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August 17, 2020

**VIA ELECTRONIC FILING**

Hon. Kenneth C. Hill, Chairman  
c/o Ectory Lawless, Docket Room Manager  
Tennessee Public Utility Commission  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243  
[TPUC.DocketRoom@tn.gov](mailto:TPUC.DocketRoom@tn.gov)

RE: *Joint Petition of Tennessee-American Water Company and Thunder Air, Inc. D/B/A Jasper Highlands Development, Inc. for the Approval of an Asset Purchase Agreement and for the Issuance of a Certification of Convenience and Necessity;*  
Docket No. 20-00011

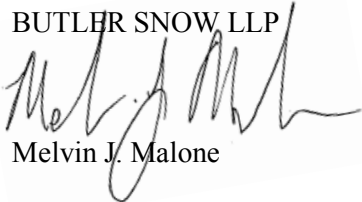
Dear Chairman Hill:

Enclosed for filing on behalf of Tennessee-American Water Company ("TAWC") in the above-captioned matter is a substitute, corrected page for the Pre-filed Direct Testimony of TAWC Witness Grady Stout, which was originally submitted on February 3, 2020. On page 12, line 249 of Mr. Stout's Pre-filed Direct Testimony the figure "\$5.2 million" is changed to "\$5.1 million." This correction is necessary due to the revisions to **CONFIDENTIAL EXHIBITS GS-4 and GS-5**. Also enclosed for filing on behalf of TAWC are substitute, corrected **CONFIDENTIAL EXHIBITS GS-4 and GS-5**, which were originally submitted along with Mr. Stout's Pre-filed Direct Testimony on February 3, 2020. **CONFIDENTIAL EXHIBITS GS-4 and GS-5** contain **CONFIDENTIAL INFORMATION** and are being submitted **UNDER SEAL** as **CONFIDENTIAL AND PROPRIETARY**. Original **CONFIDENTIAL EXHIBITS GS-4 and GS-5** inadvertently included Thunder Air, Inc./Jasper Highlands phase 4 amounts that are not a part of this transaction, as only phases 1-3 are included in this acquisition.

As required, one (1) hard copy will be mailed to your office. Should you have any questions concerning this filing, or require additional information, please do not hesitate to contact me.

Very truly yours,

BUTLER SNOW LLP

  
Melvin J. Malone

Attachment

cc: Elaine Chambers, TAWC  
William H. Horton, Thunder Air, Inc.  
Daniel P. Whitaker III, Consumer Advocate Unit

*The Pinnacle at Symphony Place  
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249 A. Yes. The System is relatively new and has a book value over \$5.1 million dollars,  
250 excluding depreciation.

251 **Q. DID RECENT AND PROJECTED GROWTH IN THE THUNDER AIR INC.**  
252 **DEVELOPMENT COMMUNITY IMPACT THE PURCHASE PRICE?**

253 A. Yes. The purchase price is based on the current number of connections which has grown  
254 over time, and the post-closing payments are based on future projections.

255 **Q. ARE THESE PROJECTIONS RELIABLE?**

256 A. Yes.

257 **Q. PLEASE PROVIDE AN ITEMIZED LIST OF THE TOTAL AMOUNT OF PLANT**  
258 **INVESTMENT BEING ACQUIRED.**

259 A. A System Valuation as provided by Thunder Air to TAWC is attached hereto as  
260 **Confidential Exhibit GS-4, submitted UNDER SEAL as CONFIDENTIAL AND**  
261 **PROPRIETARY.** The data within System Valuation illustrates the installed value of the  
262 System assets, as provided by Thunder Air Inc. Using this information, TAWC developed  
263 a schedule identifying each asset by utility plant account, and corresponding depreciation  
264 rate based on TAWC currently authorized depreciation rates and estimated accumulated  
265 depreciation since plant construction. This schedule is attached as **Confidential Exhibit**  
266 **GS-5, submitted UNDER SEAL as CONFIDENTIAL AND PROPRIETARY.**

267 **Q. DOES TAWC PROPOSE TO RECOVER ANY ACQUISITION EXPENSES?**

268 A. Yes. This is addressed in the Pre-Filed Direct Testimony of TAWC Witness Elaine K.  
269 Chambers.

**PUBLIC VERSION**

**Supplemental Exhibit GS-4**

**TPUC Docket No. 20-00011**

**PUBLIC VERSION**

**Supplemental Exhibit GS-5**

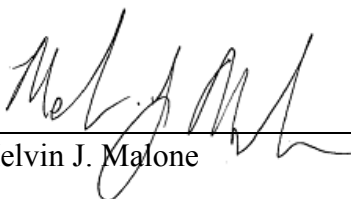
**TPUC Docket No. 20-00011**

## **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:

Daniel P. Whitaker III  
Assistant Attorney General  
Economic and Regulatory Section  
Financial Division, Consumer Advocate Unit  
Office of the Tennessee Attorney General  
War Memorial Building, 2nd Floor  
301 6th Avenue North  
Nashville, TN 37243  
[Daniel.Whitaker@ag.tn.gov](mailto:Daniel.Whitaker@ag.tn.gov)

This the 17<sup>th</sup> day of August, 2020.

  
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Melvin J. Malone