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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

**RE: *Joint Petition of Tennessee-American Water Company and Catoosa Utility
District Authority for Approval of a Special Contract, Docket No. 23-00066***

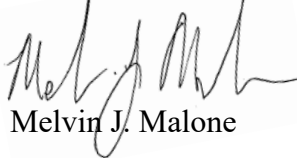
Dear Chairman Hilliard:

Attached for filing please find the *Clarification of Joint Petition of Tennessee-American Water Company and Catoosa Utility District Authority for Approval of a Special Contract*, along with sworn testimony and exhibits.

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

Attachments

cc: Bob Lane, TAWC
Randall Crawford, CUDA
Karen H. Stachowski, Consumer Advocate Division
Shilina B. Brown, Esq., Consumer Advocate Division

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

**JOINT PETITION OF TENNESSEE-
AMERICAN WATER COMPANY AND
CATOOSA UTILITY DISTRICT
AUTHORITY FOR APPROVAL OF A
SPECIAL CONTRACT**

DOCKET NO. 23-00066

**CLARIFICATION OF JOINT PETITION OF TENNESSEE-AMERICAN WATER
COMPANY AND CATOOSA UTILITY DISTRICT AUTHORITY
FOR APPROVAL OF A SPECIAL CONTRACT**

On September 5, 2023, and pursuant to Tennessee Public Utility Commission Rule 1220-4-03-.05,¹ Tennessee-American Water Company (“TAWC,” “Tennessee-American” or “Company”) and Catoosa Utility District Authority (“Catoosa” or “CUDA”), hereinafter collectively the Parties, submitted the Joint Petition of Tennessee-American Water Company and Catoosa Utility District Authority for Approval of a Special Contract, consistent with the rules of the Tennessee Public Utility Commission (“TPUC” or “Commission”).² The purpose of this Clarification of Joint Petition is to clarify that the most recent water purchase agreement between the Parties is the 2013 water purchase agreement, which is attached hereto as **Supplemental Exhibit C**.

For the reasons and support that follow and consistent with the Joint Application, and to the extent this Special Contract must be approved by the Commission under Commission Rule

¹ The Commission’s water regulations, specifically Rule 1220-4-03-.05, provides that water public utilities shall file a copy of each special contract for service.

² A copy of the Agreement is attached as **Exhibit A** to the Joint Petition.

1220-4-01-.07, the Parties continue to jointly request consideration and approval by the Commission.

I. THE PARTIES

1. In the Joint Petition, under Section 1 THE PARTIES, para. 1, p. 2, the Parties state that “Catoosa is a current customer pursuant to a November 1998 water purchase agreement.” The Parties hereby clarify that Catoosa is a current customer of TAWC pursuant to a 2013 water purchase agreement.

II. DESCRIPTION OF THE SPECIAL CONTRACT

1. In the Joint Petition, under Section 1I THE DESCRIPTION OF THE SPECIAL CONTRACT, para. 13, p. 4, the Parties state that “The Agreement is a continuation of the existing but expiring arrangement between TAWC and Catoosa.” In footnote three (3) of the Joint Petition, the Parties cited the 1998 water purchase agreement as constituting the existing but expiring arrangement between the Parties. The Parties hereby clarify that the proposed Agreement that is the subject of the Joint Application is a continuation of the existing but expiring 2013 water purchase agreement between the Parties. Consistent with the Joint Application, the Parties hereby confirm that the only terms changed from the 2013 water purchase agreement and the proposed Agreement are the date of execution.

III. TAWC’s TECHNICAL, MANAGERIAL AND FINANCIAL ABILITY

1. To avoid any confusion, the Company is simultaneously submitting pre-filed supplemental direct testimony consistent with the Clarification of Joint Petition. The purpose of the pre-filed supplemental direct testimony is to support the Clarification of Joint Petition and to clarify that the most recent water purchase agreement between the Parties is the 2013 water purchase agreement

IV. THE PUBLIC INTEREST

1. In the Joint Petition, under Section IV THE PUBLIC INTEREST, para. 20, p. 5, the Parties reference an existing agreement between the Parties. The Parties hereby clarify that the existing agreement referenced in Section IV of the Joint Petition should have been, and is, a reference to the 2013 water purchase agreement between the Parties. TAWC has not been able to confirm that the 2013 water purchase agreement was approved by the Commission.

