

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

IN RE:

**TENNESSEE WATER SERVICE, INC.
PETITION APPROVAL OF ITS 2024
ANNUAL RATE REVIEW FILING
PURSUANT TO TENN. CODE ANN. § 65-
5-103(d)(6) AND REQUEST FOR RATE
STRUCTURE MODIFICATION**

DOCKET NO. 24-00028

APPENDIX B

**DIRECT TESTIMONY
OF
PHILIP J. DRENNAN**

**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 Philip J. Drennan. I serve as Regional Vice President of Finance for
3 Tennessee Water Service, Inc. (“TWS” or “the Company”). My business address is 500
4 W. Monroe St. Suite 3600, Chicago, IL 60661-3779.

5 **Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?**

6 **A.** I graduated from the University of Illinois in 1998 with Bachelor of Science degree in
7 Finance, and I have held the Chartered Financial Analyst (“CFA”) designation since
8 2007. Before joining Corix Regulated Utilities, I worked for multiple financial services
9 firms as an analyst and asset manager. I joined Corix Regulated Utilities (US), Inc.
10 (“CRU US”, now a subsidiary of Nexus Water Group, Inc. (“NWG”)) in 2016 and have
11 held various roles as manager and director of Financial Planning and Analysis (“FP&A”)
12 within the company. In August 2022, I took the position of Regional Director of FP&A
13 for the South Region of CRU US. In April 2024, I entered into my current role.

14 **Q. WHAT ARE YOUR DUTIES IN YOUR CURRENT POSITION?**

15 **A.** As Regional VP of Finance, I am responsible for overseeing all of the financial and
16 regulatory activities for the South Utilities of NWG, which includes the states of
17 Louisiana, Georgia, Alabama, and Tennessee. I direct a team of analysts who are
18 responsible for filing all base rate cases, annual financial reports, as well as other tax and
19 required reports with state regulatory agencies. The South Utilities team is also
20 responsible for working with operations to develop annual budgets and maintain financial
21 forecasts throughout the year. I oversee the annual budget process with the objective to
22 accurately project short-term and long-term financial plans which appropriately balance

1 the objectives of all stakeholders. I am also responsible for developing short-term and
2 long-term projections for the Company's operations. Additionally, I am responsible for
3 reviewing financial results for accuracy, and analyzing reporting variances to ensure
4 adherence to annual budgets and financial targets.

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

6 **A.** The purpose of my testimony is to explain 1) the basis for the Company's Annual Review
7 Mechanism ("ARM") filing and its parameters, 2) the presentation and process for
8 calculating any Excess Earnings or Deficiency and Attrition Period Rate Reset, 3)
9 requests for new amortizations for deferred items on TWS's balance sheet, and 4)
10 proposed rate design and other changes.

11 **Q. PLEASE DETAIL YOUR TESTIMONY'S SUPPORTING EXHIBITS AND**
12 **SCHEDULES IN THIS FILING.**

13 **A.** This testimony includes the following Exhibits and Schedules:

14 **Exhibit 1** – Filing Model, comprised of:

15 **Exhibit 1, Schedule A** – Rate Base

16 **Exhibit 1, Schedule B** – Income Statement

17 **Exhibit 1, Schedule C** – Annual True Up Reconciliation and Attrition Period
18 Rate Reset

19 **Exhibit 1, Schedule D** – Income Taxes

20 **Exhibit 1, Schedule E** – Capital Structure and Retention Factor

21 **Exhibit 1, Schedule F** – Rate of Return

22 **Exhibit 1, Schedule G** – Proposed Tariff

1 **Exhibit 1, Schedule A-1 – Plant In-Service and Depreciation Expense**

2 **Exhibit 1, Schedule A-2 – Accumulated Depreciation**

3 **Exhibit 1, Schedule A-3 – Cash Working Capital**

4 **Exhibit 1, Schedule A-4 – Deferred Charges, Regulatory Commission Expense**
5 **and Deferred Maintenance Expense**

