

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:

**JOINT PETITION OF AQUA GREEN
UTILITIES, INC., AND TPUC STAFF
(AS A PARTY) TO INCREASE RATES
AND CHARGES**

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DOCKET NO. 21-00128

JOINT PETITION

Aqua Green Utility, Inc. (“Aqua Green” or “Company”) and TPUC Staff (As a Party) (“Party Staff”) (collectively, the “Parties”), pursuant to T.C.A. § 65-5-103, jointly petition the Tennessee Public Utility Commission (“Commission”) for an increase to Aqua Green’s rates and charges for the purpose of recovering the Company’s costs of providing wastewater services to its customers and for authority to place such rates and charges into effect through a revised tariff.

In support of the Joint Petition, the Parties submit the following:

1. Aqua Green is a public utility as defined in T.C.A. § 65-4-101 and is engaged in providing monthly wastewater services to fifteen residential customers and two commercial customers located in Aqua Green’s service territories in Jefferson, Greene, and McNairy Counties in Tennessee. The name and business address of the Company are:

Aqua Green Utility, Inc.
Dart Kendall, President
3350 Galts Road
Acworth, GA 30102

2. The names and business address of the Party Staff are:

Michelle Mairs, Deputy Director of Utilities
Joe Shirley, Director of Utility Audit & Compliance
Ryan McGehee, Senior Counsel
Tennessee Public Utility Commission
502 Deaderick Street, Fourth Floor
Nashville, TN 37243

3. The currently tariffed service rates and charges of Aqua Green were approved by the Commission over twelve years ago by order issued on July 31, 2009, in Docket No. 09-00045. Under the current rates and charges, the Company's revenues and revenue projections are not sufficient to allow the Company a fair opportunity to recover its reasonable operating costs and to provide a fair and reasonable net operating income. In order for Aqua Green to maintain its utility systems and provide safe and reliable services to its customers in accordance with Commission requirements, an increase to its rates and charges should be granted.

4. As shown by the Exhibits and Pre-filed Direct Testimonies of Party Staff witnesses Michelle Mairs and Joe Shirley filed in support of this Joint Petition, the Company is projected to experience a net operating loss of \$6,712 for the Twelve-Month Attrition Period Ending December 31, 2022. Using the operating margin method to establish a fair margin of 10.0% of operating expenses, Aqua Green is projected to incur a revenue deficiency of \$15,730 during the Attrition Period absent any rate relief. The Parties propose to eliminate this revenue deficiency by increasing the monthly base rates for providing wastewater services and increasing the annual sewer access fees for lot owners who have sewer services available for connection.

5. The Parties propose the following changes to service rates and fees:

<u>Customer Class</u>	<u>Current</u>	<u>Proposed</u>
Monthly Residential Service Rate ¹	\$44.53	\$55.63
Monthly Commercial Service Rate ²	\$5.75 per 1,000 gal.	\$7.67 per 1,000 gal.
Annual Sewer Access Fee	\$120.00	\$150.00

¹ The current and proposed Residential monthly service rate include a \$10.13 escrow charge.

² The current and proposed Commercial monthly service rate include a \$1.37 per 1,000 gal. escrow charge.

6. In addition, the Company has unpaid testing invoices and unrecovered capital repairs made to the wastewater system for which it is seeking recovery from the Company's escrow account. The testing invoices relate to services for providing required environmental testing and reporting to the Tennessee Department of Environment and Conservation in the amount of \$4,800.00. The capital repairs relate to the repairs done to the plant located at two customer premises in order to restore and maintain wastewater services in the amount of \$2,211.00 and to replace a grinder pump in the amount of \$2,152.00. The aggregate amount of the requested disbursement from the Company's escrow account is \$9,163.00. The parties aver that this single, nonrecurring disbursement from escrow is appropriate due to the special operating characteristics of the Company, in particular its very small customer base and limited customer growth potential through the Attrition Period, coupled with the Company's Test Period losses that would be exacerbated by charging these amounts to operations. Further, the use of escrow in this manner promotes the affordability of monthly service rates and provides a funding mechanism that avoids substantial rate impacts to individual customers. Absent use of escrow, individual customers would need to be assessed \$539.00 each in order to recover the cost of these items.

7. On November 3, 2021, the Company notified its customers of the proposed increase to rates, charges, and fees by direct mail to the customers' billing addresses on file with the Company. A copy of the notice is attached to the Pre-filed Direct Testimony of Dart Kendall filed in support of the Joint Petition.

8. In light of the Company's present negative financial position, the Parties request the Joint Petition be heard and approved at the regularly scheduled Commission Conference on December 6, 2021, with the new rates, charges, and fees to become effective on January 1, 2022.

9. In further support of this Joint Petition, the Parties have filed herewith the following:

a. Pre-filed Direct Testimony and Exhibits of Dart Kendall, President, regarding a general overview of the Company's operations and a summary of the rate relief and escrow payments requested;

b. Pre-filed Direct Testimony and Exhibits of Party Staff witnesses Michelle Mairs and Joe Shirley regarding the ratemaking principles, methodologies and calculations used to project the revenue deficiency for the Attrition Period and to recommend the rate design to eliminate the projected revenue deficiency; and


c. Revised tariff providing the adjustments to rates, charges, and fees calculated by the Parties' cost of service study.

WHEREFORE, the Parties jointly request the Commission to:

1. Schedule the Joint Petition for hearing on December 6, 2021 upon proper notice;
2. Find that the rates, charges, and fees proposed by the Parties are just and reasonable and in the public interest;
3. Approve the Company's revised tariff implementing the proposed rates, charges, and fees effective January 1, 2022;
4. Approve the Company's disbursement of \$9,163.00 from its escrow account; and
5. Grant such other and further relief as circumstances may warrant.

RESPECTFULLY SUBMITTED,

For Aqua Green Utility, Inc.:



*w/permission
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Attorney for TPUC Staff (As a Party)

CERTIFICATE OF SERVICE

I hereby certify that on the 5th day of November 2021, a true and correct copy of the foregoing Joint Petition was served by electronic mail upon the following:

Rachel Bowen, Esq. (Rachel.Bowen@ag.tn.gov)
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