

# BUTLER | SNOW

September 21, 2023

## **VIA ELECTRONIC FILING**

Hon. Herbert H. Hilliard, Chairman  
c/o Ectory Lawless, Docket Room Manager  
Tennessee Public Utility Commission  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243  
[TPUC.DocketRoom@tn.gov](mailto:TPUC.DocketRoom@tn.gov)

Electronically Filed in TPUC Docket Room  
on September 21, 2023 at 11:31 a.m.

**RE: *Tennessee-American Water Company's Notice of Extension of Service to Contiguous Territory to Serve the River Gorge Ranch Development Pursuant to Tennessee Public Utility Commission Rule 1220-04-01-.13***  
**TPUC Docket No. 23-00072**

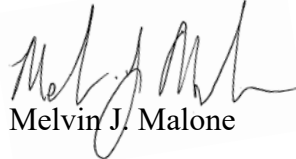
Dear Chairman Hilliard:

Attached for filing please find *Tennessee-American Water Company's Notice of Extension of Service to Contiguous Territory to Serve the River Gorge Ranch Development Pursuant to Tennessee Public Utility Commission Rule 1220-04-01-.13* in the above-captioned matter.

As required, the original plus four (4) hard copies will be mailed to your office along with a check in the amount of \$25.00 for the required filing fee. 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  
Karen H. Stachowski, Consumer Advocate Division  
Vance L. Broemel, Consumer Advocate Division

*The Pinnacle at Symphony Place  
150 3<sup>rd</sup> Avenue South, Suite 1600  
Nashville, TN 37201*

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BUTLER SNOW LLP

82629578.v1

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

<b>IN RE:</b>	)	
	)	
<b>TENNESSEE-AMERICAN WATER</b>	)	
<b>COMPANY’S NOTICE OF</b>	)	
<b>EXTENSION OF SERVICE TO</b>	)	
<b>CONTIGUOUS TERRITORY TO</b>	)	<b>DOCKET NO. <u>23-00072</u></b>
<b>SERVE THE RIVER GORGE RANCH</b>	)	
<b>DEVELOPMENT PURSUANT TO</b>	)	
<b>TENNESSEE PUBLIC UTILITY</b>	)	
<b>COMMISSION RULE 1220-04-01-.13</b>	)	

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**TENNESSEE-AMERICAN WATER COMPANY’S NOTICE OF EXTENSION OF  
SERVICE TO CONTIGUOUS TERRITORY TO SERVE THE RIVER GORGE  
RANCH DEVELOPMENT PURSUANT TO TENNESSEE PUBLIC UTILITY  
COMMISSION RULE 1220-04-01-.13**

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Pursuant to Tennessee Public Utility Commission (“TPUC” or “Commission”) Rule 1220-04-01-.13(3)(b), Tennessee-American Water Company (“TAWC”), respectfully submits this Notice of Extension of Service to Contiguous Territory to Serve the River Gorge Ranch Development in Marion County, Tennessee (the “*Notice*”). TAWC is a Tennessee public utility water provider regulated by the Commission pursuant to Tennessee law. The River Gorge Ranch Development in Marion County, Tennessee, territory that is the subject of this *Notice* is contiguous to TAWC’s current service area. Therefore, the River Gorge Ranch Development in Marion County (“The River Gorge Ranch”) satisfies the requirements of Commission Rule 1220-04-01-.13. For the reasons set forth below, just cause shown, and to serve the public interest, TAWC respectfully requests that the Commission find that this *Notice*, along with the supporting documentation, satisfies the requirements of Commission Rule 1220-04-01-.13 and that the River Gorge Ranch expansion qualifies as an expansion into contiguous territory.

1. Tennessee American, a Tennessee corporation authorized to conduct a public utility business in the State of Tennessee, is a public utility as defined in Tenn. Code Ann. § 65-4-101, and provides residential, commercial, industrial and municipal water service, including public and private fire protection service, to Chattanooga and surrounding areas, including approximately 83,000 customers, that are subject to the jurisdiction of the Commission pursuant to Chapter 4 and Chapter 5 of Title 65 of the T.C.A. Tennessee American also serves customers in North Georgia.