6 **Exhibit 1, Schedule A-5 – Regulatory Liability and EDIT**

7 **Exhibit 1, Schedule A-6 – CIAC and CIAC Amortization Expense**

8 **Exhibit 1, Schedule B-1 – Attrition Period Revenues and Rate Design**

9 **Exhibit 1, Schedule B-2 – Bill Comparisons at Present Rates and Proposed Rates**

10 **Exhibit 1, Schedule B-3 – Non-Revenue Water Rate**

11 **Q. WHAT WAS THE RESULT OF THE TWS PETITION IN DOCKET NO. 23-00046**
12 **TO ADOPT AN ANNUAL REVIEW MECHANISM AND TARIFF?**

13 **A.** TWS petitioned the Commission to authorize the use of an Annual Review Mechanism
14 (“ARM”) pursuant to Tenn. Code Ann. §65-5-103(d)(6). TWS entered into a Settlement
15 Agreement with the Consumer Advocate Division of the Office of the Tennessee
16 Attorney General (“Consumer Advocate”), and the Settlement Agreement was approved
17 by the Commission. The Settlement Agreement included changes to the TWS tariff that
18 incorporated the agreed-upon the ARM Methodologies, which provide the structure and
19 process for TWS to present its Historic Period and Attrition Period revenue requirements
20 and any other pertinent information and support for the annual mechanism filing. The
21 Settlement Agreement also included several provisions and limitations on TWS’s annual

1 filings, such as providing no rate increase for the first two filings, a 15% threshold for
2 non-revenue water, and a \$15,000 limitation on annual filing costs.

3 **Q. PLEASE EXPLAIN HOW THE COMPANY APPLIED THE ARM**
4 **METHODOLOGIES FOR THE ARM IN THIS FILING.**

5 **A.** TWS first populated the Historic Period data based on 2023 actuals, and then adjusted the
6 data as required by the ARM Methodologies to determine the Adjusted Historic Period
7 amounts and resulting Earnings Excess or Deficiency. For the Income Statement in
8 Exhibit 1, Schedule B, the variable expenses Purchased Water, Chemicals, and Purchased
9 Power were tested per Exhibit 1, Schedule B-3 for any needed adjustment for Non-
10 Revenue Water – none was needed for the Historic Period. For Rate Base on Exhibit 1,
11 Schedule A, the December 31, 2023 balances were replaced by 13-month averages and
12 Cash Working Capital was recalculated based on the approved formula. The Non-
13 Current Asset balance, which was not active in the 2019 rate case, was removed.
14 For the Attrition Period (12 months ending August 31, 2025), Income Statement items
15 were adjusted formulaically consistent with the approved ARM Methodologies. These
16 adjustments are generally based on costs per ERC for 2021-23 – average ERCs have
17 increased from 337.58 in 2021 to 413.17 in 2023 – and the December 2023 CPI Index
18 (4.70%), grossed up for the Attrition Period’s timing. Attrition Period rate base includes
19 items with balances as of December 31, 2023 and average Attrition Period balances for
20 amortizing items such as Excess Deferred Taxes, Deferred Charges, and Regulatory
21 Liabilities.

1 **Q. IS THE COMPANY MAKING ANY REQUEST FOR ACCOUNTING**
2 **TREATMENT IN THIS PETITION?**

3 **A.** Yes. The Company's Schedules include two deferred items that require amortization to
4 be authorized. First, the Company was authorized in Docket No. 17-00108 to defer
5 operating losses arising from the 2016 Gatlinburg Wildfire. In its 2019 rate case, the
6 Company was authorized to begin amortizing deferred operating losses that accumulated
7 over the period January 2017 to September 2018 (the end of the Historic Period for that
8 rate case). As the final rates in the 2019 rate case were not effective until January 1,
9 2020, the Company continues to defer operating losses accumulated from October 2018
10 to December 2019. The Company has reflected this balance on Exhibit 1, Schedule A-4,
11 and included the unamortized 13-month Attrition Period balance in Schedule A in
12 Deferred Charges, and the annual amortization – reflecting a 10-year amortization period
13 – in Maintenance and Repair Expense on Exhibit 1, Schedule B.

