

# FARRIS BOBANGO PLC

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November 6, 2023

## Via Electronic Delivery

Chairman Herbert Hilliard  
c/o Ectory Lawless  
Tennessee Public Utility Commission  
502 Deaderick Street, Suite 4  
Nashville, TN 37243

Electronically Filed in TPUC Docket Room  
on November 6, 2023 at 12:43 p.m.

**Re:** *Petition of Superior Wastewater Systems, LLC to Adopt an Alternative Regulatory Mechanism Pursuant to Tenn. Code Ann. § 65-5-103(d)(7). Docket No. 23-00069*

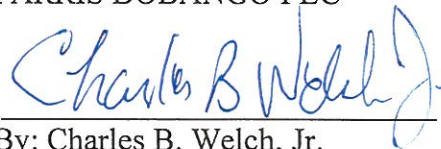
Dear Chairman Hilliard:

Please file the proposed, attached tariff on behalf of Superior Wastewater Systems, LLC in the referenced docket.

As required, an original and four copies of this filing has been sent via US Mail. Please contact me if you have any questions concerning this filing or require additional information.

Sincerely,

FARRIS BOBANGO PLC



By: Charles B. Welch, Jr.

Enclosures

Cc: John Powell  
Victoria B. Glover  
Shilina B. Brown

# SUPERIOR WASTEWATER SYSTEMS

Providing Superior Wastewater Service to Tennessee

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November 6, 2023

Ms. Michelle Mairs, Deputy Director  
Utilities Division  
Tennessee Public Utility Commission  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243

**Re: PETITION OF SUPERIOR WASTEWATER SYSTEMS, LLC TO ADOPT AN  
ALTERNATIVE REGULATORY MECHANISM PURSUANT TO TENN. CODE  
ANN. § 65-5-103(d)(7).  
DOCKET NO. 23-00069**

## **ARM TARIFF FILING**

Dear Ms. Mairs:

On October 26, 2023, the Bureau of Economic Analysis published the Gross Domestic Product Implicit Price Deflator (GDP-IPD) for the 3<sup>rd</sup> quarter of 2023. As a result, all factors for Superior's proposed ARM calculation are now known. We are therefore making this ARM tariff filing now to become effective on January 1, 2024.

Although the Commission has not yet approved the Company's petition for an ARM adjustment, we are making this tariff filing now in order to fully comply with the Commission's 30-day rule on tariff filings.

Thank you for your timely consideration of this filing. Should you have any questions, or need anything further, please do not hesitate to contact me.

Sincerely,



John Powell  
President & General Manager

# **SUPERIOR WASTEWATER SYSTEMS**

**2023 ARM Filing for Calendar Year 2024**

**ARM Calculation Schedules**

**SUPERIOR WASTEWATER SYSTEMS**  
**2023 ARM Filing for Calendar Year 2024**  
**ARM Adjustment Calculation**

**Schedule 1**

<b>Line No.</b>	<b>Item</b>	<b>Amount</b>
1	GDP-IPD Index Factor at 3rd Quarter 2022	118.962 <b>A/</b>
2	GDP-IPD Index Factor at 3rd Quarter 2023	<u>122.817 <b>A/</b></u>
3	<b>GDP-IPD Percentage Increase Factor (Line 2 / Line 1)</b>	<b>103.24%</b>
4	Existing Base Charge	<u>\$44.21 <b>B/</b></u>
5	<b>New Adjusted Base Charge (L3 * L4)</b>	<u><u><b>\$45.64</b></u></u>

**NOTE:** The structure for the ARM Calculation was presented on Table 3 of the direct testimony of John Powell in Docket No. 23-00069.

