

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

<b>IN RE:</b>	)	
	)	
<b>Petition of Tennessee Water Service, Inc.</b>	)	
<b>Along with Corix Infrastructure (US) Inc.,</b>	)	<b>DOCKET NO. 22- <u>00114</u></b>
<b>for Approval of Authority to Transfer</b>	)	
<b>Control</b>	)	

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**DIRECT TESTIMONY  
OF  
TIFFANY VAN HORN**

**ON BEHALF OF  
TENNESSEE WATER SERVICE, INC.**

November 9, 2022

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**WITNESS INTRODUCTION AND BACKGROUND**

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

2   A.   My name is Tiffany Van Horn. I am the President of Tennessee Water Service, Inc.  
3       (“TWS” or “Company”), a subsidiary of Corix Infrastructure (US) Inc. (“Corix US”). My  
4       business address is #2 N. Wolfscratch Drive, Jasper, GA 30143.

5   **Q.   PLEASE DESCRIBE YOUR DUTIES IN YOUR CURRENT POSITION.**

6   A.   As President, I am responsible for all aspects of the Company’s business, culminating in  
7       the ongoing provision of safe drinking water to all of our customers.

8   **Q.   PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL**  
9       **BACKGROUND.**

10  A.   I received my undergraduate degree in Business Administration with a Major in  
11       Accounting from Gonzaga University in Spokane. In 2007, I began working as the Support  
12       Services Manager in Alaska for what is now a wholly owned, indirect subsidiary of Corix  
13       US, and have held Management, Director, and Vice President roles prior to serving in my  
14       current role as President. Before 2007, I worked within the oil refining industry and public  
15       accounting industry.

16  **Q.   HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY PUBLIC UTILITY**  
17       **COMMISSIONS?**

18  A.   Yes. I have provided testimony before the Alabama Public Service Commission.

19  **Q.   WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

20  A.   My testimony will provide background on the history and structure of TWS; a brief  
21       summary of the business combination; anticipated impacts on TWS; and other  
22       commitments.

**BACKGROUND OF TWS**

**Q. PLEASE DESCRIBE THE HISTORY OF TENNESSEE WATER SERVICE INC.**

A. TWS is a Tennessee corporation and a direct, wholly owned subsidiary of Corix Regulated Utilities (US) Inc. (“CRU US”). CRU US is a corporation created and existing under the laws of the State of Illinois that owns water and sewer utilities, operating in 17 states. CRU US has been involved in the water and sewer industry for over 60 years and has approximately 300,000 customers. CRU US continues to provide TWS with necessary funding, as well as seasoned management through Water Service Corporation (“WSC”). TWS is a public utility organized under the laws of Tennessee, operating in Tennessee, engaged in the provision of water utility service to the public for compensation. The Company’s business address is #2 N. Wolfscratch Drive, Jasper, GA 30143. TWS provides water service pursuant to a Certificate of Public Convenience and Necessity granted in January 1984 in Docket. No. U-83-7240. TWS provides water service in the Chalet Village Subdivision located in Sevier County, Tennessee just outside of Gatlinburg. In 2016, a wildfire in the general area of Gatlinburg resulted in the destruction of, or severe damage to, the majority of homes connected to TWS’s water system. Prior to the wildfire, TWS provided water service to approximately 580 connections. After the wildfire, only 57 connections remained. Now, TWS presently serves approximately 385 water customers in the Chalet Village Subdivision.

**COMPANY’S MISSION AND VALUES**

**Q. WHAT ARE THE COMPANY’S MISSION AND VALUES?**

A. TWS's vision is to be the preferred utility delivering solutions our customers want. The Company's values include: safety, integrity, connection, and excellence. Our values enable our customers and stakeholders to enjoy a better life by improving utility infrastructure and operations while ensuring strong environmental stewardship in each community served.

**Q. HOW DOES TWS PLAN TO ACHIEVE THIS MISSION?**

A. We plan to achieve our mission by accomplishing the following strategic goals:

- Operational and Service Excellence – developing our people, strengthening our processes, and investing in our technology to support a high-performance organization and a culture of continuous improvement.
- Collaboration and Engagement – communicating and engaging with our team members, customers, and communities with relevant and timely billing, service, and operational information to improve stakeholder awareness and collaboration.
- Strong Financial Performance – managing and planning business costs, pursuing growth, and prudently mitigating enterprise risks to engender trust and confidence in our financial responsibility and ensure access to needed capital.
- World Class Talent – attracting and retaining top talent to deliver dependable, timely, courteous, and quality service.

**SUMMARY OF THE PROPOSED TRANSACTION**

**Q. PLEASE SUMMARIZE YOUR UNDERSTANDING OF THE PROPOSED TRANSACTION.**

A. On August 26, 2022, Corix Infrastructure Inc. ("CII"), Corix US, IIF Subway Investment LP ("IIF Subway"), SW Merger Acquisition Corp. ("SWMAC") and SouthWest Water Company ("SouthWest") entered into a transaction agreement (the "Transaction

Agreement”). Upon consummation of the transaction (“Proposed Transaction”): (a) CII and an affiliate or affiliates of CII will own 50% of Corix US’s stock; and (b) SWMAC Holdco, an entity to be formed by SWMAC’s shareholders, will own the remaining 50% of Corix US’s stock. Corix US will own all of the stock of a new holding company, Intermediate Newco, and Intermediate Newco will indirectly own TWS.

