

STATE OF TENNESSEE

Office of the Attorney General



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Filed Electronically in TPUC Docket Room on 10/11/2017

October 11, 2017

Kelly Grams  
General Counsel  
c/o Sharla Dillon  
Docket Manager  
Tennessee Public Utility Commission  
502 Deaderick Street  
Nashville, TN 37243

Re: Records Request Related to TRA Docket 17-00108 -- Petition for Emergency  
Interim Relief by Tennessee Water Service, Inc.

Dear Ms. Grams:

Pursuant to Tenn. Code Ann. § 65-4-118(b)(2), the Consumer Protection and Advocate Division of the Attorney General's Office (Consumer Advocate) respectfully requests the Tennessee Public Utility Commission (TPUC) to furnish some specific records which the Consumer Advocate believes the TPUC may possess that is needed in connection with the Consumer Advocate's analysis in the above referenced Docket. The records requested are as follows:

1. Any record of any correspondence, e-mail, or other document (including without limitation any copy of such correspondence, e-mail, or other document) received by the TPUC from Tennessee Water in response to an information request by Joe Shirley on August 14, 2017 (copy attached for your convenience).
2. Any record of any correspondence, e-mail, or other document (including without limitation any copy of such correspondence, e-mail, or other document) received by the TPUC from Tennessee Water regarding the request for emergency relief prior to the

August 14, 2017 meeting between TPUC staff, Tennessee Water and the Consumer Advocate. The Consumer Advocate has previously requested this information from Tennessee Water, but no information has been provided (copy of request attached for your convenience).

3. Any record of any correspondence, e-mail, or other document (including without limitation any copy of such correspondence, e-mail, or other document) received by the TPUC from Tennessee Water regarding the request for emergency relief after to the August 14, 2017 meeting between TPUC staff, Tennessee Water and the Consumer Advocate.
4. Any record (including without limitation any e-mail or order or written memorandum or note or other document) in the TPUC's file(s) of any oral or written complaints or inquiries regarding TWS, the Emergency Petition or the TPUC hearing process for this Docket.

In light of the abbreviated Procedural Schedule in this matter, the TPUC's response to this request is respectfully requested on or before October 18, 2017, and should be sent to the attention of Karen H. Stachowski at the Office of the Tennessee Attorney General and Reporter, Consumer Protection and Advocate Division, 315 Deaderick Street, 19<sup>th</sup> Floor, Nashville, Tennessee 37243.

Thank you for your time and consideration of this matter. If you have questions regarding this request, please contact me at (615) 741-2370.

Respectfully,



Karen H. Stachowski  
Assistant Attorney General

cc: Ryan Freeman, Esq.  
Joe Conner, Esq.  
TPUC Docket No. 17-00108

**Karen H. Stachowski**

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**From:** Joe Shirley <Joe.Shirley@tn.gov>  
**Sent:** Monday, August 14, 2017 3:57 PM  
**To:** Conner, Joe; Matthew Klein (MKlein@uiwater.com); Richard Linneman; Freeman, Ryan; Cynthia Kinser; Jeff Hill; Vance Broemel; Karen H. Stachowski  
**Cc:** David Foster; Patsy Fulton; Aaron Conklin  
**Subject:** Tennessee Water Service

Thank you all for your participation in today's meeting. As discussed, TPUC Staff is requesting that the Company provide the following information to assist in the review of the proposed emergency petition:

1. General ledgers for 2015, 2016 and YTD 2017.
2. Quarterly Surveillance Report for the quarter ended June 30, 2017.
3. The most recently available count of total customers, active customers, and inactive customers. Please identify the date(s) of the customer counts provided.
4. An updated analysis of the financial relief requested using the capital structure and authorized cost of debt and return on equity approved in Docket No. 09-00017.
5. The capital budget supporting the requested \$300,000 of new plant additions broken down by project, including description and purpose of each project; budget amount and budget assumptions, including any supporting documentation, for each project; and projected start date and completion date of each project.
6. Water loss data for YTD 2017, including volume of purchased water and volume of billed water for the period. Please identify the period(s) of time related to the water loss data that is provided.
7. Please state whether the Company had any type of insurance coverage, including but not limited to business interruption or casualty loss insurance, for any losses incurred due to the Gatlinburg wildfires. If so, please state whether the Company has made any insurance claims related to the wildfires and provide the details of each such claim, including but not confined to: name of the insurance carrier, policy number, date of the claim, description of the claim, amount of the claim, status of the claim, insurance payments received or to be received on the claim or settlement of the claim, and a copy of the insurance policy related to the claim.
8. Please state whether the Company has applied for any grants, low-interest loans or any other subsidies or payments resulting from the Gatlinburg wildfires. If so, please provide the details of each such application, including but not confined to: name of the entity to which the application was made; date of the application; description of the application; status of the application; amounts received or to be received related the application; and a copy of each such application.

