

November 3, 2022

VIA ELECTRONIC FILING

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

Electronically Filed in TPUC Docket Room
on November 3, 2022 at 3:29 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 Hilliard:

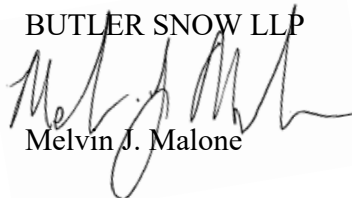
Consistent with the deliberations of the Tennessee Public Utility Commission (“TPUC” or “Commission”) in the above-captioned matter on October 10, 2022, attached are the revised Amended Water Purchase Agreement between Tennessee-American Water Company (“TAWC”) and Walker County Water and Sewerage Authority (“WCWSA”), along with TAWC’s Third Supplemental Response to Second Discovery Requests of the Consumer Advocate.

Due to conflicting travel schedules, the revised Amended Water Purchase Agreement has not yet been executed. We will submit the executed Amended Water Purchase Agreement to the Commission as soon as it is executed.

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

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

AMENDED WATER PURCHASE AGREEMENT

THIS AMENDED WATER PURCHASE AGREEMENT ("Amended Agreement") is executed this ____ day of 2022 by and between **TENNESSEE-AMERICAN WATER COMPANY ("TAWC")** and the **WALKER COUNTY WATER AND SEWERAGE AUTHORITY ("WCWSA")** (collectively, the **"PARTIES"**).

WHEREAS, TAWC, a Tennessee corporation, is a public utility which owns and operates a water utility system in and around the City of Chattanooga, Tennessee including the contiguous cities of Red Bank, East Ridge, Ridgeside, and Lookout Mountain, plus the cities of Rossville and Lookout Mountain, Georgia, and areas in the Georgia counties of Dade, Walker and Catoosa; and

WHEREAS, WCWSA, a Georgia government entity, was created by a legislative act by the General Assembly of the State of Georgia and serves residents in Walker County, Georgia; and

WHEREAS, WCWSA and TAWC executed the attached Water Purchase Agreement on February 8, 2022; and

WHEREAS, WCWSA and TAWC are desirous of amending the February 8, 2022 Water Purchase Agreement; and

WHEREAS, the PARTIES have reached agreement on amending the Water Purchase Agreement to clarify the rates and charges; and

WHEREAS, the amended rate agreed upon by the PARTIES reflects an equitable and reasonable compromise; and

WHEREAS, the amended rate set forth herein is fair, just, reasonable and not unduly discriminatory; and

NOW, THEREFORE, in consideration of the following covenants, the PARTIES agree as follows:

I. AMENDMENT

Paragraph 2(b) of the Water Purchase Agreement, captioned "Purchase of Water," is hereby amended as follows:

2. PURCHASE OF WATER

b. WCWSA shall pay a base rate of \$1.351560 per 1000 gallons, plus TAWC's Capital Recovery Riders, as approved by the Commission (the "Purchased Water Rate"). As of the Effective Date of this Amended Agreement, the Purchased Water Rate is \$1.75 per 1000 gallons (Base Rate of \$1.351560 + CRR Surcharge \$0.449529 + PCOP Surcharge \$0.007298 – TCJA Credit \$0.058387).¹ The Purchased Water Rate shall be adjusted, to the extent necessary, to reflect the then applicable and approved Capital Recovery Riders and PCOP or similar mechanisms approved by the Tennessee Public Utility Commission ("TPUC" or "Commission").

¹ $\$1.351560 + \$1.351560 (\text{CRR}\% (33.26\%)) + \$1.351560 (\text{PCOP}\% (0.54\%)) - \$1.351560 (\text{TCJA}\% (4.32\%)) = \1.75 per 1000 gallons.

II. MISCELLANEOUS

- a. The Parties acknowledge that this Amended Water Purchase Agreement, upon execution by the Parties, shall be filed with the TPUC. WCWSA pledges its assistance in complying with applicable TPUC rules and regulations. The Effective Date of this Amended Agreement shall be October 11, 2022, the date the Water Purchase Agreement was conditionally approved by TPUC.
- b. This Amended Water Purchase Agreement shall be governed by and constructed under the laws of the State of Tennessee.

