615.
 - ii. Costs allocated from UI charged to Account 615.
- e. Identify the Company's electricity supplier.

RESPONSE:

- a. Costs are accrued each month using the most recent invoice available.
- b. N/A.
- c. N/A.
- d. There are no labor costs or allocated charges included in the Purchased Power Expense; these are direct expenses only.
- e. The Sevier County Electric System is the supplier of TWS' power.

TENNESSEE WATER SERVICE, INC.
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2-30. In the Company's last rate case (TPUC Docket No. 09-00017), the Company incurred \$4,478 in insurance premiums. With respect to these costs, respond to the following questions:

- a. Were these costs incurred directly by the Company, or instead were such costs allocated from the parent of the Company?
- b. Identify the nature of the insurance coverage, including whether the insurance covered damages to assets.
- c. If such insurance covered assets, please identify the specific assets covered and any deductibles that applied.
- d. If such insurance covered was terminated at some point subsequent to 2009, provide the following information:
 - i. Date the insurance was terminated
 - ii. Justification for terminating the insurance

RESPONSE:

- a) The insurance premiums were costs allocated from the parent company.
- b) Most of TWS' policies are liability policies for third party losses. However, it also carries a property policy for specified assets that covers our losses.
- c) Two well houses were insured for \$50,000 in replacement value. The deductible for this type of loss is \$50,000.
- d) N/A
 - a. N/A
 - b. N/A

**TENNESSEE WATER SERVICE, INC.
DOCKET NO. 17-00108
SECOND DISCOVERY REQUEST OF THE
CONSUMER PROTECTION AND ADVOCATE DIVISION**

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink that reads "Ryan Freeman". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

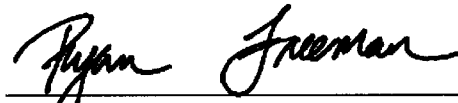
Ryan Freeman (BPR No. 033299)
Baker, Donelson, Bearman, Caldwell & Berkowitz
1900 Republic Centre
633 Chestnut Street
Chattanooga, TN 37450-1800
Direct: 423.209.4181
Email: rffreeman@bakerdonelson.com

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

Karen H. Stachowski
Office of the Tennessee Attorney General
Public Protection Section
Consumer Protection and Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Phone: (615) 741-2370
Fax: (615) 532-2910
Email: karen.stachowski@ag.tn.gov

This the 3rd day of November, 2017.



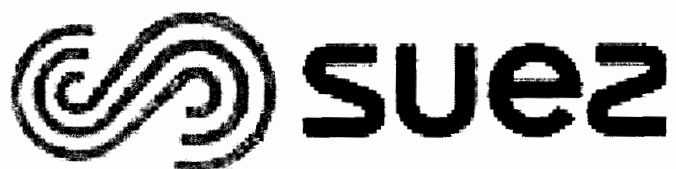
Ryan Freeman, Esq.



EXHIBIT 2-2A



EXHIBIT 2-2A



100,000 Gallon Chalet Village Pressure Tank #1 Inspection Report

Gatlinburg, TN

Prepared For:

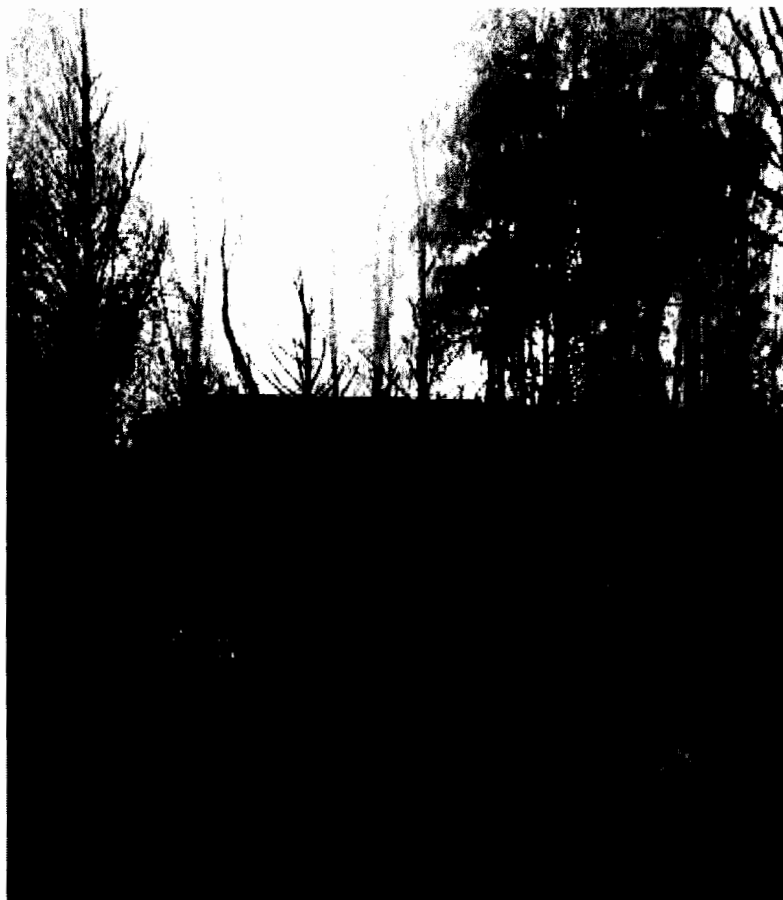
Tony Konsul - Manager
(704)319-0523
tjkonsul@uiwater.com

Prepared By:

Bert Gore
Water System Consultant
(423) 416-2773
bgore@utilityservice.com

Date:

December 22nd, 2016



General Information

INTRODUCTION

On December 20th, 2016, Utility Service Co., Inc conducted a ROV inspection of the 100,000 gallon Chalet Village Pressure tank #1. The purpose of the inspection was to determine the condition of the **coatings** and **structure**, and evaluate the tank for compliance with current **sanitation** guidelines, **safety & security** regulations and guidelines in accordance AWWA, OSHA, Tennessee Environmental Protection Department, US EPA and US Dept of Homeland Security and related state and federal agencies. In this report, you will find a description of the current condition of this tank along with photographs to support the recommendations.

TANK DETAILS

CAPACITY:	100,000 Gallons	DESIGN:	Ground Storage
INSPECTION DATE:	12/20/16	INSPECTOR:	Bert Gore
CONSTRUCTION STYLE:	Concrete	CONSTRUCTION DATE:	N/A
BUILDER:	N/A	HEIGHT/ DIMENSION:	10' H 50'x50' Dia.
LADDER GATE:	N/A	SAFETY CLIMB EQUIPMENT:	N/A
EXTERIOR COATING:	N/A	EXTERIOR LEAD/ CHROMIUM PRESENCE:	N/A
INTERIOR COATING:	N/A	INTERIOR LEAD/CHROMIUM PRESENCE:	N/A

ESTIMATED REPLACEMENT VALUE

The replacement cost of this tank is estimated at
\$300,000.

Exterior Coatings Conditions

Exterior was in OK condition. Heat from fires have discolored the exterior of the concrete structure. Most of damage seems to be to piping, conduit, and wiring.

Recommendations

- **New coating applied to ensure protection of concrete.**

Interior Conditions

Interior is in ok condition with signs possible signes of heat penetration on walls above and below water level.

RECOMMENDATIONS

- Washout of tank and application of a structural epoxy.

Structural, Sanitation, Safety and Security Conditions

STRUCTURAL

Handrails

N/A

Hatches / Manways

All hatches and manways are in good condition, locked, and serviceable.

Welds / Bolts / Rivets

N/A

Ladders

Exterior - N/A

Interior - OK - signs of heat damage.

Overflow System

Poor condition. Piping is burnt and screen is gone.

Target and Float Assembly

Poor. All float system and electric is damaged and needs to be replaced.

Vents

Poor. Vents have been burnt and needs to be replaced.

Cathodic Protection / Telemetry

N/A

Interior Structure

In good condition. Heat marks present from fires.

Anchor Bolts / Nuts / Chairs

N/A

Foundations

Foundation is in Good condition externally.

RECOMMENDATIONS

- All floats and wiring to be replaced
- Ladder rungs to be blasted and checked for damage.

SANITATION

Roof Hatch

The roof access hatch is in good and serviceable condition and of a style that meets FDEP requirements as well as can be locked.

Roof Vent Screen

The roof vent screen is in poor condition.

Overflow Assembly Screen & Flapper

Poor condition. Screen needs to be added.

Protective Fill Pipe Cover

Poor condition. rusted and possible heat damage to gaskets.

Cathodic Protection Plates

N/A

RECOMMENDATIONS

- Gaskets replaced on manways due to fire in area and could have damaged
- Fill pipe and pipes blasted/replaced and coated
- Over flow Screen added back to pipe and flap.
- Pipe gaskets replaced and pipe checked for heat damage.

SAFETY & SECURITY

Safety Climb System

N/A

Ladder Gate Climb Prevention Shield

N/A

Access Manways

N/A

Handrails

N/A

Tank Site

No fence and could use more security.

RECOMMENDATIONS

- **Install fence as a safety security.**
- **safety climbs added to internal ladder**

SUMMARY AND RECOMMENDATIONS

SUMMARY

In summary, this water storage vessel is in Poor condition on the exterior and OK condition in the interior. Tanks needs to be addressed to avoid major repairs in future. USCI recommends the exterior coatings and standard epoxy coatings applied. Internal is recommended to be washed out and coated with structural epoxy coat system. If these are completed while being cleaned on a regular basis, inspected annually, and maintained, the tank life cycle can be extended for a long time into the future All findings associated with this tank are recommendations only.

RECOMMENDATIONS

- Without every 5 years and Annual visual inspections per TN State requirements.
- Internal/External Coatings could prolong the life of the tank and prevent future replacement
- Pipe replacement to ensure tank is in good condition in future.
- All wiring, conduit, piping, and floats replaced or repaired.

100,000 Gallons Chalet Village Storage Tank #1 Gatlinburg, TN





Photo #1



Photo #2



Photo #3



Photo #4



Photo #5



Photo #6

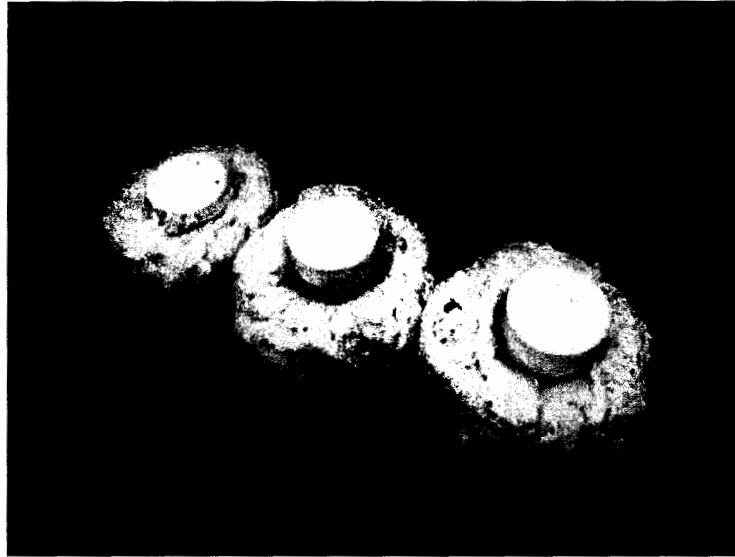


Photo #7



Photo #8



Photo #9

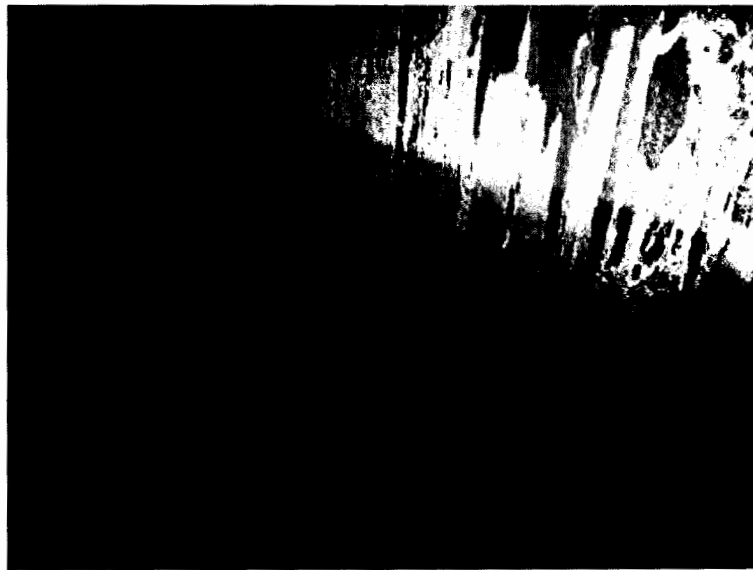


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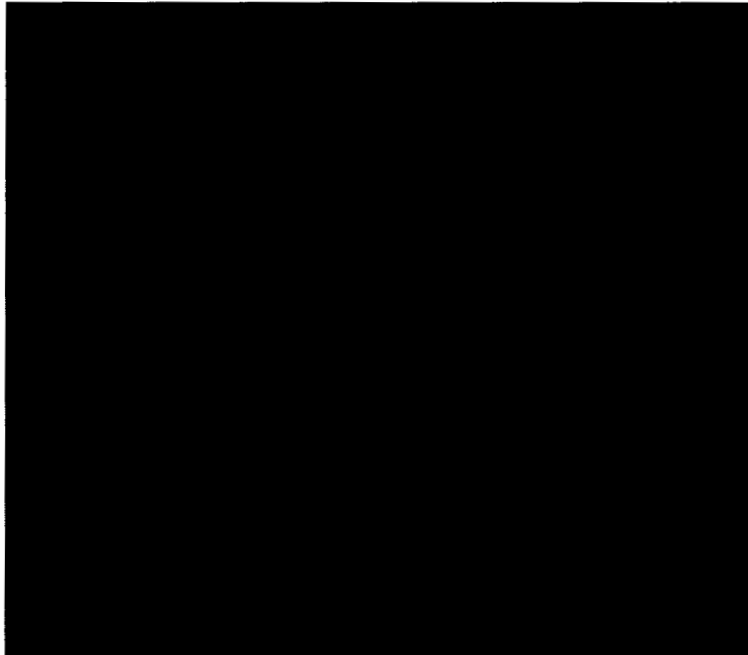


