

November 8, 2017

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T.P.U.C. DOCKET ROOM

Mr. Earl Taylor  
Executive Director, TPUC  
502 Deadrick Street  
Nashville, Tennessee, 37243

Subj: Tennessee Water Service, Inc., Petition for Emergency Interim Relief Letter 11/3/2017;  
Copy attached reference (Docket #17-00108) hearing scheduled for December 12, 2017.

Reference: My earlier letter to you dated October 20, 2017

Dear Mr. Taylor,

Please refer to my earlier letter referenced above and the latest notice from Utilities, Inc. appended.

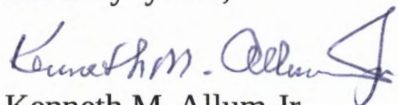
I cannot understand why Utilities, Inc. proposes to charge INACTIVE customers a water fee when we are not using ANY water service, and in my case at age 80, do NOT EVER intend to rebuild nor EVER have need for any water service?! Why should I be charged to support Utilities, Inc.'s bottom line and profit margin for a service that I do not use nor ever expect to use since my condo burned to the ground as a total loss?!

The new proposal imposes an "average" increase from \$58.60 to \$65.63 of \$7.03 or 12% per month for active customers, compared to an imposed charge on inactive "customers" from \$0 to \$18.12 per month, or 2 ½ TIMES the dollar amount increase on customers who are actually using water! What percent is that increase from \$0 to \$18.12? INFINITE?! Most outrageous is the so-called "Make-Whole Surcharge" to be imposed ONLY on non-users of \$11.09 per month!!! This is unbelievable. Because our property was destroyed, we are expected to subsidize Utilities, Inc., profit margin with a surcharge that doesn't even apply to actual water users? This is absolutely adding insult to injury!

I cannot afford legal representation at the hearing so I am appealing to your good judgment. I sincerely request on behalf of myself and all other property owners in Gatlinburg whose homes are now a pile of ashes, that non-users of water services NOT be charged for services we do not use just to subsidize those who DO use such services and for Utilities, Inc. profit margin!

Please disapprove the proposed petition from Utility, Inc., on December 12<sup>th</sup> as referenced above. At a minimum please, PLEASE disapprove the outrageous "Make-Whole Surcharge!!"

Sincerely yours,

  
Kenneth M. Allum Jr.

cc. Utilities, Inc.



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](http://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](mailto: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](mailto: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.