**A/** Schedule 2.

**B/** Schedule 3.

Line No.	Item	Amount
1	Gross Domestic Product - Implicit Price Deflator at 3rd Quarter 2022	118.962
2	Gross Domestic Product - Implicit Price Deflator at 3rd Quarter 2023	122.817

## National Data

### National Income and Product Accounts

Publication Category [NIPA Tables](#) [Interactive Data](#)

#### Table 1.1.9. Implicit Price Deflators for Gross Domestic Product

(Index numbers: 2017=100; Seasonally adjusted)

Last Revised on: October 26, 2023 - Next Release Date: November 29, 2023

Line	2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 Gross domestic product	107.668	109.305	110.920	112.848	115.135	117.671	118.962	120.093	121.261	121.766	122.817

**SOURCE:** Table 1.1.9 Implicit Price Deflator for Gross Domestic Product published by the Bureau of Economic Analysis of the United States Department of Commerce at [www.bea.gov/itable/](http://www.bea.gov/itable/).

**SUPERIOR WASTEWATER SYSTEMS**  
**2023 ARM Filing for Calendar Year 2024**  
**Existing Base Rates**

**Schedule 3**

Line No.	Item	Amount
1	Existing Base Charge	<u><u>\$44.21</u></u>

Superior Wastewater Systems  
TPUC #1  
Wastewater Tariff

Second Revised Sheet #2  
Replacing First Revised Sheet #2  
Effective Date: September 1, 2023

**Superior Wastewater Systems**  
**Ashby Communities Billing Rates**

	Monthly Charge
Base Rate Charge	\$44.21
Escrow Charge	10.13
Bonding Charge **	-4.24
Rate Case Surcharge in Docket No. 22-00087 ***	6.01
<b>Total</b>	<b>\$56.11</b>

**SOURCE:** SWS Tariff Book.

**SUPERIOR WASTEWATER SYSTEMS**  
**2023 ARM Filing for Calendar Year 2024**  
**Total ARM Revenue Adjustment Calculation**

**Schedule 4**

<b>Line No.</b>	<b>Item</b>	<b>Amount</b>
1	New Adjusted Base Charge	\$45.64 <b>A/</b>
2	Existing Base Charge	<u>44.21 <b>B/</b></u>
3	<b>Base Charge Adjustment (L1 - L2)</b>	<b>\$1.43</b>
4	Customers at December 31, 2022	352 <b>C/</b>
5	Typical Annual Bills per Customer	<u>12</u>
6	<b>Total Revenue Adjustment (L3 * L4 * L5)</b>	<u><u><b>\$6,040</b></u></u>

**A/** Schedule 1.

**B/** Schedule 3.

**C/** Schedule 6.

**SUPERIOR WASTEWATER SYSTEMS**  
**2023 ARM Filing for Calendar Year 2024**  
**Total Net Operating Income Comparison**

**Schedule 5**

<b>Line No.</b>	<b>Item</b>	<b>Amount</b>
1	2022 Total Operating Expenses	\$151,177 <i>A/</i>
2	Fair Operating Margin	<u>10.00% <i>B/</i></u>
3	<b>Required Net Operating Income (L1 * L2)</b>	<b><u><u>\$15,118</u></u></b>
4	Net Operating Income at Current Rates	-\$45,695 <i>A/</i>
5	Revenue Adjustment	<u>6,040 <i>C/</i></u>
6	<b>Total Net Operating Income (L4 + L5)</b>	<b><u><u>-\$39,655</u></u></b>
7	<b>Net Operating Income Difference (L3 - L6)</b>	<b><u><u>\$54,772</u></u></b>

*A/* Schedule 7.

*B/* Rate adopted by TPUC in Docket 22-00087, Party Staff Exhibit, Schedule 1.

*C/* Schedule 4.



**SUPERIOR WASTEWATER SYSTEMS**  
**2023 ARM Filing for Calendar Year 2024**  
**Customer Counts for 2022**

**Schedule 6**

Line No.	Item	Amount
1	2022 Customers	<u><b>352</b></u>

Name of Respondent				This Report is:	Date of Report	Year of Report
Superior Wastewater Systems, LLC				(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	2022
				(2) <input type="checkbox"/> A Resubmission	3-31-23	

