

BUTLER | SNOW

March 1, 2021

VIA ELECTRONIC FILING

Hon. Kenneth C. Hill, Chairman
c/o Ectory Lawless, Docket Room Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
TPUC.DocketRoom@tn.gov

RE: *Petition of Tennessee-American Water Company in Support of the Calculation of the 2021 Capital Recovery Riders Reconciliation, Docket No. 21- 00030*

Dear Chairman Hill:

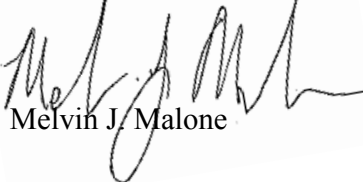
Attached for filing please find Tennessee-American Water Company's *Petition in Support of the Calculation of the 2021 Capital Recovery Riders Reconciliation*, along with sworn testimony, exhibits, proposed tariffs and workpapers.¹ Set forth within the *Petition* is a request for the entry of a protective order in the same form applied in TPUC Docket No. 20-00028.

As required, one (1) hard copy of the *Petition* and supporting documents will be mailed to your office along with a check in the amount of \$25.00 for the required filing fee.

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

clw

Attachments

cc: Elaine Chambers, TAWC
Karen H. Stachowski, Consumer Advocate Unit
Vance Broemel, Consumer Advocate Unit

¹ For administrative convenience, two USB drives of the *Petition*, and supporting documentation, are enclosed.

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

**PETITION OF TENNESSEE-
AMERICAN WATER COMPANY
REGARDING CHANGES TO THE
QUALIFIED INFRASTRUCTURE
INVESTMENT PROGRAM RIDER,
THE ECONOMIC DEVELOPMENT
INVESTMENT RIDER, AND THE
SAFETY AND ENVIRONMENTAL
COMPLIANCE RIDER AND IN
SUPPORT OF THE CALCULATION
OF THE 2021 CAPITAL RECOVERY
RIDERS RECONCILIATION**

DOCKET NO. 21- 00030

**PETITION IN SUPPORT OF THE CALCULATION
OF THE 2021 CAPITAL RECOVERY RIDERS RECONCILIATION**

Pursuant to Tennessee Code Annotated § 65-5-103 *et seq.*, and the Tennessee Public Utility Commission’s (“Commission” or “TPUC”) approval of the Amended Petition in TPUC Docket No. 13-00130 on April 14, 2014, Tennessee-American Water Company (“Tennessee American,” “TAWC” or “Company”) submits this Petition in Support of the Calculation of the 2021 Capital Recovery Riders Reconciliation. Consistent with the action of the Commission in TPUC Docket No. 13-00130, and the approved tariffs submitted therein, as well as the action taken by the Commission in related Capital Recovery Rider matters, including TPUC Docket Nos. 14-00121, 15-00029, 15-00111, 16-00022, 16-000126, 17-00020, 17-00124, 18-00022, 18-00120, 19-00031, 19-00105 and 20-00028.¹ In support of this Petition, Tennessee American states as follows:

¹ TPUC Docket No. 14-00121 is the matter in which TAWC submitted its first annual petition subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. The Commission deliberated on the merits of the Company’s petition in Docket No. 14-00121 on June 29, 2015, and TAWC submitted tariff filings compliant therewith on June 30, 2015 and August 28, 2015. *In Re: Petition of Tennessee-American Water Company*

for the Reconciliation of the 2015 Capital Riders, TPUC Docket No. 15-00029, is the matter in which TAWC submitted its first petition in support of the reconciliation calculations for the Capital Recovery Riders subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. The Commission deliberated on the merits of the Company's petition in Docket No. 15-00029 on October 19, 2015, and TAWC submitted a tariff filing compliant therewith on October 28, 2015.

TPUC Docket No. 15-00111 is the matter in which TAWC submitted its second annual petition subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. The Commission deliberated on the merits of the Company's petition in Docket No. 15-00111 on March 14, 2016, and TAWC submitted a tariff filing compliant therewith on March 21, 2016. *In Re: Petition of Tennessee-American Water Company for the Reconciliation of the 2015 Capital Riders*, TPUC Docket No. 16-00022, is the matter in which TAWC submitted its second petition in support of the reconciliation calculations for the Capital Recovery Riders subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. The Commission deliberated on the merits of the Company's petition in Docket No. 16-00022 on October 10, 2016, and TAWC submitted a tariff filing compliant therewith on October 14, 2016.

TPUC Docket No. 16-00126 is the matter in which TAWC submitted its third annual petition subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. The Commission deliberated on the merits of the Company's petition in Docket No. 16-000126 on March 13, 2017, and TAWC submitted a tariff filing compliant therewith on March 17, 2017. *In Re: Petition of Tennessee-American Water Company for the Reconciliation of the 2016 Capital Riders*, TPUC Docket No. 17-00020, is the matter in which TAWC submitted its third petition in support of the reconciliation calculations for the Capital Recovery Riders subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. The Commission deliberated on the merits of the Company's petition in Docket No. 17-00020 on August 15, 2017, and TAWC submitted a tariff filing compliant therewith on August 29, 2017.

TPUC Docket No. 17-00124 is the matter in which TAWC submitted its fourth annual petition subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. The Commission deliberated on the merits of the Company's petition in Docket No. 17-000124 on April 9, 2018, and TAWC submitted a tariff filing compliant therewith on April 13, 2018. *In Re: Petition of Tennessee-American Water Company for the Reconciliation of the 2018 Capital Riders*, TPUC Docket No. 18-00022, is the matter in which TAWC submitted its fourth petition in support of the reconciliation calculations for the Capital Recovery Riders subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. The Commission held a hearing on the merits of the Company's petition in Docket No. 18-00022 on September 11, 2018 and deliberated on the matter on December 17, 2018. Thereafter, the Company complied with the deliberations.

