

BAKER DONELSON

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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 Response to TPUC Staff's Post-Hearing Data Request* 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

TPUC Staff's Post-Hearing Data Request

REQUEST:

1. At the hearing on the merits, Mr. Richard Linneman testified that the Company is requesting to recover up to \$30,000 of case expenses through a monthly surcharge assessed over a thirty-six month period effective immediately.
 - a. Provide an exhibit showing the details of the calculation of the monthly surcharge proposed by the Company, including all rate assumptions.
 - b. Describe the procedures the Company will use to ensure that actual case expenses not exceeding \$30,000 are not over-collected through the proposed surcharge mechanism.

RESPONSE:

1. See below TWS' response:
 - a. The attached Exhibit "TPUC Post Hearing DR 1a" provides the assumptions used to calculate the monthly surcharge expense proposed by the Company, including the assumed rate case expense, customer count, and resulting monthly surcharge based upon a 36 month collection period. The calculations are described in the line detail.
 - b. To ensure there is no over collection of the \$30,000 rate case expense, the Company proposes that as a part of its annual reporting process, it will submit a separate exhibit illustrating the total collection of surcharges related to the rate case expense for that annual reporting period. This exhibit will be named "Annual Rate Case Expense Surcharge Collection." Should the exhibit show collection exceeded \$10,000 for the annual period the surcharge would be reduced for the next 12 months to only collect the remaining outstanding balance divided by remaining months of collection. Conversely, should the exhibit show there was an under collection the Company shall be allowed to increase the surcharge in the same manner. This process would ensure that only \$30,000 of surcharge collection occurs over the 36 month period. At the conclusion of the 36 month period, if there was an over collection of surcharges, the Company will apply a credit to customer accounts to offset the over-collection. However, the Company does not believe over collection is likely to occur in this method of collection.

RESPECTFULLY SUBMITTED,

s/ Ryan Freeman

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CERTIFICATE OF SERVICE

I hereby certify that on December 20, 2017, a true and correct copy of the foregoing Responses to First Discovery Request of the Consumer Protection and Advocate Division was served by electronic mail upon the following:

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

s/ Ryan Freeman
Ryan Freeman

Tennessee Water Service, Inc. Docket No. 17-00108 TPUC Post Hearing Request 1a		
1	Rate Case Expense:	\$30,000
2	Surcharge Period (Months):	36
3	Total Monthly Collection (Line 1/Line 2):	\$833.33
4	Number of Customers (Total):	578
5	Monthly Surcharge/Customer (Line 3/Line 4):	\$1.44