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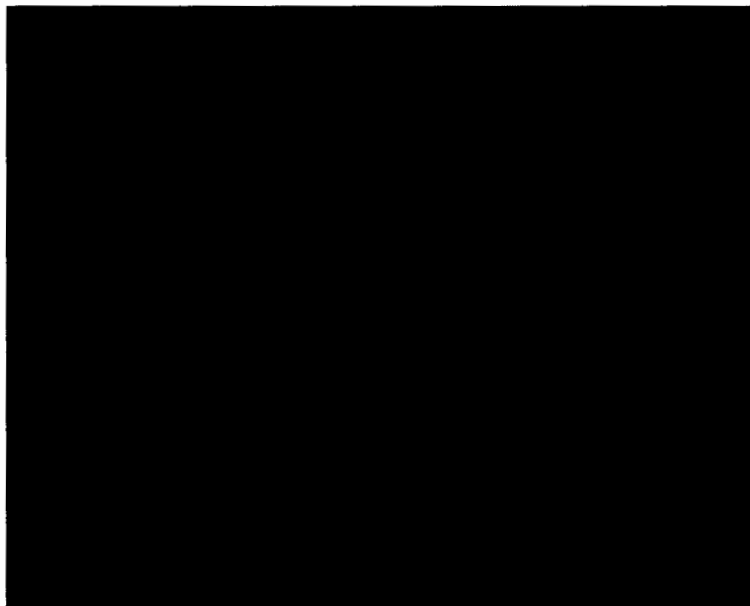


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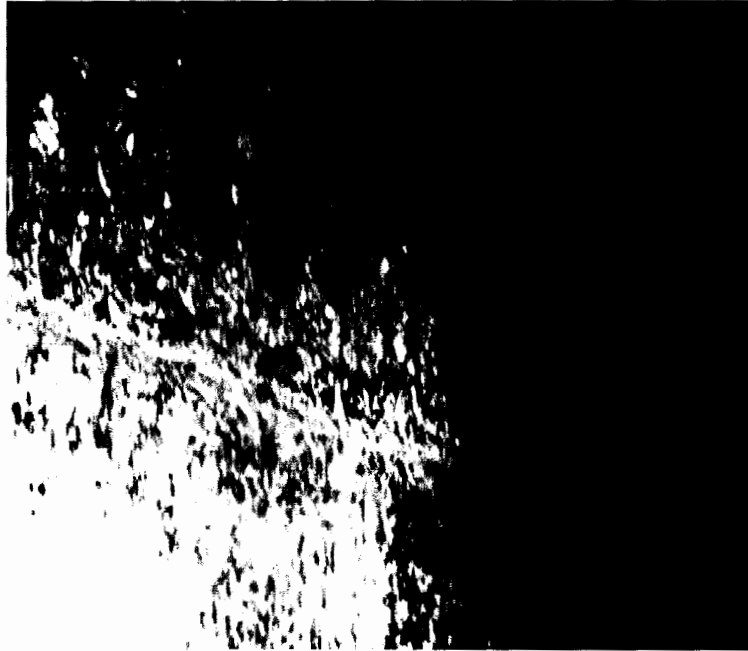


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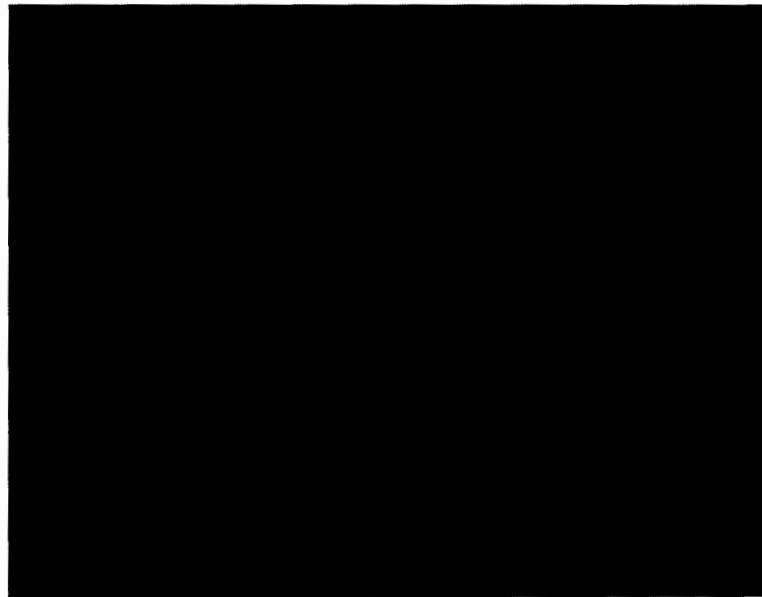


Photo #14



Photo #15

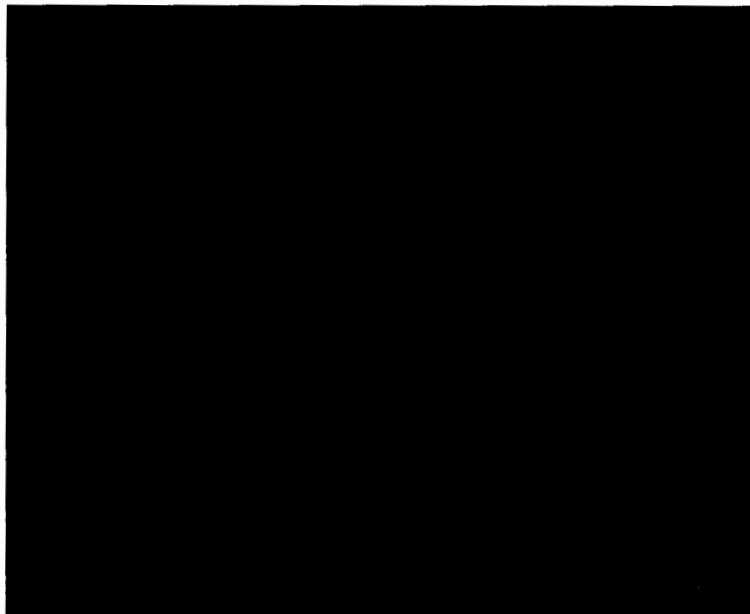


Photo #16

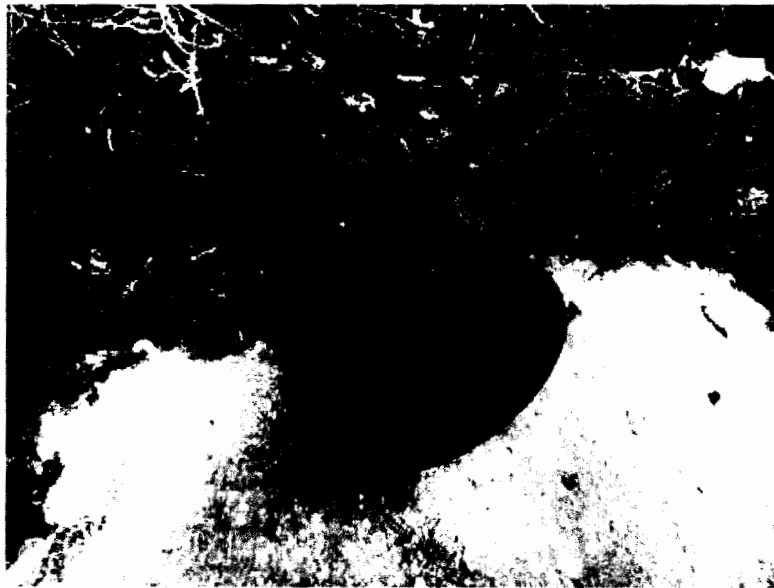


Photo #17



Photo #18



November 3, 2017

Re: Revised Notice of Petition for Emergency Interim Relief

Dear Tennessee Water Service Customer:

On September 22, 2017, Tennessee Water Service, Inc. ("TWS"), filed a Petition with the Tennessee Public Utility Commission ("TPUC") for emergency interim relief for TWS.

The purpose of the Petition is to allow TWS to recover the costs of providing drinking water service to its customers during the period of recovery from the devastating, wind-driven wildfires of 2016 that destroyed and/or severely damaged most of the homes connected to TWS' drinking water system.

The last TWS rate increase was approved by TPUC on September 15, 2009.

As you may recall, to alleviate the pressure felt by customers affected by the 2016 Wildfires, TWS put a hold on all bills for affected homes. 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.

Currently, capital improvements are needed to address the damage to the drinking water system caused by the 2016 Wildfires and to provide for system reliability, efficiency, and integrity.

As noted, the Company proposes the following emergency interim relief measures:

- a. Interim Emergency Wildfire Restoration Surcharge - TWS has proposed that TPUC approve an Interim Emergency Wildfire Restoration Surcharge to be applied to all customer bills for capital costs related to damages sustained as a result of the 2016 Wildfires as these costs are directly in line with the public interest in rebuilding the Chalet Village drinking water system. The Restoration Surcharge would be an additional \$2.52 each month for all customers.
- b. Interim Emergency Water Service Availability Surcharge - TWS has proposed that TPUC approve an Interim Emergency Water Service Availability Surcharge to all customer bills to allow TWS to recover costs for capital assets in place and currently serving the water system. The Water Service Surcharge would be an additional \$4.51 each month for all customers.
- c. Interim Emergency Make-Whole Surcharge - TWS has proposed that TPUC approve an Interim Emergency Make-Whole Surcharge to be applied only to the bills of its

inactive customers to offset the operations and maintenance expenses that are not being met due to the projected revenue shortfall. The Make-Whole Surcharge would be an additional \$11.09 each month for inactive customers.

In summary, the three surcharges would cause an active customer's average monthly bill to go from \$58.60 to \$65.63, and an inactive customer's average monthly bill would go from \$0.00 to \$18.12.

- d. Interim Emergency Operational Costs Pass-Through Mechanism - Finally, TWS has proposed 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, TWS may adjust its charges to pass the increase or decrease through to active customers without the need for prior approval from TPUC. TWS will provide TPUC and the Consumer Protection and Advocate Division of the Tennessee Attorney General notice of any increase prior to implementing the pass-through.

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 has proposed that the interim period for which they are applicable be no more than 18 months from the date of TPUC's approval of this Petition.

In prior communications with customers, the amounts of the first three surcharges listed above were slightly higher because they were based on a 12-month calculation. The amounts listed here reflect a calculation of the monthly amount of each surcharge based on an 18-month interim emergency relief time period.

The hearing on the Petition will be conducted by TPUC on Tuesday, December 12, 2017, at 1:00pm (local time) at TPUC's offices located at 502 Deaderick Street, Nashville, Tennessee. You may appear in person at the hearing to either observe or testify.

Consistent with TPUC Rule 1220-04-01-05(2), you may learn more about the Petition (Docket No. 17-00108) by visiting www.tn.gov/tpuc and searching the "Active Docket Index" under the "Docket Room" drop-down menu. A complete copy of the proposed tariff changes and the reasons for them are on file with TPUC and are open to public inspection both online and at TPUC's office.

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

If you have any questions for TPUC, please feel free to contact TPUC at (800) 342-8359 or contact.tpuc@tn.gov.

If you have any questions for the Consumer Protection and Advocate Division of the Attorney General's Office, please feel free to contact the office at (615) 741-1671.

Sincerely,

Tennessee Water Service, Inc.

Tennessee Water Service, Inc.
P.O. Box 240908
Charlotte, NC 28224-0908

ANDREA S BAKER

[REDACTED]
Gatlinburg, TN 37738-4301

EXHIBIT 2-12A

Statement from Matthew Klein
President, Tennessee Water Service, Inc.

We are deeply saddened at the loss of life and homes and the destruction of property caused by the wildfires of the last two days. We are also tremendously thankful for the brave men and women first responders who have risked their lives in an effort to bring the fires under control.

Unfortunately, significant portions of our service area, including Chalet Village, have been impacted by this disaster. Water service to all of our customers has been disrupted either by the direct destruction of our facilities or as a result of the power outages caused by burned electrical poles and wires.

It is still too dangerous to make a full assessment of the damage done, but as soon as local authorities give us permission to evaluate the extent of the damage and what will be needed to bring the system back on line, we will do so. As we learn more and can establish a timeline for repairs, we will make the community aware.

Our thoughts and prayers are with all who have been effected by this tragedy and we know that our community will pull together to provide the necessary support and assistance to those in need.



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

To all of our customers,

We are deeply saddened by the loss of life and the destruction of homes and property caused by the wildfires this week. We are also tremendously thankful for the brave men and women first responders who have risked their lives in an effort to bring the fires under control.

Unfortunately, significant portions of our service area, including Chalet Village, have been impacted by this disaster. Water service to all of our customers has been disrupted either by the direct destruction of our facilities or as a result of the power outages caused by burned electrical poles and wires.

