

## TENNESSEE PUBLIC UTILITY COMMISSION



502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, Tennessee 37243

November 9, 2018

Melvin Malone, Esq.  
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**RE: Docket No. 18-00099 – *Expedited Joint Petition of Tennessee-American Water Company and thunder Air, Inc. d/b/a Jasper Highlands Development, Inc. for Approval of an Asset Purchase Agreement and for the Issuance of a Certificate of Convenience and Necessity***

Dear Mr. Malone:

In order to assist the Commission in its investigation of the above-captioned matter, it is requested that responses be provided to the questions contained in the attached data request.

Pursuant to TRA Rule 1220-1-1-.03(4), submit either an electronic response along with an original and four (4) written copies or an original written response and thirteen (13) copies. Also, please note that the requisite number of written copies of all requested information must be provided to the Docket Manager and electronic responses, if filed, must be in .pdf format. Any spreadsheet information must be submitted in excel format, electronically with formulas.

It is requested that all information be provided no later than 2 PM, Monday, November 26, 2018, and that Docket No. 18-00099 be referenced on the response. Should you have questions regarding the attached request, please contact Patsy Fulton at (615) 770-6887.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Foster".

David Foster, Director  
Utilities Division

cc: Linda Bridwell *(by email)*  
Wayne Irvin *(by email)*  
Docket File

## Staff Data Request #1

1. Provide a copy of the water purchase contract/agreement between Thunder Air Inc. and South Pittsburgh Water Board of Water Works and Sewers.
2. Provide a copy of all contracts between Thunder Air Inc. and Jasper Highlands Property Owners Association.
3. Provide a copy of the signed plat recorded with the city or county government indicating street names, common areas, etc. for the Jasper Highlands Development
4. Provide all completed schedules attached to the asset purchase agreement or an anticipated date that such schedules will be completed for Commission review.
5. Provide copies of all recorded warranty deeds for the Real Property being transferred to TAWC.
6. Provide copies of the Bill of Sale for all tangible and intangible personal property being transferred to TAWC.
7. Provide copies of all easements and any other transferable property rights being transferred to TAWC.
8. Provide a copy of the “as built” drawings of the water system as it currently exists, including location of all facilities.
9. Provide a copy of the contract or application for water service that customers must sign in order to receive or continue to receive water service from TAWC.
10. Will Thunder Air Inc. furnish and install any additional water infrastructure past the transfer date? If so, will the facilities installed be sold or given to TAWC?
11. Provide a copy of the latest fiscal year general ledger for the water system being transferred from Thunder Air, Inc. to TAWC and the latest fiscal year general ledger for Thunder Air, Inc.
12. Provide a copy of the 2017 tax returns for the water system being transferred from Thunder Air, Inc. to TAWC and for Thunder Air Inc.
13. Provide financial statements, including balance sheets, income statements and statements of cash flows for the past three years of the water system being transferred to TAWC.
14. On Page 7 (lines 7-9) of Mr. Kruchinski’s testimony, he states “The purchase price is supported by the current water rates and is less than the depreciated book value of the system. TAWC will adopt the current rates as charged by Thunder Air Inc.” Provide an itemized list of the total amount of plant investment being acquired by USOA account, including date purchased or placed into service, depreciation rate and current balance of accumulated depreciation. Also, please further discuss and provide all calculations prepared by TAWC that detail how the “purchase price is supported by the current rates.”
15. On page 6 (lines 21-22) of Mr. Kruchinski’s testimony, he states “TAWC will provide operations and management of the system with existing TAWC employees as an expansion of their current duties.” Please discuss in detail the Company’s proposed methods for allocating expenses to the newly acquired water system.
16. Provide TAWC’s budgeted financial statements, including balance sheets, income statements and statements of cash flows, for the first three years of operation for the

water system being transferred to TAWC. Please describe in detail all budget assumptions utilized to support these calculations.

17. Provide the total estimated investment and related expenses relating to necessary upgrades for new meters and the SCADA system. Please include these amounts in the above three-year budgeted financial statements.
18. Provide an itemized listing of all acquisition expenses that TAWC proposes to recover.
19. Are all customer locations equipped with water meters? If so, please indicate the meter size by residential, commercial or other.
20. Provide separately, the number of residential, commercial or other types of customers currently receiving water service within the Jasper Highlands development. Will all customers be transferred to TAWC?
21. What is the total number of gallons that the water system being transferred to TAWC is capable of serving?
22. Provide a copy of the complete billing register for January 2018 and the latest month available.
23. Provide copies of three different customer bills by customer type from the most recent month available.
24. Provide copies of water bills from South Pittsburgh Water Board of Water Works to Thunder Air for each of the past twelve months.
25. Provide the total number of gallons billed to customers by month for each of the past twelve months.
26. On page 7 (lines 10-12) of Ms. Bridwell's testimony, she states, "TAWC would apply all other ordinary fees that are applicable to all TAWC customers including late fees, service activation fees, disconnect fees, private fire fees and returned check fees." Please provide a schedule identifying the fees and charges that customers in the Jasper Highlands are currently assessed for these services, as well as proposed fees and charges that TAWC proposes to assess. Have these customers been notified of these proposed charges?
27. Provide copies of all notices and written communications provided by TAWC and Thunder Air Inc. to existing customers in the Jasper Highlands Development.
28. Please clarify whether TAWC is requesting a CCN for the entire 9,000 acre area.