

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

**IN RE:**

**PETITION OF THE CONSUMER  
ADVOCATE DIVISION IN THE  
OFFICE OF THE TENNESSEE  
ATTORNEY GENERAL**

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**DOCKET NO. 24-00003**

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**CONSUMER ADVOCATE’S PETITION TO OBTAIN INFORMATION FROM  
TENNESSEE AMERICAN WATER COMPANY PERTAINING TO DIFFERING  
RATES CHARGED TO ITS CUSTOMERS AMONG ITS SERVICE AREAS**

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The Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), by and through counsel, pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (“TPUC” or the “Commission”) to grant the Consumer Advocate’s request to obtain information from Tennessee American Water Company (“Tennessee-American,” “TAWC,” or the “Company”). Specifically, the Consumer Advocate requests that the Company provide information pertaining to differing rates charged to the Company’s customers among its service areas. Accessing and evaluating this information will allow the Consumer Advocate to open discussions with the Company regarding the initiation of a rate design docket by either the Company or the Consumer Advocate.

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utilities services by initiating and intervening as a party in any matter or proceeding before the TPUC in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101, *et seq.*, and TPUC rules.

2. Under Tenn. Code Ann. § 65-4-101(b), if the Consumer Advocate “concludes that it is without sufficient information to initiate a proceeding, it may petition the commission, after notice to the affected utility, to obtain information from the utility.”

3. Tennessee-American is a public utility regulated by the Commission. It provides residential, commercial, industrial, and municipal water service, including public and private fire protection service to approximately 83,000 customers located in Chattanooga, Tennessee, and the surrounding areas.<sup>1</sup> The Company 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.”<sup>2</sup> Its principal place of business is principal is located at 109 Wiehl Street, Chattanooga, Tennessee 37406.<sup>3</sup>

4. On June 21, 2023, Mr. Tony Mangiameli contacted the Consumer Protection Division in the Office of the Tennessee Attorney General (“Consumer Protection”), who contacted the Consumer Advocate regarding his complaint about higher water rates after the acquisition of the Jasper Highland Water System by the Company.

5. On July 11, 2023, the Consumer Advocate sent a letter to the Company inquiring about rate differences among its service areas.<sup>4</sup> In this letter, the Consumer Advocate requested the following information:

**Assets used exclusively within one Service Area**

- (1) A segregation of gross plant in service exclusively used in a single service area. This would include an identification of those assets by service area.

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<sup>1</sup> *Tennessee American Water Company's Petition in Support of the Calculation of the 2023 Capital Recovery Riders reconciliation*, p. 3, ¶ 1, TPUC Docket No. 23-00018 (March 1, 2023). “Tennessee American also serves customers in North Georgia. The rates for those customers are not regulated by the Public Service Commission of the State of Georgia but are instead regulated by this Commission.” *Id.*

<sup>2</sup> *Id.* at p. 3, ¶ 2.

<sup>3</sup> *Id.* at p. 3, ¶ 3.

<sup>4</sup> A copy of the letter to the Company is attached to this Petition as Exhibit CA-1.

- (2) A segregation of Accumulated Depreciation associated with assets exclusively used in a single service area. This would include an identification of those assets by service area.
- (3) A segregation of net plant in service exclusively used in a single service area. This would include an identification of those assets by service area.

#### **Identifiable assets used by more than one service area<sup>5</sup>**

- (4) A segregation of identifiable gross plant in service used in by multiple service areas. This information includes an identification of those service areas.
- (5) A segregation of identifiable Accumulated Depreciation associated with assets used in by multiple service areas. This information would include an identification of those service areas.
- (6) A segregation of net plant in service associated with assets used in multiple service areas. This information would include an identification of those service areas.

#### **Unidentifiable Assets<sup>6</sup>**

- (7) Provide the gross plant in service, accumulated depreciation and net book value of assets for which the physical location of the underlying asset is unknown.

#### **General Assets**

- (8) Provide the gross plant in service, accumulated depreciation and net book value of assets that service all service areas. An example of such as asset is a billing system, used to issue bills throughout the TAWC service territory.
- (9) Provide the thirteen-month balance of all non-depreciable assets used to provide service to all TAWC service territories. An example of these non-depreciable assets is Materials and Supplies.

#### **Operating and Maintenance Expenses**

- (10) Provide a general discussion of whether the Company's accounting system is able to identify expenses associated with individual service areas. If possible, identify those costs unique to a specific service area based upon 2022 expenses.

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<sup>5</sup> An example of an identifiable asset used by more than one service area would be if two systems were interconnected by a Main providing service in two service areas.

<sup>6</sup> Unidentified are those assets where the physical location of the asset is unknown and thus cannot be specifically identified with a service area. An example of this would be a service line where the property records do not indicate the location.

6. On July 19, 2023, the Company responded, in writing, to the Consumer Advocate confirming its receipt of the July 11<sup>th</sup> letter and stating that it was waiting for a copy of the complaint referenced in the July 11<sup>th</sup> letter.<sup>7</sup>

7. On July 20, 2023, the Consumer Advocate emailed the Company a copy of the documents provided by Mr. Mangiameli.<sup>8</sup>

8. On August 21, 2023, the Consumer Advocate emailed the Company regarding its response to the July 11<sup>th</sup> letter.<sup>9</sup> On August 23, 2023, the Company emailed stating that it would provide a response soon.

9. On August 21, 2023, the Company sent a letter to the Consumer Advocate responding to request for information as follows:

As you know, TAWC's rates for the water services provided to Mr. Mangiameli have been approved by the Tennessee Public Utility Commission ("Commission" or "TPUC"). Further, TAWC's Commission-approved base rates for its Jasper Highlands service area are the rates that were in place at the time of the acquisition. The Capital Recovery and PCOP Riders' surcharges, or sur-credits, added to the Company's base rates are also based upon Commission-approved tariffs, as these riders provide meaningful benefits to the Company's customers, the Company and the communities served by TAWC. The Company has reviewed Mr. Mangiameli's last three (3) months invoices and has verified that the rates used to derive these invoices are accurate and compliant with the Company's tariffs.

As you are aware from the discussions and exchanges of information among the parties in TPUC Docket No. 19-00103, rate design is multi-faceted and involves a host of different, and often competing, considerations and factors. While some of the information sought in your July 11<sup>th</sup> letter may at some point constitute a part of an overall review of rate design for TAWC, Mr. Mangiameli's complaint and our response to the same, are not the appropriate vehicles through which to conduct a rate case review. . . .

Again, TAWC values Tony Mangiameli as a customer and appreciates the opportunity to respond to the CAD's July 11, 2023, letter. As the Company has

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<sup>7</sup> A copy of the letter from the Company is attached to this Petition as Exhibit CA-2. The Company and the Consumer Advocate had spoken by telephone prior to the Company's written response on July 19<sup>th</sup>.

<sup>8</sup> A copy of the email to the Company is attached to this Petition as Exhibit CA-3.