TPUC Docket No. 18-00120 is the matter in which TAWC submitted its fifth annual petition subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. The Commission held a hearing on the merits of the Company's petition in Docket No. 18-00120 on August 12, 2019 and deliberated on the matter on August 12, 2019. Thereafter, the Company complied with the deliberations. *In Re: Petition of Tennessee-American Water Company for the Reconciliation of the 2018 Capital Riders*, TPUC Docket No. 19-00031, is the matter in which TAWC submitted its fifth petition in support of the reconciliation calculations for the Capital Recovery Riders subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. The Commission held a hearing on the merits of the Company's petition in Docket No. 19-00031 on December 9, 2019 and deliberated on the same date. The Company submitted a compliant tariff in Docket No. 19-00031 on January 9, 2020.

TPUC Docket No. 19-00105 is the matter in which TAWC submitted its sixth annual petition subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. The Commission held a hearing on the merits of the Company's petition in Docket No. 19-00105 on May 11, 2020 and rendered its decision the same date. The Company submitted a compliant tariff in Docket 19-00105 on June 22, 2020. *In Re: Petition of Tennessee-American Water Company for the Reconciliation of the 2018 Capital Riders*, TPUC Docket No. 20-00028, is the matter in which TAWC submitted its sixth petition in support of the reconciliation calculations for the Capital Recovery Riders subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. The Commission held a hearing on the merits of the Company's petition in Docket No. 20-00028 on September 14, 2020 and rendered its decision on the same date. The Company submitted a compliant tariff in Docket No. 20-00028 on October 14, 2020.

TPUC Docket No. 20-00128 is the matter in which TAWC submitted its seventh annual petition subsequent to the approval of the Capital Recovery Rider tariffs in TPUC Docket No. 13-00130. This matter is currently pending.

I.

DESCRIPTION OF TENNESSEE AMERICAN

1. Tennessee American, a Tennessee corporation authorized to conduct a public utility business in the State of Tennessee, is a public utility as defined in Tenn. Code Ann. § 65-4-101, and provides residential, commercial, industrial and municipal water service, including public and private fire protection service, to Chattanooga and surrounding areas, including approximately 82,157 customers, that are subject to the jurisdiction of the Commission pursuant to Chapter 4 and Chapter 5 of Title 65 of the T.C.A. Tennessee American also serves customers in North Georgia. The rates for those customers are not regulated by the Public Service Commission of the State of Georgia but are instead regulated by this Commission.

2. Tennessee American is a wholly-owned subsidiary of American Water Works Company, Inc., which is the largest water holding company in the United States, providing water and wastewater services to approximately sixteen (16) million people in thirty-five (35) states.

3. Tennessee American's principal place of business is located at 109 Wiehl Street, Chattanooga, Tennessee 37406.

4. All correspondence and communication with respect to this Petition should be sent to the following:

Elaine K. Chambers
Director of Rates and Regulatory – Tennessee and Kentucky
Kentucky American Water Company
2300 Richmond Road
Lexington, KY 40502
elaine.k.chambers@amwater.com
(859) 268-6309 (office)
(859) 268-6327 (fax)

Melvin J. Malone
Butler Snow LLP
The Pinnacle at Symphony Place
150 3rd Avenue South, Suite 1600
Nashville, TN 37201
melvin.malone@butlersnow.com
(615) 651-6705 (office)
(615) 651-6701 (fax)

II.

BACKGROUND

5. In 2013, the Tennessee General Assembly passed House Bill 191, which revised Tenn. Code Ann. § 65-5-103 to allow alternative regulatory methods and mechanisms that recover certain costs without convening a general rate case, as long as specific criteria are satisfied, including, but not limited to, the Commission making a finding, prior to approval, that such alternative methods and mechanisms are in the public interest.

6. On October 4, 2013, Tennessee American submitted a Petition (the “*October 2013 Petition*”) seeking approval of four (4) proposed alternative regulatory methods and mechanisms as permitted under Tenn. Code Ann. § 65-5-103 *et seq.* More specifically, the Company sought approval for a Qualified Infrastructure Investment Program Rider (“QIIP”),² an Economic Development Investment Rider (“EDI”),³ a Safety and Environmental Compliant Rider (“SEC”)⁴ and a Pass-Throughs mechanism for Fuel, Purchased Power, Chemicals,

² The QIIP Rider is designed, in part, to mitigate regulatory lag, to accelerate the timeframe of essential infrastructure upgrades and replacements, and to produce a safer and more reliable water distribution and production system for ratepayers. Additionally, this mechanism has many other customer benefits and protections, including the lessening of the occurrence of “rate shock” associated with Base Rate increases.

³ The EDI Rider is designed, in part, to promote the public interest by supporting and enhancing Tennessee American’s ability to serve both growing and new businesses and by permitting the Company to prudently promote economic development, growth and expansion in its service area.

⁴ Generally, the SEC Rider supports the Company’s ability to serve the public interest by providing safe and reliable drinking water. The current regulatory environment, coupled with aging infrastructure, will require a larger investment in safety and environmental compliance not previously recognized in the Company’s rates. Hence, one of the benefits of this rider is avoiding “rate shock” by permitting smaller, more gradual rate increases over time.

Purchased Water, Wheeling Water Costs, Waste Disposal and TPUC Inspection Fee (“PCOP”).⁵⁶ One of the primary regulatory concepts underlying the then-proposed Capital Riders and PCOP was to allow, with the requisite safeguards to serve the public interest, smaller, gradual increases in rates and thereby lessen the occurrence of “rate shock.” One of the many benefits of this new, more streamlined recovery approach would be the likelihood of less frequent rate case filings.