It is still too dangerous to make a full assessment of the damage done, but we have staff on the ground today beginning to evaluate the extent of the damage and what will be needed to bring the system back on line. We have also brought manpower and equipment from other areas and states to facilitate this process. As we learn more and can establish a timeline for repairs, we will make the community aware.

In the meantime, we want to assure you that we have put a hold on all bills for water used, effective immediately. The nature of our billing system is such that some bills recently have been mailed to some customers. Again, please be assured that no penalties or late charges will be assessed on those bills and no service cutoffs will take place.

Our goal is 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) 525-7990 or customerservice@uiwater.com.

Sincerely,

Matthew Klein

Message - [Unread] (1/1)

File Message - [Unread] (1/1)

Ignore Delete Archive Reply Reply Forward All More

Meeting LakeView To Manager Done Reply & Delete Create New Move OneNote Assign Mark Categorize Follow Up Translate Related Zoom

Delete Respond Quick Steps Move Policy Unread Tags Editing Zoom

Thu 10/9/2017 11:22 AM

S Susan Brandenburg <sueb@gatlinburgtn.gov>

To: Bruce Mendelhall

SEARCH BILLING SYSTEM INFO REPORTS HELP CLASSIC VIEWS

GENERAL METERS SERVICE CALLS CUSTOMER HISTORY

Current Reading	Date	Prior Reading	Date	Usage	Adjustment	Codes/Addl.	Entered By	Notes	Use
5,431.0	09/18/2017	2,461.0	08/18/2017	2,970.0	0.0		Sara Hays		✓ History Edit Delete
2,461.0	08/18/2017	995,810.0	07/18/2017	6,651.0	0.0		Sara Hays		✓ History Edit Delete
995,810.0	07/18/2017	991,394.0	06/18/2017	4,416.0	0.0		Sara Hays		✓ History Edit Delete
991,394.0	06/18/2017	986,935.0	05/18/2017	4,459.0	0.0		Sara Hays		✓ History Edit Delete
986,935.0	05/18/2017	983,130.0	04/18/2017	3,805.0	0.0		Sara Hays		✓ History Edit Delete
983,130.0	04/18/2017	972,560.0	03/18/2017	10,570.0	0.0		Sara Hays		✓ History Edit Delete
972,560.0	03/18/2017	969,448.0	02/18/2017	3,112.0	0.0		Sara Hays		✓ History Edit Delete
969,448.0	02/18/2017	963,609.0	01/18/2017	5,839.0	0.0		Susan Brandenburg		✓ History Edit Delete
963,609.0	01/18/2017	957,502.0	12/18/2016	6,107.0	0.0		Sara Hays		✓ History Edit Delete
957,502.0	12/18/2016	947,957.0	11/18/2016	9,545.0	0.0		Sara Hays		✓ History Edit Delete
947,957.0	11/18/2016	930,610.0	10/18/2016	17,347.0	0.0		Sara Hays		✓ History Edit Delete
930,610.0	10/18/2016	911,750.0	09/16/2016	18,860.0	0.0		Mike Hinkle		✓ History Edit Delete
911,750.0	09/16/2016	900,108.0	08/18/2016	11,642.0	0.0		Sara Hays		✓ History Edit Delete

Windows Taskbar: [Icons for File Explorer, Mail, etc.] [Taskbar Search] [Taskbar Clock: 10:00 AM 10/10/2017]



City of Gatlinburg
Water and Sewer Department
PO Box 450
Gatlinburg, TN 37738
Return Service Requested

308669

UTILITIES INC
ATTN: MARGARITA CHRISTAKOS
2335 SANDERS ROAD
NORTHBROOK, IL 60062-8196



02677

Batch **280838**
Doe **196360**

Per city ordinance, there is a minimum bill for every property where service is available, regardless of usage.

LAST STATEMENT BALANCE	\$2,039.1
PAYMENTS	\$2,039.1
ADJUSTMENTS	\$0.0
BALANCE FORWARD	\$0.0
CURRENT CHARGES	\$3,053.8
TOTAL DUE BY 09/25/2017	\$3,053.8
DUE AFTER 09/25/2017	\$3,359.1
Period 07/19/2017 - 08/18/2017	

2677 01/01 8325-011 P01 L8002738 STOCK * F-AJ CLIENT * 000438

12.0030.00
UTILITIES INC
CLIFF BRANCH RD.
Gatlinburg TN 37738
08/31/2017

ADM WATER TE
WAT-TE

995810

1002461

6651

\$1.0
\$3,052.8



220100 5435

RECEIVED
SEP 07 2017

TOTAL CURRENT CHARGES

\$3,053.85

Please detach below perforation and return with payment

EXHIBIT 2-18B



City of Gatlinburg
Water and Sewer Department
PO Box 450
Gatlinburg, TN 37738
Return Service Requested

3008669

Interested in the quality of your drinking water? Access your 2016 Water Quality Report at: <http://gatlinburgtn.gov>. You may also request a mailed copy of this report by calling 865-436-4681.

Per city ordinance, there is a minimum bill for every property where service is available, regardless of usage.

UTILITIES INC
ATTN: MARGARITA CHRISTAKOS
2335 SANDERS ROAD
NORTHBROOK, IL 60062-6196



02675

LAST STATEMENT BALANCE	\$2,058.69
PAYMENTS	\$2,058.69
ADJUSTMENTS	\$0.00
BALANCE FORWARD	\$0.00
CURRENT CHARGES	\$2,039.16
TOTAL DUE BY 08/25/2017	\$2,039.16
DUE AFTER 08/25/2017	\$2,242.98
Period 06/19/2017 - 07/18/2017	


2675 01/01 R235-010 P01 L0007732 STOCK - F-AJ CLIENT - 000435

12.0030.00
UTILITIES INC
CLIFF BRANCH RD.
Gatlinburg TN 37738
07/31/2017

Batch

Doc

8FF658

ADM WATER TE	991394	995810	4416	\$1.01
WAT-TE				\$2,038.11
RECEIVED	 2201005435			
AUG - 3 2017				
TOTAL CURRENT CHARGES				\$2,039.16



City of Gatlinburg
Water and Sewer Department
PO Box 450
Gatlinburg, TN 37738
Return Service Requested

3058669

Interested in the quality of your drinking water? Access your 2016 Water Quality Report at: <http://gatlinburgtn.gov>. You may also request a mailed copy of this report by calling 865-436-4681.

Per city ordinance, there is a minimum bill for every property where service is available, regardless of usage.

UTILITIES INC
ATTN: MARGARITA CHRISTAKOS
2335 SANDERS ROAD
NORTHBROOK, IL 60062-6196



02666

LAST STATEMENT BALANCE	\$1,761.77
PAYMENTS	\$1,761.77
ADJUSTMENTS	\$0.00
BALANCE FORWARD	\$0.00

CURRENT CHARGES	\$2,058.69
TOTAL DUE BY 07/25/2017	\$2,058.69
DUE AFTER 07/25/2017	\$2,264.46
Period 05/19/2017 - 06/18/2017	

2586 01/01 R336-009 P01 L0002725 STOCK * F-AJ CLIENT * 000426

12.0030.00
UTILITIES INC
CLIFF BRANCH RD.
Gatlinburg TN 37738
06/30/2017

Batch
Dec 878324

ADM WATER TE WAT-TE	986935	991394	4459	\$1.00 \$2,057.69
TOTAL CURRENT CHARGES				\$2,058.69

RECEIVED
JUL - 7 2017

220100.5435

Please detach below perforation and return with payment



City of Gatlinburg
Water and Sewer Department
PO Box 450
Gatlinburg, TN 37738
Return Service Requested

3008669

Interested in the quality of your drinking water? Access your 2016 Water Quality Report at: <http://gatlinburgtn.gov> You may also request a mailed copy of this report by calling 865-436-4681.

Per city ordinance, there is a minimum bill for every property where service is available, regardless of usage.

UTILITIES INC
ATTN: MARGARITA CHRISTAKOS
2335 SANDERS ROAD
NORTHBROOK, IL 60062-6196



02635

LAST STATEMENT BALANCE	\$4,833.08
PAYMENTS	\$4,833.08
ADJUSTMENTS	\$0.00
BALANCE FORWARD	\$0.00

CURRENT CHARGES	\$1,761.77
TOTAL DUE BY 06/25/2017	\$1,761.77
DUE AFTER 06/25/2017	\$1,937.85
Period 04/19/2017 - 05/18/2017	

2635 0101 0230-000 P01 L0000000 STOCK = P-AJ CLIENT = 000000

12.0030.00	Batch 272906 Doc 872710
UTILITIES INC	
CLIFF BRANCH RD. Gatlinburg TN 37738	
05/31/2017	

ADM WATER TE WAT-TE	983130	986935	3805	\$1.00 \$1,760.77
RECEIVED JUN - 9 2017 220100-5 				
TOTAL CURRENT CHARGES				\$1,761.77

Please detach below perforation and return with payment

EXHIBIT 2-18B



City of Gatlinburg
Water and Sewer Department
PO Box 450
Gatlinburg, TN 37738
Return Service Requested

3008669

Batch 266822
Doc 855206

Per city ordinance, there is a minimum bill for every property where service is available, regardless of usage.


UTILITIES INC
ATTN: MARGARITA CHRISTAKOS
2335 SANDERS ROAD
NORTHBROOK, IL 60062-6196



02599

LAST STATEMENT BALANCE	\$2,685.21
PAYMENTS	\$2,685.21
ADJUSTMENTS	\$0.00
BALANCE FORWARD	\$0.00
CURRENT CHARGES	\$1,447.15
TOTAL DUE BY 04/25/2017	\$1,447.15
DUE AFTER 04/25/2017	\$1,591.77
Period 02/19/2017 - 03/18/2017	

2599 81/01 8336-008 P31 L0003861 STOCK - F-AJ CREDIT - 000438

12.0030.00				
UTILITIES INC				
CLIFF BRANCH RD.				
Gatlinburg TN 37738				
03/31/2017				
ADM WATER TE WAT-TE	969448	972560	3112	\$1.00 \$1,446.15
 <p>220100.50</p>				
TOTAL CURRENT CHARGES				\$1,447.15

RECEIVED
APR - 4 2017

Please detach below perforation and return with payment



City of Gatlinburg
Water and Sewer Department
PO Box 450
Gatlinburg, TN 37738
Return Service Requested

3008669

Per city ordinance, there is a minimum bill for every property where service is available, regardless of usage.

UTILITIES INC
ATTN: MARGARITA CHRISTAKOS
2335 SANDERS ROAD
NORTHBROOK, IL 60062-6196



02591

LAST STATEMENT BALANCE	\$2,806.88
PAYMENTS	\$2,806.88
ADJUSTMENTS	\$0.00
BALANCE FORWARD	\$0.00
CURRENT CHARGES	\$2,685.21
TOTAL DUE BY 03/25/2017	\$2,685.21
DUE AFTER 03/25/2017	\$2,953.63
Period 01/19/2017 - 02/18/2017	

2581 01/81 8335-005 P01 L8022585 STOCK * P-AJ CLIENT * 800434

12.0030.00		Batch <u>262886</u>		
UTILITIES INC		Doc <u>846191</u>		
CLIFF BRANCH RD.				
Gatlinburg TN 37738				
02/28/2017				
ADM WATER TE	963609	969448	5839	\$1.00
WAT-TE				\$2,684.21
RECEIVED				
MAR - 6 2017				
TOTAL CURRENT CHARGES <u>220100.5435</u>				\$2,685.21

Please detach below perforation and return with payment



City of Gatlinburg
Water and Sewer Department
PO Box 450
Gatlinburg, TN 37738
Return Service Requested

3008669

Per city ordinance, there is a minimum bill for every property where service is available, regardless of usage.

UTILITIES INC
ATTN: MARGARITA CHRISTAKOS
2335 SANDERS ROAD
NORTHBROOK, IL 60062-6196



02590

LAST STATEMENT BALANCE	\$4,367.73
PAYMENTS	\$4,367.73
BALANCE FORWARD	\$0.00
CURRENT CHARGES	\$2,806.88
TOTAL DUE BY 02/25/2017	\$2,806.88
DUE AFTER 02/25/2017	\$3,087.47

2590 01/01 8335-004 F01 L0002654 STOCK = F-AJ CLIENT = 000436

12.0030.00
UTILITIES INC
CLIFF BRANCH RD.
Gatlinburg TN 37738
01/31/2017

Batch 257734
Doc 837978

ADM WATER TE
WAT-TE
Payment 01/17/2017

RECEIVED
FEB - 6 2017



220100.5435

6107
\$1.00
\$2,805.88
(\$4,367.73)

TOTAL CURRENT CHARGES

\$2,806.88

Please detach below perforation and return with payment



City of Gatlinburg
Water and Sewer Department
PO Box 450
Gatlinburg, TN 37738
Return Service Requested

3008669

Per city ordinance, there is a minimum bill for every property where service is available, regardless of usage.

UTILITIES INC
ATTN: MARGARITA CHRISTAKOS
2335 SANDERS ROAD
NORTHBROOK, IL 60062-6196




02672

LAST STATEMENT BALANCE	\$7,909.84
PAYMENTS	\$7,909.84
BALANCE FORWARD	\$0.00
CURRENT CHARGES	\$4,367.73
TOTAL DUE BY 01/25/2017	\$4,367.73
DUE AFTER 01/25/2017	\$4,804.40

0672 01/01 0235-903 P01 10002721 STOCK = F-AJ CLIENT = 000435

12.0030.00
UTILITIES INC
CLIFF BRANCH RD.
Gatlinburg TN 37738
12/30/2016

ADM WATER TE WAT-TE Payment 12/22/2016		Batch 256299 Doc 831386	9545	\$1.00 \$4,366.73 (\$7,909.84)
TOTAL CURRENT CHARGES	220100-5453			\$4,367.73

RECEIVED
JAN 11 2017

Please detach below perforation and return with payment

EXHIBIT 2-18B



City of Gatlinburg
Water and Sewer Department
PO Box 450
Gatlinburg, TN 37738
Return Service Requested

3508669

Per city ordinance, there is a minimum bill for every property where service is available, regardless of usage.