<sup>9</sup> A copy of the Consumer Advocate's email and the Company's reply email are attached to this Petition as Exhibit CA-4.

previously communicated, it looks forward to working on rate-design with the Commission, the CAD and other interested parties at a later time in a more appropriate context.<sup>10</sup> (emphasis added)

10. In its August 31<sup>st</sup> letter, the Company referenced TPUC Docket No. 19-00103, which was opened by the Commission<sup>11</sup> to address the Consumer Advocate's concerns that the Company's Tariff produces "a rate base that is higher than [Tennessee-American's] actual Rate Base."<sup>12</sup> On October 26, 2023, the Parties filed a Stipulation and Settlement Agreement in TPUC Docket No. 19-00103, which modified the structure and fundamental mechanics of the Company's Capital Rider Mechanism.<sup>13</sup> The Commission approved the Stipulation and Settlement Agreement at its regularly scheduled December 11, 2023 Conference. However, the Consumer Advocate's concerns regarding rate differences among service areas was not set to be addressed in TPUC Docket No. 19-00103, and this concern remains unaddressed.

11. The Consumer Advocate agrees with the Company that "rate design is multifaceted and involves a host of different, and often competing, considerations and factors." Because of this complexity, the Consumer Advocate requested information from the Company as set out in the above-referenced questions so that it may begin reviewing and analyzing information and data. The analysis of such information will allow the Consumer Advocate to open discussions with the Company regarding the initiation of a rate design docket, by either the Company or the Consumer Advocate.

The Consumer Advocate also recognizes that Tennessee-American's responses to the above-referenced questions may require further information. If the need for additional questions

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<sup>10</sup> A copy of the letter from the Company is attached to this Petition as Exhibit CA-5.

<sup>11</sup> *Order Approving Petition as Amended*, pp. 21-22, TPUC Docket No. 18-00120 (November 8, 2019).

<sup>12</sup> *Direct Testimony of David N. Dittmore* at 6:15 – 9:7, TPUC Docket No. 18-00120 (April 23, 2019).

<sup>13</sup> *Stipulation and Settlement Agreement*, TPUC Docket No. 19-00103 (October 26, 2023).

is required, the Consumer Advocate will seek guidance from the Hearing Officer about appropriate procedures.

WHEREFORE, the Consumer Advocate respectfully requests that the Commission direct **TAWC** to respond in writing to the questions set out above and include a verification of the responses.

RESPECTFULLY SUBMITTED,

  
**JONATHAN SKRMETTI** (BPR No. 031551)

Attorney General and Reporter  
State of Tennessee



**KAREN H. STACHOWSKI** (BPR No. 019607)

Deputy Attorney General

**VANCE L. BROEMEL** (BPR No. 011421)

Managing Attorney General

Office of the Tennessee Attorney General

Consumer Advocate Division

P.O. Box 20207

Nashville, Tennessee 37202-0207

Phone: (615) 741-2370

Fax: (615) 741-1026

Email: [karen.stachowski@ag.tn.gov](mailto:karen.stachowski@ag.tn.gov)

Email: [vance.broemel@ag.tn.gov](mailto:vance.broemel@ag.tn.gov)

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 by electronic mail upon:

Melvin Malone  
Katherine Barnes  
Butler Snow LLP  
The Pinnacle at Symphony Place  
150 Third Avenue South, Suite 1600  
Nashville, TN 37201  
Phone: (615) 651-6700  
Email: [Melvin.Malone@butlersnow.com](mailto:Melvin.Malone@butlersnow.com)  
Email: [Katherine.Barnes@butlersnow.com](mailto:Katherine.Barnes@butlersnow.com)

This the 24 day of January, 2024.

*Karen H. Stachowski*

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**KAREN H. STACHOWSKI**  
Deputy Attorney General

STATE OF TENNESSEE

Office of the Attorney General



**JONATHAN SKRMETTI**  
ATTORNEY GENERAL AND REPORTER

P.O. BOX 20207, NASHVILLE, TN 37202  
TELEPHONE (615) 741-3491  
FACSIMILE (615) 741-2009

July 11, 2023

Melvin J. Malone  
Butler Snow LLP  
The Pinnacle at Symphony Place  
150 3rd Avenue South, Suite 1600  
Nashville, TN 37201  
Email: [melvin.malone@butlersnow.com](mailto:melvin.malone@butlersnow.com)

Re: Rate differences among service areas

Dear Mr. Malone:

The Consumer Advocate received a complaint regarding the rate disparity of Jasper Highlands and those of other Tennessee American Water ("TAWC" or the "Company") service areas. As you are aware there are significant rate disparities among the service areas<sup>1</sup> of the Company. These rate disparities continue to increase each year due to recovery of the Company's incremental capital rider surcharge on a percentage of revenue basis.

The costs to serve and maintain the various TAWC systems are undoubtedly different and it's possible that some of the rate disparities may be cost justified. However, to our knowledge, an analysis has not been conducted to determine the reasonableness of individual system rates.

Our office seeks information which would allow us to gain a better understanding of the relative costs to serve each of TAWC's service areas. As an initial question we respectfully request the following information as of December 31, 2022:

**Assets used exclusively within one Service Area**

1. A segregation of gross plant in service exclusively used in a single service area. This would include an identification of those assets by service area.
2. A segregation of Accumulated Depreciation associated with assets exclusively used in a single service area. This would include an identification of those assets by service area.

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<sup>1</sup> Service areas in this instance include the areas with unique base rates, i.e. Chattanooga, Lakeview, Lookout Mountain, Suck Creek, Ft Oglethorpe, Whitwell-Inside, Whitwell-Outside, Jasper Highlands and Walker County.



3. A segregation of net plant in service exclusively used in a single service area. This would include an identification of those assets by service area.

**Identifiable assets used by more than one service area<sup>2</sup>**

4. A segregation of identifiable gross plant in service used in by multiple service areas. This information includes an identification of those service areas.
5. A segregation of identifiable Accumulated Depreciation associated with assets used in by multiple service areas. This information would include an identification of those service areas.
6. A segregation of net plant in service associated with assets used in multiple service areas. This information would include an identification of those service areas.

**Unidentifiable Assets<sup>3</sup>**

7. Provide the gross plant in service, accumulated depreciation and net book value of assets for which the physical location of the underlying asset is unknown.

**General Assets**

8. Provide the gross plant in service, accumulated depreciation and net book value of assets that service all service areas. An example of such as asset is a billing system, used to issue bills throughout the TAWC service territory.
9. Provide the thirteen-month balance of all non-depreciable assets used to provide service to all TAWC service territories. An example of these non-depreciable assets is Materials and Supplies.

**Operating and Maintenance Expenses**

10. Provide a general discussion of the whether the Company's accounting system is able to identify expenses associated with individual service areas. If possible, identify those costs unique to a specific service area based upon 2022 expenses.

The Consumer Advocate thanks you in advance for your assistance with any information you can provide with this review.

