

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

January 3, 2024

IN RE:

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

DOCKET NO.  
23-00072

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INITIAL ORDER ACKNOWLEDGING QUALIFICATION TO SERVE CONTIGUOUS  
TERRITORY

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This matter is before the Hearing Officer of the Tennessee Public Utility Commission (“Commission” or “TPUC”) to consider the *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* (“Notice”) filed on September 21, 2023, by Tennessee American Water Company (“Tennessee American Water”) pursuant to Commission Rule 1220-04-01-.13 regarding extension of service to a contiguous territory. Specifically, TAWC’s *Notice* is to extend water service to a 7,500-acre development in Marion County, Tennessee called River Gorge Ranch (“River Gorge”).

Based upon the *Notice* and Exhibits, Tennessee American Water’s Responses to Commission Data Requests, and the entire record in this matter, the Hearing Officer makes the following findings of fact and conclusions of law.

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Tennessee American Water is a public utility regulated by the Commission 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. Tennessee American also serves customers in North Georgia.<sup>1</sup>

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 million people in twenty-five (25) states.<sup>2</sup>

3. River Gorge Ranch is a private, gated, mountain community located approximately twenty (20) minutes from downtown Chattanooga. All phases of the River Gorge Ranch development should be completed in approximately seven (7) years.<sup>3</sup>

4. Currently, Tennessee American Water provides water service to the nearby Black Creek development using its Citico treatment plant. The Citico plant will also serve River Gorge Ranch.<sup>4</sup>

5. Tennessee American Water is rated by the Department of Environment and Conservation for a capacity of 65 MDG per day from its Citico Plant, including treatment. River Gorge is expected to need 1 MGD per day after the full buildout. Tennessee American Water's average daily demand on the Citico plant is currently 35 MGD.<sup>5</sup>

6. It is anticipated that Black Creek P14 will go into service in December of 2023. Black Creek P14 water mains connect to the Black Creek P13 water mains, and the water is provided

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<sup>1</sup> Notice, p. 1 (September 21, 2023).

<sup>2</sup> *Id.* at 2.

<sup>3</sup> *Id.* at 3.

<sup>4</sup> *Id.* at Exh. C (Affidavit of Grady Stout).

<sup>5</sup> *Id.*

from the already in-service phases of the Black Creek Development. The first phase of the Black Creek Development was placed in service in 2000, and Black Creek P13 was placed in service in 2022. The Black Creek Development is connected to part of the Company's Lookout Valley pressure system. Black Creek P15 is currently in the process of submission for permitting with the City of Chattanooga Public Works for a Land Disturbing Permit. It is anticipated that water infrastructure construction on the Black Creek P15 will begin in the earlier part of 2024. At present, the Company estimates that this project will go into service in 2024. The Black Creek P15 water mains will connect to the Black Creek P14, and the water for Black Creek P15 will be provided from the already in-service phases of the Black Creek Development. The build-out of Black Creek Future will begin after the completion of Black Creek P15. With the current progress of Black Creek P14 and Black Creek P15, it is estimated that Black Creek Future will be under construction in 2025.<sup>6</sup>

7. The Town of Jasper, which provides water services in Marion County, near River Gorge Ranch, does not plan to provide water service to River Gorge Ranch and does not oppose Tennessee American Water providing water service.<sup>7</sup>

8. The developer of River Gorge Ranch has requested that Tennessee American Water provide water service to the development.<sup>8</sup>

9. A portion of the River Gorge Ranch is currently in Tennessee American Water's service area.<sup>9</sup>

10. Since Tennessee American Water is a water company and not a wastewater company,

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<sup>6</sup> Tennessee American Water's Responses to Data Requests from Aaron Conklin, Senior Counsel filed November 13, 2023, p. 1 (November 20, 2023).

<sup>7</sup> *Id.* at Exh. B (Letter from Jason Turner, Mayor of Jasper).

<sup>8</sup> *Id.* at Exh. C (Affidavit of Grady Stout).

<sup>9</sup> *See id.* at Exh. A (Tennessee American Water Service Area).

the provisions of Commission Rule 1220-04-01-.13(5) do not apply to Tennessee American Water.

11. On October 4, 2023, the Consumer Advocate Division of the Office of the Tennessee Attorney General filed a letter stating Tennessee American Water has complied with Minimum Filing Requirements of Commission Rule 1220-04-01-.13, it did not identify any issues of concern and would not seek intervention.

12. River Gorge Ranch Development is contiguous to Tennessee American Water's current route, no other utility provides water service to the development, and River Gorge Ranch is not located within the designated service territory of another utility providing similar services.


13. Tennessee American Water has complied with the provisions of Commission Rule 1220-04-01-.13.

**IT IS THEREFORE ORDERED THAT:**

1. The contiguous extension of service by Tennessee American Water Company to River Gorge Ranch Development in Marion County, Tennessee is recognized as meeting the Commission's criteria for the extension.

2. Any party aggrieved by the Hearing Officer's decision in this matter may file a petition for reconsideration within fifteen days from the date of this Order.

3. This Initial Order shall become a Final Order of the Tennessee Public Utility Commission, if no petition for reconsideration or appeal of this Order is filed prior to the expiration of the fifteen-day appeal period.

  
Monica Smith-Ashford, Hearing Officer