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October 26, 2022

VIA ELECTRONIC FILING

Hon. Herbert H. 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 October 26, 2022 at 3:49 p.m.

RE: *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, TPUC Docket No. 22-00072*

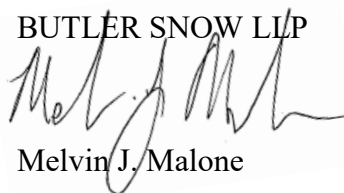
Dear Chairman Hilliard:

Attached for filing please find the *Pre-Filed Supplemental Testimony of Robert C. Lane* 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

Attachment

cc: Bob Lane, TAWC

Karen H. Stachowski, Consumer Advocate Unit

Vance Broemel, Consumer Advocate Unit

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

IN RE:)	
)	
PETITION OF TENNESSEE-AMERICAN)	
WATER COMPANY REGARDING THE)	
2022 INVESTMENTS AND RELATED)	
EXPENSES UNDER THE QUALIFIED)	
INFRASTRUCTURE INVESTMENT)	DOCKET NO. 22-00072
PROGRAM RIDER, THE ECONOMIC)	
DEVELOPMENT INVESTMENT RIDER)	
AND THE SAFETY AND)	
ENVIRONMENTAL COMPLIANCE)	
RIDER)	

PRE-FILED SUPPLEMENTAL TESTIMONY OF ROBERT C. LANE

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Robert (Bob) C. Lane, and my business address is 109 Wiehl Street,
3 Chattanooga, Tennessee 37403.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by American Water Works Service Company (“Service Company”).
7 Service Company is a wholly owned subsidiary of American Water Works Company, Inc.
8 (“American Water”) that provides services to Tennessee-American Water Company
9 (“TAWC” or “Company”) and its affiliates. My current role is Sr. Manager, Rates and
10 Regulatory for Tennessee and Kentucky.

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE**
2 **TENNESSEE PUBLIC UTILITY COMMISSION?**

3 A. Yes, I submitted testimony in TPUC Docket No. 22-00021, and I have adopted the Pre-
4 filed Direct Testimony of TAWC Witness Tricia Sinopole and submitted Pre-filed Rebuttal
5 Testimony in this case.

6
7 **Q. CAN YOU PROVIDE AN OVERVIEW OF THIS CASE AS IT STANDS NOW?**

8 A. Yes. As set forth in the Petition, TAWC is requesting an annual increase in its Capital
9 Recovery Riders (“CRR” or “CRRs”) of \$2,830,573, representing a total surcharge
10 percentage of 36.1%. This represents a 6.01 percentage point increase in the current
11 surcharge. Mr. Dittemore, on behalf of the Consumer Advocate Division (“Consumer
12 Advocate” or “CA”), has recommended an increase of \$2,781,703,¹ which is \$48,870
13 below what the Company initially requested.

14
15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?**

16 A. Subsequent to the submission of my Rebuttal Testimony, TAWC and the CA have
17 continued our cooperative, good faith dialogue. As a result of such discussions, the purpose
18 of my Supplemental Testimony is to clarify that in this proceeding, Docket No. 22-00072,
19 that TAWC is calculating ADIT consistent with the method agreed to by the parties and
20 approved by the Tennessee Public Utility Commission (“Commission” or “TPUC”) in the
21 2021 Capital Rider Reconciliation, Docket No. 22-00021. Further, I clarify that TAWC

¹Pre-Filed Testimony of Consumer Advocate Division Witness David N. Dittemore, p. 5, TPUC Docket No. 22-00072 (Sept. 19, 2022).

1 will also calculate ADIT for future Capital Rider Reconciliation cases as well consistent
2 with the method used for the 2021 Capital Rider Reconciliation.

3
4 **Q. IN YOUR PRE-FILED REBUTTAL TESTIMONY SUBMITTED IN THIS CASE**
5 **ON OCTOBER 18, 2022, YOU DISCUSS THE CALCULATION OF ADIT THAT**
6 **AROSE IN THE CRR RECONCILIATION DOCKET NO. 22-00021. CAN YOU**
7 **EXPLAIN HOW THAT ISSUE IS TREATED IN THIS CASE, DOCKET NO. 22-**
8 **00072?**

9 A. In Docket No. 22-00021, CA stated that TAWC was understating the amount of ADIT by
10 halving the amount of (dividing by 2) the proration calculation.² In that Docket, TAWC
11 agreed that, '[s]ince TAWC used the proration method to calculate ADIT for 2021, it is not
12 necessary to also divide the prorated amount for the full 12 months by two.'³ In this case,
13 Docket No. 22-00072, addressing 2022 Capital Riders, TAWC did not perform this halving
14 of the prorated amount.

15
16 **Q. IN FUTURE CAPITAL RIDER RECONCILIATIONS, HOW WILL THIS ISSUE**
17 **BE ADDRESSED?**

18 A. TAWC does not believe it is necessary to divide the proration amount by two, as it already
19 prorates the ADIT using the proration method since it is already prorating ADIT.
20 Therefore, TAWC will not do so in future Capital Rider Reconciliations consistent with
21 what was ultimately done in Docket No. 22-00021.

² *Pre-Filed Testimony of Consumer Advocate Division Witness David N. Dittemore*, p. 5, TPUC Docket No. 22-00072 (Sept. 19, 2022).

³ *Pre-filed Rebuttal Testimony of Tricia Sinopole*, p. 7, TPUC Docket No. 22-00021, (June 21, 2022).

1

2 **Q. WHAT DO YOU RECOMMEND IN REGARD TO THE PETITION?**

3 A. I recommend that the Petition be approved for the adjustments in the 2022 Capital Riders
4 as initially proposed, consistent with the Company's Rebuttal and Supplemental
5 Testimony.

6

7 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

8 A. Yes.

9

10 No further questions.

STATE OF Tennessee)
)
COUNTY OF Hamilton)

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Robert C. Lane, 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 if present before the Commission and duly sworn, his testimony would be as set forth in his pre-filed testimony in this matter.



Robert C. Lane

Sworn to and subscribed before me
this 18 day of October, 2022.

Kathryn Robinson
Notary Public

My Commission Expires: 10/20/2024



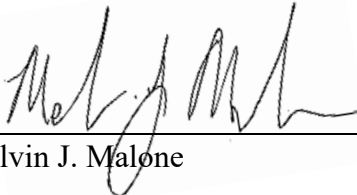
CERTIFICATE OF SERVICE

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

Vance L. Broemel, Esq.
Senior Assistant Attorney General
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This the 26th day of October 2022.



Melvin J. Malone