Respectfully,



Karen H. Stachowski  
Deputy Attorney General

cc: David Foster, TPUC  
Kelly Cashman-Grams, TPUC

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<sup>2</sup> An example of an identifiable asset used by more than one service area would be if two systems were interconnected by a Main providing service in two service areas.

<sup>3</sup> Unidentified are those assets where the physical location of the asset is unknown and thus cannot be specifically identified with a service area. An example of this would be a service line where the property records do not indicate the location.

# BUTLER | SNOW

July 19, 2023

**VIA EMAIL**

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

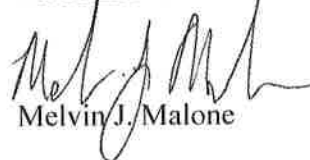
**RE: Rate Differences Among Service Areas**

Dear Ms. Stachowski:

We are writing to acknowledge the receipt of your July 11, 2023, letter. As you know by the Company's informal request, we are awaiting the receipt of a copy of the complaint referenced in the Consumer Advocate's July 11 letter. We look forward to hearing back from you.

Very truly yours,

BUTLER SNOW LLP



Melvin J. Malone

clw

cc: Bob Lane, TAWC  
David Foster, TPUC  
Kelly Cashman-Grams, TPUC

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

MELVIN J. MALONE  
615.651.6705  
[melvin.malone@butlersnow.com](mailto:melvin.malone@butlersnow.com)

T 615.651.6700  
F 615.651.6701  
[www.butlersnow.com](http://www.butlersnow.com)

BUTLER SNOW LLP

**Karen H. Stachowski**

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**From:** Karen H. Stachowski  
**Sent:** Thursday, July 20, 2023 12:56 PM  
**To:** Melvin Malone  
**Cc:** Vance Broemel; James P. Urban; Terra N. Allen; Victoria Glover; Mason Rush  
**Subject:** TAWC Customer Complaint regarding equity in rates  
**Attachments:** 2023.03.02 CPD email.zip; 2023.06.21 CPD email.zip; 2023.02.14 CPD email.zip

Melvin,

In your letter dated July 19, 2023, you reiterated your request for a copy of the complaint referenced in the Consumer Advocate's July 11 letter.

The customer, Tony Mangiameli, did not submit a complaint form to the Consumer Protection Division. Rather, Mr. Mangiameli provided documents to the Office. Copies of these emails and documents are attached to this email.

Respectfully,

Karen

**Karen H. Stachowski** | Deputy Attorney General  
Consumer Advocate Division  
Office of Tennessee Attorney General  
500 Dr. Martin L. King Jr. Blvd., Nashville, TN 37243  
Mailing Address:  
P.O. Box 20207, Nashville, Tennessee 37202  
p. 615.741.2370  
[Karen.Stachowski@ag.tn.gov](mailto:Karen.Stachowski@ag.tn.gov)



*Our Mission – We are the State's law office serving Tennessee with principled, independent, and excellent counsel.*

**Karen H. Stachowski**

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**From:** TONY MANGIAMELI <mangiameli@sbcglobal.net>  
**Sent:** Tuesday, February 14, 2023 5:54 PM  
**To:** Brian Phelps  
**Subject:** Water charges at Jasper Highlands  
**Attachments:** w1.jpeg; w2.jpeg; w3.jpeg; w4.jpeg; JHWATER1.pdf; JHWATER2.pdf; Petition Jan2023 (2).pdf

Attached you will find all the info that you need. I also have over 250 people that signed the petition as well. Call me if you have any questions 408-605-1328. Please email me back as well to let me know that you received this email.

Let me help you save money on your insurance. Call me at 408-247-7833 when your ready!!! OPEN this  
link to see a great video on why it's important to get life insurance.-----  
> <http://www.youtube.com/watch?v=IUYr1xhd338&list=UU9umOkFQscqm9EbaeZ8HT-w&index=5&feature=plcp>

Local cities near JH base rates for their first 2500 gallons

Marion \$15.95

Jasper \$10.00

JH \$52.15 That's 5 time higher then other companies and cities.

Cost per 1000 gallons after the first 2500 gallons.

Jasper \$3.00

JH \$13.10 That's 4 times higher.

Lookout Mountain ( 1800 elevation ) base rate is \$15.66

JH base rate ( same elevation ) is \$52.15 That's over 3 times higher .

Cost per 1000 gallons after base for Lookout mountain is \$2.17

Cost per 1000 gallons after the base for JH is \$13.10 That's 6 times higher.

This is called " Unlawful Price Discrimination" under federal antitrust law

Also no other city in our county has a " Capital recovery rider"

TENNESSEE-AMERICAN WATER COMPANY

TRA No. 19

Eleventh Revision of Sheet No. 4-R

Cancelling

Tenth Revision of Sheet No. 4-R

**CLASSIFICATION OF SERVICE**  
**RESIDENTIAL**

**SERVICE CHARGES:****Service Charge Per Month***1801 FT ALTITUDE*

<i>US</i> <i>0.75-1.5</i>	<i>Over</i> <i>3X Higher</i>	Meter Size	Chattanooga General Water Service Tariff		Lookout Mountain Tariff		Lakeview Tariff
		5/8"	\$ 13.96 (I)		\$ 18.66 (I)		\$ 15.66 (I)
		3/4"	23.45 (I)		23.45 (I)		23.45 (I)
		1"	39.01 (I)		39.01 (I)		39.00 (I)
		1-1/2"	78.05 (I)		78.05 (I)		78.05 (I)
		2"	124.88 (I)		124.89 (I)		124.88 (I)
		3"	234.52 (I)		234.14 (I)		234.14 (I)
		4"	390.25 (I)		390.25 (I)		390.25 (I)
		6"	780.50 (I)		780.50 (I)		780.50 (I)
		8"	1,248.77 (I)		1,248.77 (I)		1,248.77 (I)

**VOLUMETRIC RATES:****Cost per CCF**

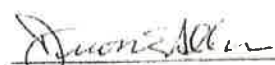
Monthly Use	Chattanooga General Water Service Tariff		Lookout Mountain Tariff		Lakeview Tariff
0-4 CCF/Mo.	\$ 0.2667 (I)		\$ 0.9935 (I)		\$ 0.4910 (I)
4-65	4.2303 (I)		5.4492 (I)		4.6618 (I)
65-500	2.6577 (I)		3.8766 (I)		3.0893 (I)
500-5,000	1.9870 (I)		2.7065 (I)		2.2078 (I)
5,000-15,000	1.5188 (I)		2.2433 (I)		1.7409 (I)
Over 15,000	0.9019 (I)		1.6264 (I)		1.1240 (I)

(I) Increase

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
 Deron E. Allen  
 President