SEWER OPERATION & MAINTENANCE EXPENSE		
Acct No.	Description (a)	Amount (b)
701	Salaries & Wages - Employees	\$0
703	Salaries & Wages - Officers, Directors & Stockholders	0
704	Employee Pensions & Benefits	5,000
710	Purchased Sewage Treatment	0
711	Sludge Removal Expense	0
715	Purchased Power	16,065
716	Fuel for Power Production	0
718	Chemicals	0
720	Materials & Supplies	6,995
730	Contractual Services	38,968
740	Rent	0
750	Transportation Expense	3,974
755	Insurance Expense	22,835
765	Regulatory Commission Expense	0
770	Bad Debt Expense	0
775	Miscellaneous Expenses	56,037
	<b>Total Sewer Operation &amp; Maintenance Expense</b>	<b>\$149,874</b>

SEWER CUSTOMERS				
Description (a)	Customers First of Year (b)	Additions (c)	Disconnections (d)	Customers End of Year (e)
Metered Customers:				
5/8 Inch	349	3	0	352
3/4 Inch	0	0	0	0
1.0 Inch	0	0	0	0
1.5 Inch	0	0	0	0
2.0 Inch	0	0	0	0
2.5 Inch	0	0	0	0
3.0 Inch	0	0	0	0
4.0 Inch	0	0	0	0
6.0 Inch	0	0	0	0
8.0 Inch	0	0	0	0
Other (Please Specify)	0	0	0	0
Other (Please Specify)	0	0	0	0
Other (Please Specify)	0	0	0	0
Unmetered Customers:	0	0	0	0
<b>Total Customers:</b>	<b>349</b>	<b>3</b>	<b>0</b>	<b>352</b>

**SOURCE:** SWS 2022 TPUC Annual Report.

SUPERIOR WASTEWATER SYSTEMS  
2023 ARM Filing for Calendar Year 2024  
Net Operating Income for 2022

Schedule 7

Line No.	Item	Amount
1	Total Operating Expenses	\$151,177
2	Net Operating Income	-\$45,695

Name of Respondent		This Report is:		Date of Report	Year of Report
Superior Wastewater Systems, LLC		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		3-31-23	2022
<b>INCOME STATEMENT</b>					
Account Name (a)	Ref Page (b)	Water (c)	Sewer (d)	Other (e)	Total (f)
<b>Gross Revenue:</b>					
Residential			\$105,482		\$105,482
Commercial			0		0
Industrial			0		0
Multi-Family			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
<b>Total Gross Revenue</b>			\$105,482		\$105,482
<b>Operation &amp; Maint. Expense</b>	W3/S3		\$149,874		\$149,874
Depreciation Expense	F-5		0		0
Amortization Expense			0		0
Other Expense (Please Specify)			0		0
Other Expense (Please Specify)			0		0
Taxes: Other Than Income	F-7		1,303		1,303
Income Taxes:	F-7		0		0
<b>Total Operating Expense:</b>			\$151,177		\$151,177
<b>Net Operating Income</b>			-\$45,695		-\$45,695
<b>Other Income:</b>					
Nonutility Income			\$0		\$0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
<b>Total Other Income</b>			\$0		\$0
<b>Other Deductions:</b>					
Misc. Nonutility Expense:			\$200		\$200
Other - Interest Expense			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
Other (Please Specify)			0		0
<b>Total Other Deduction:</b>			\$200		\$200
<b>Net Income</b>			-\$45,895		-\$45,895

SOURCE: SWS 2022 TPUC Annual Report.

**SUPERIOR WASTEWATER SYSTEMS**

**DOCKET 23-00069**

**ALTERNATIVE REGULATORY  
MECHANISM**

**UNREDACTED (CLEAN) TARIFF  
SHEETS**

Superior Wastewater Systems  
TPUC #1  
Wastewater Tariff

Third Revised Sheet #1  
Replacing Second Revised Sheet #1  
Effective Date: January 1, 2024

**Superior Wastewater Systems  
Wastewater Service Billing Summary**

<b>System</b>	<b>Monthly Charge</b>
Ashby Communities – Sheet 2	\$57.54
Hill and Roberts Parcels – Sheet 3	61.78
Fox Parcel – Sheet 4	61.78
Taliaferro Road Parcel – Sheet 5	61.78