14 Also, the Company has deferred its filing costs for the initial ARM filing in Docket No.
15 23-00046. This balance is included in on Exhibit 1, Schedule A-4, and included the
16 unamortized 13-month Attrition Period balance in Exhibit 1, Schedule A in Deferred
17 Charges, and the annual amortization – reflecting a 3-year amortization period – in
18 Regulatory Commission Expense on Exhibit 1, Schedule B.

19 The Company requests the above rate base and amortization treatment be granted in this
20 ARM filing to resolve outstanding balances on the Company's balance sheet that
21 otherwise would remain unrecovered until a rate case in the indeterminate future.

1 **Q. PLEASE DESCRIBE THE RESULTS OF APPLYING THE ARM**
2 **METHODOLOGIES AND THE ACCOUNTING REQUESTS FOR THIS FILING.**

3 **A.** By applying the ARM Methodologies to the Historic Period, the Company determines
4 that an Earnings Excess occurred in the amount of \$1,682, as shown on Exhibit 1,
5 Schedule C. Including interest, this excess amounts to an Annual True-Up Rate
6 Adjustment credit of \$2,337 to be applied to the Attrition Period Rate Reset.

7 The Company's calculations of the Attrition Period Rate Reset, using the ARM
8 Methodologies and inclusive of the Annual True-Up Rate Adjustment, results in a
9 decrease in Service Revenues of \$578. This decrease reflects and is consistent with the
10 terms of the Settlement Agreement and approved tariff, and requires the decrease be
11 applied to Present Rate Revenues and applicable tariff rates for the Attrition Period.

12 **Q. IS TWS PROPOSING ANY CHANGES TO ITS RATE STRUCTURE IN THIS**
13 **PETITION?**

14 **A.** As described in Company Witness Van Horn's direct testimony, the TWS has received
15 feedback from its customers related to the current tariff structure and the desire for
16 changes that would better reflect the mix of demand in the service area. The Company
17 has therefore analyzed the 2023 usage across Chalet Village to determine the billable
18 usage at various consumption thresholds to identify a reasonable cutoff for instituting
19 addition usage blocks. The Company notes that the frequency of monthly customer bills
20 starts dropping at approximately 6,000 gallons/month, and the drop slows notably at
21 approximately 12,000 gallons/month, as shown in Table 1 below:

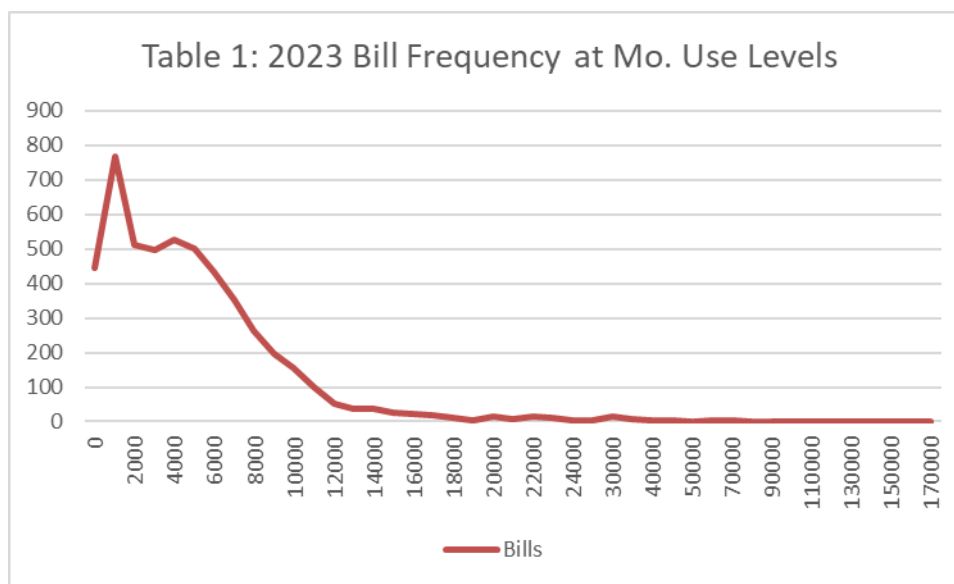


Table 1 also highlights the frequency of bills that reflect 2,000 gallon/month usage or lower, consistent with the customer feedback. The Company used this bill frequency data to identify the number of bills and amount of water volume that would fall into the proposed usage blocks, as shown in Table 2 below:

Usage Block	Bills		Usage	
	Block %	Cumulative %	Block %	Cumulative %
0	8.82%	8.82%	0.00%	0.00%
1,000	15.24%	24.05%	18.30%	18.30%
2,000	10.16%	34.22%	15.69%	33.98%
6,000	38.80%	73.01%	40.71%	74.69%
12,000	22.11%	95.13%	16.63%	91.32%
12,000 +	4.87%	100.00%	8.68%	100.00%
Total	100.00%	100.00%	100.00%	100.00%

The Company then applied the Cumulative Usage Percentage in Table 2 to the Attrition Period usage (calculated per the ARM Methodologies) to determine the billable Attrition Period usage for the proposed blocks. As noted by Company Witness Van Horn, the

1 Company proposes to revert to a 0 to 2,000 gallon/month usage allowance, and proposes
2 to create usage blocks of 2,000 to 6,000 gallons, 6,000 to 12,000 gallons, and greater than
3 12,000 gallons at inclining rates. Exhibit 1, Schedule B-1 reflects the Company's
4 comparison data in transitioning from present tariff and present rate revenues to the
5 proposed tariff (at the same revenues), and then transitioning to the proposed rate
6 structure at the Attrition Period Revenues. Exhibit 1, Schedule B-2 reflects the bill
7 comparisons of these three layers and their calculated variances, showing that the
8 resulting proposed rate design at Attrition Period revenues would generate lower bills for
9 customers consuming at least 7,000 gallons/month. The Company believes this proposed
10 rate design addresses the feedback it has received from customers, is consistent with the
11 terms of the TWS ARM, and is reasonable and in the public interest.

12 **Q. DOES TWS PROPOSE ANY OTHER TARIFF CHANGES AT THIS TIME?**

13 **A.** No.

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

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

STATE OF Illinois)

COUNTY OF Cook)

BEFORE ME, the undersigned, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Philip J. Drennan, 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.

Philip J. Drennan

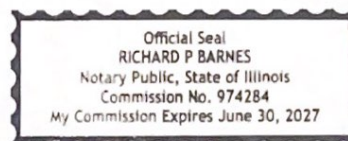
Philip J. Drennan

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

[Signature]

Notary Public

My Commission Expires: 6/30/2027



Tennessee Water Service, Inc.
Docket 24-_____
Annual Review Filing
Historic Period: December 31, 2023
Attrition Period: August 31, 2025

Exhibit 1
Schedule A

Rate Base and Rate of Return

Line No.	Description		Historic Period Per Books	Historic Period Adjustment	Historic Period As Adjusted	Attrition Period Adjustment	Attrition Period Under Present Rates	Proposed Increase/ (Decrease)	Period Under Proposed Rates
			[A]	[B]	[C]	[D]	[E]	[F]	[G]
1	Net Operating Income		148,969	(178)	148,791	(1,635)	147,155	(432)	146,724
2	Gross Plant In Service	A-1	3,204,626	(89,726)	3,114,899	89,726	3,204,626		3,204,626
3	Accumulated Depreciation	A-2	(504,326)	21,557	(482,769)	(21,557)	(504,326)		(504,326)
4	Net Plant In Service		2,700,300	(68,169)	2,632,130	68,169	2,700,300	-	2,700,300
5	Cash Working Capital	A-3	30,857	-	30,857	5,758	36,615		36,615
6	Contributions In Aid of Constructi	A-6	(647,037)	28,464	(618,573)	(28,464)	(647,037)		(647,037)
7	Accumulated Deferred Income Taxes		(61,104)	10,368	(50,736)	(10,368)	(61,104)		(61,104)
8	Non-Current Asset		8,165	(8,165)	-	8,165	8,165		8,165
9	Excess Deferred Taxes	A-5	(66,291)	(868)	(67,158)	2,463	(64,695)		(64,695)
10	Deferred Charges	A-4	321,711	6,974	328,685	(59,704)	268,981		268,981
11	Regulatory Liability	A-5	(359,183)	(2,730)	(361,913)	9,025	(352,889)		(352,889)
12	Total Rate Base		1,927,417	(34,126)	1,893,291	(4,956)	1,888,336	-	1,888,336
13	Return on Rate Base		7.73%		7.86%		7.79%		7.77%