 1101 Broad Street  
 Chattanooga, Tennessee 37401

TENNESSEE-AMERICAN WATER COMPANY

TRA No. 19  
First Revised Sheet No. 4-R1  
Cancelling Original Sheet No. 4-R1CLASSIFICATION OF SERVICE  
RESIDENTIALVOLUMETRIC RATES:Cost per 1,000 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0 - 3.0	\$ 0.3566	\$ 1.3282	\$ 0.6564 (C)
3.0 - 48.6	5.6535	7.2850	6.2324 (C)
48.6 - 374	3.5531	5.1826	4.1301 (C)
374 - 3,740	2.6564	3.6183	2.9516
3,740 - 11,200	2.0305	2.9991	2.3274
Over 11,200	1.2057	2.1743	1.5027

VOLUMETRIC RATES:Cost per 100 Gallons


<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0 - 30	\$ 0.03566	\$ 0.13282	\$ 0.06564 (C)
30 - 486	0.56535	0.72850	0.62324 (C)
486 - 3,740	0.35531	0.51826	0.41301 (C)
3,740 - 37,400	0.26564	0.36183	0.29516
37,400 - 112,000	0.20305	0.29991	0.23274
Over 112,000	0.12057	0.21743	0.15027

(C) Text Change that revises block for each rate

ISSUED: March 1, 2013

EFFECTIVE: March 31, 2013

BY:

  
 Devan E. Allen  
 President
1101 Broad Street  
Chattanooga, Tennessee 37401

WHAT HOUTON WAS CHANGING

Water Service Data

Water rates in effect since 9/1/16:

- a. Minimum (2,500 gallons) \$2.70/100, \$67.50
- b. Next 2,500 gallons \$1.70/100
- c. Next 2,500 gallons \$1.51/100
- d. Use over 7,500 gallons \$1.35/100
- e. Plus applicable sales tax

EXHIBIT  
FROM THE Sales Agreement

PAGE

228  
OUT OF 455



The following excerpts make the content that Jasper Highlands Property owners were noticed of the hearings, proceeding, and ability to interceded in the JOINT PETITION OF TENNESSEE-AMERICAN WATER COMPANY AND THUNDER AIR, INC. D/B/A JASPER HIGHLANDS DEVELOPMENT, INC. FOR THE APPROVAL OF AN ASSET PURCHASE AGREEMENT AND FOR THE ISSUANCE OF A CERTIFICATE OF CONVENIENCE AND NECESSITY. These were made through the representation of declarant of Jasper Highlands Property Owners Association JHPOA.

**Electronically Filed in TPUC Docket Room on October 8, 2020 0 at 11:56 a.m.**

**From:** [David Foster](#)  
**To:** [Edory R. Lawless](#)  
**Subject:** FW: 20-00011 data request  
**Date:** Thursday, October 08, 2020 11:55:45 AM  
**Attachments:** [Image001.png](#)  
[Water Hearing Notice- OPA.pdf](#)  
[Water Hearing Notice- Commercial.pdf](#)  
[Water Hearing Notice.pdf](#)

Could you please place this response in Docket No. 20-00011. I can make hard copies if needed....just let me know.

**From:** Melvin Malone [mailto:[Melvin.Malone@butlersnow.com](mailto:Melvin.Malone@butlersnow.com)]  
**Sent:** Wednesday, September 30, 2020 12:26 PM  
**To:** David Foster  
**Subject:** [EXTERNAL] 20-00011 data request

Mr. Foster,

All customers served by the water system operated by the Jasper Highlands Property Owners' Association have been provided further notice of the pending acquisition, as well as the hearing, in Docket No. 20-00011. On September 29, 2020, notices were sent to all customers and posted at the offices of Thunder Air, Inc. and the Jasper Highlands Property Owners' Association and in certain common areas within the development community, such as the swimming pool and picnic pavilion. If the Joint Petition is approved, any customers whose classification will change post-acquisition have been notified of such pending re-classification. As proposed in the Joint Petition, no customers, including any whose classifications will change post-acquisition, will receive a rate increase as a result of the proposed acquisition. The 3 different notices are attached.

Please let us know if additional information is necessary. Thanks so much.

Melvin Malone

**Melvin J. Malone**  
**Butler Snow LLP**

D: (615) 651-6705 | F: (615) 651-6701  
 150 3rd Avenue South, Suite 1600, Nashville, TN 37201  
[Melvin.Malone@butlersnow.com](mailto:Melvin.Malone@butlersnow.com) | [vCard](#) | [Bio](#)

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

<b>JOINT PETITION OF</b>	)	
<b>TENNESSEE-AMERICAN WATER</b>	)	
<b>COMPANY, AND THUNDER AIR, INC.</b>	)	<b>DOCKET NO. 20- <u>00011</u></b>
<b>D/B/A JASPER HIGHLANDS</b>	)	
<b>DEVELOPMENT, INC. FOR APPROVAL</b>	)	
<b>OF AN ASSET PURCHASE AGREEMENT</b>	)	
<b>AND FOR THE ISSUANCE OF A</b>	)	
<b>CERTIFICATE OF CONVENIENCE</b>	)	
<b>AND NECESSITY</b>	)	

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**EXPEDITED JOINT PETITION OF TENNESSEE-AMERICAN WATER COMPANY  
AND THUNDER AIR, INC. D/B/A JASPER HIGHLANDS DEVELOPMENT, INC. FOR  
APPROVAL OF AN ASSET PURCHASE AGREEMENT AND FOR THE ISSUANCE OF  
A CERTIFICATE OF CONVENIENCE AND NECESSITY**

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Pursuant to Tenn. Code Ann. §§ 65-4-201 and 65-4-107, Tennessee-American Water Company ("TAWC," "Tennessee-American" or "Company") and Thunder Air, Inc. d/b/a Jasper Highlands Development, Inc. ("Thunder Air Inc."), hereinafter collectively the Parties, submit this Joint Petition seeking both the approval of the acquisition of the water system owned by Thunder Air Inc. by TAWC and a Certificate of Convenience and Necessity, with its accompanying privilege and franchise, to own and operate the water system owned by Thunder Air Inc. and to

9. The current rates of Thunder Air Inc.'s water customers were established by the Jasper Highlands Property Owners' Association, Inc. ("JHPOA"). JHPOA is a Tennessee nonprofit corporation. The provision of water services by Thunder Air Inc. is consistent with Tenn. Code Ann. § 65-4-101(6)(B)(i). In further support of the Joint Petition, attached as **Collective Exhibit C** are the following: (1) Lease between JHPOA and Thunder Air Inc.; (2) Management Agreement between JHPOA and Thunder Air Inc.; (3) the Consent of JHPOA to the acquisition; (4) a certified copy of JHPOA's charter, along with JHPOA's Certificate of Existence/Authorization and its most recently submitted Tennessee Corporation Annual Report Form; and (5) the water rates established September 1, 2016, for Jasper Highlands Water System.<sup>3</sup>

18. The current customers of the System are aware of the proposed transaction. *See Exhibit C.* The current customers of the System will also be notified of this Joint Petition pursuant to the Commission's notice requirements. The System customers will be provided, among other things, a summary of any proposed changes, along with the Commission's date for the Hearing on the merits.

