

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

IN RE:)	
)	
JOINT PETITION OF TENNESSEE-)	
AMERICAN WATER COMPANY AND)	DOCKET NO. 23-00066
CATOOSA UTILITY DISTRICT)	
AUTHORITY FOR APPROVAL OF A)	
SPECIAL CONTRACT)	

**CONSUMER ADVOCATE’S SECOND SET OF DISCOVERY REQUESTS
TO TENNESSEE AMERICAN WATER COMPANY**

This Second Set of Discovery Requests is hereby served upon Tennessee American Water Company (“TAWC” or the “Company”) and the Catoosa Utility District Authority (“CUDA”), 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, Consumer Advocate Division, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Shilina B. Brown, on or before October 24, 2023 by 2:00 p.m. (Central).

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 Informal Set of Discovery Requests to Tennessee American Water* initially sent to the Company on September 14, 2023, and are to be considered continuing in nature, and are to be supplemented from time to time as information is received by the Company which would make a prior response inaccurate, incomplete, or incorrect.

SECOND SET OF DISCOVERY REQUESTS

2-1. Data Support. Refer to the spreadsheet included with the Company's response to Consumer Advocate DR No. 1-2 regarding the anticipated monthly contract revenues. Specifically, note that the "Estimated Revenue Per Month Contract Rate" in Column E of this spreadsheet contains hard-coded amounts of \$12,589.81 that the Consumer Advocate is unable to precisely replicate.

As explained in Item #3 in the "Preliminary Matters and Definitions" of the Consumer Advocate's First Informal Discovery Request regarding the format of responses, the Company is to provide:

"all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format **with all cells and formulas intact and in working order.**" [Emphasis added.]

Therefore, please update this spreadsheet to provide a valid formula that properly calculates the \$12,589.81 in "Estimated Revenue Per Month Contract Rate" shown in Column E of the spreadsheet included in this response.

RESPONSE:

2-2. Data Support. Refer to the Company's response to Consumer Advocate DR No. 1-3 regarding the incremental capital and operating costs related to the Agreement between the Parties and provide the following information:

- a. Provide the source and support for the \$3,642.50 incremental O&M expense referenced in this response in Excel format with all formulas intact.
- b. Provide the source and support for depreciation expense and the resulting accumulated depreciation balance related to assets devoted to providing service to CUDA in Excel format with all formulas intact.
- c. Provide the source and support for property taxes related to assets devoted to providing service to CUDA in Excel format with all formulas intact.

RESPONSE:

2-3. Data Support. Refer to the spreadsheet included with the Company's response to Consumer Advocate DR No. 1-4 regarding the difference between special contract rates and the existing tariff rates. Specifically note that the data included in Columns E, F and G of this spreadsheet contain hard-coded amounts that the Consumer Advocate is unable to precisely replicate.

As explained in Item #3 in the "Preliminary Matters and Definitions" of the Consumer Advocate's First Informal Discovery Request regarding the format of responses, the Company is to provide:

"all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format **with all cells and formulas intact and in working order.**" [Emphasis added.]

Therefore, please update this spreadsheet to provide valid formulas that properly calculate the referenced data.

RESPONSE:

2-4. Data Support. Refer to the spreadsheet included with the Company's response to Consumer Advocate DR No. 1-5 regarding the breakeven point between the special contract rates and the existing tariff rates. Specifically note that the data included in this spreadsheet contain hard-coded amounts that the Consumer Advocate is unable to precisely replicate.

As explained in Item #3 in the "Preliminary Matters and Definitions" of the Consumer Advocate's First Informal Discovery Request regarding the format of responses, the Company is to provide:

“all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format **with all cells and formulas intact and in working order.**” [Emphasis added.]

Therefore, please update this spreadsheet to provide valid formulas that properly calculate the referenced data.

RESPONSE:

2-5. Available Resources. Refer to the Company’s response to Consumer Advocate DR No. 1-11(c) regarding whether or not the Company can provide water supply to CUDA under the terms of the Agreement without incurring any additional operating or capital costs that would need to be applied to TAWC’s existing customers. The Company’s response appears to indicate that incremental costs to provide service to CUDA would be necessary and that these costs would be recovered from all of TAWC’s customer base. Please identify the anticipated costs to provide service to CUDA over the five-year term of the proposed Agreement that the Company believes would need to be charged to TAWC’s other customers.