Batch 253P72

Doc _____

UTILITIES INC
ATTN: MARGARITA CHRISTAKOS
2335 SANDERS ROAD
NORTHBROOK, IL 60062-6196



03362

LAST STATEMENT BALANCE	\$8,596.74
PAYMENTS	\$8,596.74
BALANCE FORWARD	\$0.00

CURRENT CHARGES	\$7,909.84
TOTAL DUE BY 01/25/2017	\$7,909.84
DUE AFTER 01/25/2017	\$8,700.72

2362 01/01 KCS-002 P01 L0003629 STOCK = F-AJ CLIENT = 000436

12.0030.00
UTILITIES INC
CLIFF BRANCH RD.
Gatlinburg TN 37738
11/30/2016

Batch _____
Doc 824836

ADM WATER TE 11/30/2016 WAT-TE 11/30/2016 Payment 11/22/2016		17347	\$1.00
			\$7,908.84 (\$8,596.74)
RECEIVED DEC 12 2016			
TOTAL CURRENT CHARGES			\$7,909.84

220100 5435

Please detach below perforation and return with payment



City of Gatlinburg
Water and Sewer Department
PO Box 450
Gatlinburg, TN 37738
Return Service Requested

3008669

Per city ordinance, there is a minimum bill for every property where service is available, regardless of usage.

Interested in the quality of your drinking water? Download your 2015 Water Quality Report at <http://gatlinburgtb.gov/utilities/water-quality-reports.html>

UTILITIES INC
ATTN: MARGARITA CHRISTAKOS
2335 SANDERS ROAD
NORTHBROOK, IL 60062-8196



03657

LAST STATEMENT BALANCE	\$5,319.77
PAYMENTS	\$5,319.77
BALANCE FORWARD	\$0.00
CURRENT CHARGES	\$8,596.74
TOTAL DUE BY 11/25/2016	\$8,596.74
DUE AFTER 11/25/2016	\$9,456.31

3697 81/01 KCS-001 F01 L0002753 STOCK * F-02 CLIENT * 000438

12.0030.00
UTILITIES INC
CLIFF BRANCH RD. Gatlinburg TN 37738
10/31/2016

Batch 251500
Doc 81 2506

AWO - Tax Exempt Outside Water Above 1750ft Payment 10/17/2016	09/17/2016 09/16/2016 - 911750	10/18/2016 10/18/2016 - 930610	18860	\$1.00 \$8,595.74 (\$5,319.77)
RECEIVED NOV 11 2016	220100 5435			
TOTAL CURRENT CHARGES				\$8,596.74

Please detach below perforation and return with payment

EXHIBIT 2-18B

Item	Unit	1401	1402	1403	1404	1405	1406
System Input		Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Total Water Purchased							
Total Water Supply to Distribution System							
Metered Deliveries - Water Sold							
Water Loss Calculation		14%	39%	37%	10%	4%	23%

1407	1408	1409	1410	1411	1412	1501	1502	1503	1504	1505
Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
12%	9%	-5%	10%	28%	15%	-10%	63%	65%	-84%	34%

1506	1507	1508	1509	1510	1511	1512	1601	1602	1603	1604
Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
11%	17%	-21%	11%	24%	14%	20%	16%	18%	27%	-10%

1605	1606	1607	1608	1609	1610	1611	1612	1701	1702	1703	1704
May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
1,211,600	1,211,600	1,211,600	1,211,600	1,211,600	1,211,600	1,211,600	1,211,600	1,211,600	1,211,600	1,211,600	1,211,600
1,271,000	1,271,000	1,271,000	1,271,000	1,271,000	1,271,000	1,271,000	1,271,000	1,271,000	1,271,000	1,271,000	1,271,000
2,343,600	2,343,600	2,343,600	2,343,600	2,343,600	2,343,600	2,343,600	2,343,600	2,343,600	2,343,600	2,343,600	2,343,600
1,957,424	1,957,424	1,957,424	1,957,424	1,957,424	1,957,424	1,957,424	1,957,424	1,957,424	1,957,424	1,957,424	1,957,424
16%	13%	19%	-31%	12%	11%	-252%	84%	86%	86%	86%	79%

1705	1706	1707	1708	1709
May-17	Jun-17	Jul-17	Aug-17	Sep-17
1,171,045	1,171,045	1,171,045	1,171,045	1,171,045
82%	52%	49%	35%	35%

COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: December 31, 2014

QUARTERLY REPORT OF REVENUES, EXPENSES AND, INVESTMENTS FOR WATER COMPANIES

Page 1 of 2

	Totals for Current Quarter		Year to Date Totals		For last 12-Months	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<u>Operating Revenues:</u>						
1-Residential Sales	79,859	74,573	343,157	319,303	343,157	319,303
2-Commercial Sales	0	0	0	0	0	0
3-Other Revenues	2,225	2,281	8,284	7,987	8,284	7,987
3a.-Other Revenues						
3b.-Other Revenues						
4-Total Operating Revenues (Line 1 through 3)	<u>82,084</u>	<u>76,853</u>	<u>351,442</u>	<u>327,289</u>	<u>351,442</u>	<u>327,289</u>
<u>Operation and Maintenance Expenses:</u>						
5-Salaries & Wages-Employees (601)	10,896	10,428	43,843	40,972	43,843	40,972
6-Salaries & Wages-Officers (603)	(475)	277	2,232	3,506	2,232	3,506
7-Employee Pensions & Benefits (604)	3,107	2,689	10,642	10,001	10,642	10,001
8-Purchased Water (610)	15,437	14,351	100,882	72,907	100,882	72,907
9-Purchased Power (615)	3,252	1,649	15,654	12,020	15,654	12,020
10-Fuel for Power Production (616)	0	0	0	0	0	0
11-Chemicals (618)	44	231	131	318	131	318
12-Materials and Supplies (620)	1,414	564	1,545	1,383	1,545	1,383
13-Contractual Services (630)	4,328	2,870	12,811	9,597	12,811	9,597
14-Rent Expense (640)	1,524	1,369	2,548	1,982	2,548	1,982
15-Transportation Expense (650)	1,796	1,606	6,017	6,052	6,017	6,052
16-Insurance Expense (655)	0	0	0	0	0	0
17-Advertising Expense (660)	15	11	119	11	119	11
18-Regulatory Commission Expense (665)	0	0	0	0	0	0
19-Water Resource Conservation Expense (668)	0	0	0	0	0	0
20-Bad Debt Expense (670)	(292)	2,155	2,072	4,434	2,072	4,434
21-Miscellaneous Expense (675)	11,861	10,360	44,374	40,627	44,374	40,627
22-Total Operation & Maintenance Expenses (Line 5 through 21)	<u>52,907</u>	<u>48,561</u>	<u>242,871</u>	<u>203,809</u>	<u>242,871</u>	<u>203,809</u>
22.1 - Depreciation Expense	4,898	4,332	18,283	16,745	18,283	16,745
23-Taxes Other Than Income (408)	1,447	295	9,734	8,035	9,734	8,035
24-Income Taxes (409)*						
25-Total Taxes (Lines 23 through 24)	<u>1,447</u>	<u>295</u>	<u>9,734</u>	<u>8,035</u>	<u>9,734</u>	<u>8,035</u>
26-Net Operating Income (Line 4-22&25)	<u>22,832</u>	<u>23,666</u>	<u>80,553</u>	<u>98,700</u>	<u>80,553</u>	<u>98,700</u>

COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: December 31, 2014

<u>Balance Sheet Items:</u>	For last 12-Months		Average for 12 Months-To-Date	
	This Year	Last Year	This Year	Last Year
1-Utility Plant in Service	1,778,658	1,746,890	1,762,339	1,736,740
2-Construction Work in Progress	0	0	0	0
3-Utility Plant Acquisition Adjustment	0	0	0	0
4- Plant Held for Future Use	0	0	0	0
5-Accumulated Depreciation	(424,701)	(400,206)	(413,153)	(393,234)
6-Materials & Supplies	0	0	0	0
7-Unamortized Investment Credit	(1,878)	(1,927)	(1,901)	(1,950)
8-Deferred Income Tax	(159,624)	(134,561)	(136,646)	(102,747)
9-Contributions In Aid of Construction	(705,949)	(721,004)	(712,850)	(727,904)
10-Customer Advances For Const.	0	0	0	(209)
11-Preferred Stock	0	0	0	0
12-Common Stock	0	0	0	0
13-Paid In Capital-Stock	0	0	0	0
14-Retained Earnings	0	0	0	0
15-Long-Term Debt	0	0	0	0
16-Short-Term Debt	0	0	0	0

Other Required Data:

Line #	Meter Size	Residential	Commercial	Industrial	Other	Total
17						
18	5/8"	577				577.00
19	3/4"					-
20	1"					-
21	2"					-
22						-
23						-
						577.00
Totals		577.00	-	-	-	577.00

Instructions:

1. This report is required for all companies that had operating revenues in excess of \$100,000 during the preceeding year, but less than \$1,500,000 per TRA Rule 1220-4-1-.10. The report is due sixty days after the reported ending date.
2. Show amounts rounded to the nearest dollar.
3. List other customers listed in the meter section under the "Remarks" section below.
4. Put any additional comments in the "Remarks" section below.

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report.

Date: _____

Signature: _____

Title: _____
 Ph. # _____

**SUPPLEMENTAL FINANCIAL DATA TO TPUC FORM (PSC-3.07)
FOR THE QUARTER ENDED December 31, 2014**

Line #		Current Quarter	Average For 12 MTD
	Additions:		
1	Plant-In-Service	\$ 1,778,658	1,762,339
2	Plant Under Construction	0	0
3	Property Held For Future Use	0	0
4	Materials and Supplies	0	0
	Other Addition (Itemize):		
5	Working Capital Allowance	6,613	30,359
6			
7			
8	Total Additions	\$ 1,785,271	1,792,698
	Deductions:		
9	Accumulated Depreciation	424,701	413,153
10	Accumulated Deferred Income Taxes	159,624	136,646
11	Unamortized Investment Credit - Pre-1971	1,878	1,901
12	Customer Deposits	0	0
	Other Deductions (Itemize):		
13	CIAC	705,949	712,850
14			
15			
16	Total Deductions	\$ 1,292,153	1,264,549
17	Rate Base (Line 8 less line 16)	\$ 493,118	528,149
18	Net Operating Income (NOI)	\$ 22,832	80,553
	Adjustments to NOI (Itemize):		
19	Interest		
20			
21			
22			
23			
24	Adjusted Net Operating Income	\$ 22,832	80,553
25	Rate of Return (Line 24 divided by line 17)	4.63%	15.25%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Authority for this company.

CONTINUING SURVEILLANCE CONSIDERATIONS: Estimate the effect on net operating income of very significant known changes occurring within the period covered by this report which are not fully reflected in the revenue and expense amounts shown in the report.

1

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COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: March 31, 2015

QUARTERLY REPORT OF REVENUES, EXPENSES AND, INVESTMENTS FOR WATER COMPANIES

Page 1 of 2

	Totals for Current Quarter		Year to Date Totals		For last 12-Months	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<u>Operating Revenues:</u>						
1-Residential Sales	81,887	82,359	81,887	82,359	342,685	336,760
2-Commercial Sales	0	0	0	0	0	0
3-Other Revenues	3,067	2,279	3,067	2,279	9,072	8,535
3a.-Other Revenues						
3b.-Other Revenues						
4-Total Operating Revenues (Line 1 through 3)	<u>84,953</u>	<u>84,638</u>	<u>84,953</u>	<u>84,638</u>	<u>351,756</u>	<u>345,295</u>
<u>Operation and Maintenance Expenses:</u>						
5-Salaries & Wages-Employees (601)	10,775	10,487	10,775	10,487	44,131	41,109
6-Salaries & Wages-Officers (603)	424	843	424	843	1,814	3,263
7-Employee Pensions & Benefits (604)	3,421	2,656	3,421	2,656	11,406	10,304
8-Purchased Water (610)	18,522	30,677	18,522	30,677	88,727	88,090
9-Purchased Power (615)	4,958	4,423	4,958	4,423	16,189	13,567
10-Fuel for Power Production (616)	0	0	0	0	0	0
11-Chemicals (618)	44	44	44	44	131	362
12-Materials and Supplies (620)	625	20	625	20	2,150	996
13-Contractual Services (630)	2,129	2,440	2,129	2,440	12,500	9,729
14-Rent Expense (640)	179	178	179	178	2,549	2,118
15-Transportation Expense (650)	1,428	1,511	1,428	1,511	5,934	6,366
16-Insurance Expense (655)	0	0	0	0	0	0
17-Advertising Expense (660)	0	5	0	5	114	16
18-Regulatory Commission Expense (665)	0	0	0	0	0	0
19-Water Resource Conservation Expense (668)	0	0	0	0	0	0
20-Bad Debt Expense (670)	(1,123)	2,281	(1,123)	2,281	(1,332)	6,546
21-Miscellaneous Expense (675)	13,900	11,677	13,900	11,677	46,596	43,654
22-Total Operation & Maintenance Expenses (Line 5 through 21)	<u>55,281</u>	<u>67,244</u>	<u>55,281</u>	<u>67,244</u>	<u>230,908</u>	<u>226,118</u>
22.1 - Depreciation Expense	4,651	4,468	4,651	4,468	18,466	17,096
23-Taxes Other Than Income (408)	2,821	2,613	2,821	2,613	9,942	7,921
24-Income Taxes (409)*						
25-Total Taxes (Lines 23 through 24)	<u>2,821</u>	<u>2,613</u>	<u>2,821</u>	<u>2,613</u>	<u>9,942</u>	<u>7,921</u>
26-Net Operating Income (Line 4-22&25)	<u>22,201</u>	<u>10,313</u>	<u>22,201</u>	<u>10,313</u>	<u>92,440</u>	<u>94,160</u>

COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: March 31, 2015

<u>Balance Sheet Items:</u>	For last 12-Months		Average for 12 Months-To-Date	
	This Year	Last Year	This Year	Last Year
1-Utility Plant in Service	1,786,686	1,754,195	1,772,125	1,742,714
2-Construction Work in Progress	0	0	0	0
3-Utility Plant Acquisition Adjustment	0	0	0	0
4- Plant Held for Future Use	0	0	0	0
5-Accumulated Depreciation	(428,359)	(405,796)	(419,816)	(398,255)
6-Materials & Supplies	0	0	0	0
7-Unamortized Investment Credit	(1,866)	(1,915)	(1,886)	(1,937)
8-Deferred Income Tax	(159,614)	(134,557)	(143,670)	(111,423)
9-Contributions In Aid of Construction	(702,186)	(717,240)	(708,459)	(724,140)
10-Customer Advances For Const.	0	0	0	0
11-Preferred Stock	0	0	0	0
12-Common Stock	0	0	0	0
13-Paid In Capital-Stock	0	0	0	0
14-Retained Earnings	0	0	0	0
15-Long-Term Debt	0	0	0	0
16-Short-Term Debt	0	0	0	0

Other Required Data:

Line #	Meter Size	Residential	Commercial	Industrial	Other	Total
17						
18	5/8"	564				564.00
19	3/4"					-
20	1"					-
21	2"					-
22						-
23						-
						564.00
Totals		564.00	-	-	-	564.00

Instructions:

1. This report is required for all companies that had operating revenues in excess of \$100,000 during the preceeding year, but less than \$1,500,000 per TRA Rule 1220-4-1-.10. The report is due sixty days after the reported ending date.
2. Show amounts rounded to the nearest dollar.
3. List other customers listed in the meter section under the "Remarks" section below.
4. Put any additional comments in the "Remarks" section below.

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report.

Date: _____

Signature: _____

Title: _____
 Ph. # _____

**SUPPLEMENTAL FINANCIAL DATA TO TPUC FORM (PSC-3.07)
FOR THE QUARTER ENDED March 31, 2014**

Line #		Current Quarter	Average For 12 MTD
	Additions:		
1	Plant-In-Service	\$ 1,786,686	1,772,125
2	Plant Under Construction	0	0
3	Property Held For Future Use	0	0
4	Materials and Supplies	0	0
	Other Addition (Itemize):		
5	Working Capital Allowance	6,910	28,864
6			
7			
8	Total Additions	\$ 1,793,596	1,800,989
	Deductions:		
9	Accumulated Depreciation	428,359	419,816
10	Accumulated Deferred Income Taxes	159,614	143,670
11	Unamortized Investment Credit - Pre-1971	1,866	1,886
12	Customer Deposits	0	0
	Other Deductions (Itemize):		
13	CIAC	702,186	708,459
14			
15			
16	Total Deductions	\$ 1,292,025	1,273,831
17	Rate Base (Line 8 less line 16)	\$ 501,571	527,158
18	Net Operating Income (NOI)	\$ 22,201	92,440
	Adjustments to NOI (Itemize):		
19	Interest		
20			
21			
22			
23			
24	Adjusted Net Operating Income	\$ 22,201	92,440
25	Rate of Return (Line 24 divided by line 17)	4.43%	17.54%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Authority for this company.

CONTINUING SURVEILLANCE CONSIDERATIONS: Estimate the effect on net operating income of very significant known changes occurring within the period covered by this report which are not fully reflected in the revenue and expense amounts shown in the report.

1

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COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: June 30, 2015

QUARTERLY REPORT OF REVENUES, EXPENSES AND, INVESTMENTS FOR WATER COMPANIES

Page 1 of 2

	Totals for Current Quarter		Year to Date Totals		For last 12-Months	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<u>Operating Revenues:</u>						
1-Residential Sales	99,319	86,815	181,205	169,174	355,189	345,690
2-Commercial Sales	0	0	0	0	0	0
3-Other Revenues	2,926	1,729	5,993	4,008	10,269	8,636
3a.-Other Revenues						
3b.-Other Revenues						
4-Total Operating Revenues (Line 1 through 3)	<u>102,245</u>	<u>88,544</u>	<u>187,198</u>	<u>173,182</u>	<u>365,458</u>	<u>354,326</u>
<u>Operation and Maintenance Expenses:</u>						
5-Salaries & Wages-Employees (601)	11,272	11,097	22,047	21,584	44,306	42,184
6-Salaries & Wages-Officers (603)	430	984	854	1,827	1,260	3,104
7-Employee Pensions & Benefits (604)	3,017	2,167	6,438	4,823	12,257	9,993
8-Purchased Water (610)	27,521	21,843	46,043	52,520	94,404	97,644
9-Purchased Power (615)	4,001	3,761	8,959	8,184	16,428	14,562
10-Fuel for Power Production (616)	0	0	0	0	0	0
11-Chemicals (618)	44	44	88	88	131	362
12-Materials and Supplies (620)	253	100	879	120	2,303	758
13-Contractual Services (630)	3,027	2,754	5,156	5,194	12,773	10,201
14-Rent Expense (640)	665	668	844	845	2,547	2,257
15-Transportation Expense (650)	1,618	1,500	3,046	3,011	6,052	6,349
16-Insurance Expense (655)	0	0	0	0	0	0
17-Advertising Expense (660)	0	49	0	54	65	65
18-Regulatory Commission Expense (665)	0	0	0	0	0	0
19-Water Resource Conservation Expense (668)	0	0	0	0	0	0
20-Bad Debt Expense (670)	(998)	260	(2,121)	2,541	(2,591)	5,873
21-Miscellaneous Expense (675)	12,529	10,030	26,429	21,707	49,096	43,088
22-Total Operation & Maintenance Expenses (Line 5 through 21)	<u>63,380</u>	<u>55,256</u>	<u>118,660</u>	<u>122,500</u>	<u>239,032</u>	<u>236,440</u>
22.1 - Depreciation Expense	4,811	4,335	9,461	8,803	18,941	17,292
23-Taxes Other Than Income (408)	4,275	2,910	7,096	5,524	11,307	8,312
24-Income Taxes (409)*						
25-Total Taxes (Lines 23 through 24)	<u>4,275</u>	<u>2,910</u>	<u>7,096</u>	<u>5,524</u>	<u>11,307</u>	<u>8,312</u>
26-Net Operating Income (Line 4-22&25)	<u>29,780</u>	<u>26,041</u>	<u>51,980</u>	<u>36,355</u>	<u>96,178</u>	<u>92,282</u>

COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: June 30, 2015

<u>Balance Sheet Items:</u>	For last 12-Months		Average for 12 Months-To-Date	
	This Year	Last Year	This Year	Last Year
1-Utility Plant in Service	1,815,853	1,762,338	1,783,800	1,749,300
2-Construction Work in Progress	0	0	0	0
3-Utility Plant Acquisition Adjustment	0	0	0	0
4- Plant Held for Future Use	0	0	0	0
5-Accumulated Depreciation	(431,168)	(410,629)	(423,959)	(402,812)
6-Materials & Supplies	0	0	0	0
7-Unamortized Investment Credit	(1,854)	(1,903)	(1,876)	(1,925)
8-Deferred Income Tax	(159,619)	(134,553)	(149,177)	(120,098)
9-Contributions In Aid of Construction	(698,422)	(713,477)	(705,322)	(720,377)
10-Customer Advances For Const.	0	0	0	0
11-Preferred Stock	0	0	0	0
12-Common Stock	0	0	0	0
13-Paid In Capital-Stock	0	0	0	0
14-Retained Earnings	0	0	0	0
15-Long-Term Debt	0	0	0	0
16-Short-Term Debt	0	0	0	0

Other Required Data:

Line #	Meter Size	Residential	Commercial	Industrial	Other	Total
17						
18	5/8"	566				566.00
19	3/4"					-
20	1"					-
21	2"					-
22						-
23						-
						566.00
Totals		566.00	-	-	-	566.00

Instructions:

1. This report is required for all companies that had operating revenues in excess of \$100,000 during the preceeding year, but less than \$1,500,000 per TRA Rule 1220-4-1-.10. The report is due sixty days after the reported ending date.
2. Show amounts rounded to the nearest dollar.
3. List other customers listed in the meter section under the "Remarks" section below.
4. Put any additional comments in the "Remarks" section below.

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report.

Date: _____

Signature: _____

Title: _____
 Ph. # _____

SUPPLEMENTAL FINANCIAL DATA TO TPUC FORM (PSC-3.07)
FOR THE QUARTER ENDED June 30, 2014

Line #		Current Quarter	Average For 12 MTD
	Additions:		
1	Plant-In-Service	\$ 1,815,853	1,783,800
2	Plant Under Construction	0	0
3	Property Held For Future Use	0	0
4	Materials and Supplies	0	0
	Other Addition (Itemize):		
5	Working Capital Allowance	7,922	29,879
6			
7			
8	Total Additions	\$ 1,823,775	1,813,679
	Deductions:		
9	Accumulated Depreciation	431,168	423,959
10	Accumulated Deferred Income Taxes	159,619	149,177
11	Unamortized Investment Credit - Pre-1971	1,854	1,876
12	Customer Deposits	0	0
	Other Deductions (Itemize):		
13	CIAC	698,422	705,322
14			
15			
16	Total Deductions	\$ 1,291,063	1,280,334
17	Rate Base (Line 8 less line 16)	\$ 532,712	533,345
18	Net Operating Income (NOI)	\$ 29,780	96,178
	Adjustments to NOI (Itemize):		
19	Interest		
20			
21			
22			
23			
24	Adjusted Net Operating Income	\$ 29,780	96,178
25	Rate of Return (Line 24 divided by line 17)	5.59%	18.03%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Authority for this company.

CONTINUING SURVEILLANCE CONSIDERATIONS: Estimate the effect on net operating income of very significant known changes occurring within the period covered by this report which are not fully reflected in the revenue and expense amounts shown in the report.

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COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: September 30, 2015

QUARTERLY REPORT OF REVENUES, EXPENSES AND, INVESTMENTS FOR WATER COMPANIES

Page 1 of 2

	Totals for Current Quarter		Year to Date Totals		For last 12-Months	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<u>Operating Revenues:</u>						
1-Residential Sales	106,076	94,124	287,281	263,298	367,141	337,871
2-Commercial Sales	0	0	0	0	0	0
3-Other Revenues	3,743	2,052	9,736	6,060	11,961	8,340
3a.-Other Revenues						
3b.-Other Revenues						
4-Total Operating Revenues (Line 1 through 3)	<u>109,820</u>	<u>96,176</u>	<u>297,018</u>	<u>269,358</u>	<u>379,102</u>	<u>346,211</u>
<u>Operation and Maintenance Expenses:</u>						
5-Salaries & Wages-Employees (601)	11,679	11,363	33,726	32,948	44,621	43,376
6-Salaries & Wages-Officers (603)	431	881	1,285	2,707	811	2,984
7-Employee Pensions & Benefits (604)	3,147	2,712	9,585	7,535	12,691	10,224
8-Purchased Water (610)	43,878	32,924	89,921	85,445	105,358	99,796
9-Purchased Power (615)	3,706	4,217	12,664	12,402	15,917	14,051
10-Fuel for Power Production (616)	0	0	0	0	0	0
11-Chemicals (618)	594	0	682	88	726	318
12-Materials and Supplies (620)	628	11	1,507	131	2,921	695
13-Contractual Services (630)	2,949	3,289	8,105	8,483	12,433	11,353
14-Rent Expense (640)	180	179	1,023	1,024	2,548	2,394
15-Transportation Expense (650)	1,890	1,210	4,936	4,221	6,732	5,827
16-Insurance Expense (655)	0	0	0	0	0	0
17-Advertising Expense (660)	0	50	0	105	15	116
18-Regulatory Commission Expense (665)	0	0	0	0	0	0
19-Water Resource Conservation Expense (668)	0	0	0	0	0	0
20-Bad Debt Expense (670)	(186)	(177)	(2,308)	2,364	(2,600)	4,519
21-Miscellaneous Expense (675)	<u>12,887</u>	<u>10,805</u>	<u>39,317</u>	<u>32,513</u>	<u>51,178</u>	<u>42,873</u>
22-Total Operation & Maintenance Expenses (Line 5 through 21)	<u>81,782</u>	<u>67,464</u>	<u>200,442</u>	<u>189,964</u>	<u>253,349</u>	<u>238,525</u>
22.1 - Depreciation Expense	4,891	4,582	14,352	13,385	19,250	17,717
23-Taxes Other Than Income (408)	2,891	2,763	9,987	8,287	11,435	8,582
24-Income Taxes (409)*						
25-Total Taxes (Lines 23 through 24)	<u>2,891</u>	<u>2,763</u>	<u>9,987</u>	<u>8,287</u>	<u>11,435</u>	<u>8,582</u>
26-Net Operating Income (Line 4-22&25)	<u>20,256</u>	<u>21,366</u>	<u>72,236</u>	<u>57,721</u>	<u>95,068</u>	<u>81,387</u>

COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: September 30, 2015

<u>Balance Sheet Items:</u>	For last 12-Months		Average for 12 Months-To-Date	
	This Year	Last Year	This Year	Last Year
1-Utility Plant in Service	1,826,830	1,765,526	1,798,453	1,755,750
2-Construction Work in Progress	0	0	0	0
3-Utility Plant Acquisition Adjustment	0	0	0	0
4- Plant Held for Future Use	0	0	0	0
5-Accumulated Depreciation	(437,152)	(418,778)	(428,819)	(407,667)
6-Materials & Supplies	0	0	0	0
7-Unamortized Investment Credit	(1,842)	(1,891)	(1,864)	(1,913)
8-Deferred Income Tax	(159,607)	(134,557)	(155,439)	(128,775)
9-Contributions In Aid of Construction	(694,658)	(709,713)	(701,558)	(716,613)
10-Customer Advances For Const.	0	0	0	0
11-Preferred Stock	0	0	0	0
12-Common Stock	0	0	0	0
13-Paid In Capital-Stock	0	0	0	0
14-Retained Earnings	0	0	0	0
15-Long-Term Debt	0	0	0	0
16-Short-Term Debt	0	0	0	0

Other Required Data:

Line #	Meter Size	Residential	Commercial	Industrial	Other	Total
17						
18	5/8"	566				566.00
19	3/4"					-
20	1"					-
21	2"					-
22						-
23						-
						566.00
Totals		566.00	-	-	-	566.00

Instructions:

1. This report is required for all companies that had operating revenues in excess of \$100,000 during the preceeding year, but less than \$1,500,000 per TRA Rule 1220-4-1-.10. The report is due sixty days after the reported ending date.
2. Show amounts rounded to the nearest dollar.
3. List other customers listed in the meter section under the "Remarks" section below.
4. Put any additional comments in the "Remarks" section below.