2. Tennessee American is a wholly-owned subsidiary of American Water Works Company, Inc., which is the largest water holding company in the United States, providing water and wastewater services to approximately fourteen (14) million people in twenty-five (25) states.

3. Tennessee American's principal place of business is located at 109 Wiehl Street, Chattanooga, Tennessee 37406.

4. All correspondence and communication with respect to this Petition should be sent to the following:

Robert C. Lane  
Senior Manager, Rates and Regulatory – Tennessee and Kentucky  
Tennessee-American Water Company  
109 Wiehl Street  
Chattanooga, TN 37403  
[Bob.Lane@amwater.com](mailto:Bob.Lane@amwater.com)  
(423) 315-2748 (mobile number)

Melvin J. Malone  
Katherine Barnes  
Butler Snow LLP  
The Pinnacle at Symphony Place  
150 3<sup>rd</sup> Avenue South, Suite 1600  
Nashville, TN 37201  
[melvin.malone@butlersnow.com](mailto:melvin.malone@butlersnow.com)  
(615) 651-6705 (office)  
[katherine.barnes@butlersnow.com](mailto:katherine.barnes@butlersnow.com)  
(615) 651-6797 (office)

5. River Gorge Ranch is a private gated mountain community located approximately 20 minutes from downtown Chattanooga. The development is owned and operated by the same development company (Thunder Air Inc.) that successfully completed Jasper Highlands, a 1,300 lot community also in Marion County. The anticipated timeline for the complete and full buildout of all phases of River Gorge Ranch is about seven years.

For the reasons set forth herein, just cause shown, and to serve the public interest, TAWC respectfully requests that the Commission finds<sup>1</sup> that the *Notice* satisfies the requirements of Commission Rule 1220-04-01-.13 and River Gorge Ranch qualifies as an expansion into contiguous territory.

## I.

### **SUPPORTING DOCUMENTATION SATISFYING COMMISSION RULE 1220-04-01-.13(3)(b)**

#### A. Identification of the River Gorge Ranch Development

River Gorge Ranch is a 7,500-acre project located in Marion County, Tennessee on Aetna Mountain. As shown on EXHIBIT A - RIVER GORGE RANCH MAP, which is attached hereto, the majority of the development is West of the Hamilton County line, South of Highway 41, North of Interstate 24, and East of Haletown . The development is expected to have 2,500 home sites and first-class amenities, including a restaurant & brewery, multiple swimming pools, pickleball courts, and trails/parks/sidewalks. Wastewater service is anticipated to be septic systems and Electric and Fiber services will be provided by the Electric Power Board (EPB) of Chattanooga.

As the River Gorge Ranch Development is contiguous to TAWC's current service area, no other utility provides water service to the development, and River Gorge Ranch is not located

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<sup>1</sup> As required by the Commission Rule 1220-04-01-.13(3)(a), TAWC is submitting this *Notice* at least thirty (30) days before constructing, acquiring, or commencing operations to serve the River Gorge Ranch Development that is the subject of its *Notice*.

within the designated service territory of another utility providing similar services,<sup>2</sup> TAWC is providing notice pursuant to Commission Rule 1220-04-01-.13(3)(b) of its intent to provide water service to River Gorge Ranch.

## II.

### **SUPPORTING DOCUMENTATION SATISFYING COMMISSION RULE 1220-04-01-.13(4)**

*a. Rule 1220-04-01-.13(4)(a). Proof of notice that may be required to any regulatory agency of the extension of service of contiguous territory.*

There is no such notice required.

*b. Rule 1220-04-01-.13(4)(b). A complete description of the geographic contiguous territory to be served by the expansion, including the name and location of the development (subdivision), number of acres, and the existing territory served by the utility proposing to expand its service area. A legible map of the area with the proposed contiguous service territory and the currently service territory shall also be provided.*

The requirements of Rule 1220-04-01-.13(4)(b) are satisfied in Section I of this *Notice*.

