

August 8, 2022

**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)

Electronically Filed in TPUC Docket  
Room on August 8, 2022 on 2:34 p.m.

**RE: *In Re: Joint Petition of Tennessee-American Water Company and Walker County Water and Sewerage Authority for Expedited Approval of a Special Contract, Docket No. 22-00049***

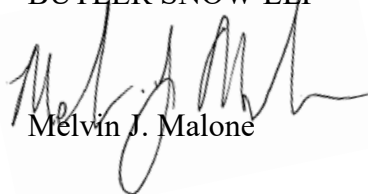
Dear Chairman Hill:

Attached for filing please find *Tennessee-American Water Company's Responses to First Discovery Requests of the Consumer Advocate* in the above-captioned matter.

As required, the original plus four (4) hard copies 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

clw

Attachments

cc: Bob Lane, TAWC  
Grady Stout, TAWC  
Shannon Whitfield, WCWSA  
Karen H. Stachowski, Consumer Advocate Division  
Vance Broemel, Consumer Advocate Division

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

<b>IN RE:</b>	)	
	)	
<b>JOINT PETITION OF TENNESSEE-</b>	)	
<b>AMERICAN WATER COMPANY AND</b>	)	<b>DOCKET NO. 22-00049</b>
<b>WALKER COUNTY WATER AND</b>	)	
<b>SEWERAGE AUTHORITY FOR</b>	)	
<b>APPROVAL OF A SPECIAL CONTRACT</b>	)	

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**TENNESSEE-AMERICAN WATER COMPANY’S RESPONSES  
TO FIRST DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE**

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Tennessee-American Water Company (“TAWC”), by and through counsel, hereby submits its Responses to the First Discovery Requests propounded by the Consumer Advocate Division in the Office of the Attorney General (“Consumer Advocate”).

**GENERAL OBJECTIONS**

1. TAWC objects to all requests that seek information protected by the attorney-client privilege, the work-product doctrine and/or any other applicable privilege or restriction on disclosure.
2. TAWC objects to the definitions and instructions accompanying the requests to the extent the definitions and instructions contradict, are inconsistent with, or impose any obligations beyond those required by applicable provisions of the Tennessee Rules of Civil Procedure or the rules, regulations, or orders of the Tennessee Public Utility Commission (“TPUC” or “Authority”).
3. The specific responses set forth below are based on information now available to TAWC, and TAWC reserves the right at any time to revise, correct, add to or clarify the objections or responses and supplement the information produced.

4. TAWC objects to each request to the extent that it is unreasonably cumulative or duplicative, speculative, unduly burdensome, irrelevant or seeks information obtainable from some other source that is more convenient, less burdensome or less expensive.

5. TAWC objects to each request to the extent it seeks information outside TAWC's custody or control.

6. TAWC's decision, now or in the future, to provide information or documents notwithstanding the objectionable nature of any of the definitions or instructions, or the requests themselves, should not be construed as: (a) a stipulation that the material is relevant or admissible, (b) a waiver of TAWC's General Objections or the objections asserted in response to specific discovery requests, or (c) an agreement that requests for similar information will be treated in a similar manner.

7. TAWC objects to those requests that seek the identification of "any" or "all" documents or witnesses (or similar language) related to a particular subject matter on the grounds that they are overbroad and unduly burdensome and exceed the scope of permissible discovery.

8. TAWC objects to those requests that constitute a "fishing expedition," seeking information that is not relevant or reasonably calculated to lead to the discovery of admissible evidence and is not limited to this matter.

9. TAWC does not waive any previously submitted objections to the Consumer Advocate's discovery requests.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 22-00049  
FIRST SET OF DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE**

**Responsible Witness: Grady Stout**

**Question:**

**1-1. Historical Data.** Provide a matrix for the terms of previous TAWC's Special Contracts whether approved by the Commission or not – since January 2000, that include the following information:

- a. Docket Number;
- b. Contracting Party;
- c. Delivery Rate(s); and
- d. Minimum and Maximum Deliverable Supply Quantities.