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report.

Date: _____

Signature: _____

Title: _____
 Ph. # _____

SUPPLEMENTAL FINANCIAL DATA TO TPUC FORM (PSC-3.07)
FOR THE QUARTER ENDED September 30, 2015

Line #		Current Quarter	Average For 12 MTD
	Additions:		
1	Plant-In-Service	\$ 1,826,830	1,798,453
2	Plant Under Construction	0	0
3	Property Held For Future Use	0	0
4	Materials and Supplies	0	0
	Other Addition (Itemize):		
5	Working Capital Allowance	10,223	31,669
6			
7			
8	Total Additions	\$ 1,837,053	1,830,122
	Deductions:		
9	Accumulated Depreciation	437,152	428,819
10	Accumulated Deferred Income Taxes	159,607	155,439
11	Unamortized Investment Credit - Pre-1971	1,842	1,864
12	Customer Deposits	0	0
	Other Deductions (Itemize):		
13	CIAC	694,658	701,558
14			
15			
16	Total Deductions	\$ 1,293,259	1,287,681
17	Rate Base (Line 8 less line 16)	\$ 543,794	542,441
18	Net Operating Income (NOI)	\$ 20,256	95,068
	Adjustments to NOI (Itemize):		
19	Interest		
20			
21			
22			
23			
24	Adjusted Net Operating Income	\$ 20,256	95,068
25	Rate of Return (Line 24 divided by line 17)	3.72%	17.53%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Authority for this company.

CONTINUING SURVEILLANCE CONSIDERATIONS: Estimate the effect on net operating income of very significant known changes occurring within the period covered by this report which are not fully reflected in the revenue and expense amounts shown in the report.

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COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: December 31, 2015

QUARTERLY REPORT OF REVENUES, EXPENSES AND, INVESTMENTS FOR WATER COMPANIES

Page 1 of 2

	Totals for Current Quarter		Year to Date Totals		For last 12-Months	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<u>Operating Revenues:</u>						
1-Residential Sales	83,520	79,859	370,802	343,157	370,802	343,157
2-Commercial Sales	0	0	0	0	0	0
3-Other Revenues	3,467	2,225	13,204	8,284	13,204	8,284
3a.-Other Revenues						
3b.-Other Revenues						
4-Total Operating Revenues (Line 1 through 3)	<u>86,988</u>	<u>82,084</u>	<u>384,005</u>	<u>351,442</u>	<u>384,005</u>	<u>351,442</u>
<u>Operation and Maintenance Expenses:</u>						
5-Salaries & Wages-Employees (601)	12,630	10,896	46,355	43,843	46,355	43,843
6-Salaries &Wages-Officers (603)	502	(475)	1,787	2,232	1,787	2,232
7-Employee Pensions & Benefits (604)	3,583	3,107	13,168	10,642	13,168	10,642
8-Purchased Water (610)	15,667	15,437	105,588	100,882	105,588	100,882
9-Purchased Power (615)	2,300	3,252	14,964	15,654	14,964	15,654
10-Fuel for Power Production (616)	0	0	0	0	0	0
11-Chemicals (618)	44	44	726	131	726	131
12-Materials and Supplies (620)	1,109	1,414	2,615	1,545	2,615	1,545
13-Contracual Services (630)	2,747	4,328	10,852	12,811	10,852	12,811
14-Rent Expense (640)	1,532	1,524	2,556	2,548	2,556	2,548
15-Transportation Expense (650)	1,688	1,796	6,624	6,017	6,624	6,017
16-Insurance Expense (655)	0	0	0	0	0	0
17-Advertising Expense (660)	0	15	0	119	0	119
18-Regulatory Commission Expense (665)	0	0	0	0	0	0
19-Water Resource Conservation Expense (668)	0	0	0	0	0	0
20-Bad Debt Expense (670)	1,873	(292)	(435)	2,072	(435)	2,072
21-Miscellaneous Expense (675)	11,735	11,861	51,052	44,374	51,052	44,374
22-Total Operation & Maintenance Expenses (Line 5 through 21)	<u>55,409</u>	<u>52,907</u>	<u>255,852</u>	<u>242,871</u>	<u>255,852</u>	<u>242,871</u>
22.1 - Depreciation Expense	4,892	4,898	19,244	18,283	19,244	18,283
23-Taxes Other Than Income (408)	3,798	1,447	13,785	9,734	13,785	9,734
24-Income Taxes (409)*						
25-Total Taxes (Lines 23 through 24)	<u>3,798</u>	<u>1,447</u>	<u>13,785</u>	<u>9,734</u>	<u>13,785</u>	<u>9,734</u>
26-Net Operating Income (Line 4-22&25)	<u>22,888</u>	<u>22,832</u>	<u>95,125</u>	<u>80,553</u>	<u>95,125</u>	<u>80,553</u>

COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: December 31, 2015

<u>Balance Sheet Items:</u>	For last 12-Months		Average for 12 Months-To-Date	
	This Year	Last Year	This Year	Last Year
1-Utility Plant in Service	1,837,542	1,778,658	1,813,935	1,762,339
2-Construction Work in Progress	0	0	0	0
3-Utility Plant Acquisition Adjustment	0	0	0	0
4- Plant Held for Future Use	0	0	0	0
5-Accumulated Depreciation	(441,688)	(424,701)	(433,047)	(413,153)
6-Materials & Supplies	0	0	0	0
7-Unamortized Investment Credit	(1,829)	(1,878)	(1,852)	(1,901)
8-Deferred Income Tax	(179,576)	(159,624)	(161,278)	(136,646)
9-Contributions In Aid of Construction	(690,895)	(705,949)	(697,795)	(712,850)
10-Customer Advances For Const.	0	0	0	0
11-Preferred Stock	0	0	0	0
12-Common Stock	0	0	0	0
13-Paid In Capital-Stock	0	0	0	0
14-Retained Earnings	0	0	0	0
15-Long-Term Debt	0	0	0	0
16-Short-Term Debt	0	0	0	0

Other Required Data:

Line #	Meter Size	Residential	Commercial	Industrial	Other	Total
17						
18	5/8"	567				567.00
19	3/4"					-
20	1"					-
21	2"					-
22						-
23						-
						567.00
Totals		567.00	-	-	-	567.00

Instructions:

1. This report is required for all companies that had operating revenues in excess of \$100,000 during the preceeding year, but less than \$1,500,000 per TRA Rule 1220-4-1-.10. The report is due sixty days after the reported ending date.
2. Show amounts rounded to the nearest dollar.
3. List other customers listed in the meter section under the "Remarks" section below.
4. Put any additional comments in the "Remarks" section below.

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report.

Date: _____

Signature: _____

Title: _____
 Ph. # _____

SUPPLEMENTAL FINANCIAL DATA TO TPUC FORM (PSC-3.07)
FOR THE QUARTER ENDED December 31, 2015

Line #		Current Quarter	Average For 12 MTD
	Additions:		
1	Plant-In-Service	\$ 1,837,542	1,813,935
2	Plant Under Construction	0	0
3	Property Held For Future Use	0	0
4	Materials and Supplies	0	0
	Other Addition (Itemize):		
5	Working Capital Allowance	6,926	31,981
6			
7			
8	Total Additions	\$ 1,844,468	1,845,917
	Deductions:		
9	Accumulated Depreciation	441,688	433,047
10	Accumulated Deferred Income Taxes	179,576	161,278
11	Unamortized Investment Credit - Pre-1971	1,829	1,852
12	Customer Deposits	0	0
	Other Deductions (Itemize):		
13	CIAC	690,895	697,795
14			
15			
16	Total Deductions	\$ 1,313,989	1,293,971
17	Rate Base (Line 8 less line 16)	\$ 530,479	551,945
18	Net Operating Income (NOI)	\$ 22,888	95,125
	Adjustments to NOI (Itemize):		
19	Interest		
20			
21			
22			
23			
24	Adjusted Net Operating Income	\$ 22,888	95,125
25	Rate of Return (Line 24 divided by line 17)	4.31%	17.23%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Authority for this company.

CONTINUING SURVEILLANCE CONSIDERATIONS: Estimate the effect on net operating income of very significant known changes occurring within the period covered by this report which are not fully reflected in the revenue and expense amounts shown in the report.

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COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: March 31, 2016

QUARTERLY REPORT OF REVENUES, EXPENSES AND, INVESTMENTS FOR WATER COMPANIES

Page 1 of 2

	Totals for Current Quarter		Year to Date Totals		For last 12-Months	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<u>Operating Revenues:</u>						
1-Residential Sales	79,857	81,887	79,857	81,887	368,773	342,685
2-Commercial Sales	0	0	0	0	0	0
3-Other Revenues	2,340	3,067	2,340	3,067	12,477	9,072
3a.-Other Revenues						
3b.-Other Revenues						
4-Total Operating Revenues (Line 1 through 3)	<u>82,197</u>	<u>84,953</u>	<u>82,197</u>	<u>84,953</u>	<u>381,250</u>	<u>351,756</u>
<u>Operation and Maintenance Expenses:</u>						
5-Salaries & Wages-Employees (601)	11,304	10,775	11,304	10,775	46,884	44,131
6-Salaries & Wages-Officers (603)	417	424	417	424	1,780	1,814
7-Employee Pensions & Benefits (604)	2,377	3,421	2,377	3,421	12,124	11,406
8-Purchased Water (610)	19,412	18,522	19,412	18,522	106,478	88,727
9-Purchased Power (615)	3,551	4,958	3,551	4,958	13,558	16,189
10-Fuel for Power Production (616)	0	0	0	0	0	0
11-Chemicals (618)	0	44	0	44	682	131
12-Materials and Supplies (620)	1,950	625	1,950	625	3,940	2,150
13-Contractual Services (630)	7,070	2,129	7,070	2,129	15,793	12,500
14-Rent Expense (640)	176	179	176	179	2,553	2,549
15-Transportation Expense (650)	2,373	1,428	2,373	1,428	7,569	5,934
16-Insurance Expense (655)	0	0	0	0	0	0
17-Advertising Expense (660)	0	0	0	0	0	114
18-Regulatory Commission Expense (665)	0	0	0	0	0	0
19-Water Resource Conservation Expense (668)	0	0	0	0	0	0
20-Bad Debt Expense (670)	(499)	(1,123)	(499)	(1,123)	189	(1,332)
21-Miscellaneous Expense (675)	14,495	13,900	14,495	13,900	51,647	46,596
22-Total Operation & Maintenance Expenses (Line 5 through 21)	<u>62,626</u>	<u>55,281</u>	<u>62,626</u>	<u>55,281</u>	<u>263,197</u>	<u>230,908</u>
22.1 - Depreciation Expense	4,434	4,651	4,434	4,651	19,027	18,466
23-Taxes Other Than Income (408)	1,112	2,821	1,112	2,821	12,076	9,942
24-Income Taxes (409)*						
25-Total Taxes (Lines 23 through 24)	<u>1,112</u>	<u>2,821</u>	<u>1,112</u>	<u>2,821</u>	<u>12,076</u>	<u>9,942</u>
26-Net Operating Income (Line 4-22&25)	<u>14,026</u>	<u>22,201</u>	<u>14,026</u>	<u>22,201</u>	<u>86,950</u>	<u>92,440</u>

COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: March 31, 2016

<u>Balance Sheet Items:</u>	For last 12-Months		Average for 12 Months-To-Date	
	This Year	Last Year	This Year	Last Year
1-Utility Plant in Service	1,841,977	1,786,686	1,828,276	1,772,125
2-Construction Work in Progress	0	0	0	0
3-Utility Plant Acquisition Adjustment	0	0	0	0
4- Plant Held for Future Use	0	0	0	0
5-Accumulated Depreciation	(444,945)	(428,359)	(437,676)	(419,816)
6-Materials & Supplies	0	0	0	0
7-Unamortized Investment Credit	(1,817)	(1,866)	(1,840)	(1,886)
8-Deferred Income Tax	(179,564)	(159,614)	(166,266)	(143,670)
9-Contributions In Aid of Construction	(687,131)	(702,186)	(694,031)	(708,459)
10-Customer Advances For Const.	0	0	0	0
11-Preferred Stock	0	0	0	0
12-Common Stock	0	0	0	0
13-Paid In Capital-Stock	0	0	0	0
14-Retained Earnings	0	0	0	0
15-Long-Term Debt	0	0	0	0
16-Short-Term Debt	0	0	0	0

Other Required Data:

Line #	Meter Size	Residential	Commercial	Industrial	Other	Total
17						
18	5/8"	561				561.00
19	3/4"					-
20	1"					-
21	2"					-
22						-
23						-
						561.00
Totals		561.00	-	-	-	561.00

Instructions:

1. This report is required for all companies that had operating revenues in excess of \$100,000 during the preceeding year, but less than \$1,500,000 per TRA Rule 1220-4-1-.10. The report is due sixty days after the reported ending date.
2. Show amounts rounded to the nearest dollar.
3. List other customers listed in the meter section under the "Remarks" section below.
4. Put any additional comments in the "Remarks" section below.