### CONSENT

THIS CONSENT is made and entered into as of the 26<sup>th</sup> day of November, 2019, by and between Thunder Air, Inc., a Tennessee corporation ("Thunder") and Jasper Highlands Property Owners' Association, Inc., a Tennessee nonprofit corporation ("JHPOA").

### RECITALS

1. JHPOA operates a water system for the exclusive use of the residents of the Jasper Highlands development in Marion County, Tennessee, having been unable to obtain water services directly from the South Pittsburg Board of Water Works and Sewers.
2. Thunder owns the infrastructure of the water system, which provides water services to customers in the Jasper Highlands, and is responsible for managing the water system under an agreement with JHPOA;
3. JHPOA holds the customer information for the water system and handles the billing for water services;
4. Thunder desires to sell the water system and Tennessee American Water Company ("TAWC") desires to purchase the water system and take over management of the system with JHPOA's responsibilities terminated;
5. JHPOA desires to consent to the transfer of the water system to TAWC.

NOW THEREFORE, in consideration of the mutual promises and conditions stated herein, the parties agree as follows:

1. Recitals. The foregoing recitals are herein fully incorporated by reference the same as if fully incorporated herein.
2. Agreement. JHPOA consents to the transfer of the water system. The parties agree to terminate the management arrangement regarding the water system. At the closing of the transfer, JHPOA will deliver all information in its possession regarding the water system to TAWC, including but not limited to, customer addresses and account information.

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION**

**NASHVILLE, TENNESSEE**

**February 26, 2021**

**IN RE:**

**JOINT PETITION OF TENNESSEE-AMERICAN  
WATER COMPANY AND THUNDER AIR, INC. D/B/A  
JASPER HIGHLANDS DEVELOPMENT, INC. FOR  
THE APPROVAL OF AN ASSET PURCHASE  
AGREEMENT AND FOR THE ISSUANCE OF A  
CERTIFICATE OF CONVENIENCE AND NECESSITY**

**DOCKET NO.  
20-00011**

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**ORDER APPROVING ASSET PURCHASE AGREEMENT AND GRANTING  
CERTIFICATE OF CONVENIENCE AND NECESSITY**

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In addition, the *Joint Petition* includes documentation establishing a lease relationship between the Jasper Highlands Property Owners' Association ("JHPOA") and Thunder Air, the water rates established by the JHPOA for JHWS customers, and evidence of JHPOA's consent to the Asset Purchase Agreement.<sup>6</sup> In support of the *Joint Petition*, the Joint Petitioners also submitted the Pre-Filed Direct Testimonies of Grady Stout, Interim Vice President of Operations for TAWC;<sup>7</sup> Elaine K. Chambers, Director of Rates and Regulatory for Tennessee and Kentucky for American Water Works Service Company, parent company of TAWC;<sup>8</sup> and Dane Bradshaw, President of Thunder Air and President of JHPOA.<sup>9</sup>



Electronically Filed in TPUC Docket Room on February 4, 2020 at 9:02 a.m.

**PETITIONER'S EXHIBIT EKC-1**

**TENNESSEE-AMERICAN WATER COMPANY, INC.**

**DOCKET NO. 20- 00011**

**DIRECT TESTIMONY**

**OF**

**ELAINE K. CHAMBERS**

**ON**

**JOINT PETITION OF TENNESSEE-AMERICAN WATER COMPANY AND  
THUNDER AIR, INC. D/B/A/JASPER HIGHLANDS DEVELOPMENT, INC. FOR THE  
APPROVAL OF AN ASSET PURCHASE AGREEMENT AND FOR THE ISSUANCE OF  
A CERTIFICATE OF CONVENIENCE AND NECESSITY**

197 **Q. WILL THUNDER AIR INC. CUSTOMERS BE NOTIFIED OF THE ABOVE**  
198 **PROPOSED CHARGES?**

199 **A. Yes. Thunder Air Inc. customers will be notified of these specific proposed charges via a**  
200 **posting of the Joint Petition. Further, the Joint Petitioners will provide further notice to**  
201 **Thunder Air Inc. customers, including these specific proposed changes, when an additional**  
202 **notice is provided with the hearing date.**

**From:** [David Foster](#)  
**To:** [Ectory R. Lawless](#)  
**Subject:** FW: 20-00011 data request  
**Date:** Thursday, October 08, 2020 11:55:45 AM  
**Attachments:** [image001.png](#)  
[Water Hearing Notice- OPA.pdf](#)  
[Water Hearing Notice- Commercial.pdf](#)  
[Water Hearing Notice.pdf](#)

---

Could you please place this response in Docket No. 20-00011. I can make hard copies if needed....just let me know.

---

**From:** Melvin Malone [mailto:[Melvin.Malone@butlersnow.com](mailto:Melvin.Malone@butlersnow.com)]  
**Sent:** Wednesday, September 30, 2020 12:26 PM  
**To:** David Foster  
**Subject:** [EXTERNAL] 20-00011 data request

Mr. Foster,

All customers served by the water system operated by the Jasper Highlands Property Owners' Association have been provided further notice of the pending acquisition, as well as the hearing, in Docket No. 20-00011. On September 29, 2020, notices were sent to all customers and posted at the offices of Thunder Air, Inc. and the Jasper Highlands Property Owners' Association and in certain common areas within the development community, such as the swimming pool and picnic pavilion. If the Joint Petition is approved, any customers whose classification will change post-acquisition have been notified of such pending re-classification. As proposed in the Joint Petition, no customers, including any whose classifications will change post-acquisition, will receive a rate increase as a result of the proposed acquisition. The 3 different notices are attached.

Please let us know if additional information is necessary. Thanks so much.

Melvin Malone

**Melvin J. Malone**  
**Butler Snow LLP**

D: (615) 651-6705 | F: (615) 651-6701  
150 3rd Avenue South, Suite 1600, Nashville, TN 37201  
[Melvin.Malone@butlersnow.com](mailto:Melvin.Malone@butlersnow.com) | [vCard](#) | [Bio](#)

FOR BUTLER SNOW'S COVID-19 RESOURCE HUB, [CLICK HERE](#)

[Twitter](#) | [LinkedIn](#) | [Facebook](#) | [YouTube](#)

**From:** David Foster <[David.Foster@tn.gov](mailto:David.Foster@tn.gov)>  
**Sent:** Friday, September 25, 2020 3:12 PM  
**To:** Melvin Malone <[Melvin.Malone@butlersnow.com](mailto:Melvin.Malone@butlersnow.com)>  
**Subject:** 20-00011data request

Mr. Malone,

Mr. Grady Stout states within his Direct Testimony (Docket No. 20-00011) that there are several common areas within the development, such as a swimming pool and picnic pavilion, served by a 2 inch and 1 inch meter which Tennessee American proposes to reclassify as commercial accounts after the closing. Please clarify whether these customers have received notice of their proposed rate reclassification and corresponding rate increase. It is requested that a response be provided no later than Wednesday, September 30, 2020. Should you have any questions or need clarification, please let me know.