Tennessee Water Service, Inc.
Docket 24-_____
Annual Review Filing
Historic Period: December 31, 2023
Attrition Period: August 31, 2025

Exhibit 1
Schedule B

Income Statement

Line No.	Description		Historic Period Per Books	Historic Period Adjustment	Historic Period As Adjusted	Attrition Period Adjustment	Attrition Period Under Present Rates	Proposed Increase/ (Decrease)	Attrition Period Under Proposed Rates
			[A]	[B]	[C]	[D]	[E]	[F]	[G]
1	Operating Revenues								
2	Service Revenues - Water	B-1	533,099.36	-	533,099.36	74,810.64	607,910.00	(577.51)	607,332.49
3	Service Revenues - Sewer		-	-	-	-	-	-	-
4	Miscellaneous Revenues		5,408.41	-	5,408.41	3,572.24	8,980.65	(8.53)	8,972.12
5	Uncollectible Accounts		28.03	-	28.03	(1,055.27)	(1,027.24)	1.44	(1,025.81)
6	Total Operating Revenues		538,535.80	-	538,535.80	77,327.61	615,863.41	(584.60)	615,278.81
7	Maintenance Expenses								
8	Salaries and Wages		-	-	-	-	-	-	-
9	Purchased Power		12,780.03	-	12,780.03	4,538.18	17,318.21	-	17,318.21
10	Purchased Water / Sewer		78,456.48	-	78,456.48	13,235.48	91,691.96	-	91,691.96
11	Maintenance and Repair		125,054.99	-	125,054.99	(30,987.57)	94,067.42	-	94,067.42
12	Maintenance Testing		2,556.06	-	2,556.06	1,512.16	4,068.22	-	4,068.22
13	Meter Reading		-	-	-	-	-	-	-
14	Chemicals		774.22	-	774.22	1,629.96	2,404.18	-	2,404.18
15	Transportation		-	-	-	(10.09)	(10.09)	-	(10.09)
16	Operating Exp. Charged to Plant		(12,569.60)	-	(12,569.60)	-	(12,569.60)	-	(12,569.60)
17	Outside Services - Other		8,971.36	-	8,971.36	63,424.85	72,396.21	-	72,396.21
18	Total		216,023.54	-	216,023.54	53,342.97	269,366.51	-	269,366.51
19	General Expenses								
20	Salaries and Wages		21,104.59	-	21,104.59	-	21,104.59	-	21,104.59
21	Office Supplies & Other Office Exp.		2,411.23	-	2,411.23	1,139.79	3,551.02	-	3,551.02
22	Regulatory Commission Exp.	A-4	20,637.60	-	20,637.60	(13,062.33)	7,575.27	-	7,575.27
23	Pension & Other Benefits		920.19	-	920.19	704.14	1,624.33	-	1,624.33
24	Rent		2,303.00	-	2,303.00	703.19	3,006.19	-	3,006.19
25	Insurance		7,279.30	-	7,279.30	1,599.87	8,879.17	-	8,879.17
26	Office Utilities		957.90	-	957.90	1,087.74	2,045.64	-	2,045.64
27	Miscellaneous		41,028.96	-	41,028.96	7,709.94	48,738.90	-	48,738.90
28	Total		96,642.77	-	96,642.77	(117.66)	96,525.11	-	96,525.11
29	Annual True-Up Rate Adjustmer	C	-	-	-	(2,337.21)	(2,337.21)	-	(2,337.21)
30	Depreciation	A-1	46,416.96	-	46,416.96	23,071.24	69,488.20	-	69,488.20
31	Amortization of PAA		-	-	-	-	-	-	-
32	Payroll Taxes		541.34	-	541.34	-	541.34	-	541.34
33	Franchise Tax		4,887.00	-	4,887.00	1,670.16	6,557.16	-	6,557.16
34	Gross Receipts Tax		227.50	-	227.50	79.55	307.05	-	307.05
35	Property Taxes		5,078.21	-	5,078.21	3,818.39	8,896.60	-	8,896.60
36	Special Assessments		(179.38)	-	(179.38)	-	(179.38)	-	(179.38)
37	Utility/Commission Tax		2,091.37	-	2,091.37	504.80	2,596.17	-	2,596.17
38	Other General Taxes		-	-	-	-	-	-	-
39	Income Taxes - Federal	D	24,967.04	37.62	25,004.66	(401.55)	24,603.11	(114.79)	24,488.33
40	Income Taxes - State	D	8,625.00	140.24	8,765.24	(132.93)	8,632.32	(38.00)	8,594.32
41	Amortization of ITC		(49.00)	-	(49.00)	-	(49.00)	-	(49.00)
42	Amortization of CIAC	A-6	(15,705.36)	-	(15,705.36)	(534.68)	(16,240.04)	-	(16,240.04)
43	Total		76,900.68	177.87	77,078.55	25,737.77	102,816.31	(152.78)	102,663.53
44	Total Operating Expenses		389,566.99	177.87	389,744.86	78,963.07	468,707.93	(152.78)	468,555.14
45	Net Operating Income		148,968.81	(177.87)	148,790.94	(1,635.46)	147,155.48	(431.82)	146,723.67