*c. Rule 1220-04-01-.13(4)(c). Documentation of permits, permit modifications and/or amendments, or other approval documents certifying the existence of appropriate capacity and/or ability to provide service issued by any regulatory agency.*

As demonstrated in the attached Affidavit of Grady Stout, TAWC's system has the capacity to service the contiguous territory. This affidavit is attached hereto as **EXHIBIT C**.

*d. Rule 1220-04-01-.13(4)(d). Documentation concerning any complaint(s), notices of violation, or administrative action filed with or issued by a regulatory agency concerning the operations of the utility plant, route, line, or system, to be extended. Such documentation shall also be provided for any complaint(s), notices of violation, or administrative action filed with or issued by a regulatory agency within sixty (60) days after the filing of the written notice required by paragraph three (3) of Rule 1220-04-01-.13.*

There are so such current complaint(s), notices of violation, or administrative actions.

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<sup>2</sup> Attached to the *Notice* as **EXHIBIT B** is a letter from the Town of Jasper, which provides water services in Marion County, near River Gorge Ranch, relinquishing any right it may have to provide water service to River Gorge Ranch.

### III.

#### **SUPPORTING DOCUMENTATION SATISFYING COMMISSION RULE 1220-04-01-.13(5)**

a. *Rule 1220-04-01-.13(5)(a). Proof that the operating permit for the existing system has been modified and reissued by the Tennessee Department of Environment and Conservation to reflect the additional waste load; or, demonstrate that the existing system design has capacity to support the design flow of the original and the design flow expected from the contiguous area, and a public notice confirming that the public utility appropriately announced its intention to serve the contiguous property at issue.*

TAWC does not provide wastewater services and will not provide wastewater services to River Gorge Ranch. To the extent any further response is required, please see the attached Affidavit of Grady Stout.

b. *Rule 1220-04-01-.13(5)(b). Certification from a design engineer that the existing wastewater system, before any alteration needed to extend service, was constructed in accordance with TDEC-approved construction plans and specifications. The certification shall be filed in the docket prior to providing service.*

TAWC does not provide wastewater services and will not provide wastewater services to River Gorge Ranch. To the extent any further response is required, please see the attached Affidavit of Grady Stout.

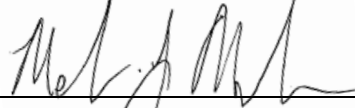
### IV.

#### **CONCLUSION**

For the foregoing reasons, just cause shown, and to serve the public interest, TAWC respectfully requests that the Commission find that this *Notice*, along with the supporting

documentation, satisfies the requirements of Commission Rule 1220-04-01-.13(3) and qualifies as expansions into contiguous territory.

RESPECTFULLY SUBMITTED,



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MELVIN J. MALONE

KATHERINE BARNES

Butler Snow LLP

The Pinnacle at Symphony Place

150 Third Avenue South, Suite 1600

Nashville, TN 37201

Tel: (615) 651-6700

[Melvin.Malone@butlersnow.com](mailto:Melvin.Malone@butlersnow.com)

[Katherine.Barnes@butlersnow.com](mailto:Katherine.Barnes@butlersnow.com)

*Attorneys for Tennessee-American Water Company*

# **EXHIBIT A**



# Tennessee American Water Service Area

\*EPB to serve electric and fiber to River Gorge Ranch

**Legend**

**Structure**

- Main
- Pump Station
- Tank

**Proposed Development**

- River Gorge Ranch (All Phases)
- River Gorge Ranch Phase 1&2
- Current TAW Service Area Phase 1 & 2
- BlackCreek Future
- BlackCreek P15
- BlackCreek P14

**Service Area**

- Tennessee American Water
- Marion County and Hamilton County Border

**River Gorge Ranch  
Phase 1 & 2 TAW Service Area**

**River Gorge Ranch  
Residential Development (All Phases)**

**Current TAW Service Area  
Phases 1 & 2**

**Black Creek Future**

**Black Creek P15**

**Black Creek P14**

**Tennessee American Water**



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community



## **EXHIBIT B**

4460 MAIN STREET  
JASPER, TN 37347

(423) 942-3180

(423) 942-3110 Fax

www.jasper-tn.com



Town of  
Jasper  
*Since 1820*

JASON TURNER - Mayor

LES PRICE - Vice Mayor

Aldermen:

JIM FOWLER

VIKKI MORGAN

JENNIFER CARDIN

July 11, 2023

Grady Stout  
Tennessee American Water Company  
1500 Riverside Drive  
Chattanooga, TN 37406

Dear Grady,

As you know, the Town of Jasper provides water services in Marion County, near the proposed development of River Gorge Ranch. We very much appreciate the discussions we have had with you regarding TAWC's desire to work with the developer(s) to provide water services to River Gorge Ranch should the Town of Jasper decline to do so. We are generally aware of plans to develop this area and the accompanying need for water service to this area. The Town of Jasper does not currently provide water service to this area and looks forward to working with TAWC to meet the needs of the River Gorge Ranch development.

The Town of Jasper has no objection or opposition to TAWC providing the water service in the proposed service area to River Gorge Ranch phases 1 & 2, as generally described in attached Exhibit A. We appreciate TAWC reaching out to the Town to develop a water service plan that will be mutually beneficial to all parties to the agreement.

Sincerely,

Jason Turner  
Mayor of Jasper

A handwritten signature in blue ink, appearing to read 'Jason Turner', is written over the printed name. The signature is stylized with a large loop at the beginning and a long horizontal stroke at the end.

## **EXHIBIT C**

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

**IN RE:**

**TENNESSEE-AMERICAN WATER  
COMPANY'S NOTICE OF  
EXTENSION OF SERVICE TO  
CONTIGUOUS TERRITORY TO  
SERVE THE RIVER GORGE RANCH  
DEVELOPMENT PURSUANT TO  
TENNESSEE PUBLIC UTILITY  
COMMISSION RULE 1220-04-01-.13**

**DOCKET NO. 23-\_\_\_\_\_**

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**AFFIDAVIT OF GRADY STOUT**

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**STATE OF TENNESSEE**

**COUNTY OF Hamilton**

I, Grady Stout, having been duly sworn in accordance with the law, state as follows.

1. I, Grady Stout, do hereby attest to being Director, Engineering and Business Development for Tennessee-American Water Company ("TAWC" or the "Company"). I am authorized to make this affidavit on behalf of TAWC. I have been with TAWC since 2013, and I am familiar with Company operations and its water system.

2. I am familiar with, and knowledgeable about, the River Gorge Ranch Development ("River Gorge"), including the developer's request of water services from TAWC.

3. Presently, and as shown in Exhibit 1 to this affidavit, TAWC is rated by the Tennessee Department of Environment and Conservation ("TDEC") for a capacity of 65 MDG per day from its Citico Plant, which includes treatment. It is estimated that the River Gorge will require

approximately 1 MGD per day from the Citico Plant at full buildout. TAWC average daily demand on the Citico Plant is 35 MGD.

4. TAWC has the capacity to provide safe and reliable drinking water to the River Gorge and doing so will not impair the Company's ability to service existing customers.

**FURTHER AFFIANT SAYETH NOT.**



Grady Stout, Director, Engineering and Business  
Development  
Tennessee-American Water Company

STATE OF Missouri

COUNTY OF St. Louis

Sworn to and subscribed before me this  
20<sup>th</sup> day of September, 2023.

  
Notary Public

My Commission Expires: 7-17-26



# **EXHIBIT 1**



## Tennessee-American Water Company

P.O. Box 6338 • 1101 South Broad Street • Chattanooga, TN 37401

(615) 755-7609

W. J. Hobbs  
Operations Manager

April 5, 1993

File 130-322



State of Tennessee  
Department of Environment and Conservation  
Division of Water Supply  
6th Floor, L & C Tower  
401 Church Street  
Nashville, Tennessee 37243-1549

Attention: Mr. William Hensch

Dear Mr. Hensch:

Thank you for taking time to talk with us last week about our plans for our Production facilities.