**Response:**

Docket Number	Contracting Party	Delivery Rate	Minimum Deliverable Supply	Maximum Deliverable Supply
12-00049	Town of Signal Mountain	\$1.382887 per 1000 gallons	273,750,000 gallons per year	N/A
Unable to Locate	City of Fort Oglethorpe GA	\$1.409492 per 1000 gallons	273,750,000 gallons per year	N/A
Unable to Locate	Catoosa County Utility District	\$1.624598 per 1000 gallons	93,000,000 gallons per year	N/A
Unable to Locate	Waldens Ridge Utility District	\$1.628342 per 1000 gallons	N/A	2,900,000 gallons per day

The contracts above are currently active with the exception of the Waldens Ridge Utility District contract.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 22-00049  
FIRST SET OF DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE**

**Responsible Witness: Grady Stout**

**Question:**

**1-2. Historical Data.** Refer to Company's Petition, p.2, ¶1. The Company states that Walker County Water and Sewerage Authority ("WCWSA") is a former customer of TAWC, but not a current TAWC Customer. Provide the following regarding TAWC's prior service to WCWSA:

- a. Docket Number authorizing prior service;
- b. Dates of prior service;
- c. Delivery Rate(s) for prior service;
- d. A table showing the Monthly Delivered Supply for prior service; and
- e. A table showing the Monthly Revenue for prior service.

**Response:**

During negotiations both parties were under the impression that Walker County was a former customer of Tennessee-American Water Company. Nonetheless, neither the Company nor Walker County has been able to locate records to confirm that Walker County has been a customer in the past.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 22-00049  
FIRST SET OF DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE**

**Responsible Witness: Grady Stout**

**Question:**

**1-3.** Contract Terms/Define. Refer to the Company's Petition, p. 3, ¶8. which states that "The Agreement is a requirements contract, so WCWSA may not reduce its purchases from TAWC during the term of the Agreement." Provide a more complete definition of the term "requirements contract" as used by the Parties in the proposed Agreement.

**Response:**

As set forth in the Agreement, the requirements provision provides that TAWC will supply WCWSA 's water needs as specified in the Agreement and in exchange for this commitment from TAWC WCWSA has agreed that it will obtain, and pay for, no less than the water requirements specified in the Agreement exclusively from TAWC for as long as the Agreement is effective.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 22-00049  
FIRST SET OF DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE**

**Responsible Witness: Grady Stout**

**Question:**

**1-4.** Contract Terms. Refer to the Company's Petition, Exhibit A, p.1. The Company and WCWSA executed the Agreement on February 8, 2022. However, the Parties did not file its Petition for "expedited approval" of this Agree until June 13, 2022. Provide an explanation of the 127-day delay between the execution of the Agreement and the filing of the Petition.

**Response:**

In preparing the Petition, our aim was to provide sufficient supporting documentation on the front end, so as to ease any administrative burden on the Consumer Advocate Unit and the Commission and expedite the Commission's consideration of the Agreement. Nonetheless, preparing the Petition subsequent to the execution of the Agreement took longer than we anticipated. Nonetheless, our hope is to begin provisioning water to WCWSA subsequent to Commission approval as soon as possible.

**TENNESSEE AMERICAN WATER COMPANY**  
**DOCKET NO. 22-00049**  
**FIRST SET OF DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE**

**Responsible Witness: Grady Stout**

**Question:**

**1-5. Pro Forma Data.** Provide a matrix showing the monthly anticipated water supply and resulting monthly revenues over the initial three-year initial term of the Agreement beginning with the Agreement execution date.

**Response:**

Date	Usage (Gallons)	Revenue
10/1/2022	7,500,000	\$ 13,125.00
11/1/2022	7,500,000	\$ 13,125.00
12/1/2022	7,500,000	\$ 13,125.00
1/1/2023	7,500,000	\$ 13,125.00
2/1/2023	7,500,000	\$ 13,125.00
3/1/2023	7,500,000	\$ 13,125.00
4/1/2023	7,500,000	\$ 13,125.00
5/1/2023	7,500,000	\$ 13,125.00
6/1/2023	7,500,000	\$ 13,125.00
7/1/2023	7,500,000	\$ 13,125.00
8/1/2023	7,500,000	\$ 13,125.00
9/1/2023	7,500,000	\$ 13,125.00
10/1/2023	1,666,667	\$ 2,916.67
11/1/2023	1,666,667	\$ 2,916.67
12/1/2023	1,666,667	\$ 2,916.67
1/1/2024	1,666,667	\$ 2,916.67
2/1/2024	1,666,667	\$ 2,916.67
3/1/2024	1,666,667	\$ 2,916.67
4/1/2024	1,666,667	\$ 2,916.67
5/1/2024	1,666,667	\$ 2,916.67
6/1/2024	1,666,667	\$ 2,916.67
7/1/2024	1,666,667	\$ 2,916.67
8/1/2024	1,666,667	\$ 2,916.67
9/1/2024	1,666,667	\$ 2,916.67
10/1/2024	1,666,667	\$ 2,916.67
11/1/2024	1,666,667	\$ 2,916.67
12/1/2024	1,666,667	\$ 2,916.67
1/1/2025	1,666,667	\$ 2,916.67
2/1/2025	1,666,667	\$ 2,916.67
3/1/2025	1,666,667	\$ 2,916.67
4/1/2025	1,666,667	\$ 2,916.67
5/1/2025	1,666,667	\$ 2,916.67
6/1/2025	1,666,667	\$ 2,916.67
7/1/2025	1,666,667	\$ 2,916.67
8/1/2025	1,666,667	\$ 2,916.67
9/1/2025	1,666,667	\$ 2,916.67