7. On January 10, 2014, the Company and the Attorney General and Reporter for the State of Tennessee, through the Consumer Advocate and Protection Division, now the Consumer Advocate Unit in the Financial Division, (“CA” or “Consumer Advocate”), submitted a Stipulation in TPUC Docket No. 13-00130 (the “*Stipulation*”), resolving the contested issues presented and offering the *Stipulation* to the Commission for its review, consideration and approval. Considering the *Stipulation* and the supporting documentation as an Amended Petition, the Commission approved the Capital Recovery Riders and the PCOP on April 14, 2014.⁷

III.

THE APPROVED CAPITAL RECOVERY RIDERS, THE PCOP AND THIS PETITION

8. Detailed explanations of the Capital Recovery Riders and the PCOP, along with underlying supporting documentation, are set forth in the Direct, Rebuttal and Supplemental Testimony of Gary M. VerDouw in TPUC Docket No. 13-00130.⁸ Moreover, the Company’s

⁵ The PCOP is designed to streamline the recovery process by permitting Tennessee American to recovery the largest non-labor related component of the Company’s operations and maintenance expenses in a more timely manner, as increases in these essential and non-discretionary expenses (such as chemicals and power) are outside the control of the Company’s management.

⁶ For ease of reference, the QIIP, the EDI and the SEC are referred to collectively herein as the “Capital Recovery Riders.”

⁷ *Transcript of Proceedings, In the Matter of Tennessee Public Utilities Commission Conference*, TPUC Docket No. 13-00130, pp. 14-16 (April 14, 2014) (excerpt) (hereinafter “*Hearing Tr.*”). See also *Order Approving Amended Petition*, TPUC Docket No. 13-00130 (Jan. 27, 2016).

⁸ The Testimony of CA Witness William H. Novak in TPUC Docket No. 13-00130 likewise aided in shaping the *Stipulation* and the Amended Petition as well.

revised tariff sheets setting forth the Capital Recovery Riders, the PCOP, and the regulatory safeguards related thereto, were submitted in TPUC Docket No. 13-00130 on March 25, 2014 (the “*Approved Tariffs*”), and approved by the Commission as part of the Amended Petition on April 14, 2014.

9. On April 14, 2014, the Commission determined, after a review of the evidentiary record in TPUC Docket No. 13-00130, including the *Stipulation* and the *Approved Tariffs*, that the proposed Capital Recovery Riders and the PCOP were reasonable and that the *Approved Tariffs* met the requirements of Tenn. Code Ann. § 65-5-103 *et seq.*⁹ As set forth in the *Approved Tariffs*, the Commission noted that the Capital Recovery Riders and the PCOP would not only accommodate a more timely recovery process for necessary costs and expenses, but also that these methods and mechanisms would further avoid the delay and expense commonly associated with full blown rate case proceedings.¹⁰ Finally, the Commission found the Amended Petition to be in the public interest.¹¹

10. As set forth in the *Approved Tariffs*, on or before December 1 of each year, Tennessee American is required to file with the Commission its QIIP, EDI and SEC Rider projections for the upcoming calendar year in the manner, and with the accompanying support, required by the *Approved Tariffs* and the Commission. As required, the Company previously submitted these projections to the Commission in TPUC Docket No. 20-00128.

11. As set forth in the *Approved Tariffs*, within forty-five (45) days of the end of the most recently authorized attrition year set forth in the most recent rate case order, and every twelve (12) months subsequent to the end of that attrition year, the Company shall submit to the

⁹ *Hearing Tr.* at 14-16. See also *Order Approving Amended Petition*, TPUC Docket No. 13-00130 (Jan. 27, 2016).

¹⁰ *Id.* at 15. See also *Order Approving Amended Petition*, TPUC Docket No. 13-00130 (Jan. 27, 2016).

¹¹ *Id.* See also *Order Approving Amended Petition*, TPUC Docket No. 13-00130 (Jan. 27, 2016).

Commission an annual filing calculating the PCOP percentage rate.¹² The PCOP percentage rate shall become effective thirty (30) days after the annual filing is submitted to the Commission and shall be applied as an adjustment to customers' bills for the twelve (12) month period following the effective date of the PCOP percentage rate. As required, the Company previously submitted the annual filing calculating the PCOP percentage rate to the Commission in TPUC Docket No. 21-00006.

12. As set forth in the *Approved Tariffs*, no later than March 1 of each year, Tennessee American is required to file with the Commission its QIIP, EDI, and SEC Rider reconciliations for the previous calendar year in the manner, and with the accompanying support, required by the *Approved Tariffs* and the Commission. Based upon Tenn. Code Ann. § 65-5-103 *et seq.*, and consistent with the *Approved Tariffs*, as well as the action of the Commission in the related Capital Recovery Rider matters, including TPUC Docket Nos. 14-00121, 15-00029, 15-00111, 16-00022, 16-00126, 17-00020, 17-000124, 18-00022, 18-00120, 19-00031, 19-00105 and 20-00028, Tennessee American is submitting its reconciliation for the Capital Recovery Riders.

13. In further support of its Petition, Tennessee American has simultaneously filed the following direct testimony, which is incorporated herein by reference:

- (a) **Direct Testimony of Elaine K. Chambers**, which provides underlying support for the calculation of the 2021 Capital Recovery Riders Reconciliation and sponsors certain Tennessee American Exhibits.
- (b) **Direct Testimony of Kurt A. Stafford**, which provides underlying support for the calculation of the 2021 Capital Recovery Riders

¹² The PCOP differs from the Capital Riders in that it is based upon actual historical expense increases, rather than a forward-looking, projection mechanism.

Reconciliation, including support for the capital investments and capital expenditures, and sponsors certain Tennessee American Exhibits.