Tennessee Water Service, Inc.

Docket 24-_____

Annual Review Filing

Historic Period: December 31, 2023

Attrition Period: August 31, 2025

Exhibit 1

Schedule C

Annual True Up Rate Adjustment and Attrition Period Rate Reset

Line No.	Description	Reference	Annual True-Up Rate Adjustment	Attrition Period Rate Reset	Comments
			[A]	[B]	[C]
1	Historic/Attrition Period Operating Income:				
2	Total Present Rate Operating Revenues	B	538,536	615,863	L6
3	Less Deductions:				
4	Operations and Maintenance Expenses	B	312,666	365,892	L18 + L28
5	Depreciation and Amortization	B	30,663	53,199	L30 + L31 + L41 + L42
6	Taxes Other than Income	B	12,646	18,719	L32 to L38
7	Annual True-Up Rate Adjustment	B		(2,337)	Column [A], L19
8	Income Taxes	B	33,770	33,235	L39 + L40
9	Total Deductions		389,745	468,708	
10	Historic/ Attrition Period Operating Income		148,791	147,155	
	Excess or Deficiency Calculation:				
11	Rate Base	A	1,893,291	1,888,336	L12
12	Rate of Return	F	7.77%	7.77%	L10
13	Operating Income Requirement		147,109	146,724	
14	Less: Historic/ Attrition Period Operating Income		148,791	147,155	
15	Earnings (Excess) or Deficiency		(1,682)	(432)	
16	Revenue Conversion Factor	E	1.337392	1.337392	L20
17	Gross Revenue (Excess) or Deficiency		(2,250)	(578)	
18	Carrying Charge - Rate of Return / 2	F	3.89%		L10, divided by 2
19	Annual True-Up Rate Adjustment		(2,337)		

Tennessee Water Service, Inc.
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Annual Review Filing
Historic Period: December 31, 2023
Attrition Period: August 31, 2025