Issued By:  
John Powell, President & General Manager

**Superior Wastewater Systems  
Ashby Communities Billing Rates**

	<b>Monthly Charge</b>
Base Rate Charge	\$45.64
Escrow Charge	10.13
Bonding Charge **	-4.24
Rate Case Surcharge in Docket No. 22-00087 ***	6.01
<b>Total</b>	<b>\$57.54</b>

**Incidental Rates:**

Late Payment	5% of Bill.
Disconnection	\$10.00
Reconnection	\$15.00
Returned Check	\$20.00

**\*\* Bonding Cost incurred is passed through to the customer with no markup by the Company.**

<b>Total Bonding Cost</b>		
Amount of Bond	\$147,500	
Interest Rate	<u>7.95%</u>	(1% Letter of Credit + 6.95% Debt Funding)
Bond Pass-Thru Cost	\$11,726	
Less Prior Recovered Cost	<u>24,744</u>	
Total Surcharge/(Refund)	\$-13,018	
Projected Bills	<u>3,067</u>	(256 Customers * 12 Months)
Total	\$-4.24	

**\*\*\* Rate Case Surcharge is effective for an 18-Month Period from September 1, 2023 to February 28, 2025.**

Issued By:  
John Powell, President & General Manager

**Superior Wastewater Systems  
Hill and Roberts Parcel Billing Rates**

	<b>Monthly Charge</b>
Base Rate Charge	\$45.64
Escrow Charge	10.13
Bonding Charge **	0.00
Rate Case Surcharge in Docket No. 22-00087 ***	6.01
<b>Total</b>	<b>\$61.78</b>

**Incidental Rates:**

Late Payment	5% of Bill.
Disconnection	\$10.00
Reconnection	\$15.00
Returned Check	\$20.00

**\*\* Bonding Cost incurred is passed through to the customer with no markup by the Company.**

**\*\*\* Rate Case Surcharge is effective for an 18-Month Period from September 1, 2023 to February 28, 2025.**

Issued By:  
John Powell, President & General Manager

**Superior Wastewater Systems  
Fox Parcel Billing Rates**

	<b>Monthly Charge</b>
Base Rate Charge	\$45.64
Escrow Charge	10.13
Bonding Charge **	0.00
Rate Case Surcharge in Docket No. 22-00087 ***	6.01
<b>Total</b>	<b>\$61.78</b>

**Incidental Rates:**

Late Payment	5% of Bill.
Disconnection	\$10.00
Reconnection	\$15.00
Returned Check	\$20.00

**\*\* Bonding Cost incurred is passed through to the customer with no markup by the Company.**

**\*\*\* Rate Case Surcharge is effective for an 18-Month Period from September 1, 2023 to February 28, 2025.**

Issued By:  
John Powell, President & General Manager

**Superior Wastewater Systems  
Taliaferro Road Parcel Billing Rates**

	<b>Monthly Charge</b>
Base Rate Charge	\$45.64
Escrow Charge	10.13
Bonding Charge **	0.00
Rate Case Surcharge in Docket No. 22-00087 ***	6.01
<b>Total</b>	<b>\$61.78</b>

**Incidental Rates:**

Late Payment	5% of Bill.
Disconnection	\$10.00
Reconnection	\$15.00
Returned Check	\$20.00

**\*\* Bonding Cost incurred is passed through to the customer with no markup by the Company.**

**\*\*\* Rate Case Surcharge is effective for an 18-Month Period from September 1, 2023 to February 28, 2025.**



**SUPERIOR WASTEWATER SYSTEMS**

**DOCKET 23-00069**

**ALTERNATIVE REGULATORY  
MECHANISM**

**REDLINE TARIFF SHEETS**

Superior Wastewater Systems  
TPUC #1  
Wastewater Tariff

~~Second-Third~~ Revised Sheet #1  
Replacing ~~First-Second~~ Revised Sheet #1  
Effective Date: ~~September-January 1, 2023~~2024

**Superior Wastewater Systems  
Wastewater Service Billing Summary**

System	Monthly Charge
Ashby Communities – Sheet 2	<del>\$56.11</del> 57.54
Hill and Roberts Parcels – Sheet 3	<del>60.35</del> 61.78
Fox Parcel – Sheet 4	<del>60.35</del> 61.78
Taliaferro Road Parcel – Sheet 5	<del>60.35</del> 61.78

