

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

**IN RE:** )  
 )  
**JOINT PETITION OF SUPERIOR** )  
**WASTEWATER SYSTEMS, LLC, AND** ) **Docket No. 22-00087**  
**TPUC STAFF (AS A PARTY) TO INCREASE** )  
**RATES AND CHARGES** )

## PETITION TO INTERVENE

The Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), by and through Jonathan Skrmetti, Attorney General and Reporter for the State of Tennessee, pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (“TPUC” or the “Commission”) to grant the Consumer Advocate’s intervention into this proceeding because consumers’ interests, rights, duties, or privileges may be determined or affected by the *Joint Petition of Superior Wastewater Systems, LLC, and TPUC Staff (As A Party) to Increase Rates and Charges* (“Joint Petition”) filed in this Docket. For cause, the Consumer Advocate would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utility services by initiating and intervening as a party in any matter or proceeding before the Commission in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101, *et seq.*, and TPUC rules.

2. Superior Wastewater Systems, LLC (“Superior Wastewater” or the “Company”) is a public utility regulated by the Commission and provides wastewater service to approximately 342 residential customers in Williamson County, Tennessee. The Company’s business address is P.O. Box 40, Arrington Tennessee 37014.

3. On September 6, 2022, the TPUC identified its employees that would participate as parties in this Docket (the “Party Staff”).<sup>1</sup>

4. The Company and Party Staff filed this *Joint Petition* with supporting testimony on September 9, 2022.

5. The Company and Party Staff are proposing a rate increase because the Company is “projected to experience a net operating loss of \$57,150 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, the Company is projected to incur a revenue deficiency of \$78,086 during the Attrition Period absent any rate relief. The Parties propose to eliminate this revenue deficiency by increasing the monthly base rates from the current rate of \$35.11 to the proposed rate of \$54.34.”<sup>2</sup>

6. In establishing rates designed to achieve the Party Staff’s recommended revenue deficiency, the Company and Party Staff propose the following changes:

- a. Rate Design. In his testimony, Joe Shirley explained that the “Company serves only residential customers and recovers its cost of service through a fixed monthly service rate. Thus, the rate design calculation for this case is a simple, straightforward computation of the number of projected customer bills for the Attrition Period multiplied by the fixed monthly service rate that is required to eliminate the forecasted revenue deficiency.”<sup>3</sup> Therefore the proposed monthly service rate increase is from \$24.98 to \$44.21.<sup>4</sup> The

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<sup>1</sup> Notice of Designation of Staff Participating as a Party, TPUC Docket No. 22-00087 (Sept. 6, 2022). Party Staff included: Ryan McGehee, Cole McCormick, Craig Cox, Patsy Fulton, Joe Shirley, and David Foster.

<sup>2</sup> Joint Petition at p. 2, ¶ 4.

<sup>3</sup> Direct Testimony of Joe Shirley at 7:3–8, TPUC Docket No. 22-00087 (Sept. 9, 2022).

<sup>4</sup> *Id.* at 7:9–11.

existing escrow charge of \$10.13 per month remains unchanged.<sup>5</sup>

Therefore, the combined monthly rate plus escrow charge results in a monthly rate for service of \$54.34, which is an increase from the current amount of \$35.11.<sup>6</sup>

- b. Additional Expenses. In his testimony, Craig Cox added three expenses: (1) Executive Management Fee<sup>7</sup>; (2) Annual Mowing Costs<sup>8</sup> within the Repair and Maintenance Expense; (3) Service Truck Costs<sup>9</sup> within the Repair and Maintenance Expense.
- c. Removal of Test Period Expenses. For determination of the revenue deficiency in the attrition period, Mr. Cox removed the following three expenses: (1) Surety Bond fees in the amount of \$1,170; (2) Biennial letter of credit charges in the amount of \$756; and (3) Non-potable well water charge in the amount of \$756.
- d. Revenue - Access Fees. In his testimony, Cole McCormick stated that the Parties have agreed to remove access fees from the Company's Tariff "due to the operating nature of the Company."<sup>10</sup>

7. The interests of consumers, including without limitation the amount of the proposed increase in rates to be paid by the Company's consumers, the removal of access fees, the current

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<sup>5</sup> *Id.* at 7:12–13.

<sup>6</sup> *Id.* at 7:19–19. The monthly rate for service does "not include the annual pass-through bonding costs or currently authorized surcharges and taxes." *Id.* at 7:19–20.

<sup>7</sup> Direct Testimony of Craig Cox at 6:10–20, TPUC Docket No. 22-00087 (Sept. 9, 2022).

<sup>8</sup> *Id.* at 7:10–14.

<sup>9</sup> *Id.* at 7:10–18.

<sup>10</sup> Direct Testimony of Cole McCormick at 3:10–20, TPUC Docket No. 22-00087 (Sept. 9, 2022). John Powell explained that the Company "has never implemented this rate to any homebuilders because our taps are not installed until the constructed home is almost fully complete and ready for sale. As a result, there is only a minimal time between when a sewer tap is provided, and the home becomes occupied." Direct Testimony of John Powell at 2:14–18, TPUC Docket No. 22-00087 (Sept. 9, 2022).

balance of the Escrow Account under the *Joint Petition*, may be affected by determinations and orders made by the Commission with respect to (a) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-103(a), and other relevant statutory and regulatory provisions, and (b) the review and analysis of the Company's documentation, financial spreadsheets, and materials.


8. Only by participating as a party to this proceeding can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

Wherefore, the Consumer Advocate requests the Commission grant this *Petition to Intervene*.

RESPECTFULLY SUBMITTED,



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### CERTIFICATE OF SERVICE

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

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This the 25<sup>th</sup> day of October, 2022.



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