V. CONCLUSION

For the foregoing reasons, and as set forth in the Joint Petition, the TAWC and Catoosa, respectfully continue to request the Commission to approve the Special Contract.

WHEREFORE, the Parties hereby continue to request that the Commission:

- (1) Approve the Special Contract, attached to the Joint Application as **Exhibit A**; and,
- (2) Grant such other relief as may be required.

Respectfully submitted,

BUTLER SNOW LLP

By: 

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*Counsel for Tennessee-American Water
Company*

SUPPLEMENTAL EXHIBIT C

WATER PURCHASE AGREEMENT

THIS WATER PURCHASE AGREEMENT ("Agreement") is executed this 27 day of August 2013, by and between TENNESSEE-AMERICAN WATER COMPANY, a Tennessee corporation and public utility ("Utility"), and the Catoosa Utility District Authority ("Authority"). The Effective Date of this Agreement will be the date the Agreement is approved by the Tennessee Regulatory Authority ("TRA").

WHEREAS, Authority and Utility currently have a water purchase agreement entered into on November 22, 1998 with an effective date of May 18, 1999; and

WHEREAS, the parties want to continue their water supply partnership;

NOW, THEREFORE, in consideration of the following covenants, the parties agree as follows:

1. SUPPLY OF WATER

- a. During the term of this Agreement and any extensions thereof, Utility agrees to provide to District, at the Points of Delivery, potable water in such quantity as is required in Section 2 herein. "Points of Delivery" shall mean the location(s) of metering equipment used to measure the quantity of water delivered to Utility.
- b. Water provided by the Utility shall be available at the Points of Delivery at normally available distribution system pressure. Failures of pressure or supply due to causes beyond the reasonable control of Utility, including but not limited to main supply line breaks, power failure, flood, fire and the use of water to fight fire, earthquake or other catastrophic events, or governmental or judicial action, shall relieve Utility of responsibility for providing service for such reasonable time as may be necessary to restore service without liability for loss, damage or injury to Authority or its customers. In the event of an extended water shortage resulting from drought restrictions, or if the supply of water available to Utility is otherwise diminished for reasons beyond the reasonable control of Utility, the supply of water available to Authority may be reduced by Utility, but the reduction shall be in the same proportion as the reduction of supply to all of Utility's affected customers, to the extent feasible and within Utility's power.
- c. Utility shall not be required by this Agreement to provide, reduce or maintain water pressure within Authority's system and it is expressly understood to be the obligation of Authority to provide, reduce and maintain such pressure by boosting devices, pressure reducing valves, standpipes, elevated tanks, or by such other means as may be required or necessary to provide and maintain satisfactory pressure in the water mains and pipes within Authority's system.

2. PURCHASE OF WATER

- a. It is expressly understood that this is a requirements contract and that Authority may not reduce its purchases from Utility during the term of this Agreement. Authority agrees that water purchased under this Agreement is solely for resale to its customers (within its service area and to Ringgold; and that, without the prior written consent of Utility, such water will not be sold to any other water utility.) In addition, no water may be used outside the Tennessee River Basin.
- b. Authority shall pay the then-applicable rate in Utility's Rates, Rules, Regulations and Conditions of Water Service on file with and approved by the TRA ("Tariffs"). Metering reading, billing, and payment terms shall be conducted as set forth in the then-applicable Tariffs. At the end of each year, if the Authority did not purchase the required annual gallons of water specified in 2.c. below, the Utility shall invoice Authority at the then-applicable Tariff rate for the difference between the number of gallons required to be purchased and the number of gallons purchased that year.
- c. Authority agrees to purchase a minimum of 93,000,000 gallons per year (0.25 million gallons/day average) of potable water from Utility during the term of this Agreement.