RESPONSE:

2-6. Alternative Supplies. Refer to the Company’s response to Consumer Advocate DR No. 1-15 regarding the statement in Company witness Stout’s testimony that CUDA “believes that it can provide reliable and safe water via its own groundwater plant and other sources.” TAWC’s response to this request indicates that this statement was made in oral discussions. However, this docket represents a Joint Petition filed by both TAWC and CUDA. As a result, the Consumer Advocate requires an individual response from both Parties to this request. Specifically, we are requesting that CUDA provide documentation supporting that it can provide reliable and safe water via its own groundwater plant and other sources.

RESPONSE:

- 2-7. Alternative Supplies. Refer to the Company's response to Consumer Advocate DR No. 1-16 regarding studies possessed by CUDA relative to alternative water sources.

TAWC's response to this request indicates that the Company is not in possession of such studies. However, this Docket represents a Joint Petition filed by both TAWC and CUDA. As a result, the Consumer Advocate requires an individual response from both Parties to this request. Specifically, we are requesting that CUDA provide all studies possessed by CUDA relative to alternative water sources.

RESPONSE:

- 2-8. Site Identification. Refer to the Company's response to Consumer Advocate DR No. 1-17 regarding the transmission line map from TAWC's water system to the individual CUDA delivery points. The Company's response indicates that the map supplied is confidential and proprietary. Explain the Company's rationale for requesting confidential and proprietary treatment for this map. If the Company no longer believes that this information is confidential and proprietary, then the Consumer Advocate requests that the Company direct that this designation be removed.

RESPONSE:

- 2-9. Alternative Supplies. Refer to the Company's response to Consumer Advocate DR No. 1-18 regarding the identity and location of alternate sources of supply and transmission lines in proximity to CUDA's water distribution system along with the daily available capacity from each source.

TAWC's response to this request indicates that the Company is not in possession of this information. However, this Docket represents a Joint Petition filed by both TAWC and CUDA. As a result, the Consumer Advocate requires an individual response from both Parties to this request. Specifically, we are requesting that CUDA provide a map showing the alternate sources of supply and transmission lines in proximity to CUDA's water distribution system along with the daily available capacity (in gallons and CCF) from each source.

RESPONSE:

2-10. Embedded Cost. Refer to the Company's response to Consumer Advocate DR No. 1-19 regarding the embedded cost of the transmission line to serve CUDA. The Company's response indicates the cost of this transmission line was approximately \$2.2 million and was placed in service in 2014. Please provide in Excel format with all formulas intact, the calculation of the annual depreciation expense and resulting accumulated depreciation related to this transmission line.

RESPONSE:

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RESPECTFULLY SUBMITTED,



SHILINA B. BROWN (BPR No. 020689)

Assistant Attorney General

KAREN H. STACHOWSKI (BPR No. 019607)

Deputy Attorney General

Office of the Tennessee Attorney General

Consumer Advocate Division

P.O. Box 20207

Nashville, Tennessee 37202-0207

Phone: (615) 741-2357

Fax: (615) 741-1026

Email: Shilina.Brown@ag.tn.gov

Email: Karen.Stachowski@ag.tn.gov

TPUC Docket No. 23-00066

CA's 2nd Set of Discovery Requests to TAWC

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 sent via electronic mail, upon:

Grady Stout
Tennessee-American Water Company
1500 Riverside Drive
Chattanooga, TN 37406
Email: Grady.Stout@amwater.com

Randall Crawford, Chairman
c/o David Collett
Catoosa Utility District Authority
P.O. Box 750
Ringgold, GA 30736
Email: dcollett@catoosautility.com

Melvin J. Malone
Katherine Barnes
Butler Snow LLP
The Pinnacle at Symphony Place
150 3rd Avenue South, Suite 1600
Nashville, TN 37201
Email: Melvin.Malone@butlersnow.com
Email: Katherine.Barnes@butlersnow.com

This the 16th day of October, 2023.



Shilina B. Brown
Assistant Attorney General