14. As requested by Tennessee American, and as permitted under the *Approved Tariffs*, the Commission permitted the tariffs submitted in Docket No. 20-00128 to become effective on January 1, 2021. As set forth in the pre-filed testimony accompanying this Petition, and consistent with the *Approved Tariffs*, Tennessee American respectfully requests that the tariffs submitted herein be permitted to become effective April 1, 2021.¹³ If the tariffs become effective on April 1, the typical residential customer living in the City of Chattanooga, and using an average of 4,154 gallons per month, will see an increase in their bill of approximately \$.63 per month, or \$5.70 in 2021.

15. Tennessee American has filed simultaneously with this Petition the necessary tariffs.

16. In order to ensure the timely submission of relevant information in this matter, Tennessee American hereby requests the entry of a protective order similar to that approved in TPUC Docket No. 20-00028. Such a proposed protective order is attached hereto as **EXHIBIT A**.

17. Tennessee American submits that the Petition, and its accompanying support documentation, are consistent with Tenn. Code Ann. § 65-5-103 *et seq.*, consistent with the action of the Commission on the Amended Petition, and subsequent related dockets, and consistent with and serve the public interest. Therefore, this Petition and Tennessee American's associated tariffs should be approved.

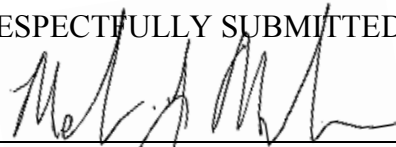
¹³ Any differences between the tariffs placed into effect on April 1, and the decisions reached by the Commission upon a review of the Petition and its supporting documentation, will be trued-up in the revised, compliant tariffs implementing such Commission deliberations in this docket.

WHEREFORE, Tennessee American respectfully requests:

1. That the Commission approve this Petition and issue an order pursuant to Tenn. Code Ann. § 65-5-103 *et. seq.* and consistent with the action of the Commission on the Amended Petition in TPUC Docket No. 13-00130 and subsequent Capital Recovery Riders dockets;
2. That the Commission approve the calculation of the 2021 Capital Recovery Riders Reconciliation as submitted herein;
3. That the Commission permit the tariffs filed with this Petition to become effective on April 1, 2021, consistent with the *Approved Tariffs*;
4. That the Commission approve Tennessee American's tariffs, as submitted herein, with an effective date of April 1, 2021, as permitted under the *Approved Tariffs*; and
5. That the Commission grant such other and/or further relief as may be warranted.

This the 1st day of March 2021.

RESPECTFULLY SUBMITTED,



MELVIN J. MALONE (BPR #013874)
Butler Snow LLP
150 3rd Avenue South, Suite 1600
Nashville, TN 37201
melvin.malone@butlersnow.com
(615) 651-6705

Attorneys for Tennessee-American Water Company

Dated: March 1, 2021

EXHIBIT A

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION NASHVILLE, TENNESSEE

PETITION OF TENNESSEE-)
AMERICAN WATER COMPANY)
REGARDING CHANGES TO THE)
QUALIFIED INFRASTRUCTURE)
INVESTMENT PROGRAM RIDER,)
THE ECONOMIC DEVELOPMENT)
INVESTMENT RIDER, AND THE)
SAFETY AND ENVIRONMENTAL)
COMPLIANCE RIDER AND IN)
SUPPORT OF THE CALCULATION)
OF THE 2021 CAPITAL RECOVERY)
RIDERS RECONCILIATION)

DOCKET NO. 21-_____

PROTECTIVE ORDER

To expedite the flow of filings, discovery, exhibits and other materials, and to facilitate the prompt resolution of disputes regarding confidentiality of the material, adequately protect material entitled to be kept confidential and to ensure that protection is afforded only to material so entitled, the Hearing Officer, as appointed by the Tennessee Public Utilities Commission (“TPUC”), hereby orders the following:

1. For the purpose of this Protective Order (the “Order”), proprietary or confidential information, hereinafter referred to as “CONFIDENTIAL INFORMATION” shall mean documents and information in whatever form which the producing party, in good faith, deems to contain or constitute trade secrets, confidential commercial information, confidential research, development, financial statements, confidential data of third parties, or other commercially sensitive information, and which has been specifically designated by the producing party. A “Producing Party” is defined as the party creating the confidential information as well as the

party having actual physical possession of information produced pursuant to this Order. All summaries, notes, extracts, compilations or other direct or indirect reproduction from or of any protected materials shall be entitled to protection under this Order. Documents containing CONFIDENTIAL INFORMATION shall be specifically marked as “CONFIDENTIAL” on the cover and each page of the document. Any document so designated shall be handled in accordance with this Order. The provisions of any document containing CONFIDENTIAL INFORMATION may be challenged under Paragraph 12 of this Order.

2. Any individual or company subject to this Order, including producing parties or persons reviewing CONFIDENTIAL INFORMATION, shall act in good faith in discharging their obligations hereunder. Parties permitted to intervene in this matter after the date of entry of this Protective Order shall be subject to the terms and conditions of this Protective Order and will be allowed access to CONFIDENTIAL INFORMATION under the conditions prescribed herein.