3. METERING AND CROSS-CONTAMINATION EQUIPMENT

- a. Metering equipment and appurtenances thereto are provided, installed, owned and maintained by Utility, and shall be of standard type for properly measuring the quantity of water delivered. Authority shall own and be responsible for the cost, installation, and maintenance of the meter vault, piping, valves and appurtenances thereto necessary for connection to Utility's metering equipment. Authority shall also be responsible for the cost of connecting its mains to the Utility's system at the Points of Delivery.
- b. Utility agrees to calibrate its metering equipment whenever requested by Authority, but not more frequently than once every twelve (12) months, unless inaccuracy thereof is made clearly evident by Authority to Utility. A meter registering within the standards set by TRA regulations and rules shall be deemed to be accurate and acceptable to the parties. If any meter fails to register within such standards, the TRA regulations and rules shall determine whether a billing adjustment should be made and, if so, how the adjustment will be calculated.
- c. For each Point of Delivery, Authority agrees to provide and install at a location approved by Utility, and own and maintain in good working order, a double check valve and/or other cross contamination protection devices required by Utility and/or the Tennessee Department of Environment and Conservation or such other body that regulates such matters.

4. TERM AND TERMINATION

- a. The Initial Term of this Agreement shall be five (5) years from the Effective Date and shall be automatically renewed for one (1) additional five (5)-year renewal term unless either party provides written notice to the other party not less than one (1) year prior to the end of such Initial Term that the Agreement will be terminated at the conclusion of the Initial Term.

5. MISCELLANEOUS

- a. Water service shall be conducted in accordance with the then-applicable Tariffs. In the event of any conflict between the provisions of this Agreement and the then-applicable Tariffs, the Tariffs shall control.
- b. Authority is solely responsible and liable for construction, operation and maintenance of its water system in conformance with all applicable federal, state and local laws, ordinances, regulations and codes.
- c. This Agreement shall be binding upon Utility and Authority, their successors and assigns.
- d. All notices and correspondence regarding this Agreement shall be addressed to:

For Authority: Chairman, Jerry Lee
 Catoosa Utility District Authority
 PO Box 750
 Ringgold, GA 30736

For Utility: President
 Tennessee-American Water Company
 1101 Broad St.
 Chattanooga, TN 37402

 Corporate Counsel
 Tennessee-American Water Company
 1101 Broad St.
 Chattanooga, TN 37402

Either party may change the person or address to which notices or correspondence to it should be sent by written notice to the other party. Notices provided for hereunder shall be deemed given on the date of receipt unless mailed by certified mail, return receipt requested, in which event the notice shall be deemed given on the date of mailing.

- e. This Agreement contains the entire understanding between the parties and no modification or alteration to this Agreement shall be effective unless reduced to writing and signed by both parties. This Agreement supersedes all prior agreement, representations and

proposals, either oral or written, heretofore made by or to or in effect between Authority and the Utility with respect to the subject matter hereof.

- f. This Agreement shall be governed by and construed under the laws of the State of Tennessee.

UTILITY

TENNESSEE-AMERICAN WATER COMPANY



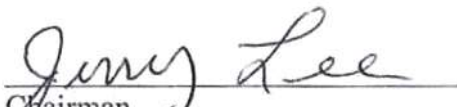
President

8-20-13

Date

AUTHORITY

Catoosa Utility District Authority



Chairman

8-27-13

Date

CERTIFICATE OF SERVICE

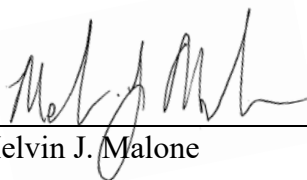
I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

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Consumer Advocate Division
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P.O. Box 20207
Nashville, TN 37202-0207
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Randall Crawford, Chairman
c/o David Collett
Catoosa Utility District Authority
P.O. Box 750
Ringgold, GA 30736
dcollett@catoosautility.com

This the 3rd day of October 2023.



Melvin J. Malone