Please provide the requested information at your earliest convenience. We'll provide illustrative tariff language regarding flow-through of nondiscretionary expenses (e.g., purchased power and water) in a separate email. Please don't hesitate to contact David, Patsy or me should you have any questions. Thanks, Joe

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**Joe Shirley**  
**Director of Utility Audit & Compliance**  
**Tennessee Public Utility Commission**  
**502 Deaderick Street, 4th Floor**  
**Nashville, TN 37243**  
**(615) 770-6888 (direct dial)**  
**Joe.Shirley@tn.gov**

## Karen H. Stachowski

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**From:** Karen H. Stachowski  
**Sent:** Wednesday, August 16, 2017 3:41 PM  
**To:** Conner, Joe; 'RLinneman@uiwater.com'; 'MKlein@uiwater.com'; Freeman, Ryan  
**Cc:** Vance Broemel; Cynthia Kinser (Cynthia.Kinser@ag.tn.gov); Jeff Hill; 'David Foster'; Joe Shirley; Patsy Fulton; 'Aaron.Conklin@tn.gov'  
**Subject:** Follow-up to Monday Meeting  
**Attachments:** RE: meeting to discuss TN Water Service -; Tennessee Water Service

Joe,

I wanted to follow-up on my email from Monday regarding the proposed protective order and setting up a time to-discuss information and document needs of the Consumer Advocate (attached for your convenience).

In addition to the documents and information already identified during the Monday meeting:

- A. Information already provided to TPUC staff and
- B. List of information provided by Joe Shirley on Monday afternoon (attached for your convenience).

We have identified the following information:

1. Provide a chart of all affiliate companies of TWS doing any business in the state of Tennessee. Provide a listing of the officers, board members and/or managing members, of each company.
2. Provide a listing of each TWS's affiliate performing any function for TWS.
3. Provide a customer count of inactive and active customers by month starting January 2017 to present.
4. Provide detail regarding TWS's Acct No. 601 Salaries & Wages—Employees and provide supporting documentation as identified in the following reports
  - a. The 2016 Annual Report submitted to TPUC in the amount of \$48,312; and
  - b. The Quarterly Report ending March 31, 2017 in the amount of \$2,190; and
  - c. The Quarterly Report ending June 30, 2017 (do not have a copy of this report).
5. Provide a copy of the current contracts for purchased water and purchased power.
6. Provide detail regarding TWS's Acct No. 630 Contractual Services and copies of any contracts related to the services provided as identified in the following reports:
  - a. The 2016 Annual Report submitted to TPUC in the amount of \$12,349; and
  - b. The Quarterly Report ending March 31, 2017 in the amount of \$2,904; and
  - c. The Quarterly Report ending June 30, 2017 (do not have a copy of this report).
7. Provide detail on TWS's Acct No. 672 Miscellaneous Expenses (identified as Acct No. 675 in quarterly report) and provide supporting documentation as identified in the following reports
  - a. The 2016 Annual Report submitted to TPUC in the amount of \$57,148; and
  - b. The Quarterly Report ending March 31, 2017 in the amount of \$7,851; and
  - c. The Quarterly Report ending June 30, 2017 (do not have a copy of this report).
8. Can you explain why the total water pumped and purchased in December 2016 did not decrease in proportion to the decrease in the amount of water sold to customers? Specifically 1,515 gallons of water were purchased in December 2016 (approximately the same for November 2016) and the water sold to customers was 430 in December 2016 (the number was 1,498 in November 2016). Please provide any documentation to support your explanation. Note: Information from the 2016 Annual Report.

It would be best if you could a rolling production of documents and information so that we may begin our more detailed analysis rather than waiting until you have all the information gathered together to send. As we move forward, there will be additional request but we wanted to go ahead and share our initial thoughts so far.

If you have any questions or concerns, feel free to contact me. If TWS's experts would like to talk to the Consumer Advocate's expert about this information request or seek other clarification, they can contact Hal Novak at 713-298-1760 or [halnovak@whnc.consulting.com](mailto:halnovak@whnc.consulting.com).

Respectfully,

**Karen H. Stachowski** | Assistant Attorney General

State of Tennessee

Office of the Attorney General & Reporter

Consumer Protection and Advocate Division

Post Office Box 20207

Nashville, TN 37202-0207

Direct Line: (615) 741-2370

Consumer Facsimile: (615) 532-2910

Consumer General Line: (615) 741-1671

[Karen.Stachowski@ag.tn.gov](mailto:Karen.Stachowski@ag.tn.gov)

**MAKING THE CASE  
FOR TENNESSEE**

TENNESSEE ATTORNEY GENERAL

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