3. CONFIDENTIAL INFORMATION shall be used only for the purposes of this proceeding, and shall be expressly limited and disclosed only to the following persons:

- (a) Counsel of record for the parties and other legal counsel for the parties in this case and associates, secretaries and paralegals actively engaged in assisting counsel of record in this proceeding;
- (b) TPUC Directors and members of the staff of the TPUC;
- (c) Officers, directors, or employees of the parties, including employees of intervenors and the Office of the Tennessee Attorney General; provided, however, that CONFIDENTIAL INFORMATION shall be shown only to those persons having a need to know;
- (d) Representatives of the parties who need to know because they are actively engaged in assisting counsel of record in preparing for this proceeding; and
- (e) Outside consultants and expert witnesses (and their Staff) employed or retained by the parties or their counsel, who need access to CONFIDENTIAL INFORMATION solely for evaluation, testing, testimony, preparation for trial or other services related to this docket, provided that to the extent that any party seeks to disclose

CONFIDENTIAL INFORMATION to any outside consultant or expert witness, the party shall give five (5) days written notice to the Producing Party of intention to disclose CONFIDENTIAL INFORMATION. During such notice period, the Producing Party may move to prevent or limit disclosure for cause, in which case no disclosure shall be made until the TPUC or the Hearing Officer rules on the motion. Any such motion shall be filed within three (3) days after service of the notice. Any response shall be filed within three (3) days after service of the Motion. A Pre-Hearing Conference may be called to confer with the parties on the Motions to Limit Disclosure. All service shall be by hand delivery, facsimile or email. All filings by email in this docket shall be followed up by delivering a hard copy of the filing to the Docket Manager of the TPUC.

4. Notwithstanding the provisions in Paragraph 3 above, under no circumstances shall any CONFIDENTIAL INFORMATION be disclosed to or discussed with anyone associated with the marketing of products, goods, or services that may be in competition with the products, goods or services of the Producing Party. Counsel for the parties are expressly prohibited from disclosing CONFIDENTIAL INFORMATION produced by another party to their respective clients, except for in-house counsel and persons who need to know in order to assist counsel of record with preparation of this case.

5. (a) Prior to disclosure of CONFIDENTIAL INFORMATION to any employee or associate counsel for a party, the counsel representing the party who is to receive the CONFIDENTIAL INFORMATION shall provide a copy of this Order to the recipient employee or associate counsel, who shall be bound by the terms of this Order. Prior to disclosure of CONFIDENTIAL INFORMATION to any outside consultant or expert witness employed or retained by a party, counsel shall provide a copy of this Order to such outside consultant or expert witness, who shall sign the Nondisclosure Statement in the form of that attached to this Order attesting that he or she has read a copy of this Order, that he or she understands and agrees to be bound by the terms of this Order, and that he or she understands that unauthorized disclosure of documents labeled “CONFIDENTIAL” constitutes a violation of this Order. The

Nondisclosure Statement shall be signed in the presence of and be notarized by a notary public. Counsel of record for each party shall provide the Producing Party a copy of each such Nondisclosure Statement and shall keep the Nondisclosure Statements executed by the parties' experts or consultants on file in their respective offices.

(b) Disclosure of CONFIDENTIAL INFORMATION other than as provided for in this Protective Order shall not be made to any person or entity except with the express written consent of the Producing Party or upon further order of the TPUC or of any court of competent jurisdiction.

6. If any party or non-party subject to this Order inadvertently fails to designate documents as CONFIDENTIAL in accordance with the provisions of this Order when producing the documents this failure shall not constitute a waiver of confidentiality, provided the party or non-party who has produced the document shall notify the recipient of the document in writing within five (5) days of discovery of such inadvertent failure to designate the document as CONFIDENTIAL. At that time, the recipients will immediately treat the subject document as CONFIDENTIAL. In no event shall the TPUC, or any party to this Order, be liable for any claims or damages resulting from the disclosure of a document provided while not so labeled as "CONFIDENTIAL." An inadvertent failure to designate a document as CONFIDENTIAL, shall not, in any way, affect the TPUC's determination as to whether the document is entitled to CONFIDENTIAL status.

7. If any party or non-party subject to this Order inadvertently fails to designate documents as CONFIDENTIAL in accordance with the provisions of this Order when producing such documents and the failure is not discovered in time to provide a five (5) day notification to the recipient of the confidential nature of the documents referenced in the paragraph above, the

failure shall not constitute a waiver of confidentiality and a party by written motion or by oral motion at a Pre-Hearing Conference or at the Hearing on the Merits may request designation of the documents as CONFIDENTIAL, and if the motion is granted by the Hearing Officer or the Commission, the recipients shall immediately treat the subject documents as CONFIDENTIAL. The Tennessee Public Utilities Commission or the Hearing Officer may also, at his or her discretion, either before or during the Pre-Hearing Conference or Hearing on the Merits of the case, allow information to be designated CONFIDENTIAL and treated as such in accordance with the terms of this Order.

8. Any papers filed in this proceeding that contain, quote, paraphrase, compile or otherwise disclose documents covered by the terms of this Order, or any information contained therein, shall be filed and maintained in the TPUC Docket Room in sealed envelopes marked CONFIDENTIAL and labeled to reflect the style of this proceeding, the docket number, the contents of the envelope sufficient to identify its subject matter and this Protective Order. The envelopes shall be maintained in a locked filing cabinet. The envelopes shall not be opened or their contents reviewed by anyone except upon order of the TPUC or the Hearing Officer after due notice to counsel of record. The filing party shall also include with the filing a public version of the papers with any CONFIDENTIAL INFORMATION redacted. The public version shall reflect the style of the proceeding, the docket number, the contents of the envelope sufficient to identify its subject matter and shall reference this Protective Order. Notwithstanding the foregoing, the Directors and the Staff of the TPUC may review any paper filed as CONFIDENTIAL without obtaining an order of the TPUC or the Hearing Officer provided the Directors and Staff maintain the confidentiality of the paper in accordance with the terms of this Order.

9. Documents, information and testimony designated as CONFIDENTIAL or PROTECTED SECURITY MATERIALS (as defined in Paragraph 20) in accordance with this Order, may be used in testimony at the Hearing of this proceeding and offered into evidence or used in any hearing related to this action in a manner that protects the confidentiality of the information, subject to the Tennessee Rules of Evidence and to such future orders as the TPUC or the Hearing Officer may enter. Any party intending to use documents, information, or testimony designated CONFIDENTIAL or PROTECTED SECURITY MATERIALS shall inform the Producing Party and the TPUC or the Hearing Officer prior to the Hearing on the Merits of the case, of the proposed use; and shall advise the TPUC or the Hearing Officer and the Producing Party before use of the information during witness examinations so that appropriate measures can be taken by the TPUC or the Hearing Officer to protect the confidential nature of the information.