Exhibit 1
Schedule D

Income Taxes

Line No.	Description	Historic Period As Adjusted	Attrition Period Under Present Rates	Proposed Increase/ (Decrease)	Attrition Period Under Proposed Rates
		[A]	[B]	[C]	[D]
1	Operating Revenues	538,536	615,863	(585)	615,279
2					
3	Operating Deductions:				
4	Maintenance expenses	216,024	269,367		269,367
5	General expenses	96,643	96,525		96,525
6	Depreciation expense	46,417	69,488		69,488
7	Annual True-Up Rate Adjustment	-	(2,337)		(2,337)
8	TOII	12,646	18,719		18,719
9	Amortization of ITC	(49)	(49)		(49)
10	Amortization of CIAC	(15,705)	(16,240)		(16,240)
11	Interest expense	47,711	47,586		47,586
12	Total Operating Deductions	403,686	483,059	-	483,059
13	State Taxable Income (Line 1 minus Line 12)	134,850	132,805	(585)	132,220
14	State Excise Tax (Line 13 multiplied by 6.5%)	8,765	8,632	(38)	8,594
15	Federal Taxable Income (Line 13 minus Line 14)	126,085	124,173	(547)	123,626
16	Federal Income Tax Calculation (Line 17 multiplied by 21%)	26,478	26,076	(115)	25,961
17	EDIT Amortization	(1,473)	(1,473)		(1,473)
18	Total Federal Income Tax (Line 16 plus Line 17)	25,005	24,603	(115)	24,488
19	Net Amount (Line 15 minus Line 18)	101,080	99,569	(432)	99,138
20	Add: Interest Expense	47,711	47,586	-	47,586
21	Operating Income for Return (Line 19 plus Line 20)	148,791	147,155	(432)	146,724

Tennessee Water Service, Inc.

Docket 24-_____

Annual Review Filing

Historic Period: December 31, 2023

Attrition Period: August 31, 2025

Exhibit 1

Schedule E

Capital Structure and Retention Factor

Line No.	Item	Capital Structure	Cost Rates	Retention Factor	Revenue Effect
		[A]	[B]	[C]	[D]
	<u>Rate Base Factor</u>				
1	Debt	50.00%	5.04%	1.012285	0.024894
2	Equity	50.00%	10.50%	0.747724	0.070213
3	Total	<u>100.00%</u>			<u>0.095107</u>
4					
5					
6					
7					
8					
9		Factors		Attrition Period	
10		<u>[E]</u>		Rate Reset	
11	<u>Retention Factor:</u>			Revenue Change	
12	Total revenue	1.000000		(578)	
13	Forfeited Discounts	(0.014773)		9	
14	Revenue Factor (L12 - L13)	<u>1.014773</u>		(586)	
15	Bad Debt (L14 * 0.2452%)	<u>0.002488</u>		(1)	
16	Balance (L14 - L15)	<u>1.012285</u>		(585)	
17	State excise tax (L16 x 6.5%)	<u>0.065799</u>		(38)	
18	Balance (L16 - L17)	<u>0.946486</u>		(547)	
19	Federal income tax (L18 x 21%)	<u>0.198762</u>		(115)	
20	Retention Ratio (L18 - L19)	<u>0.747724</u>		(432)	
21					
22	Retention Factor (1 / L20)	1.337392			

Tennessee Water Service, Inc.
Docket 24-_____
Annual Review Filing
Historic Period: December 31, 2023
Attrition Period: August 31, 2025