As we discussed during our meeting, our Comprehensive Planning Study that was completed recently made a recommendation to down grade the Tennessee-American Water Company's plant capacity from 72 million gallons per day to 65 million gallons per day. This would be accomplished by increasing the loading rate through the Number Two Plant, purification units and removing from service Plant Number One, Filter House Number Three. The filtration rate through Plant Number One, Filter House Number Two would remain at its current level. By increasing the loading rates through plant Number Two, the need to rehabilitate Filter House Number Three is eliminated. The rehabilitation of Filter House Number Three would require replacement of filter piping and valves, installation of filter to waste piping and surface wash facilities, and replacement of instrumentation. The cost for rehabilitating these facilities is estimated at four million dollars.

The above recommendation was felt to be the most cost effective strategy since projected demands are not expected to exceed 61 mgd. In 1992, the maximum day system delivery was 45.519 mgd and the average day for 1992 was 35.754 mgd.

Plant Number Two consists of eight (8) purification units with a present total rated capacity of twenty mgd. Each purification unit is rated at 2.5 mgd and contains a flocculation chamber, a settling chamber and a perimeter filter. The filter media consists of 12 inches of gravel, 4 inches of sand (0.45-0.55 mm effective size), and 25 inches of GAC (uniformity coefficient of 1.9). The present settling rate is 0.4 gpm/sf and the filter loading rate is 2.0



Mr. William Hench  
Page 2  
April 5, 1993


gpm/sf. The increased loading rate that we are proposing is 2.45 gpm/sf, that would have a settling rate of 0.5 gpm/sf.

The increase in the loading rate through Plant Number Two and the removal of Filter House Number Three from service would be coordinated so that the scheduled replacement of Filter Media would be eliminated along with needed improvements to the purification units.

During our meeting, you did not have any objections to the recommendation, but should you after having time to think about it further and review our Comprehensive Planning Study, please contact me so that we could provide you with any additional information you need. If you still do not have any objections, please mark a copy of this letter "Approved" so that we may have it for our files.

Very truly yours,

TENNESSEE-AMERICAN WATER COMPANY



W. J. Hobbs  
Operations Manager

WJH/kmd

Approved 4/8/93  
R. William Hench, P.E.  
Manager, Engineering Section  
The Division of Water Supply

*Harold*



TENNESSEE DEPARTMENT OF HEALTH AND ENVIRONMENT

Bureau of Environment  
T.E.R.R.A. BUILDING  
150 NINTH AVENUE NORTH  
NASHVILLE, TENNESSEE 37219-5404

July 14, 1987

Mr. Dave Snyder  
Tennessee American Water Company  
1101 Broad Street  
Chattanooga, Tennessee 37402

Re: Water Withdrawal Permit

Dear Mr. Snyder:

Recently, we discussed the need for a permit for Tennessee American Water Company's existing water intake on the Tennessee River. As I stated at that time, no withdrawal permit is required for this facility.

If I can be of further assistance, please advise.

Sincerely,

*Larry C. Bowers*

Larry C. Bowers, Manager  
Natural Resources Section  
Division of Water Pollution Control

LCB:meb

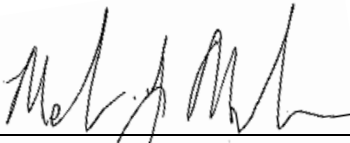
CERTIFICATE OF SERVICE

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

Vance L. Broemel, Esq.  
Senior Assistant Attorney General  
Office of the Tennessee Attorney General  
Consumer Advocate Division  
P.O. Box 20207  
Nashville, TN 37202-0207  
[Vance.Broemel@ag.tn.gov](mailto:Vance.Broemel@ag.tn.gov)

Karen H. Stachowski, Esq.  
Deputy Attorney General  
Office of the Tennessee Attorney General  
Consumer Advocate Division  
P.O. Box 20207  
Nashville, TN 37202-0207  
[Karen.Stachowski@ag.tn.gov](mailto:Karen.Stachowski@ag.tn.gov)

This the 21<sup>st</sup> day of September 2022.

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Melvin J. Malone