10. Except for documents filed in the TPUC Docket Room, all documents covered by the terms of this Order that are disclosed to the requesting party shall be maintained separately in files marked CONFIDENTIAL and labeled with reference to this Order at the offices of the requesting party's counsel of record, kept in a secure place and returned to the Producing Party pursuant to Paragraph 17 of this Order.

11. Nothing herein shall be construed as preventing any party from continuing to use and disclose any information (a) that is in the public domain, or (b) that subsequently becomes part of the public domain through no act of the party, or (c) that is disclosed to it by a third party, where said disclosure does not itself violate any contractual or legal obligation, or (d) that is independently developed by a party, or (e) that is known or used by it prior to this proceeding.

The burden of establishing the existence of (a) through (e) shall be upon the party attempting to use or disclose the information.

12. Any party may contest the designation of any document or information as CONFIDENTIAL or PROTECTED SECURITY MATERIALS by filing a Motion with the TPUC or Hearing Officer as appropriate, for a ruling that the documents, information or testimony should not be so treated. Upon the filing of such a motion, the designating party shall bear the burden of supporting its designation of the documents or information at issue as CONFIDENTIAL INFORMATION. All documents, information and testimony designated as CONFIDENTIAL or PROTECTED SECURITY MATERIALS, however, shall be maintained as such until the TPUC or the Hearing Officer orders otherwise. A Motion to contest must be filed not later than fifteen (15) days prior to the Hearing on the Merits. Any Reply seeking to protect the status of CONFIDENTIAL INFORMATION or PROTECTED SECURITY MATERIALS must be received not later than ten (10) days prior to the Hearing on the Merits and shall be presented to the Commission at the Hearing on the Merits for a ruling.

13. Nothing in this Order shall prevent any party from asserting any objection to discovery other than an objection based upon grounds of confidentiality.

14. Non-party witnesses shall be entitled to invoke the provisions of this Order by designating information disclosed or documents produced for use in this action as CONFIDENTIAL, in which event the provisions of this Order shall govern the disclosure of information or documents provided by the non-party witness. A designation of information as CONFIDENTIAL by a non-party witness may be challenged under Paragraph 12 of this Order.

15. No person authorized under the terms herein to receive access to documents, information, or testimony designated as CONFIDENTIAL shall be granted access until such person has complied with the requirements set forth in Paragraph 5 of this Order.

16. Any person to whom disclosure or inspection is made in violation of this Order shall be bound by the terms of this Order.

17. Upon entry of a final order in this proceeding and conclusion of any appeals resulting from such an order, except as to the Attorney General and TPUC, all the filings, exhibits and other materials and information designated CONFIDENTIAL or PROTECTED SECURITY MATERIALS and all copies thereof shall be returned to counsel of the Producing Party within fifteen (15) days. Notwithstanding any provision herein to the contrary, the requirement of this paragraph shall become operative immediately upon any intervenor who withdraws or otherwise ceases to be a party to the case, even though the case itself may continue to be pending. Subject to the requirements of Paragraph 8 above, the TPUC shall retain copies of information designated as CONFIDENTIAL or PROTECTED SECURITY MATERIALS as may be necessary to maintain the record of this case intact. Counsel who received the filings, exhibits and other materials, designated as CONFIDENTIAL or PROTECTED SECURITY MATERIALS shall certify to counsel for the Producing Party that all the filings, exhibits and other materials, plus all copies or extracts, notes or memorandums from the filings, exhibits and other materials, and all copies of the extracts from the filings, exhibits and other materials thereof have been delivered to counsel for the Producing Party or destroyed and that with respect to any electronic copies of CONFIDENTIAL INFORMATION or PROTECTED SECURITY MATERIALS received or mentioned by the receiving party, all reasonable efforts have been undertaken to eliminate said information. If any electronic CONFIDENTIAL INFORMATION

or PROTECTED SECURITY MATERIALS cannot be eliminated through the use of reasonable efforts, any such remaining materials shall be subject to the continuing restrictions contained in paragraph eighteen (18) of this Order.

18. After termination of this proceeding, the provisions of this Order relating to the confidential nature of CONFIDENTIAL INFORMATION or PROTECTED SECURITY MATERIALS, information and testimony shall continue to be binding upon parties herein and their officers, employers, employees, agents, and/or others unless this Order is vacated or modified or is supplanted by an order of the court or courts before which is pending a challenge to any order entered in this proceeding.

19. Nothing herein shall prevent entry of a subsequent order, upon an appropriate showing, requiring that any documents, information or testimony designated as CONFIDENTIAL shall receive protection other than that provided herein.

20. In addition to the other provisions of this Order, Tennessee American Water Company (“the Company”) may designate and label as “PROTECTED SECURITY MATERIALS” documents and information related to security measures undertaken to protect public health and safety. The Company shall provide access to PROTECTED SECURITY MATERIALS to TPUC Directors and members of the staff of the TPUC and further only to authorized representatives of the Intervenors in this docket.

21. The Company shall provide access to an authorized representative to PROTECTED SECURITY MATERIALS only after such authorized representative has executed a Nondisclosure Statement in the form of that attached to this Order and provided a copy to the Company. Except, with consent of the Company: (i) access shall be at the offices of the Company or its counsel of record and under supervision of the Company; (ii) PROTECTED

SECURITY MATERIALS shall not be removed from the offices of the Company or its counsel;

(iii) no copies shall be provided to an authorized representative except as provided herein. Authorized representatives may make notes or memoranda from a review of the PROTECTED SECURITY MATERIALS and may remove such notes and memoranda. In all other respects such notes and memoranda shall remain PROTECTED SECURITY MATERIALS and subject to the provisions hereof. PROTECTED SECURITY MATERIALS shall be used only to assist TPUC staff or any other party to prepare for and to try this proceeding and shall not be used for any other purpose in this or any other jurisdiction.

