

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

**PETITION OF SUPERIOR
WASTEWATER SYSTEMS, LLC FOR
APPROVAL TO WITHDRAW ESCROW
FUNDS**

DOCKET NO. 24-00004

**DIRECT TESTIMONY
of
JOHN POWELL**

ON BEHALF OF SUPERIOR WASTEWATER SYSTEMS, LLC

1 ***Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE***
2 ***RECORD.***

3 ***A1.*** My name is John Powell, and my business address is PO Box 40, Arrington, TN
4 37014.

6 ***Q2. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?***

7 ***A2.*** I am the owner and president of Superior Wastewater Systems, LLC (“SWS”) a
8 provider of wastewater utility service, regulated by this Commission.

10 ***Q3. WHAT ARE YOUR RESPONSIBILITIES FOR SWS?***

11 ***A3.*** I am responsible for the day-to-day operation, permitting, and long-term planning.
12 Among other things, this includes supervision of the system; review and approval
13 of expenditures; reviewing and resolving customer issues; scoping and obtaining
14 proposals for maintenance work; establishment of contracts; contact with
15 regulatory personnel on existing and future permit requirements and issues;
16 preparation of portions of and review of tariff documents; investigation of
17 physical and operational conditions of the distribution systems; and evaluation of
18 proposals for plant upgrades and replacement.

20 ***Q4. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS***
21 ***PROCEEDING?***

1 **A4.** The purpose of my testimony is to present information to the Tennessee Public
2 Utility Commission (“TPUC” or “the Commission”) to support SWS’s Petition to
3 withdraw escrow funds as permitted by Tenn. Rules and Regs. 1220-4-13-.07(7).
4

5 **Q5. MR. POWELL, PLEASE DESCRIBE THE NATURE OF THE REQUEST**
6 **TO WITHDRAW FUNDS FROM ESCROW.**

7 **A5.** On November 30, 2023, SWS experienced the complete loss of two pumps due to
8 a collapsed pipe that allowed gravel to enter the pumps and destroy their ability to
9 function. SWS has completely replaced the collapsed pipe as well as the two
10 pumps and now seeks to recover the related cost of \$5,274.18, inclusive of the
11 regulatory and legal costs necessary to file this Petition, from its escrow reserve
12 fund.
13

14 **Q6. DO THE COMMISSION’S RULES ALLOW FOR RECOVERY OF**
15 **REPLACEMENT COSTS FROM ESCROW?**

16 **A6.** Yes. The Tenn. Rules and Regs. 1220-4-13-.07(7) anticipate and allow for such a
17 recovery of extraordinary expenditures from escrow funds and read as follows:

18 *Reserve/escrow accounts established by a public wastewater utility shall be*
19 *limited to paying for or reimbursing the utility for extraordinary expenses*
20 *of the utility or for necessary capital projects, unless otherwise permitted*
21 *by the Commission. Extraordinary expenses are those resulting from events*
22 *which are infrequent and unusual in nature, and unrelated to the utilities’*
23 *routine service or business activities. The utility must first receive*
24 *authorization from the Commission via approved petition or, in emergency*
25 *situations, authorization in writing from the Chairman of the Commission*
26 *upon written request by a representative of the utility to use such funds. The*
27 *Commission may require public wastewater utility employees having*
28 *signature authority over such accounts to obtain a fidelity bond. The public*

1 wastewater utility's tariff shall set forth the specific amount charged to
2 customers to fund the reserve/escrow account.
3

4 ***Q7. ARE THESE REPLACEMENT COSTS INFREQUENT AND UNUSUAL***
5 ***AS DESCRIBED IN TENN. RULES AND REGS. 1220-4-13-.07(7)?***

6 ***A7.*** Yes.
7

8 ***Q8. DOES SWS HAVE ANY OTHER MEANS TO RECOVER THESE***
9 ***REPLACEMENT COSTS?***

10 ***A8.*** No. These replacement costs, as well as the regulatory and legal costs associated
11 with filing this Petition, are not included in SWS's base rates. As a result, SWS
12 has no means to recover these replacements costs other than through a withdrawal
13 from our escrow reserve.
14

15 ***Q9. PLEASE DESCRIBE THE DIFFERENT COMPONENTS OF THE***
16 ***REPLACEMENT COSTS.***

17 ***A9.*** A summary of the direct and indirect replacement components that total to
18 \$5,274.18 are shown below on Table 1. The details supporting these summarized
19 amounts are shown on Exhibit JP-1 to my testimony.
20

Table 1 – Replacement Cost Summary	
Component	Cost
Direct Cost:	
Pumps	\$1,547.18
Miscellaneous Parts	312.00
Labor	1,415.00
Total Direct Cost	\$3,274.18
Indirect Cost:	
Estimated Regulatory Cost (WHN Consulting)	\$1,000.00
Estimated Legal Cost (Sims Funk, PLC)	1,000.00
Total Indirect Cost	\$2,000.00
Total Cost	\$5,274.18

1

2 ***Q10. MR. POWELL, WHO WAS RESPONSIBLE FOR THE \$1,415 IN DIRECT***
3 ***COST LABOR CHARGES SHOWN ON TABLE 1?***

4 ***A10.*** The direct labor was performed by employees working for Premier Properties, an
5 affiliate of SWS. Since SWS has no employees of its own, this was the most
6 economical choice available.