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report.

Date: _____

Signature: _____

Title: _____
 Ph. # _____

**SUPPLEMENTAL FINANCIAL DATA TO TPUC FORM (PSC-3.07)
FOR THE QUARTER ENDED March 31, 2016**

Line #		Current Quarter	Average For 12 MTD
	Additions:		
1	Plant-In-Service	\$ 1,841,977	1,828,276
2	Plant Under Construction	0	0
3	Property Held For Future Use	0	0
4	Materials and Supplies	0	0
	Other Addition (Itemize):		
5	Working Capital Allowance	7,828	32,900
6			
7			
8	Total Additions	\$ 1,849,806	1,861,176
	Deductions:		
9	Accumulated Depreciation	444,945	437,676
10	Accumulated Deferred Income Taxes	179,564	166,266
11	Unamortized Investment Credit - Pre-1971	1,817	1,840
12	Customer Deposits	0	0
	Other Deductions (Itemize):		
13	CIAC	687,131	694,031
14			
15			
16	Total Deductions	\$ 1,313,457	1,299,813
17	Rate Base (Line 8 less line 16)	\$ 536,348	561,363
18	Net Operating Income (NOI)	\$ 14,026	86,950
	Adjustments to NOI (Itemize):		
19	Interest		
20			
21			
22			
23			
24	Adjusted Net Operating Income	\$ 14,026	86,950
25	Rate of Return (Line 24 divided by line 17)	2.62%	15.49%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Authority for this company.

CONTINUING SURVEILLANCE CONSIDERATIONS: Estimate the effect on net operating income of very significant known changes occurring within the period covered by this report which are not fully reflected in the revenue and expense amounts shown in the report.

1

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COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: June 30, 2016

QUARTERLY REPORT OF REVENUES, EXPENSES AND, INVESTMENTS FOR WATER COMPANIES

Page 1 of 2

	Totals for Current Quarter		Year to Date Totals		For last 12-Months	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<u>Operating Revenues:</u>						
1-Residential Sales	104,658	99,319	184,515	181,205	374,112	355,189
2-Commercial Sales	0	0	0	0	0	0
3-Other Revenues	2,311	2,926	4,651	5,993	11,862	10,269
3a.-Other Revenues						
3b.-Other Revenues						
4-Total Operating Revenues (Line 1 through 3)	<u>106,969</u>	<u>102,245</u>	<u>189,166</u>	<u>187,198</u>	<u>385,973</u>	<u>365,458</u>
<u>Operation and Maintenance Expenses:</u>						
5-Salaries & Wages-Employees (601)	11,744	11,272	23,048	22,047	47,356	44,306
6-Salaries & Wages-Officers (603)	442	430	859	854	1,792	1,260
7-Employee Pensions & Benefits (604)	2,946	3,017	5,324	6,438	12,053	12,257
8-Purchased Water (610)	25,179	27,521	44,591	46,043	104,135	94,404
9-Purchased Power (615)	2,963	4,001	6,514	8,959	12,520	16,428
10-Fuel for Power Production (616)	0	0	0	0	0	0
11-Chemicals (618)	44	44	44	88	682	131
12-Materials and Supplies (620)	999	253	2,950	879	4,686	2,303
13-Contractual Services (630)	2,425	3,027	9,495	5,156	15,191	12,773
14-Rent Expense (640)	840	665	1,015	844	2,728	2,547
15-Transportation Expense (650)	1,498	1,618	3,871	3,046	7,449	6,052
16-Insurance Expense (655)	0	0	0	0	0	0
17-Advertising Expense (660)	0	0	0	0	0	65
18-Regulatory Commission Expense (665)	0	0	0	0	0	0
19-Water Resource Conservation Expense (668)	0	0	0	0	0	0
20-Bad Debt Expense (670)	123	(998)	(377)	(2,121)	1,309	(2,591)
21-Miscellaneous Expense (675)	13,416	12,529	27,911	26,429	52,533	49,096
22-Total Operation & Maintenance Expenses (Line 5 through 21)	<u>62,618</u>	<u>63,380</u>	<u>125,244</u>	<u>118,660</u>	<u>262,435</u>	<u>239,032</u>
22.1 - Depreciation Expense	3,926	4,811	8,360	9,461	18,143	18,941
23-Taxes Other Than Income (408)	1,127	4,275	2,239	7,096	8,928	11,307
24-Income Taxes (409)*						
25-Total Taxes (Lines 23 through 24)	<u>1,127</u>	<u>4,275</u>	<u>2,239</u>	<u>7,096</u>	<u>8,928</u>	<u>11,307</u>
26-Net Operating Income (Line 4-22&25)	<u>39,297</u>	<u>29,780</u>	<u>53,323</u>	<u>51,980</u>	<u>96,467</u>	<u>96,178</u>

COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: June 30, 2016

<u>Balance Sheet Items:</u>	For last 12-Months		Average for 12 Months-To-Date	
	This Year	Last Year	This Year	Last Year
1-Utility Plant in Service	1,846,205	1,815,853	1,836,492	1,783,800
2-Construction Work in Progress	0	0	0	0
3-Utility Plant Acquisition Adjustment	0	0	0	0
4- Plant Held for Future Use	0	0	0	0
5-Accumulated Depreciation	(450,473)	(431,168)	(442,680)	(423,959)
6-Materials & Supplies	0	0	0	0
7-Unamortized Investment Credit	(1,805)	(1,854)	(1,827)	(1,876)
8-Deferred Income Tax	(179,568)	(159,619)	(171,253)	(149,177)
9-Contributions In Aid of Construction	(683,367)	(698,422)	(690,267)	(705,322)
10-Customer Advances For Const.	0	0	0	0
11-Preferred Stock	0	0	0	0
12-Common Stock	0	0	0	0
13-Paid In Capital-Stock	0	0	0	0
14-Retained Earnings	0	0	0	0
15-Long-Term Debt	0	0	0	0
16-Short-Term Debt	0	0	0	0

Other Required Data:

Line #	Meter Size	Residential	Commercial	Industrial	Other	Total
17						
18	5/8"	566				566.00
19	3/4"					-
20	1"					-
21	2"					-
22						-
23						-
						566.00
Totals		566.00	-	-	-	566.00

Instructions:

1. This report is required for all companies that had operating revenues in excess of \$100,000 during the preceeding year, but less than \$1,500,000 per TRA Rule 1220-4-1-.10. The report is due sixty days after the reported ending date.
2. Show amounts rounded to the nearest dollar.
3. List other customers listed in the meter section under the "Remarks" section below.
4. Put any additional comments in the "Remarks" section below.

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report.

Date: _____

Signature: _____

Title: _____
 Ph. # _____

SUPPLEMENTAL FINANCIAL DATA TO TPUC FORM (PSC-3.07)
FOR THE QUARTER ENDED June 30, 2016

Line #		Current Quarter	Average For 12 MTD
	Additions:		
1	Plant-In-Service	\$ 1,846,205	1,836,492
2	Plant Under Construction	0	0
3	Property Held For Future Use	0	0
4	Materials and Supplies	0	0
5	Other Addition (Itemize):		
6	Working Capital Allowance	7,827	32,804
7			
8	Total Additions	\$ 1,854,032	1,869,296
	Deductions:		
9	Accumulated Depreciation	450,473	442,680
10	Accumulated Deferred Income Taxes	179,568	171,253
11	Unamortized Investment Credit - Pre-1971	1,805	1,827
12	Customer Deposits	0	0
13	Other Deductions (Itemize):		
14	CIAC	683,367	690,267
15			
16	Total Deductions	\$ 1,315,213	1,306,028
17	Rate Base (Line 8 less line 16)	\$ 538,819	563,269
18	Net Operating Income (NOI)	\$ 39,297	96,467
19	Adjustments to NOI (Itemize):		
20	Interest		
21			
22			
23			
24	Adjusted Net Operating Income	\$ 39,297	96,467
25	Rate of Return (Line 24 divided by line 17)	7.29%	17.13%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Authority for this company.

CONTINUING SURVEILLANCE CONSIDERATIONS: Estimate the effect on net operating income of very significant known changes occurring within the period covered by this report which are not fully reflected in the revenue and expense amounts shown in the report.

1

2

COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: September 30, 2016

QUARTERLY REPORT OF REVENUES, EXPENSES AND, INVESTMENTS FOR WATER COMPANIES

Page 1 of 2

	Totals for Current Quarter		Year to Date Totals		For last 12-Months	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<u>Operating Revenues:</u>						
1-Residential Sales	106,780	106,076	291,295	287,281	374,815	367,141
2-Commercial Sales	0	0	0	0	0	0
3-Other Revenues	4,644	3,743	9,295	9,736	12,763	11,961
3a.-Other Revenues						
3b.-Other Revenues						
4-Total Operating Revenues (Line 1 through 3)	<u>111,424</u>	<u>109,820</u>	<u>300,590</u>	<u>297,018</u>	<u>387,578</u>	<u>379,102</u>
<u>Operation and Maintenance Expenses:</u>						
5-Salaries & Wages-Employees (601)	12,811	11,679	35,858	33,726	48,488	44,621
6-Salaries & Wages-Officers (603)	439	431	1,298	1,285	1,800	811
7-Employee Pensions & Benefits (604)	3,111	3,147	8,435	9,585	12,018	12,691
8-Purchased Water (610)	44,590	43,878	89,181	89,921	104,848	105,358
9-Purchased Power (615)	5,048	3,706	11,562	12,664	13,862	15,917
10-Fuel for Power Production (616)	0	0	0	0	0	0
11-Chemicals (618)	88	594	131	682	175	726
12-Materials and Supplies (620)	201	628	3,150	1,507	4,259	2,921
13-Contractual Services (630)	(2,104)	2,949	7,391	8,105	10,138	12,433
14-Rent Expense (640)	180	180	1,196	1,023	2,728	2,548
15-Transportation Expense (650)	1,826	1,890	5,697	4,936	7,385	6,732
16-Insurance Expense (655)	0	0	0	0	0	0
17-Advertising Expense (660)	0	0	0	0	0	15
18-Regulatory Commission Expense (665)	0	0	0	0	0	0
19-Water Resource Conservation Expense (668)	0	0	0	0	0	0
20-Bad Debt Expense (670)	(330)	(186)	(707)	(2,308)	1,166	(2,600)
21-Miscellaneous Expense (675)	13,988	12,887	41,898	39,317	53,634	51,178
22-Total Operation & Maintenance Expenses (Line 5 through 21)	<u>79,847</u>	<u>81,782</u>	<u>205,091</u>	<u>200,442</u>	<u>260,500</u>	<u>253,349</u>
22.1 - Depreciation Expense	3,690	4,891	12,051	14,352	16,943	19,250
23-Taxes Other Than Income (408)	1,084	2,891	3,322	9,987	7,120	11,435
24-Income Taxes (409)*						
25-Total Taxes (Lines 23 through 24)	<u>1,084</u>	<u>2,891</u>	<u>3,322</u>	<u>9,987</u>	<u>7,120</u>	<u>11,435</u>
26-Net Operating Income (Line 4-22&25)	<u>26,803</u>	<u>20,256</u>	<u>80,126</u>	<u>72,236</u>	<u>103,014</u>	<u>95,068</u>

COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: September 30, 2016

<u>Balance Sheet Items:</u>	For last 12-Months		Average for 12 Months-To-Date	
	This Year	Last Year	This Year	Last Year
1-Utility Plant in Service	1,852,991	1,826,830	1,843,432	1,798,453
2-Construction Work in Progress	0	0	0	0
3-Utility Plant Acquisition Adjustment	0	0	0	0
4- Plant Held for Future Use	0	0	0	0
5-Accumulated Depreciation	(453,283)	(437,152)	(446,667)	(428,819)
6-Materials & Supplies	0	0	0	0
7-Unamortized Investment Credit	(1,793)	(1,842)	(1,815)	(1,864)
8-Deferred Income Tax	(179,562)	(159,607)	(176,241)	(155,439)
9-Contributions In Aid of Construction	(679,604)	(694,658)	(686,504)	(701,558)
10-Customer Advances For Const.	0	0	0	0
11-Preferred Stock	0	0	0	0
12-Common Stock	0	0	0	0
13-Paid In Capital-Stock	0	0	0	0
14-Retained Earnings	0	0	0	0
15-Long-Term Debt	0	0	0	0
16-Short-Term Debt	0	0	0	0

Other Required Data:

Line #	Meter Size	Residential	Commercial	Industrial	Other	Total
17						
18	5/8"	566				566.00
19	3/4"					-
20	1"					-
21	2"					-
22						-
23						-
						566.00
Totals		566.00	-	-	-	566.00

Instructions:

1. This report is required for all companies that had operating revenues in excess of \$100,000 during the preceeding year, but less than \$1,500,000 per TRA Rule 1220-4-1-.10. The report is due sixty days after the reported ending date.
2. Show amounts rounded to the nearest dollar.
3. List other customers listed in the meter section under the "Remarks" section below.
4. Put any additional comments in the "Remarks" section below.