22. Except as provided in this Order, the contents of PROTECTED SECURITY MATERIALS to which the TPUC staff or other party is given access, and any notes, memoranda, or any form or information or opinions regarding or derived from the PROTECTED SECURITY MATERIALS shall not be disclosed to anyone other than an authorized representative in accordance with the Order, except that an authorized representative may disclose his or her conclusions or findings solely within, and for the purposes of, this proceeding and in accordance with this Order. PROTECTED SECURITY MATERIALS shall not otherwise be published, disclosed or divulged except as expressly provided herein. The TPUC Directors, TPUC staff and any other party shall treat all notes memoranda or opinions regarding or derived from the PROTECTED SECURITY MATERIALS as confidential and shall keep them in a secure location with access limited to an authorized representative, and the contents of PROTECTED SECURITY MATERIALS and any information derived from them shall be considered highly confidential, and shall not be deemed public records. The TPUC staff, any party, Hearing Officer, or the TPUC Directors may discuss any position or conclusion regarding

security expenditures and testimony in briefs, orders, pleadings, or hearings in this proceeding without disclosing protected information to the public in accordance with this Order.

23. The Attorney General and his staff have authority to enter into Nondisclosure Agreements pursuant to Tenn. Code Ann. § 65-4-118 which are consistent with state and federal law, regulations and rules.

24. The Attorney General and his staff agree to keep CONFIDENTIAL INFORMATION in a secure place and will not permit them to be seen by any person who is not an employee of the State of Tennessee, the Office of Attorney General and Reporter, or a person who has not signed a Nondisclosure Agreement.

25. The Attorney General and his staff may make copies of CONFIDENTIAL INFORMATION or any portion thereof. To the extent permitted by state and federal law, regulations and rules, all notes utilizing supporting information shall be subject to the terms of this Order to the extent factual assertions are derived from the supporting information.

26. To the extent permitted by state law, the Attorney General will provide timely notice of filing or disclosure in the discharge of the duties of the Office of the Attorney General and Reporter, pursuant to Tenn. Code Ann. § 10-7-504(a)(5)(C) or any other law, regulation or rule, so that the Company may take action relating to disclosure.

27. CONFIDENTIAL INFORMATION is subject to this Protective Order, which is entered pursuant to the Tennessee Rules of Civil Procedure. If any person or entity subject to this Protective Order receives a request or subpoena seeking the disclosure or production of information labeled as “CONFIDENTIAL INFORMATION” by a party, such person or entity shall give prompt written notice to the TPUC Hearing Officer and the party within not more than five (5) days of receiving such a request, subpoena or order and: (i) shall respond to the request,

subpoena or order, in writing, stating that the CONFIDENTIAL INFORMATION is protected pursuant to this Protective Order; and (ii) shall not disclose or produce such CONFIDENTIAL INFORMATION unless and until subsequently ordered to do so by a court of competent jurisdiction. This Protective Order shall operate as an exception to the Tennessee Public Records Act, as set forth in the language of Tenn. Code Ann. § 10-7- 503(a) “. . . unless otherwise provided by state law.” (See, e.g., Ballard v. Herzke, 924 S.W.2d 652 (Tenn. 1996); Arnold v. City of Chattanooga, 19 S.W.3d 779 (Tenn. Ct. App. 1999) (holding that “state law” includes the Tennessee Rules of Civil Procedure)). Because this Protective Order is issued pursuant to the Tennessee Rules of Civil Procedure, this Order creates an exception to any obligations of the Attorney General, including attorneys and members of theirs, as to the Public Records Act and other open records statutes as to CONFIDENTIAL INFORMATION. In the event that any court of competent jurisdiction determines in the course of a lawsuit brought as a result of a person’s or entity’s fulfillment of the obligations contained in this paragraph that information designated as “CONFIDENTIAL INFORMATION” by a party is not CONFIDENTIAL INFORMATION as defined in paragraph 1 of this Protective Order, then the party designating the information as “CONFIDENTIAL INFORMATION” shall be responsible for all costs associated with or assessed in the lawsuit. This Protective Order acknowledges the role and responsibilities of the Attorney General and the Attorney General’s staff, as set forth in Title 8, Chapter 6 of the Tennessee Statutes, beyond the duties associated with the Consumer Advocate and Protection Division, as prescribed in Tenn. Code Ann. § 65-4-118. This Protective Order is not intended to conflict with the Attorney General’s role and responsibilities, especially the investigative functions, as set forth in Title 8, Chapter 6. For there to be compliance with this Protective Order, any CONFIDENTIAL INFORMATION shared outside of the Consumer Advocate and

Protection Division must be provided the full and complete protection afforded other confidential or protected information in the control and custody of the Attorney General.

28. The designation of any information, documents or things in accordance with this Order as constituting or containing confidential or proprietary information the Attorney General's, or their respective staff's, treatment of such material as confidential or proprietary in compliance with this Order is not an admission or agreement by the Attorney General, or their respective staff, that the material constitutes or contains confidential commercial information or trade secret information and shall not be deemed to be either a waiver of the right to challenge such designation or an acceptance of such designation. The Company agrees to designate information, documents or things provided to the Attorney General as confidential commercial information or trade secret if it has a good faith basis for the claim. The Company will upon request of the Attorney General, or their respective staff, provide a written explanation of the details, including statutory authority, that support its confidential commercial information or trade secret claim within five (5) days of a written request. The Company also specifically agrees that it will not designate any documents as CONFIDENTIAL INFORMATION or label such documents as "CONFIDENTIAL" if the documents:

- (a) have been distributed to the public, consumers or others, provided that proprietary customer information provided by the Company to its customers or their marketers may be designated as CONFIDENTIAL INFORMATION; or
- (b) are not maintained by the Company as confidential commercial information or trade secrets or are not maintained by the Company as proprietary customer information.