David Foster

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CONFIDENTIALITY NOTE: This e-mail and any attachments may be confidential and protected by legal privilege. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the e-mail or any attachment is prohibited. If you have received this e-mail in error, please notify us immediately by replying to the sender and deleting this copy and the reply from your system. Thank you for your cooperation.





### **NOTICE OF HEARING**

#### **Tennessee Public Utility Commission Docket No. 20-00011**

Thunder Air, Inc. and Tennessee American Water Company ("TAWC") filed a Joint Petition on February 3, 2020, with the Tennessee Public Utility Commission (the "Commission" or "TPUC") in Docket No. 20-00011, seeking approval of the acquisition of the water system (the "System") that provides service to the Thunder Air, Inc./Jasper Highlands development community by TAWC. The current rates of the System operated by JHPOA are set forth below:

#### **VOLUMETRIC RATES:**

##### **Cost per 100 Gallons**

<b><u>Monthly Use</u></b>	<b><u>Water Service</u></b>
First 2,500 gallons	\$67.50
Next 2,500 gallons	\$1.70 per 100 gallons
Next 2,500 gallons	\$1.51 per 100 gallons
Above 7,500 gallons	\$1.35 per 100 gallons

The proposed rates of TAWC set forth in the Joint Petition are set forth below:

For all residential, commercial, and other public authority customers of Jasper Highlands development in Kimball, TN.

#### **VOLUMETRIC RATES:**

##### **Cost per 100 Gallons**

	<b>Jasper Highlands General</b>
<b><u>Monthly Use</u></b>	<b><u>Water Service</u></b>
First 2,500 gallons	\$67.50
Next 2,500 gallons	\$1.70 per 100 gallons
Next 2,500 gallons	\$1.51 per 100 gallons
Above 7,500 gallons	\$1.35 per 100 gallons



If the Joint Petition is approved by the Commission as submitted, going forward TAWC will apply the surcharge from its Capital Recovery Riders tariffs to the base rates of customers currently served by the System. For background, in TAWC's most recent Capital Recovery Riders tariffs filings, the surcharges were as follows: (1) in TPUC Docket No. 20-00028 the approved surcharge was -4.08%; and (2) in TPUC Docket No. 19-00105 the approved surcharge was 24.21%. Both of these dockets are available on the Commission's website at:

TPUC Docket No. 20-00028 at  
<http://share.tn.gov/tra/dockets/2000028.htm>

TPUC Docket No. 19-00105 at  
<http://share.tn.gov/tra/dockets/1900105.htm>

TAWC's Capital Recovery Riders are authorized alternative regulatory methods and mechanisms that permit TAWC to recover certain costs without a full-blown general rate case, as long as specific criteria are satisfied, including, but not limited to, the Commission finding that such alternative methods and mechanisms are in the public interest. The Capital Recovery Riders consist of the Qualified Infrastructure Improvement Program ("QIIP"), the Economic Development Investment Program ("EDI") and the Safety and Environmental Compliance Program ("SEC"). A further explanation of the Capital Recovery Riders is available through the Commission in both TPUC Docket Nos. 13-00130 and 19-00105.

Notice is hereby given that a hearing in this matter will be held by the Commission on October 12, 2020 at 9:00 a.m. Central Standard Time via WebEx videoconferencing or teleconferencing platforms. While the Commission has not yet issued a hearing notice with the requisite call-in information, members of the public may participate in the hearing by dialing in to the numbers that will be posted on the Commission's website in Docket No. 20-00011. Thunder Air, Inc./JHPOA will post such information when it becomes available. Due to the COVID-19 pandemic, there will not be an in-person hearing at the Tennessee Public Utility Commission, in the Andrew Jackson Building, 500 Deaderick Street, Hearing Room G.201, Nashville, Tennessee.

The Joint Petition, and supporting documentation, is on file with the Commission in TPUC Docket No. 20-0001 at <http://share.tn.gov/tra/dockets/2000011.htm> and is open to public inspection and review via the Commission's website. A complete copy of the Joint Petition, including TAWC's proposed tariffs and the reasons for them, is also on file with the Commission in Docket No. 20-00011 in the Andrew Jackson Building, 500 Deaderick Street, Nashville, Tennessee. The Commission may be closed due to the COVID-19 pandemic. The Commission may be reached at 1-800-342-8359. The Joint Petition, and supporting documentation, including TAWC's proposed tariffs and the reasons for them, is also available for public inspection and review at the offices of Thunder Air, Inc. and JHPOA at 104 Battlecreek Road, South Pittsburg, TN 37380.

Your classification as "residential" would change under the ownership of TAWC to Other Public Authority ("OPA").



### NOTICE OF HEARING

#### **Tennessee Public Utility Commission Docket No. 20-00011**

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#### VOLUMETRIC RATES:

##### Cost per 100 Gallons

<u>Monthly Use</u>	<u>Water Service</u>
First 2,500 gallons	\$67.50
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The proposed rates of TAWC set forth in the Joint Petition are set forth below:

For all residential, commercial, and other public authority customers of Jasper Highlands development in Kimball, TN.

#### VOLUMETRIC RATES:

##### Cost per 100 Gallons

	<u>Jasper Highlands General</u>
<u>Monthly Use</u>	<u>Water Service</u>
First 2,500 gallons	\$67.50
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Your classification as "residential" would change under the ownership of TAWC to Commercial.



### NOTICE OF HEARING

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##### Cost per 100 Gallons

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Your classification as "residential" would not change under the ownership of TAWC.

[illegible]

**Karen H. Stachowski**

---

**From:** TONY MANGIAMELI <mangiameli@sbcglobal.net>  
**Sent:** Thursday, March 2, 2023 10:58 AM  
**To:** Brian Phelps  
**Subject:** Jasper Highlands Water issue  
**Attachments:** 1.jpeg

Check out this attachment .....makes you go Hmmmmm???

Let me help you save money on your insurance. Call me at 408-247-7833 when your ready!!! OPEN this  
link to see a great video on why it's important to get life insurance.-----  
> <http://www.youtube.com/watch?v=IUYr1xhd338&list=UU9umOkFQscqm9EbaeZ8HT-w&index=5&feature=plcp>



These are just a few of the entries

From: Linda Muckolls (linda.muckolls@gmail.com)

