

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

**IN RE:** )  
)  
**PETITION OF TENNESSEE AMERICAN** )  
**WATER COMPANY REGARDING THE** )  
**2022 INVESTMENT AND RELATED** )  
**EXPENSES UNDER THE QUALIFIED** )  
**INFRASTRUCTURE INVESTMENT** )  
**PROGRAM RIDER, THE ECONOMIC** )  
**DEVELOPMENT INVESTMENT RIDER,** )  
**AND THE SAFETY AND ENVIRONMENTAL** )  
**COMPLIANCE RIDER** )

**Docket No. 22-00072**

---

**CONSUMER ADVOCATE’S FIRST SET OF DISCOVERY REQUESTS  
TO TENNESSEE AMERICAN WATER COMPANY**

---

In accordance with Rules 26, 33, 34, and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-01-02-.11, the Consumer Advocate Division in the Office of the Tennessee Attorney General (“Consumer Advocate”) hereby propounds this First Set of Discovery Requests upon Tennessee American Water Company (“TAWC” or the “Company”). Responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Financial Division, Consumer Advocate Division, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Karen H. Stachowski on or before Tuesday, August 22, 2022, at 2:00 p.m. CST.

**PRELIMINARY MATTERS AND DEFINITIONS**

1. **Continuing Request.** These discovery requests are to be considered continuing in nature and are to be supplemented from time to time as information is received by the Company and any of its affiliates which would make a prior response inaccurate, incomplete, or incorrect.

2. **Clear References.** To the extent that the data or information requested is incorporated or contained in a document, identify the document including page/line number if applicable.

3. **Format of Responses.** Provide all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to audit and analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.

4. **Objections.** If any objections to this discovery are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document and state the basis for the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

5. **Singular/Plural.** The singular shall include the plural, and vice-versa, where appropriate.

6. **Definitions.** As used in this Request:

(a) “You,” “Your,” “Company,” “Tennessee American,” or “TAWC” shall mean Tennessee-American Water Company and all employees, agents, attorneys, representatives or any other person acting or purporting to act on its behalf.

(b) “Affiliate” shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater

clarification, “control” is the ownership of 20% or more of the shares of stock entitled to vote for the election of directors in the case of a corporation, or 20% or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term “Affiliate” shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an “Affiliate”.

(c) “Communication” shall mean any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings and personal conversations, or otherwise.

(d) “Document” shall have the broadest possible meaning under applicable law. “Document” shall mean any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), work paper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, state what disposition was made of the document and when it was made.

(e) “Person” shall mean any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.

(f) “Identify” with respect to:

- i. Any natural person, means to state the full name, telephone number, email address and the current or last known business address of the person (if no business address or email address is available provide any address known to you) and that person’s relationship, whether business, commercial, professional, or personal with you;

- ii. Any legal person, business entity or association, means to state the full name, the name of your contact person with the entity, all trade name(s), doing business as name(s), telephone number(s), email address(es), and current or last known business address of such person or entity (if no business address is available provide any address known to you);
  - iii. Any document, means to state the type of document (e.g., letter), the title, identify the author, the subject matter, the date the document bears and the date it was written; and
  - iv. Any oral communication, means to state the date when and the place where it was made, identify the person who made it, identify the person or persons who were present or who heard it, and the substance of it.
- (g) “And” and “or” shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.
- (h) “Including” shall be construed to mean including but not limited to.

### **FIRST SET OF DISCOVERY REQUESTS**

- 1-1.** For capital expenditures incurred in 2022 that do not (and will not) qualify for recovery under the Company’s capital expenditure rider, provide the estimated capital expenditures (a) incurred to date in 2022 and (b) budgeted to occur throughout the remainder of 2022. Identify each of the subparts of anticipated 2022 capital expenditures by project type or category.

**RESPONSE:**

- 1-2.** Refer to the Direct Testimony of Gray Stout at 12:21–14:3 regarding the TAWC infrastructure that is between 50 and 100 years old. Also, refer to the Company’s Response to Consumer Advocate DR No. 1-5, in TPUC Docket No. 19-00105. Provide the requested information, as of December 31, 2021:
- a. Identify the miles of (i) Distribution Main, (ii) Transmission Main, and (iii) listing of other Distribution Infrastructure (specify) which are in excess of 50 years old but less than 75 years old.

- b. Identify the miles of (i) Distribution Main, (ii) Transmission Main, and (iii) listing of other Distribution Infrastructure (specify) which are in excess of 75 years old.
- c. Identify the miles of (i) Distribution Main, (ii) Transmission Main, and (iii) listing of other Distribution Infrastructure (specify) which are less than 50 years old.
- d. Identify the miles of (i) Distribution Main, (ii) Transmission Main, and (iii) Other Distribution Infrastructure (specify) in excess of 50 years old that have been replaced in (a) 2019, (b) 2020, (c) 2021, and (d) are forecast to be replaced in 2022 and included in this filing.

