

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

<b>IN RE:</b>	)	
	)	
<b>PETITION OF TENNESSEE WATER SERVICE INC., ALONG WITH CORIX INFRASTRUCTURE (US) INC., FOR APPROVAL OF AUTHORITY TO TRANSFER CONTROL</b>	) ) ) ) ) ) )	<b>DOCKET NO. 22-00114</b>

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**CONSUMER ADVOCATE’S SECOND SET OF DISCOVERY REQUESTS  
TO TENNESSEE WATER SERVICES, INC., ALONG WITH CORIX  
INFRASTRUCTURE (US), INC.**

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This Second Set of Discovery Requests is hereby served upon Tennessee Water Service, Inc., (“TWS”), along with Corix Infrastructure (US), Inc. (“Corix”), collectively referred to as “Companies,” pursuant to Rules 26, 33, 34, and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Regs. 1220-01-02-.11. The Consumer Advocate Division of the Office of the Attorney General (“Consumer Advocate”) requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Financial Division, Consumer Advocate Unit, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Victoria B. Glover on or before Monday, March 13, 2023, at 2:00 p.m. CST.

**PRELIMINARY MATTERS AND DEFINITIONS**

These Additional Discovery Requests incorporate by reference the same Preliminary Matters and Definitions as set forth in the Consumer Advocate’s First Discovery Request to the Companies sent to the Companies on January 30, 2023, are to be considered continuing in nature,

and are to be supplemented from time to time as information is received by the Companies which would make a prior response inaccurate, incomplete, or incorrect.

## **SECOND SET OF DISCOVERY REQUESTS**

**2-1.** Explanation and Source & Support. Refer to the Companies' *Petition*, p.13, ¶ 23.<sup>1</sup> The Companies indicate that the merger would create a larger, stronger water and wastewater company. With respect to the claim that the resulting, combined entity will be "stronger," the response to Consumer Advocate DR No. 1-6 indicates that SouthWest Water Company ("SWW") has a balance of Goodwill of approximately \$484 million, contrasted with a Shareholders' Equity balance of approximately \$456 million. Provide evidence, including regulatory orders if applicable, which support the Companies' position that the Goodwill asset is likely to be recovered in future regulatory proceedings. For purposes of this response, please disregard providing the requested information for any jurisdiction in which the corresponding Goodwill balance is less than \$25 million. It is noted within the response to Consumer Advocate DR No. 1-18 that the Goodwill balance associated with the Palmetto acquisition is over \$262 million.

### **RESPONSE:**

**2-2.** Explanation and Source & Support. Refer to Mr. Lubertozi's testimony, p. 19, line 310.<sup>2</sup> What operational metrics are in place and are relied upon in making the statement that "TWS will continue to provide high-quality water utility service to its customers"? Provide the results of such operational metrics for both calendar year 2021 and calendar year 2022.

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<sup>1</sup> *Petition of Tennessee Water Service, Inc. and Corix Infrastructure (US) Inc., for Approval of Authority to Transfer Control Pursuant to Tenn. Code Ann § 65-4-113*, TPUC Docket No. 22-00114 (November 9, 2022), at 13.

<sup>2</sup> *Direct Testimony of Steven Lubertozi on behalf of Tennessee Water Service, Inc.*, TPUC Docket No. 22-00114 (November 9, 2022), at 19, line 310.

**RESPONSE:**

**2-3.** Explanation. Refer to *Responses of Tennessee Water Service, Inc, (“TWS”) and Corix Infrastructure (US) Inc. (“Corix US”) to the Consumer Advocate’s First Set of Discovery Requests*, DR No. 1-9.<sup>3</sup> Provide a comprehensive discussion of the system or process that will be put in place to track such integration costs.

**RESPONSE:**

**2-4.** Explanation. Refer to *Responses of Tennessee Water Service, Inc, (“TWS”) and Corix Infrastructure (US) Inc. (“Corix US”) to the Consumer Advocate’s First Set of Discovery Requests*, DR No. 1-9 through DR No. 1-11.<sup>4</sup> Is TWS committed to eliminating any incremental integration costs to the extent such costs exceed integration savings in its next rate proceeding? If not, please address the appropriate regulatory policy which supports the recovery of incremental integration costs, net of integration savings.

**RESPONSE:**

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<sup>3</sup> *Responses of Tennessee Water Service, Inc, (“TWS”) and Corix Infrastructure (US) Inc. (“Corix US”) to Consumer Advocate’s First Set of Discovery Requests*, TPUC Docket No. 22-00114 (February 13, 2023), at 12.

<sup>4</sup> *Id.* at 14.

RESPECTFULLY SUBMITTED,



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**VICTORIA B. GLOVER** (BPR No. 037954)

Assistant Attorney General

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

Senior Assistant Attorney General

Office of the Tennessee Attorney General

Consumer Advocate Division

P.O. Box 20207

Nashville, Tennessee 37202-0207

Phone: (615) 360-4219

Fax: (615) 741-8151

Email: [Victoria.Glover@ag.tn.gov](mailto:Victoria.Glover@ag.tn.gov)

Email: [Karen.Stachowski@ag.tn.gov](mailto:Karen.Stachowski@ag.tn.gov)

**TPUC Docket No. 22-00114**

*Consumer Advocate's 2<sup>nd</sup> Set of Discovery Request to Companies*

**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 provided by electronic mail, upon:

Ryan Freeman  
Baker, Donelson, Bearman, Caldwell &  
Berkowitz, PC  
1900 Republic Centre  
633 Chestnut Street  
Chattanooga, TN 37450  
Phone: (423) 209-4181  
Email: [rfreeman@bakerdonelson.com](mailto:rfreeman@bakerdonelson.com)

Cameron Kapperman  
Baker, Donelson, Bearman, Caldwell &  
Berkowitz, PC  
1900 Republic Centre  
633 Chestnut Street  
Chattanooga, TN 37450  
Phone: (423)752-4412  
Email: [ckapperman@bakerdonelson.com](mailto:ckapperman@bakerdonelson.com)

This the 27<sup>th</sup> day of February, 2023.



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**VICTORIA B. GLOVER**  
Assistant Attorney General