

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

IN RE:)	
)	
TENNESSEE WATER SERVICE, INC.)	
PETITION FOR APPROVAL OF ITS)	DOCKET NO. <u>24-00028</u>
2024 ANNUAL RATE REVIEW FILING)	
PURSUANT TO TENN. CODE ANN. § 65-)	
5-103(d)(6) AND REQUEST FOR RATE)	
STRUCTURE MODIFICATION)	
)	
)	
)	
)	

APPENDIX A

**DIRECT TESTIMONY
OF
TIFFANY VAN HORN**

**ON BEHALF OF
TENNESSEE WATER SERVICE, INC.**

April 30, 2024

1 **Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

2 A. My name is Tiffany Van Horn. I am the President of Tennessee Water Service, Inc.
3 (“TWS” or “Company”), a subsidiary of Corix Regulated Utilities (US), Inc. (“CRU US”).
4 My business address is #2 N. Wolfscratch Drive, Jasper, GA 30143.

5 **Q. PLEASE DESCRIBE YOUR DUTIES IN YOUR CURRENT POSITION.**

6 A. As President, I am responsible for all aspects of the Company’s business, culminating in
7 the ongoing provision of safe drinking water to all of our customers.

8 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL**
9 **BACKGROUND.**

10 A. I received my undergraduate degree in Business Administration with a Major in
11 Accounting from Gonzaga University in Spokane. In 2007, I began working as the Support
12 Services Manager in Alaska for what is now an affiliate of CRU US, and have held
13 Management, Director, and Vice President roles prior to serving in my current role as
14 President. Before 2007, I worked within the oil refining industry and public accounting
15 industry.

16 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

17 A. The purpose of my testimony is to 1) describe the water service provided by TWS, 2)
18 provide a status update on the system and its rebuild, 3) explain the Company’s interactions
19 and relationship with its customers, and 4) discuss the Company’s customer feedback and
20 resulting proposed rate design in this filing.

1 **Q. WOULD YOU BRIEFLY DESCRIBE THE COMPANY'S WATER OPERATIONS**
2 **HERE IN TENNESSEE?**

3 **A.** TWS is a public utility subject to the Commission's jurisdiction, providing water utility
4 service to approximately 418 customers located in the Chalet Village North system in
5 Sevier County. We deliver safe and reliable water service to our customers' homes through
6 the pumping and treatment of ground water via our (2) public water supply wells as well
7 as via an interconnect with the municipal system of the City of Gatlinburg. In November
8 2016, Chalet Village suffered extensive damage in the wildfires that swept through the
9 Great Smoky Mountains (the "Wildfire"). Prior to the Wildfire, the Company served
10 approximately 564 customers and after the Wildfire, only 25 connections remained active,
11 representing more than a 95% loss of customer base.

12 **Q. PLEASE PROVIDE THE CURRENT OPERATIONAL STATUS OF THE TWS**
13 **WATER SYSTEM.**

14 **A.** Transparency, health, and safety are key priorities in our company's effort to provide a
15 high-quality, reliable water supply. TWS continually strives to supply water that meets
16 and/or exceeds all federal and state water quality regulations as evidenced by the 2021
17 Annual Water Quality Report, which demonstrates TWS performed all required testing for
18 contaminants and no violations of drinking water regulations were received. Although it
19 has not been published yet, I anticipate the same response will accompany the 2023 report.
20 The system currently serves approximately 75% of the premises that were present prior to
21 the Wildfire, and approximately double the active premises at the time of filing the

1 Company's last rate case ("2019 case"). Construction activities and re-connections have
2 continued since the 2019 case with a mix of full-time and seasonal occupancy. Despite the
3 rapid increase in active connections over the past few years, the Company expects re-
4 connections of premises in the system to continue for the foreseeable future, though a
5 timing and count of a final "plateau" of customer connections is unknown at this time.

6 **Q. PLEASE SUMMARIZE THE COMPANY'S CUSTOMER RELATIONS**
7 **ACTIVITIES SINCE THE 2019 CASE.**

8 **A.** TWS maintains regular communication with our customers through email, voice reach
9 phone messaging, social media, and the Tennessee Water Service website. In addition,
10 several on-site meetings with the TWS management team and the Homeowners
11 Association Board ("HOA Board") members and community manager have been held over
12 the past couple of years. The main goal of our meetings was to focus on enhancing the
13 relationship with the HOA Board and the community after the Wildfire, creating a dialogue
14 that allows for open and upfront communication. Topics shared with the HOA Board
15 included updates on the status of the repairs and restoration activities, any customer issues,
16 company news and the opportunity for the HOA Board to ask questions of the team.
17 Our dedicated field team is onsite and available to provide the best possible customer
18 service to the Chalet Village community. In a recent meeting with the HOA Board, they
19 gave accolades to our onsite team for providing excellent customer service. Customers
20 have noted that the frequent interaction and availability to answer any questions has been
21 a tremendous help and is well received in the community.

1 **Q. CAN YOU PLEASE DESCRIBE THE FEEDBACK THE COMPANY HAS**
2 **RECEIVED FROM CUSTOMERS REGARDING ITS TARIFF SINCE THE 2019**
3 **CASE?**

4 **A.** At several points in the interactions described above, HOA members have communicated
5 to the Company that there are groups of customers that are displeased with the impacts and
6 incentives resulting from the current approved rate structure. The 2019 Case increased the
7 Base Charge, dropped the monthly usage allowance, and maintained a single volumetric
8 rate block. Customers have voiced that these features created an uneven burden across the
9 customer base, which includes a mix of year-round, seasonally active, and rental
10 customers. The year-round customers, who typically have a relatively low and consistent
11 usage each month, differ greatly from seasonal and rental premises, which often have more
12 volatile and much higher usage. The Company therefore is proposing modifications to its
13 rate structure that it believes better aligns with the mix of customers and their varied water
14 demands. TWS notes that it recently presented the framework of the rate design proposed
15 in this filing and received a response from the HOA Board that the proposal was aligned
16 with addressing their voiced concerns.

17 **Q. CAN YOU PLEASE EXPLAIN THE BENEFITS OF TWS'S PROPOSED RATE**
18 **DESIGN?**

19 **A.** The Company took the above detailed feedback to develop a modified rate design that 1)
20 reverts back to the 2,000 gallon per month usage allowance, and 2) creates an inclining 3-
21 tier volumetric block structure. The usage allowance structure persisted for the

1 approximately 10 years between its last two rate cases and is preferred as it relieves some
2 of the burden of low use customers. The inclining tier volumetric blocks similarly lower
3 the burden on low use customers while recognizing the disparity in consumption levels for
4 certain portions of the customer base. Overall, the Company believes the proposed rate
5 design will be an improved fit for its customer mix in Chalet Village and send appropriate
6 and fair price signals to customers.

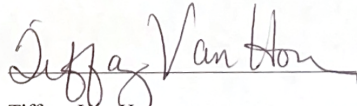
7 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

8 **A.** Yes, it does. However, I reserve the right to update or amend this testimony upon receipt
9 of additional data or other information that may become available.

STATE OF Georgia
COUNTY OF Paulding

BEFORE ME, the undersigned, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Tiffany Van Horn, being by me first duly sworn deposed and said that:

On behalf of Tennessee Water Service, Inc., I am authorized to testify in the above referenced docket and that my testimony and information therein is true and correct to the best of my knowledge, information, and belief.


Tiffany Van Horn

Sworn and subscribed before me this 29 day of April, 2024.


Notary Public

My Commission Expires: 11/07/2027