7

8 ***Q11. IS THE BALANCE IN SWS'S ESCROW RESERVE ADEQUATE FOR A***
9 ***WITHDRAWAL OF \$5,274.18 AT THIS TIME?***

10 ***A11.*** Yes. As of January 9, 2024, the balance in our escrow reserve was \$41,235.62.

11

12 ***Q12. MR. POWELL, PLEASE SUMMARIZE SWS'S REQUEST TO THE***
13 ***COMMISSION?***

14 ***A12.*** SWS is requesting to withdraw \$5,274.18 from our escrow reserve to recover the
15 direct and indirect costs related to two pump replacements on November 30,
16 2023.

1

2 ***Q12. DOES THIS COMPLETE YOUR TESTIMONY?***

3 ***A12.*** Yes, it does.

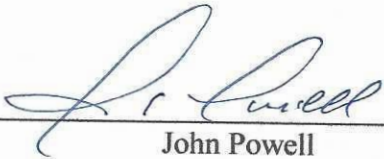
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AFFIDAVIT

I, John Powell, on behalf of Superior Wastewater Systems, LLC hereby certify that the attached direct testimony represents my opinion in the above referenced case.


John Powell

Sworn to and subscribed before me this 23 day of January, 2024.


NOTARY PUBLIC

My Commission expires: 3-22-26



Exhibit JP-1
Pump Replacement Cost Detail

Description

On November 30, 2023, Plant went down due to both pumps failing because of collapsed pipe that allowed gravel to go in pumps and burn up.

Changed one pump quickly to get plant up and then after repiping other pump and RSF, was able to get other pump up and then go back and repipe other pump to fix permanently.

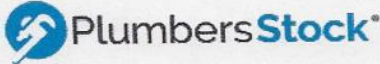
Cost Detail

Quantity	Description	Unit Price	Total	
2	Pumps	\$773.59	\$1,547.18	See attached invoices
	Misc Parts		312.00	
	Labor		1,415.00	
	Total		\$3,274.18	

INVOICE NO.			DATE	
BILL TO	SHIP TO	INSTRUCTIONS		11/30/23
Superior Waste Water				
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	
2	pumps	* 773.59	* 1547.18	
	misc parts		* 312.00	
	Labor to re plumb and change pumps as well as fixed collapsed pipes		* 1415.00	
<p>Plant went down due to both pumps failing because of collapsed pipe that allowed gravel to go in pumps and burn up.</p> <p>Changed one pump quickly to get plant up and then after re piping other pump & RSF was able to get other pump up and then go back and re pipe repipe other pump to fix @ permanently.</p>				
SUBTOTAL		3274.18		
SALES TAX				
SHIPPING & HANDLING				
TOTAL DUE BY DATE				
Thank you for your business!				

Description

Pump Invoice #1 from PlumbersStock



Shipping Address	Billing Address
Clinton Nichols 2736 Anthem Way Murfreesboro, TN 37128	Clinton Nichols 2736 Anthem Way Murfreesboro, TN 37128

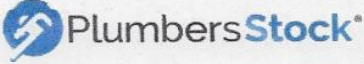
Order ID: C0024E25	Order 1 of 1
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1 x AY MCDONALD 92200 2HP 1PH 230V E.S. Thermoplastic Centrifugal Pump	\$757.09
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Payment Method Charged to PayPal	Subtotal:	\$757.09
	Tax:	\$0.00
	Shipping:	\$16.50
Order Total:		\$773.59

Description

Pump Invoice #2 from PlumbersStock



Shipping Instructions: Leave in or near garage

Shipping Address	Billing Address
Clint Nichols Superior Wastewater 1301 Ashby Valley Ln Arrington, TN 37014	John Powell Superior Wastewater PO Box 40 Arrington, TN 37014

Order ID: D8F1BAA9	Order 1 of 1
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1 x AY MCDONALD 92200 2HP 1PH 230V E.S. Thermoplastic Centrifugal Pump	\$757.09
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Payment Method Mastercard ending in xxxx-6803	Subtotal:	\$757.09
	Tax:	\$0.00
	Shipping:	\$16.50
Order Total:		\$773.59