**IMPACT ON TWS**

**Q. HOW WILL TWS OPERATE AFTER THE PROPOSED TRANSACTION?**

A. As Messrs. Lubertozi and Bahr explain, being locally led and locally operated are important to both CII and SouthWest. TWS will continue to operate under its existing name and brand. TWS will continue to provide safe and reliable water utility service to its customers and support the delivery of water service through its full-time contractor. TWS will maintain facilities in Tennessee consistent with its obligation to serve its customers.

**IMPACT ON THE COMMUNITIES TWS SERVES**

**Q. PLEASE DESCRIBE TWS’S COMMUNITY ENGAGEMENT ACTIVITIES.**

A. Our local team prides itself in providing the best possible customer service. The operations team responds promptly to customer requests on service concerns, metering, and new service applications. The team is actively engaged with the local Chalet Village Property Owner’s Association (POA) management and the POA board members by responding to frequent information requests and by attending meetings in person.

**Q. PLEASE DESCRIBE HOW TWS SUPPORTS ITS COMMUNITIES.**

A. The Gatlinburg wildfires in 2016 left many of our customers without homes. Our local team quickly assessed the damages to the water infrastructure with the goal of restoring water service to customers as soon as possible. In short order, we invested approximately

\$1 million in wells, a water tank, booster stations, SCADA equipment, meters, and services lines. This rapid restoration of the water infrastructure facilitated faster recovery that allowed for customers to rebuild homes and rebuild the community.

**Q. WILL TWS CONTINUE ITS COMMUNITY SUPPORT AND COMMUNITY ENGAGEMENT ACTIVITIES?**

A. Absolutely. Both CII and SouthWest are dedicated to engaging with our customers and supporting our communities. The combined company will maintain its shared commitment to our communities and high customer service levels. Because community is part of our shared values, TWS's community engagement and support will continue.

**OPERATIONAL BENEFITS**

**Q. WHAT OPERATIONAL BENEFITS DO YOU BELIEVE THIS BUSINESS COMBINATION WILL PRODUCE?**

A. SouthWest and CII share common values centered on safety, environmental stewardship, integrity, employee empowerment, and excellence in serving our customers and delivering on our commitments to stakeholders. These shared values provide an opportunity for operational improvement that follows from sharing prudent practices and resources.

**Q. PLEASE EXPLAIN WHAT YOU MEAN BY SHARING OF BEST PRACTICES.**

A. Sharing prudent practices is part of continuous improvement, which we strive for at TWS. Sharing these practices involves identifying optimal ways of efficiently performing certain tasks and operations and then implementing those practices deemed prudent.

**Q. HOW CAN SHARING OF PRUDENT PRACTICES BETWEEN CII AND SOUTHWEST IMPROVE THEIR UTILITY SUBSIDIARIES' PERFORMANCE - INCLUDING TWS?**

A. Sharing of prudent practices will bring benefits to both companies and, specifically, to TWS. The sharing of prudent practices increases a company's knowledge base and enables improved decision-making through enhanced efficiency and competence. Examples of prudent practices that may be shared between companies include methods of addressing customer service complaints, compliance with environmental regulations, safety initiatives, data security programs, and operational techniques. In short, sharing of prudent practices promotes continuous improvement, which ultimately leads to benefits for customers.

**Q. WILL THE PROPOSED TRANSACTION PROVIDE TWS ACCESS TO A BROADER NETWORK FOR SHARING OF PRUDENT PRACTICES AND MUTUAL ASSISTANCE?**

A. Yes. Each water and wastewater utility within the combined company will have access to a broader network of knowledge and mutual assistance. Some examples include knowledge transfer, advanced technology, and greater efficiency. Likewise, if a natural or man-made disaster (e.g., a wildfire or cyber breach) were to disrupt TWS's operations, TWS would be able to draw from a larger pool of employees familiar with TWS's processes, and these employees would be ready, willing, and able to assist our operations.

**Q. DOES RESOURCE SHARING REDUCE OPERATIONAL RISK?**

A. Resource sharing can reduce operational risk by connecting to a broader group of vendors, providing for optionality in day-to-day operations and emergencies. Similarly, being part of a larger organization results in more resources, such as equipment, tools, inventory, and other assets that can be shared or leveraged in response to emergencies and natural disasters.



**COMMITMENTS FROM THE PETITIONERS**

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138 **Q. THE PETITION LISTS 10 CUSTOMER PROTECTION COMMITMENTS.**

139 **WOULD YOU PLEASE COMMENT ON THE 10 COMMITMENTS?**

140 A. I agree with all of the commitments included in the Petition. We will continue to focus on  
141 providing high-quality water utility services to TWS's customers while maintaining a  
142 strong local presence in Tennessee. TWS also reiterates its commitment to refrain from  
143 any involuntary reduction in force related to the combination for the first 12 months after  
144 the Proposed Transaction closes, and to comply with Commission regulations related to  
145 affiliate interest agreements.

146 **Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?**

147 A. Yes. It does.

STATE OF Georgia  
COUNTY OF Paulding

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

She is appearing as a witness on behalf of Tennessee Water Service, Inc. before the Tennessee Public Utility Commission, and if present before the Commission and duly sworn, her testimony would be as set forth in her pre-filed testimony in this matter.

Tiffany Van Horn  
Tiffany Van Horn

Sworn to and subscribed before me

this 7<sup>th</sup> day of Nov., 2022.

Sarah Ann Standridge  
Notary Public

My Commission Expires: 10-24-2025