[illegible]

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 22-00049  
FIRST SET OF DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE**

**Responsible Witness: Grady Stout**

**Question:**

**1-7. Available Resources.** Regarding TAWC's available water supply capacity, respond to the following questions and provide supporting documentation:

- a. Does TAWC have readily available capacity to provide the water supply for WCWSA under the terms of the Agreement?
- b. Will providing the water supply for WCWSA under the terms of the Agreement cause any supply hardship for TAWC's existing customers?
- c. Can TAWC provide the water supply for WCWSA under the terms of the Agreement without incurring any additional operating or capital costs that would need to be applied to TAWC's existing customers?

**Response:**

- A. Yes, TAWC has readily available capacity to provide the water supply for WCWSA under the terms of the Agreement.
- B. No, providing the water supply for WCWSA under the terms of the Agreement will not cause any supply hardship for TAWC's existing customers.
- C. The initial cost to support service to WCWSA would not be passed through directly or indirectly to TAWC's existing customers. Future investments needed to maintain TAWC's overall system, including the infrastructure deployed to serve WCWSA, provide benefits to all TAWC's customers. Therefore, recovery of future investments may be applied to all TAWC customers, as appropriate under Commission approved mechanisms or rate cases.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 22-00049  
FIRST SET OF DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE**

**Responsible Witness: Grady Stout**

**Question:**

**1-8.**    Incremental Costs. Refer to the Company's Petition, Exhibit A, p. 2, ¶3. The Agreement states that "TAWC shall install, own, and maintain a meter vault directly adjacent to the Delivery Point." Provide the estimated installation cost of TAWC's meter vault.

**Response:**

The estimated installation cost is \$118,000.00.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 22-00072  
FIRST SET OF DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE**