**RESPONSE:**

- 1-3.** Identify the estimated (a) Cost of Transmission Mains and (b) Miles of Transmission Mains included in the 2022 forecasted plant contained in this filing. For purposes of this response, consider Transmission Mains to be 16-inch in diameter or greater—as the Company defined it in Response to Consumer Advocate DR No. 1-5 in TPUC Docket No. 19-00105.

**RESPONSE:**

- 1-4.** Identify the estimated (a) Cost of Distribution Mains, and (b) Miles of Distribution Mains included in the 2022 forecasted plant contained in this filing. For purposes of this response, consider Distribution Mains to be less than 16-inch in diameter.

**RESPONSE:**

- 1-5.** Identify the actual miles and costs of Transmission Main replaced by year for the period 2016–2021. For purposes of this response, include the removal costs of replaced pipe.

**RESPONSE:**

- 1-6.** Identify the actual miles and costs of Distribution lines replaced by year for the period 2016–2021. For purposes of this response, include the removal costs of replaced pipe.

**RESPONSE:**

- 1-7.** Refer to the Direct Testimony of Gray Stout at 27:18–28:4 regarding the description of the Dunlap Interconnect project. Mr. Stout testifies to a secondary benefit of extending service to residents in the area that were previously unserved. Identify the number of new customers that potentially may be served by the interconnect once it is completed.

**RESPONSE:**

- 1-8.** Refer to the Direct Testimony of Gray Stout at 35:1–11 regarding the description of the Whitwell Raw Water Intake Improvement project. Respond to the following:
- a. Will this work be performed in part or in whole using contractors?
  - b. If so, was this project put out for bid to qualifying contractors?
  - c. Will the benefits of this project be exclusive to the Whitwell district? If not, describe the benefits of the project to other service territories of TAWC.
  - d. Provide a detailed breakdown of the budget for this project by component.
  - e. Given the size of cost of the project, were any alternatives considered that would derive similar benefits to the selected project?

**RESPONSE:**

- 1-9.** Refer to the proposed balance of Cost of Removal less salvage for the Qualified Infrastructure Improvement Program. The average 2021 balance for this expenditure category was \$15,093,815 as included in TPUC Docket No. 22-00021. The balance included for 2021 in the last capital rider budget filing (TPUC Docket No. 20-00128) was \$11,620,911, while the current proposed balance in the present filing is \$18,054,675. Provide a comprehensive narrative explanation supporting this significant increase in the costs of removal less salvage between a) the 2021 budget filing and the reconciliation docket and b) the proposed 2022 balance and the 2021 actual balance for this category.

**RESPONSE:**

**1-10.** Provide the employee-benefit loading rate and actual nominal capitalized benefits applied to construction work in progress by year incorporated into capital expenditures for the period 2018 through 2021.

**RESPONSE:**

**1-11.** Provide a reconciliation of the actual 2022 employee-benefit loading rate by benefit type included in the forecasted 2022 qualifying expenditures, including the calculation supporting the calculated rate. Further, provide the nominal amount of capitalized employee-benefit costs included in this filing.

**RESPONSE:**

RESPECTFULLY SUBMITTED,



**KAREN H. STACHOWSKI** (BPR No.019607)

Senior Assistant Attorney General

**VANCE L. BROEMEL** (BPR No. 011421)

Senior Assistant Attorney General

Office of the Tennessee Attorney General

Consumer Advocate Division

P.O. Box 20207

Nashville, Tennessee 37202-0207

Phone: (615) 741-2370

Fax: (615) 741-8151

Email: [karen.stachowski@ag.tn.gov](mailto:karen.stachowski@ag.tn.gov)

Email: [vance.broemel@ag.tn.gov](mailto:vance.broemel@ag.tn.gov)

**CERTIFICATE OF SERVICE**

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

Melvin J. Malone  
Butler Snow LLP  
The Pinnacle at Symphony Place  
150 3rd Avenue South, Suite 1600  
Nashville, TN 37201  
Melvin.Malone@butlersnow.com

Tricia Sinopole  
Director of Rates and Regulation – Tennessee and Kentucky  
Kentucky American Water Company  
2223 Duke Street  
Alexandria, VA 22314  
Tricia.Sinopole@amwater.com

On this the 5<sup>th</sup> day of August 2022.



---

**KAREN H. STACHOWSKI**  
Senior Assistant Attorney General