Issued By:  
John Powell, President & General Manager

**Superior Wastewater Systems  
Ashby Communities Billing Rates**

	<b>Monthly Charge</b>
Base Rate Charge	<del>\$44.21</del> 45.64
Escrow Charge	10.13
Bonding Charge **	-4.24
Recovery of Rate Case Cost in Docket No. 22-00087 ***	6.01
<b>Total</b>	<del>\$56.11</del> 57.54

**Incidental Rates:**

Late Payment	5% of Bill.
Disconnection	\$10.00
Reconnection	\$15.00
Returned Check	\$20.00

**\*\* Bonding Cost incurred is passed through to the customer with no markup by the Company.**

<b>Total Bonding Cost</b>		
Amount of Bond	\$147,500	
Interest Rate	<u>7.95%</u>	(1% Letter of Credit + 6.95% Debt Funding)
Bond Pass-Thru Cost	\$11,726	
Less Prior Recovered Cost	<u>24,744</u>	
Total Surcharge/(Refund)	\$-13,018	
Projected Bills	<u>3,067</u>	(256 Customers * 12 Months)
Total	\$-4.24	

**\*\*\* Rate Case Surcharge is effective for an 18-Month Period from September 1, 2023 to February 28, 2025.**

Issued By:  
John Powell, President & General Manager

Superior Wastewater Systems  
TPUC #1  
Wastewater Tariff

~~Second~~Third Revised Sheet #3  
Replacing ~~First~~Second Revised Sheet #3  
Effective Date: ~~September~~January 1, ~~2023~~2024

**Superior Wastewater Systems  
Hill and Roberts Parcel Billing Rates**

	<b>Monthly Charge</b>
Base Rate Charge	<del>\$44.21</del> <u>\$45.64</u>
Escrow Charge	10.13
Bonding Charge **	0.00
Rate Case Surcharge in Docket No. 22-00087 ***	6.01
<b>Total</b>	<del>\$60.35</del> <u>\$61.78</u>

**Incidental Rates:**

Late Payment	5% of Bill.
Disconnection	\$10.00
Reconnection	\$15.00
Returned Check	\$20.00

**\*\* Bonding Cost incurred is passed through to the customer with no markup by the Company.**

**\*\*\* Rate Case Surcharge is effective for an 18-Month Period from September 1, 2023 to February 28, 2025.**

Issued By:  
John Powell, President & General Manager

**Superior Wastewater Systems  
Fox Parcel Billing Rates**

	<b>Monthly Charge</b>
Base Rate Charge	<del>\$44.21</del> 45.64
Escrow Charge	10.13
Bonding Charge **	0.00
Rate Case Surcharge in Docket No. 22-00087 ***	6.01
<b>Total</b>	<del>\$60.35</del> 61.78

**Incidental Rates:**

Late Payment	5% of Bill.
Disconnection	\$10.00
Reconnection	\$15.00
Returned Check	\$20.00

**\*\* Bonding Cost incurred is passed through to the customer with no markup by the Company.**

**\*\*\* Rate Case Surcharge is effective for an 18-Month Period from September 1, 2023 to February 28, 2025.**

Issued By:  
John Powell, President & General Manager

**Superior Wastewater Systems  
Taliaferro Road Parcel Billing Rates**

	<b>Monthly Charge</b>
Base Rate Charge	<del>\$44.21</del> <u>\$45.64</u>
Escrow Charge	10.13
Bonding Charge **	0.00
Rate Case Surcharge in Docket No. 22-00087 ***	6.01
<b>Total</b>	<del>\$60.35</del> <u>\$61.78</u>

**Incidental Rates:**

Late Payment	5% of Bill.
Disconnection	\$10.00
Reconnection	\$15.00
Returned Check	\$20.00

**\*\* Bonding Cost incurred is passed through to the customer with no markup by the Company.**

**\*\*\* Rate Case Surcharge is effective for an 18-Month Period from September 1, 2023 to February 28, 2025.**

Issued By:  
John Powell, President & General Manager