TAWC

TENNESSEE-AMERICAN WATER COMPANY

President

Date

WCWSA

WALKER COUNTY WATER AND SEWERAGE AUTHORITY

Chairman

Date

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 22-00049
SECOND SET OF DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE
THIRD SUPPLEMENTAL RESPONSE TO NO. 2-1**

Responsible Witness: Grady Stout

Question:

- 2-1.** Contract Terms. Refer to the Joint Petition, Exhibit A, Paragraph 2b, which reads as follows:

WCWSA shall pay a rate of \$1.75 per 1000 gallons, inclusive of Tax Cuts and Jobs Act ("TCJA") and Capital Riders (the "Purchased Water Rate"). The Purchased Water Rate shall be adjusted, to the extent necessary, to reflect the then applicable Capital Riders approved by the Tennessee Public Utility Commission ("TPUC").

Please provide the following information related to this paragraph.

- a. Is it the Company's intention to apply the Commission approved Capital and Tax Rider surcharge rates on top of the proposed \$1.75 usage rate to Walker County?
- b. Is it the Company's intention to apply the Commission approved PCOP Rider surcharge rate on top of the proposed \$1.75 usage rate to Walker County?
- c. Provide an example of the proposed "Purchased Water Rate" calculation to Walker County using the rider surcharge rates currently approved by TPUC.

Response:

- A. Yes, the company's intention is to apply the capital recovery riders so that initial base rate and riders will total \$1.75 at time of approval.
- B. Yes, like the company intends to do for its capital recovery riders, the PCOP rider will be included in the \$1.75 total.
- C.

Customer	Base Rate	Capital Rider Surcharge (33.26%)	PCOP Rider Surcharge (0.54%)	Tax Sur-credit (-11.16%)	Total
WCWSA	\$1.426940	\$0.474600	\$0.007705	-\$0.159247	\$1.75

Supplemental Response:

- A. No. The Company's intention is to apply the Capital Recovery Riders' surcharges on top of the proposed base rate of \$1.307922.
- B. No. The Company's intention is to apply the PCOP Rider surcharge on top of the proposed base rate of \$1.307922.
- C.

Customer	Base Rate	Capital Rider Surcharge (33.26%)	PCOP Rider Surcharge (0.54%)	Total
WCWSA	\$1.307922	\$0.435015	\$0.007063	\$1.75

Second Supplemental Response:

- A. No. The Company's intention is to apply the Capital Recovery Riders' surcharges, as well as the TCJA Tax Savings Credit, on top of the proposed base rate of \$1.400672.
- B. No. The Company's intention is to apply the PCOP Rider surcharge on top of the proposed base rate of \$1.400672.
- C.

Customer	Base Rate	Capital Rider Surcharge (33.26%)	PCOP Rider Surcharge (0.54%)	Tax Sur-credit (-8.86%)	Total
WCWSA	\$1.400672	\$0.465864	\$0.007564	-\$0.124100	\$1.75

Third Supplemental Response:

- A. No. The Company's intention is to apply the Capital Recovery Riders' surcharges, as well as the TCJA Tax Savings Credit, on top of the proposed base rate of \$1.351560.
- B. No. The Company's intention is to apply the PCOP Rider surcharge on top of the proposed base rate of \$1.351560.
- C.

Customer	Base Rate	Capital Rider Surcharge (33.26%)	PCOP Rider Surcharge (0.54%)	Tax Sur-credit (-4.32%)	Total
WCWSA	\$1.351560	\$0.449529	\$0.007298	-\$0.058387	\$1.75

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 18 day of October, 2022.



Notary Public

My Commission expires: 10/20/2024



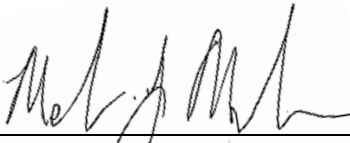
CERTIFICATE OF SERVICE

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

Karen H. Stachowski, Esq.
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, TN 37202-0207
Karen.Stachowski@ag.tn.gov

This the 3rd day of November 2022.



Melvin J. Malone