

SUPERIOR WASTEWATER SYSTEMS

Providing Superior Wastewater Service to Tennessee

December 29, 2025

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

Electronically Filed in TPUC Docket Room
on December 29 , 2025 at 7:26 a.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**

ARM TARIFF FILING

Dear Ms. Mairs:

On December 11, 2023, the voting panel in this Docket approved an Alternative Regulatory Mechanism (ARM) whereby Superior Wastewater Systems, LLC is allowed to adjust rates based on the changes in the Gross Domestic Product Implicit Price Deflator (GDP-IPD) from the 3rd quarter of the previous year to the 3rd quarter of the current year.

On December 23, 2025, the Bureau of Economic Analysis published the GDP-IPD for the 3rd quarter of 2025. As a result, all factors for Superior's ARM calculation are now known. We are therefore making this ARM tariff filing now to become effective on February 1, 2026. We will also provide notification of this rate change to all of our customers after its accuracy has been confirmed by your office.

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,



William H. Novak
Regulatory Consultant for SWS

SUPERIOR WASTEWATER SYSTEMS

2025 ARM Filing for Calendar Year 2026

ARM Calculation Schedules

SUPERIOR WASTEWATER SYSTEMS
2025 ARM Filing for Calendar Year 2026
ARM Adjustment Calculation

Schedule 1

Line No.	Item	Amount
1	GDP-IPD Index Factor at 3rd Quarter 2024	125.696 A/
2	GDP-IPD Index Factor at 3rd Quarter 2025	<u>129.428 A/</u>
3	GDP-IPD Percentage Increase Factor (Line 2 / Line 1)	102.97%
4	Existing Base Charge	<u>\$46.66 B/</u>
5	New Adjusted Base Charge (L3 * L4)	<u><u>\$48.05</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 2024	125.696
2	Gross Domestic Product - Implicit Price Deflator at 3rd Quarter 2025	129.428

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: December 23, 2025 - Next Release Date January 22, 2026

Line	2023				2024				2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 Gross domestic product	121.288	121.920	122.914	123.405	124.374	125.167	125.696	126.450	127.577	128.248	129.428

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/.

SUPERIOR WASTEWATER SYSTEMS
2025 ARM Filing for Calendar Year 2026
Existing Base Rates

Schedule 3

Line No.	Item	Amount
1	Existing Base Charge	<u>\$46.66</u>

Superior Wastewater Systems →	→	Fifth Revised Sheet #2¶
TPUC #1 →	→	Replacing Fourth Revised Sheet #2¶
Wastewater Tariff →	→	Effective Date: January 1, 2025¶
¶		
¶		
¶		
Superior Wastewater Systems¶		
Ashby Communities Billing Rates¶		
¶		
¶		
□		Monthly Charge
Base Rate Charge□		\$46.66□
□		□
Escrow Charge□		10.13□
□		□
Bonding Charge**□		-4.24□
□		□
Total □		\$52.55 □

SOURCE: SWS Tariff Book.

SUPERIOR WASTEWATER SYSTEMS
2025 ARM Filing for Calendar Year 2026
Total ARM Revenue Adjustment Calculation

Schedule 4

Line No.	Item	Amount
1	New Adjusted Base Charge	\$48.05 <i>A/</i>
2	Existing Base Charge	<u>46.66 <i>B/</i></u>
3	Base Charge Adjustment (L1 - L2)	\$1.39
4	Customers at December 31, 2024	509 <i>C/</i>
5	Typical Annual Bills per Customer	<u>12</u>
6	Total Revenue Adjustment (L3 * L4 * L5)	<u><u>\$8,490</u></u>

- A/** Schedule 1.
- B/** Schedule 3.
- C/** Schedule 6.

SUPERIOR WASTEWATER SYSTEMS
2025 ARM Filing for Calendar Year 2026
Total Net Operating Income Comparison

Schedule 5

Line No.	Item	Amount
1	2024 Total Operating Expenses	\$312,958 <i>A/</i>
2	Fair Operating Margin	<u>10.00% <i>B/</i></u>
3	Required Net Operating Income (L1 * L2)	<u><u>\$31,296</u></u>
4	Net Operating Income at Current Rates	\$13,392 <i>A/</i>
5	Revenue Adjustment	<u>8,490 <i>C/</i></u>
6	Total Net Operating Income (L4 + L5)	<u><u>\$21,882</u></u>
7	Net Operating Income Difference (L3 - L6)	<u><u>\$9,414</u></u>

A/ Schedule 7.