To: mangiameli@sbcglobal.net

Date: Wednesday, March 1, 2023 at 08:53 PM CST

<a href="#">View</a>	THUNDER DEVELOPMENT	JASPER HIGHLANDS PKWY	118	012.74	000	118 01274 000	JASPER HIGHLANDS REV	Residential	7/26/2012	GIS Map
<a href="#">View</a>	CIRCLE T CONSTRUCTION LLC A GEORGIA LIMITED LIABILITY COMPANY	JASPER HIGHLANDS BLVD 2475	118	012.39	000	118 01239 000	JASPER HIGHLANDS 1-B	Residential	12/2/2022	GIS Map
<a href="#">View</a>	THUNDER DEVELOPMENT INC	JASPER HIGHLANDS PKWY 1585	118	012.00	000	118 01200 000	JASPER HIGHLANDS REV	Commercial	7/26/2012	GIS Map
<a href="#">View</a>	THUNDER AIR INC	JASPER HIGHLANDS PKWY 989	118	007.01	000	118 00701 000		Farm	8/17/2021	GIS Map
<a href="#">View</a>	THUNDER AIR INC	JASPER HIGHLANDS BLVD	086	011.00	000	086 01100 000	BLUE ROCK BOUNDARY	Farm	8/17/2021	GIS Map
<a href="#">View</a>	THUNDER AIR INC	JASPER HIGHLANDS PKWY 989	118	007.01	001	118 00701 001		Farm	2/15/2017	GIS Map
<a href="#">View</a>	TENNESSEE AMERICAN WATER COMPANY	JASPER HIGHLANDS PKWY 1365	118	009.08	000	118 00908 000		Residential	12/30/2020	GIS Map

**Karen H. Stachowski**

---

**From:** TONY MANGIAMELI <mangiameli@sbcglobal.net>  
**Sent:** Wednesday, June 21, 2023 2:42 PM  
**To:** Kelley L. Groover  
**Subject:** Water bill for Tony  
**Attachments:** 1.jpeg; 2.jpeg

Please confirm that you have received this. Also please tell the correct team to put a rush on this since Brian has been sand bagging this for four months. Thanks

Let me help you save money on your insurance. Call me at 408-247-7833 when your ready!!! OPEN this  
link to see a great video on why it's important to get life insurance.-----  
> <http://www.youtube.com/watch?v=IUYr1xhd338&list=UU9umOkFQscqm9EbaeZ8HT-w&index=5&feature=plcp>



**Service Address:**  
CRYSTAL MANGIAMELI  
310 SWEEDENS OVERLOOK  
JASPER, TN 37347

### THANK YOU FOR BEING OUR CUSTOMER

#### Important Account Messages

- Want to get to know us better? Visit [www.tennesseamwater.com](http://www.tennesseamwater.com) to learn more about the services we provide.
- Did you know contacting us on a Monday or the day following a holiday will result in longer wait times? Consider contacting us on a different day of the week for a quicker response.

For more information, visit [www.tennesseamwater.com](http://www.tennesseamwater.com)

View your account information or pay your bill  
anytime at: [www.tnwater.com/MyAccount](http://www.tnwater.com/MyAccount)

Pay by Phone\*: Pay anytime at 1-855-748-6066  
\*A convenience fee may apply

Customer Service: 1-866-736-6420  
M-F 7:00am to 7:00pm - Emergencies 24/7

TENNESSEE AMERICAN WATER  
PO BOX 6029  
CAROL STREAM, IL 60197-6029



Service to: 310 SWEEDENS OVERLOOK  
JASPER, TN 37347

CRYSTAL MANGIAMELI  
310 SWEEDENS OVERLOOK  
JASPER, TN 37347



P.O. BOX 91623  
RANTOUL, IL 61866-8623

## Statement

Page 1 of  
632504831910

Exhibit CA-3

Account No. **1026-220037983987**

**\$-1,208.50**  
**July 5, 2023**

Payment Due By:

A credit balance exists on the account. No payment is  
required at this time.

**Billing Date:**

June 12, 2023

**Service Period:**

May 11 to Jun 08 (29 Days)

**Total Gallons:**

21,800

#### Account Summary - See page 3 for Account Detail

Prior Billing:	-\$1,607.22
Payments:	\$0.00
<b>Balance Forward:</b>	<b>-\$1,607.22</b>
Service Related Charges:	\$363.30
Taxes:	\$35.42
<b>Total Amount Due:</b>	<b>-\$1,208.50</b>

Account No. **1026-220037983987**

**\$-1,208.50**

Payment Due By:

**July 5, 2023**

Amount  
Enclosed \$

Payment Not Required

TENNESSEE AMERICAN WATER  
PO BOX 6029  
CAROL STREAM, IL 60197-6029

00010262200379839870000000000120850010



## Meter Reading and Usage Summary

Meter No.	Measure	Size	From Date	To Date	Previous Read	Current Read	Meter Units	Billing Units	Total Gallons
27400619	100 gal	5/8"	05/11/2023	06/08/2023	6,631 (A)	6,849 (A)	218	218.00	21,800
								Total Gallons:	21,800

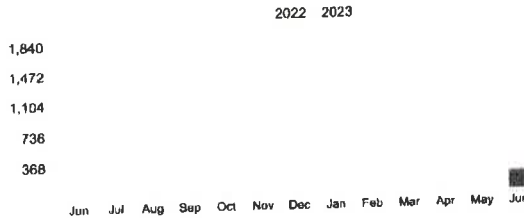
A = Actual E = Estimate

1 Billing Unit = 100 gallons

Next Scheduled Read Date: on or about July 10, 2023  
Account Type: Residential

### Billed Usage History (graph shown in 100 gallons)

- 21,800 gallons = usage for this period
- 79,000 gallons = usage for same period last year



Average  
daily use for  
this period is:  
(29 days)

**752**

Year to Date Billed Usage: 49,800 gallons

### Account Detail

Account No. 1026-220037983987

Service To: 310 SWEEDENS OVERLOOK JASPER, TN 37347

Prior Billing	-1,607.22
Payments	0.00

**Balance Forward -1,607.22**

Service Related Charges - 05/11/23 to 06/08/23

Water Service	262.87
Water Service Charge	52.15
Water Usage Charge	0.00
	(25 x \$0.00)
	(25 x \$1.31)
	(25 x \$1.17)
	(143 x \$1.04)
Other Charges	100.43
Expense Recovery Riders	5.60
Capital Recovery Riders	94.83

**Total Service Related Charges 363.30**

Taxes 35.42

State Sales Tax 25.43

County Sales Tax 9.99

**Total Current Period Charges 398.72**

Total Amount Due ➡ **\$-1,208.50**

### Understanding Your Bill

The information below defines some of the new terms you may find on your bill:

- **Service Related Charges:** This section includes charges for services related to water, wastewater and fire protection. If applicable, credits and debits for correction to previously billed charges are itemized in this section.
- **Fees and Adjustments:** This section provides details related to additional charges or adjustments for the service period referenced. Fees, when applicable, would include items such as service activation and late payment charges.
- **Expense & Capital Recovery Riders:** The riders are applied to all water charges. The Expense Recovery Rider is based on our actual expenses for items like electricity and chemicals and is compared to what we projected we would spend. If we spend less than we budget for this is a reduction on your bill with the negative sign. The Capital Recovery Riders are for capital projects like new pipes, fire hydrants, water treatment equipment, and mains for economic development projects. The Capital Recovery Rider is calculated for a particular year and is based on the costs of capital projects. It has been in place since 2013.
- **Billing Units:** One billing unit equals 100 gallons of water used. If the meter serving your property measures your water use in cubic feet or a different unit of measure, we convert the usage to gallons to make it easier to understand.
- **Average Daily Use:** The gallons shown in the water droplet above represent your average daily water use for the current billing period. Tracking the amount of water you use can help you manage your overall water use from month to month.
- **Still have questions?** We are here to help. Our customer service representatives are available M-F, 7 a.m. to 7 p.m. More information on understanding your bill and charges can also be found on our website. See the link below.