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report.

Date: _____

Signature: _____

Title: _____
 Ph. # _____

SUPPLEMENTAL FINANCIAL DATA TO TPUC FORM (PSC-3.07)
FOR THE QUARTER ENDED September 30, 2016

Line #		Current Quarter	Average For 12 MTD
	Additions:		
1	Plant-In-Service	\$ 1,852,991	1,843,432
2	Plant Under Construction	0	0
3	Property Held For Future Use	0	0
4	Materials and Supplies	0	0
5	Other Addition (Itemize): Working Capital Allowance	9,981	32,563
6			
7			
8	Total Additions	\$ 1,862,972	1,875,995
	Deductions:		
9	Accumulated Depreciation	453,283	446,667
10	Accumulated Deferred Income Taxes	179,562	176,241
11	Unamortized Investment Credit - Pre-1971	1,793	1,815
12	Customer Deposits	0	0
13	Other Deductions (Itemize): CIAC	679,604	686,504
14			
15			
16	Total Deductions	\$ 1,314,241	1,311,227
17	Rate Base (Line 8 less line 16)	\$ 548,731	564,768
18	Net Operating Income (NOI)	\$ 26,803	103,014
19	Adjustments to NOI (Itemize): Interest		
20			
21			
22			
23			
24	Adjusted Net Operating Income	\$ 26,803	103,014
25	Rate of Return (Line 24 divided by line 17)	4.88%	18.24%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Authority for this company.

CONTINUING SURVEILLANCE CONSIDERATIONS: Estimate the effect on net operating income of very significant known changes occurring within the period covered by this report which are not fully reflected in the revenue and expense amounts shown in the report.

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COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: December 31, 2016

QUARTERLY REPORT OF REVENUES, EXPENSES AND, INVESTMENTS FOR WATER COMPANIES

Page 1 of 2

	Totals for Current Quarter		Year to Date Totals		For last 12-Months	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<u>Operating Revenues:</u>						
1-Residential Sales	46,949	83,520	338,243	370,802	338,243	370,802
2-Commercial Sales	0	0	0	0	0	0
3-Other Revenues	1,499	3,467	10,794	13,204	10,794	13,204
3a.-Other Revenues						
3b.-Other Revenues						
4-Total Operating Revenues (Line 1 through 3)	<u>48,448</u>	<u>86,988</u>	<u>349,038</u>	<u>384,005</u>	<u>349,038</u>	<u>384,005</u>
<u>Operation and Maintenance Expenses:</u>						
5-Salaries & Wages-Employees (601)	12,453	12,630	48,312	46,355	48,312	46,355
6-Salaries & Wages-Officers (603)	319	502	1,617	1,787	1,617	1,787
7-Employee Pensions & Benefits (604)	2,346	3,583	10,781	13,168	10,781	13,168
8-Purchased Water (610)	7,635	15,667	96,816	105,588	96,816	105,588
9-Purchased Power (615)	3,494	2,300	15,056	14,964	15,056	14,964
10-Fuel for Power Production (616)	0	0	0	0	0	0
11-Chemicals (618)	44	44	175	726	175	726
12-Materials and Supplies (620)	264	1,109	3,414	2,615	3,414	2,615
13-Contractual Services (630)	2,834	2,747	10,225	10,852	10,225	10,852
14-Rent Expense (640)	1,552	1,532	2,748	2,556	2,748	2,556
15-Transportation Expense (650)	1,316	1,688	7,013	6,624	7,013	6,624
16-Insurance Expense (655)	0	0	0	0	0	0
17-Advertising Expense (660)	0	0	0	0	0	0
18-Regulatory Commission Expense (665)	0	0	0	0	0	0
19-Water Resource Conservation Expense (668)	0	0	0	0	0	0
20-Bad Debt Expense (670)	299	1,873	(408)	(435)	(408)	(435)
21-Miscellaneous Expense (675)	15,733	11,735	57,631	51,052	57,631	51,052
22-Total Operation & Maintenance Expenses (Line 5 through 21)	<u>48,289</u>	<u>55,409</u>	<u>253,380</u>	<u>255,852</u>	<u>253,380</u>	<u>255,852</u>
22.1 - Depreciation Expense	3,498	4,892	15,549	19,244	15,549	19,244
23-Taxes Other Than Income (408)	7,551	3,798	10,873	13,785	10,873	13,785
24-Income Taxes (409)*						
25-Total Taxes (Lines 23 through 24)	<u>7,551</u>	<u>3,798</u>	<u>10,873</u>	<u>13,785</u>	<u>10,873</u>	<u>13,785</u>
26-Net Operating Income (Line 4-22&25)	<u>(10,891)</u>	<u>22,888</u>	<u>69,235</u>	<u>95,125</u>	<u>69,235</u>	<u>95,125</u>

COMPANY NAME: Tennessee Water Service, Inc.
 QUARTER ENDING: December 31, 2016

	For last 12-Months		Average for 12 Months-To-Date	
	This Year	Last Year	This Year	Last Year
<u>Balance Sheet Items:</u>				
1-Utility Plant in Service	1,796,480	1,837,542	1,829,086	1,813,935
2-Construction Work in Progress	0	0	0	0
3-Utility Plant Acquisition Adjustment	0	0	0	0
4- Plant Held for Future Use	0	0	0	0
5-Accumulated Depreciation	(396,409)	(441,688)	(439,097)	(433,047)
6-Materials & Supplies	0	0	0	0
7-Unamortized Investment Credit	(1,780)	(1,829)	(1,827)	(1,852)
8-Deferred Income Tax	(201,279)	(179,576)	(171,326)	(161,278)
9-Contributions In Aid of Construction	(675,840)	(690,895)	(690,267)	(697,795)
10-Customer Advances For Const.	0	0	0	0
11-Preferred Stock	0	0	0	0
12-Common Stock	0	0	0	0
13-Paid In Capital-Stock	0	0	0	0
14-Retained Earnings	0	0	0	0
15-Long-Term Debt	0	0	0	0
16-Short-Term Debt	0	0	0	0

Other Required Data:

Line #	Meter Size	Residential	Commercial	Industrial	Other	Total
17						
18	5/8"	578				578.00
19	3/4"					-
20	1"					-
21	2"					-
22						-
23						-
						578.00
Totals		578.00	-	-	-	578.00

Instructions:

1. This report is required for all companies that had operating revenues in excess of \$100,000 during the preceeding year, but less than \$1,500,000 per TRA Rule 1220-4-1-.10. The report is due sixty days after the reported ending date.
2. Show amounts rounded to the nearest dollar.
3. List other customers listed in the meter section under the "Remarks" section below.
4. Put any additional comments in the "Remarks" section below.

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report.

Date: _____

Signature: _____

Title: _____
 Ph. # _____

**SUPPLEMENTAL FINANCIAL DATA TO TPUC FORM (PSC-3.07)
FOR THE QUARTER ENDED December 31, 2016**

Line #		Current Quarter	Average For 12 MTD
	Additions:		
1	Plant-In-Service	\$ 1,796,480	1,829,086
2	Plant Under Construction	0	0
3	Property Held For Future Use	0	0
4	Materials and Supplies	0	0
	Other Addition (Itemize):		
5	Working Capital Allowance	6,036	31,673
6			
7			
8	Total Additions	\$ 1,802,516	1,860,759
	Deductions:		
9	Accumulated Depreciation	396,409	439,097
10	Accumulated Deferred Income Taxes	201,279	171,326
11	Unamortized Investment Credit - Pre-1971	1,780	1,827
12	Customer Deposits	0	0
	Other Deductions (Itemize):		
13	CIAC	675,840	690,267
14			
15			
16	Total Deductions	\$ 1,275,309	1,302,517
17	Rate Base (Line 8 less line 16)	\$ 527,206	558,241
18	Net Operating Income (NOI)	\$ (10,891)	69,235
	Adjustments to NOI (Itemize):		
19	Interest		
20			
21			
22			
23			
24	Adjusted Net Operating Income	\$ (10,891)	69,235
25	Rate of Return (Line 24 divided by line 17)	-2.07%	12.40%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Authority for this company.

CONTINUING SURVEILLANCE CONSIDERATIONS: Estimate the effect on net operating income of very significant known changes occurring within the period covered by this report which are not fully reflected in the revenue and expense amounts shown in the report.

1

2

EXHIBIT 2-26

[PRODUCED IN NATIVE FORMAT]

Projected Net Loss	(80,860)
Inactive Customers @ YE 2017	405
Total Surcharge/Inactive Customer	\$200
Number of months to apply	18
Monthly Surcharge/Inactive Customer	\$11.09

NARUC Acct. #	Account Description	Actual Jan-17	Actual Feb-17	Actual Mar-17	Actual Apr-17	Actual May-17	Actual Jun-17	Actual Jul-17	Actual Aug-17	Actual Sep-17	FCST Oct-17	FCST Nov-17	FCST Dec-17	Total 2017
461	Residential Sales	1,791	1,205	1,975	3,999	1,659	4,667	6,265	7,874	4,167	8,966	9,552	10,138	62,259
470	Forfeited Discounts	(374)	0	0	0	0	0	0	0	0	0	0	0	(374)
474	Other Revenues	0	10	35	35	0	35	0	0	0	0	0	0	115
Total Revenues		1,417	1,215	2,010	4,034	1,659	4,702	6,265	7,874	4,167	8,966	9,552	10,138	62,000
601	Salaries & Wages - Employees	(789)	323	463	573	871	830	1,011	1,197	1,289	1,300	1,300	1,300	9,668
603	Salaries & Wages - Officers	13	20	28	32	36	41	44	48	49	50	50	50	460
604	Employee Pensions & Benefits	77	93	166	177	215	239	215	303	318	320	320	320	2,764
610	Purchased Water Expense	8,859	(3,593)	3,785	(153)	1,500	662	2,559	2,039	4,454	4,500	4,600	4,700	33,912
615	Purchased Power	1,233	365	1,121	856	938	(4,576)	272	148	224	225	225	225	1,256
616	Fuel for Power Production	0	0	0	0	0	0	0	0	0	0	0	0	0
618	Chemicals	0	0	0	0	0	0	44	44	0	0	0	50	138
620	Materials & Supplies	0	0	0	1	1,703	0	0	0	0	0	0	1,000	2,706
630	Contractual Services	0	0	0	0	0	0	0	0	0	0	0	0	0
635	Outside Services	190	2,883	26	46	44	580	6,497	273	52	100	100	100	10,891
636	Meter Reading	0	62	0	65	0	0	0	0	0	0	0	0	127
640	Rent	56	56	57	57	717	57	57	57	57	57	57	57	1,341
650	Transportation	398	45	142	114	185	192	87	101	113	125	125	125	1,750
655	Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
660	Advertising	0	0	0	0	0	0	0	0	0	0	0	0	0
665	Regulatory Commission Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
668	Water Resource Conservation Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
670	Bad Debt Expense	42	1,143	533	286	3,019	(2,588)	(850)	(72)	17	25	25	25	1,605
675	Miscellaneous Expense	2,598	4,428	5,087	4,325	3,680	4,537	4,616	4,703	4,231	4,500	4,500	4,500	51,706
Total Operations & Maintenance Expense		12,678	5,824	11,409	6,377	12,908	(27)	14,553	8,841	10,802	11,202	11,302	12,452	118,323
403	Depreciation	2,261	2,269	2,278	2,289	2,293	2,347	2,296	2,291	2,293	2,295	2,295	2,295	27,502
407	Amortization	(1,255)	(1,255)	(1,255)	(1,255)	(1,255)	(1,255)	(1,255)	(1,255)	(1,255)	(1,255)	(1,255)	(1,255)	(15,056)
Total Depreciation & Amortization Expense		1,006	1,015	1,024	1,034	1,038	1,093	1,041	1,037	1,038	1,040	1,040	1,040	12,446
408	Taxes Other Than Income	962	965	997	1,343	372	1,234	1,028	1,035	1,037	1,040	1,040	1,040	12,091
Total Operating Expenses		14,647	7,804	13,429	8,755	14,318	2,300	16,622	10,912	12,878	13,282	13,382	14,532	142,860
Net Income for Return		(13,229)	(6,588)	(11,419)	(4,720)	(12,659)	2,402	(10,357)	(3,038)	(8,711)	(4,316)	(3,830)	(4,394)	(80,860)
Active Customer Count		51	68	91	105	111	127	133	138	143	153	163	173	173
Inactive Customer Count		527	510	487	473	467	451	445	440	435	425	415	405	405
Total Customer Count		578	578	578	578	578	578	578	578	578	578	578	578	578
Revenue Forecast Build														
Active Customers												153	163	173
Base Charge												\$18.70	\$18.70	\$18.70
Usage												4,000	4,000	4,000
Usage for usage Charge												3,000	3,000	3,000
Usage Charge												\$13.30	\$13.30	\$13.30
Average Bill												\$58.60	\$58.60	\$58.60
Total Revenue												8,966	9,552	10,138

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