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

C/ Schedule 4.

SUPERIOR WASTEWATER SYSTEMS
2025 ARM Filing for Calendar Year 2026
Customer Counts for 2024

Schedule 6

Line
No.

Item

Amount

1 2024 Customers

509

				S-3
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	(Mo, Da, Yr) 3-31-25	2024	
SEWER OPERATION & MAINTENANCE EXPENSE				1
				2
				3
Acct No.	Description (a)	Amount (b)		4
				5
				6
701	Salaries & Wages - Employees	\$0		7
703	Salaries & Wages - Officers, Directors & Stockholders	22,360		8
704	Employee Pensions & Benefits	35,731		9
710	Purchased Sewage Treatment	0		10
711	Sludge Removal Expense	0		11
715	Purchased Power	11,551		12
716	Fuel for Power Production	0		13
718	Chemicals	0		14
720	Materials & Supplies	8,347		15
730	Contractual Services	108,406		16
740	Rents	0		17
750	Transportation Expense	3,531		18
755	Insurance Expense	4,555		19
765	Regulatory Commission Expense	0		20
770	Bad Debt Expense	0		21
775	Miscellaneous Expenses	110,669		22
Total Sewer Operation & Maintenance Expense		\$305,149		23
				24
				25
				26
				27
SEWER CUSTOMERS				28
				29
Description (a)	Customers First of Year (b)	Additions (c)	Disconnections (d)	Customers End of Year (e)
				30
				31
				32
				33
Metered Customers:				34
5/8 Inch	428	81	0	509
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				48
				49
Total Customers		428	81	509
				50
				51
				52
				53
				54
				55

SOURCE: SWS 2024 TPUC Annual Report.

SUPERIOR WASTEWATER SYSTEMS
 2025 ARM Filing for Calendar Year 2026
 Net Operating Income for 2024

Schedule 7

Line No.	Item	Amount
1	Total Operating Expenses	<u>\$312,958</u>
2	Net Operating Income	<u>\$13,392</u>

Name of Respondent						This Report is:		Date of Report	Year of Report	F-3
Superior Wastewater Systems, LLC						(1) <u>X</u> An Original (2) ___ A Resubmission		(Mo, Da, Yr) 3-31-25	2024	
INCOME STATEMENT										
Account Name (a)	Ref Page (b)	Water (c)	Sewer (d)	Other (e)	Total (f)					
Gross Revenue:										
Residential			\$326,350		\$326,350					1
Commercial			0		0					2
Industrial			0		0					3
Multi-Family			0		0					4
Other (Please Specify)			0		0					5
Other (Please Specify)			0		0					6
Other (Please Specify)			0		0					7
Other (Please Specify)			0		0					8
Total Gross Revenue			\$326,350		\$326,350					9
Operation & Maint. Expense										
Operation & Maint. Expense	W3/S3		\$305,149		\$305,149					10
Depreciation Expense	F-5		0		0					11
Amortization Expense			0		0					12
Other Expense (Please Specify)			0		0					13
Other Expense (Please Specify)			0		0					14
Taxes: Other Than Income	F-7		7,808		7,808					15
Income Taxes	F-7		0		0					16
Total Operating Expenses			\$312,958		\$312,958					17
Net Operating Income										
Net Operating Income			\$13,392		\$13,392					18
Other Income:										
Nonutility Income			\$0		\$0					19
Other (Please Specify)			0		0					20
Other (Please Specify)			0		0					21
Other (Please Specify)			0		0					22
Other (Please Specify)			0		0					23
Total Other Income			\$0		\$0					24
Other Deductions:										
Misc. Nonutility Expenses			\$0		\$0					25
Other - Interest Expense			0		0					26
Other (Please Specify)			0		0					27
Other (Please Specify)			0		0					28
Other (Please Specify)			0		0					29
Total Other Deductions			\$0		\$0					30
Net Income										
Net Income			\$13,392		\$13,392					31

SOURCE: SWS 2024 TPUC Annual Report.