29. Nothing in this Order shall prevent the Attorney General from using the CONFIDENTIAL INFORMATION received for investigative purposes in the discharge of the duties of the Office of the Attorney General and Reporter. Additionally, nothing in this Order shall prevent the Attorney General from informing state officials and third parties of the fact of an investigation, as needed, to conduct the investigation. Without limiting the scope of this paragraph, nothing in this Order shall prevent the Attorney General from contacting consumers whose names were provided by the Company or from discussing with any consumer any materials that he or she allegedly received from the Company or confirming that a consumer actually received the materials, to the extent that the Attorney General or his staff does so in a manner that complies with the provisions of this Order.

30. The terms of the foregoing paragraphs 23 through 29 do not apply to PROTECTED SECURITY MATERIALS as set forth in paragraphs 20-22 of this Order. PROTECTED SECURITY MATERIALS shall be treated in accordance with paragraphs 20-22.

31. All information, documents and things designated as CONFIDENTIAL INFORMATION or PROTECTED SECURITY MATERIALS and produced in accordance with this Order may be disclosed in testimony or offered into evidence at any TPUC or court hearing, trial, motion or proceeding of this matter, subject to the provisions of this Order, including paragraph 9, and the applicable Rules of Evidence. The party who produced the information, documents and things designated as CONFIDENTIAL INFORMATION or PROTECTED SECURITY MATERIALS agrees to stipulate to the authentication of such information, documents and things in any such proceeding.

32. Nothing in this Order is intended to restrict or alter federal or state laws, regulations or rules.

33. Any person who has signed a Nondisclosure Statement or is otherwise bound by the terms of this Order shall continue to be bound by this Order and/or Nondisclosure Statement even if no longer employed or engaged by the TPUC or Intervenors.

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

**PETITION OF TENNESSEE-)
AMERICAN WATER COMPANY)
REGARDING CHANGES TO THE)
QUALIFIED INFRASTRUCTURE)
INVESTMENT PROGRAM RIDER,)
THE ECONOMIC DEVELOPMENT)
INVESTMENT RIDER, AND THE)
SAFETY AND ENVIRONMENTAL)
COMPLIANCE RIDER AND IN)
SUPPORT OF THE CALCULATION)
OF THE 2021 CAPITAL RECOVERY)
RIDERS RECONCILIATION)**

DOCKET NO. 21-_____

NONDISCLOSURE STATEMENT

I have reviewed the Protective Order entered in the above-captioned matter and agree to abide and be bound by its terms. I understand that unauthorized disclosure of information or documents labeled "CONFIDENTIAL" or "PROTECTED SECURITY MATERIALS" will be a violation of the Protective Order.

DATE

NAME

STATE OF _____)

COUNTY OF _____)

Personally appeared before me, _____, a Notary Public,
_____, with whom I am personally acquainted, who
acknowledged that he/she executed the within instrument for the purposes therein contained.

WITNESS my hand, at office, this _____ day of _____, 2021.

NOTARY PUBLIC

My Commission Expires: _____

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

**PETITION OF TENNESSEE-)
AMERICAN WATER COMPANY)
REGARDING CHANGES TO THE)
QUALIFIED INFRASTRUCTURE)
INVESTMENT PROGRAM RIDER,)
THE ECONOMIC DEVELOPMENT)
INVESTMENT RIDER, AND THE)
SAFETY AND ENVIRONMENTAL)
COMPLIANCE RIDER AND IN)
SUPPORT OF THE CALCULATION)
OF THE 2021 CAPITAL RECOVERY)
RIDERS RECONCILIATION)**

DOCKET NO. 21- _____

VERIFICATION

STATE OF Tennessee)

COUNTY OF Hamilton)

I, Grant A. Evitts, being first duly sworn, state that:

1. I am the President of the Tennessee American Water Company (the "Company").
2. I am authorized to represent and warrant, on behalf of the Company in the above-referenced docket, upon information and belief and after reasonable inquiry that:

(a) The Company's filings in this TPUC Docket are complete and accurate to the best of my knowledge and belief;

(b) The filing is compliant with the Company's Capital Recovery Rider tariffs and all TPUC orders and directives related to the Company's Capital Recovery Rider tariffs;

(c) Any changes in the Petition from previously approved Capital Recovery Riders' methodologies or calculations are identified in the Petition and/or supporting

documentation, including the Direct Testimony of Company Witness Elaine K. Chambers; and

(d) The accounting data set forth in this filing is set forth in the Company's General Ledger, or have been reconciled from the Company's General Ledger to the filing in the workpapers provided with the filing, except as set forth below:

(i) No exceptions.

Grant A. Evitts

Grant A. Evitts

Sworn and subscribed before me
this 1st day of March, 2021.

Kathryn Robinson
Notary Public

My Commission Expires: 10-20-2024

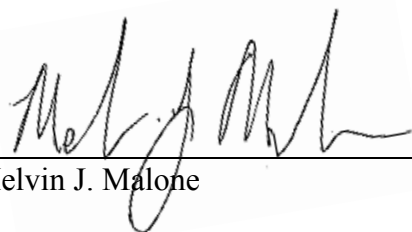


CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

Vance Broemel
Karen H. Stachowski
Assistant Attorney General
Office of the Attorney General
Consumer Advocate Unit
P.O. Box 20207
Nashville, TN 37202-0207

This the 1st day of March 2021.



Melvin J. Malone