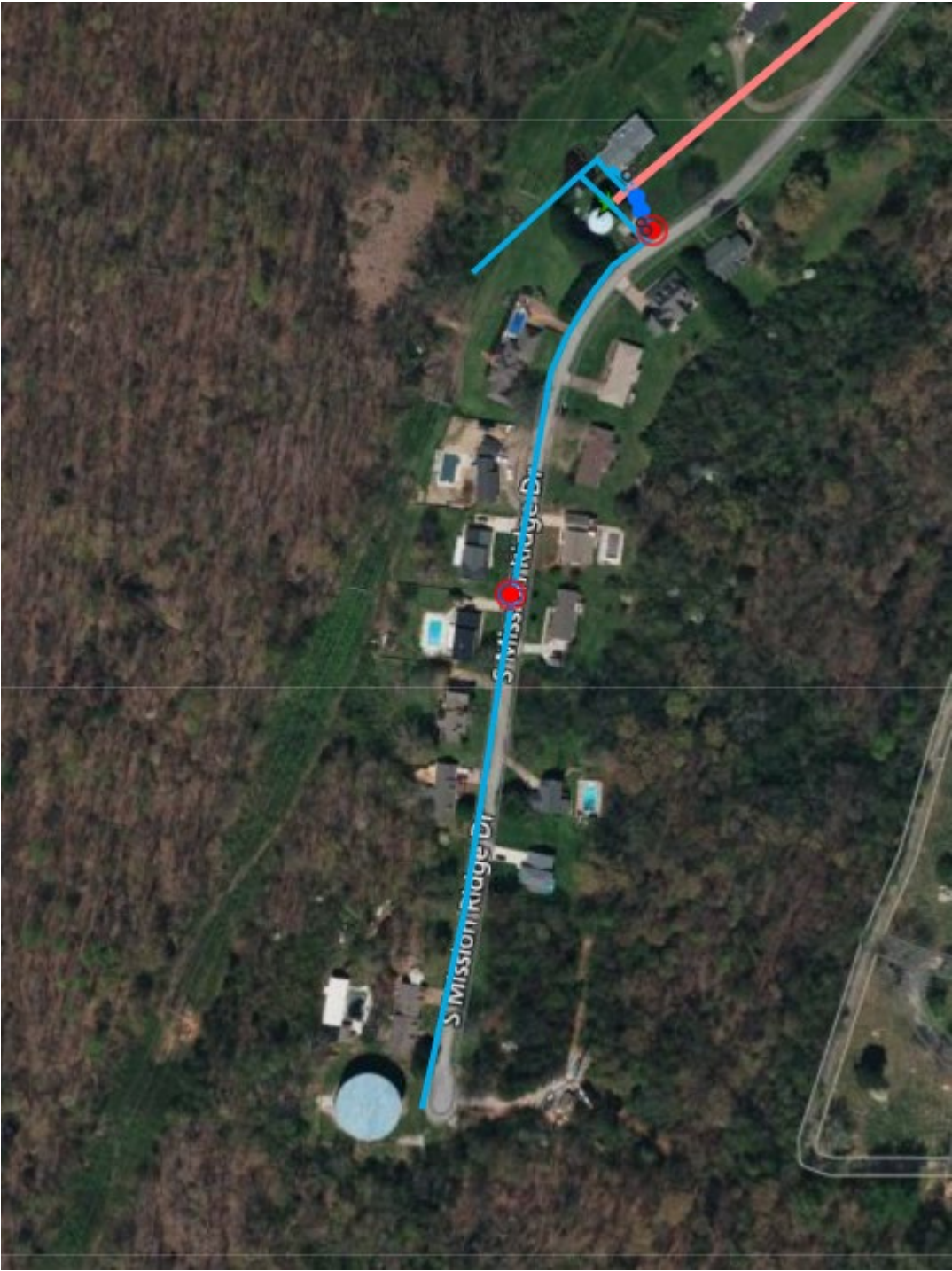
**Responsible Witness: Grady Stout**

**Question:**

**1-9.** Site Identification. Provide a map showing the water transmission line from TAWC's water system to the WCWSA delivery points.

**Response:** See attached.





**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 22-00049  
FIRST SET OF DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE**

**Responsible Witness: Grady Stout**

**Question:**

**1-10. Site Identification.** Provide details for the original construction cost and in-service dates for the transmission line from TAWC's water system to the WCWSA delivery points.

**Response:**

The in-service dates and original construction costs for the transmission line are provided below:

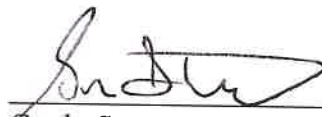
- a. April 28, 1978 - \$13,528.72 – 1,428 feet of 8-inch ductile iron water main along S Mission Ridge Drive

STATE OF Tennessee)

COUNTY OF Hamilton)

BEFORE ME, the undersigned, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Grady Stout, being by me first duly sworn deposed and said that:

He is appearing as a witness on behalf of Tennessee-American Water Company before the Tennessee Public Utility Commission, and duly sworn, verifies that the data requests and discovery responses are accurate to the best of his knowledge.

  
Grady Stout

Sworn to and subscribed before me  
this 4 day of Aug, 2022.

  
Notary Public

My Commission expires: 10-20-2024





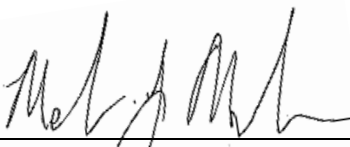
CERTIFICATE OF SERVICE

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

Vance L. Broemel, Esq.  
Senior Assistant Attorney General  
Office of the Tennessee Attorney General  
Consumer Advocate Division  
P.O. Box 20207  
Nashville, TN 37202-0207  
[Vance.Broemel@ag.tn.gov](mailto:Vance.Broemel@ag.tn.gov)

Karen H. Stachowski, Esq.  
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Office of the Tennessee Attorney General  
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This the 8<sup>th</sup> day of August 2022.

  
\_\_\_\_\_  
Melvin J. Malone