SUPERIOR WASTEWATER SYSTEMS

DOCKET NO. 23-00069

**ALTERNATIVE REGULATORY
MECHANISM**

UNREDACTED (CLEAN) TARIFF SHEETS

EFFECTIVE FEBRUARY 1, 2026

**Superior Wastewater Systems
Wastewater Service Billing Summary
Residential Service**

System	Monthly Charge
Ashby Communities – Sheet 2	\$53.94
Hill and Roberts Parcels – Sheet 3	58.18
Fox Parcel – Sheet 4	58.18
Taliaferro Road Parcel – Sheet 5	58.18
Triune-Residential – Sheet 6	70.00

Commercial Service

System	Volumetric Charge Per 1000 Gals
Triune-Low Strength Effluent Disposal – Sheet 11	\$8.11
Triune-Medium Strength Effluent Disposal – Sheet 12	10.38
Triune-High Strength Effluent Disposal – Sheet 13	15.66
Triune-Hotels – Sheet 14	10.38

**Superior Wastewater Systems
 Ashby Communities Billing Rates**

	Monthly Charge
Base Rate Charge	\$48.05
Escrow Charge	10.13
Bonding Charge **	-4.24
Total	\$53.94

I

I

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.**

Total Bonding Cost

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	

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

	Monthly Charge
Base Rate Charge	\$48.05
Escrow Charge	10.13
Bonding Charge **	0.00
Total	\$58.18

I

I

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.**

**Superior Wastewater Systems
Fox Parcel Billing Rates**

	Monthly Charge
Base Rate Charge	\$48.05
Escrow Charge	10.13
Bonding Charge **	0.00
Total	\$58.18

I

I

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.**

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

	Monthly Charge
Base Rate Charge	\$48.05
Escrow Charge	10.13
Bonding Charge **	0.00
Total	\$58.18

I

I

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.**

SUPERIOR WASTEWATER SYSTEMS

DOCKET NO. 23-00069

**ALTERNATIVE REGULATORY
MECHANISM**

**REDLINE TARIFF SHEETS
EFFECTIVE FEBRUARY 1, 2026**

**Superior Wastewater Systems
Wastewater Service Billing Summary
Residential Service**

System	Monthly Charge
Ashby Communities – Sheet 2	\$52.55 <u>53.94</u>
Hill and Roberts Parcels – Sheet 3	56.79 <u>58.18</u>
Fox Parcel – Sheet 4	56.79 <u>58.18</u>
Taliaferro Road Parcel – Sheet 5	56.79 <u>58.18</u>
Triune-Residential – Sheet 6	70.00

Commercial Service

System	Volumetric Charge Per 1000 Gals
Triune-Low Strength Effluent Disposal – Sheet 11	\$8.11
Triune-Medium Strength Effluent Disposal – Sheet 12	10.38
Triune-High Strength Effluent Disposal – Sheet 13	15.66
Triune-Hotels – Sheet 14	10.38

Issued By:

~~John Powell, President & General Manager~~ William H. Novak, Regulatory Consultant for SWS

Superior Wastewater Systems Ashby Communities Billing Rates

	Monthly Charge
Base Rate Charge	\$46.66 <u>48.05</u>
Escrow Charge	10.13
Bonding Charge **	-4.24
Total	\$52.55 <u>53.94</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.**

Total Bonding Cost

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	

Issued By:

~~John Powell, President & General Manager~~ William H. Novak, Regulatory Consultant for SWS

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

	Monthly Charge
Base Rate Charge	\$46.66 <u>48.05</u>
Escrow Charge	10.13
Bonding Charge **	0.00
Total	\$56.79 <u>58.18</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.**

Issued By:

~~John Powell, President & General Manager~~ William H. Novak, Regulatory Consultant for SWS

**Superior Wastewater Systems
Fox Parcel Billing Rates**

	Monthly Charge
Base Rate Charge	46.66 <u>\$48.05</u>
Escrow Charge	10.13
Bonding Charge **	0.00
Total	\$56.79 <u>\$58.18</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.**

Issued By:

~~John Powell, President & General Manager~~ William H. Novak, Regulatory Consultant for SWS

Superior Wastewater Systems Taliaferro Road Parcel Billing Rates

	Monthly Charge
Base Rate Charge	\$46.66 48.05
Escrow Charge	10.13
Bonding Charge **	0.00
Total	\$56.79 58.18

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.**

Issued By:

~~John Powell, President & General Manager~~ William H. Novak, Regulatory Consultant for SWS