Para obtener asistencia con la traducción de su factura, comuníquese con nuestro Centro de Servicio al Cliente, de lunes a viernes de 7 a.m. a 7 p.m.

For more information about your charges and rates, please visit:  
<https://amwater.com/inaw/rules>

**Terra N. Allen**

---

**From:** Melvin Malone <Melvin.Malone@butlersnow.com>  
**Sent:** Thursday, August 24, 2023 5:32 PM  
**To:** Karen H. Stachowski  
**Cc:** Vance Broemel; Terra N. Allen  
**Subject:** RE: TAWC Customer Complaint regarding equity in rates

Hi Karen,

We will respond tomorrow or Monday at the latest. Thanks so much.

Melvin

**Melvin J. Malone**  
**Butler Snow LLP**

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[Twitter](#) | [LinkedIn](#) | [Facebook](#) | [YouTube](#)

**From:** Karen H. Stachowski <Karen.Stachowski@ag.tn.gov>  
**Sent:** Monday, August 21, 2023 11:49 AM  
**To:** Melvin Malone <Melvin.Malone@butlersnow.com>  
**Cc:** Vance Broemel <Vance.Broemel@ag.tn.gov>; Terra N. Allen <Terra.Allen@ag.tn.gov>  
**Subject:** [External Email] TAWC Customer Complaint regarding equity in rates

Melvin,

I wanted to follow up on the Consumer Advocate's letter dated July 11, 2023 (attached). On July 20, 2023, the Consumer Advocate responded to your request for a copy of the complaint referenced in the Consumer Advocate's July 11 letter.

Does TAWC have a date of when it will respond to the Consumer Advocate's records request of July 11?

Karen

**Karen H. Stachowski** | Deputy Attorney General  
Consumer Advocate Division  
Office of Tennessee Attorney General  
500 Dr. Martin L. King Jr. Blvd., Nashville, TN 37243  
Mailing Address:  
P.O. Box 20207, Nashville, Tennessee 37202  
p. 615.741.2370  
[Karen.Stachowski@ag.tn.gov](mailto:Karen.Stachowski@ag.tn.gov)



*Our Mission – We are the State's law office serving Tennessee with principled, independent, and excellent counsel.*

**From:** Karen H. Stachowski  
**Sent:** Thursday, July 20, 2023 12:56 PM  
**To:** Melvin Malone <[Melvin.Malone@butlersnow.com](mailto:Melvin.Malone@butlersnow.com)>  
**Cc:** Vance Broemel <[Vance.Broemel@ag.tn.gov](mailto:Vance.Broemel@ag.tn.gov)>; James P. Urban <[James.Urban@ag.tn.gov](mailto:James.Urban@ag.tn.gov)>; Terra N. Allen <[Terra.Allen@AG.TN.GOV](mailto:Terra.Allen@AG.TN.GOV)>; Victoria Glover <[Victoria.Glover@ag.tn.gov](mailto:Victoria.Glover@ag.tn.gov)>; Mason Rush <[Mason.Rush@AG.TN.GOV](mailto:Mason.Rush@AG.TN.GOV)>  
**Subject:** TAWC Customer Complaint regarding equity in rates

Melvin,

In your letter dated July 19, 2023, you reiterated your request for a copy of the complaint referenced in the Consumer Advocate's July 11 letter.

The customer, Tony Mangiameli, did not submit a complaint form to the Consumer Protection Division. Rather, Mr. Mangiameli provided documents to the Office. Copies of these emails and documents are attached to this email.

Respectfully,

Karen

**Karen H. Stachowski** | Deputy Attorney General  
Consumer Advocate Division  
Office of Tennessee Attorney General  
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## BUTLER | SNOW

August 31, 2023

**VIA EMAIL**

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

**RE: Complaint of TAWC Customer Mr. Tony Mangiameli**

Dear Karen:

I am writing in response to your letter of July 11, 2023, and the complaint you provided to Tennessee-American Water Company ("TAWC" or the "Company") on July 20, 2023. First and foremost, we appreciate you bringing this customer complaint to the Company's attention and sharing it with us. TAWC values and appreciates each of its customers and aspires to be both substantively and promptly responsive to any and all customer inquiries, concerns and complaints.

As you know, TAWC's rates for the water services provided to Mr. Mangiameli have been approved by the Tennessee Public Utility Commission ("Commission" or "TPUC"). Further, TAWC's Commission-approved base rates for its Jasper Highlands service area are the rates that were in place at the time of the acquisition. The Capital Recovery and PCOP Riders' surcharges, or sur-credits, added to the Company's base rates are also based upon Commission-approved tariffs, as these riders provide meaningful benefits to the Company's customers, the Company and the communities served by TAWC. The Company has reviewed Mr. Mangiameli's last three (3) months invoices and has verified that the rates used to derive these invoices are accurate and compliant with the Company's tariffs.

As you are aware from the discussions and exchanges of information among the parties in TPUC Docket No. 19-00103, rate design is multi-faceted and involves a host of different, and often competing, considerations and factors. While some of the information sought in your July 11<sup>th</sup> letter may at some point constitute a part of an overall review of rate design for TAWC, Mr. Mangiameli's complaint and our response to the same, are not the appropriate vehicles through which to conduct a rate case review.

To the best of the Company's knowledge, Mr. Mangiameli was not a Jasper Highlands water customer prior to the acquisition and therefore may not be familiar with the development of

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BUTLER SNOW LLP



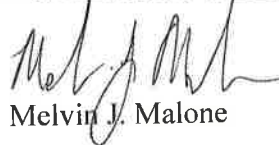
Karen H. Stachowski  
August 31, 2023  
Page 2

the Jasper Highlands water system and its rates prior to the acquisition. Notwithstanding the foregoing, TAWC's records reveal that Mr. Mangiameli's monthly usage far exceeds other Jasper Highlands residential customers and may be the highest water usage residential customer in TAWC's entire system. Although no leaks have been detected, in light of his usage levels, the Company is going to reach out to him again and suggest a further leak review, including any irrigation system leaks.

Again, TAWC values Tony Mangiameli as a customer and appreciates the opportunity to respond to the CAD's July 11, 2023, letter. As the Company has previously communicated, it looks forward to working on rate-design with the Commission, the CAD and other interested parties at a later time in a more appropriate context.

Very truly yours,

BUTLER SNOW LLP

A handwritten signature in dark ink, appearing to read 'Melvin J. Malone', is written over the printed name.

Melvin J. Malone

cc: Vance Broemel, Consumer Advocate Division  
David Foster, TPUC  
Kelly Cashman-Grams, TPUC