Exhibit 1
Schedule F

Rate of Return

Line No.	Description	Capitalization Ratio	Rate Base	Embedded Cost	Overall Cost Rate	Operating Income
		(a)	(b)	(c)	(d)	(e)
1	<u>Historic Period as Adjusted:</u>					
2	Debt	50.00%	946,646	5.04%	2.52%	\$47,704
3	Equity	50.00%	946,645	10.68%	5.34%	\$101,087
4	Total	100.00%	\$1,893,291		7.86%	\$148,791
	<u>Attrition Period Under Present Rates:</u>					
5	Debt	50.00%	944,168	5.04%	2.52%	\$47,586
6	Equity	50.00%	944,168	10.55%	5.27%	\$99,569
7	Total	100.00%	\$1,888,336		7.79%	\$147,155
	<u>Attrition Period Under Proposed Rates:</u>					
8	Debt	50.00%	944,168	5.04%	2.52%	\$47,586
9	Equity	50.00%	944,168	10.50%	5.25%	\$99,138
10	Total	100.00%	\$1,888,336		7.77%	\$146,724

TENNESSEE WATER SERVICE, INC.
(Name of Company)

SCHEDULE OF RATES

FOR

WATER SERVICE

Applying to the following Territory:

Chalet Village North, City of Gatlinburg, Sevier County, Tennessee

Issued: 1 1 2020
Month Day Year

Effective: 1 1 2020
Month Day Year

Issued by: Donald Denton
Name of Officer

President
Title

4944 Parkway Plaza Boulevard, Suite 375, Charlotte, North Carolina 28217
Address of Officer

Applies to: Chalet Village North

WATER SERVICE

METERED SERVICE

Base Facility Charge per month

0 – ~~24~~,000 gallons usage per monthEffective ~~September 1, 2024~~~~January 1, 2020~~: ~~\$50.00~~~~49.96~~All usage over ~~24~~,000 Gallons per month~~Effective January 1, 2020~~, 001 to 6,000 Gallons: ~~\$16.93~~~~14.95~~ per 1,000 gallons~~6,001 to 12,000 Gallons:~~ ~~\$19.98 per 1,000 gallons~~~~Usage over 12,000 Gallons:~~ ~~\$22.88 per 1,000 gallons~~DELAYED PAYMENT CHARGE:

An additional charge amounting to ten percent (10%) of net bill will be added to all water bills under the foregoing schedule, if not paid within twenty-one (21) days of the billing date.

NEW ACCOUNT CHARGE:

Each new account shall pay a one-time service fee of \$20 at the time application for service is filed with the Company.

RECONNECTION CHARGE:

If water service cut off by utility for good cause: \$35.00

If water service discontinued at customer's request: \$35.00

(Customers who ask to be reconnected within 9 months of disconnection will be charged the base facility charge for the service period they were disconnected.)

FREQUENCY OF BILLING:

Bills will be rendered monthly in arrears.

NSF CHECK CHARGE:

A charge of \$10 will be applied to customers whose check is returned by the bank due to non-sufficient funds (one charge per check each time it is returned).

Issued: ~~1~~ ~~TBD~~ ~~1~~ ~~2020~~ Effective: ~~9~~ ~~1~~ ~~2024~~
Month Day Year Month Day Year

Issued by: ~~Donald Denton~~ ~~Tiffany Van Horn~~ President
Name of Officer Title

~~4944 Parkway Plaza Boulevard, Suite 375, Charlotte, North Carolina 28217#2 N. Wolfscratch Drive,~~
~~Jasper, GA 30143~~
Address of Officer

Applies to: Chalet Village North

PRIVATE FIRE SERVICE

FIXED SERVICE CHARGE

Standby Charge per month	<u>Multi-Use Connection</u>	<u>Fire-Only Connection</u>
Effective January 1, 2020 <u>September 1, 2024</u> :	\$35. 77 <u>80</u>	\$71. 53 <u>60</u>

All usage will be billed:

Effective ~~January 1, 2020~~ September 1, 2024: \$~~14.95~~19.98 per 1,000 gallonsDELAYED PAYMENT CHARGE:

An additional charge amounting to ten per cent (10%) of net bill will be added to all water bills under the foregoing schedule, if not paid within twenty-one (21) days of the billing date.

RECONNECTION CHARGE:

If private fire service cut off by utility for good cause: \$35.00

If private fire service discontinued at customer's request: \$35.00

FREQUENCY OF BILLING:

Bills will be rendered monthly in arrears. Fire service meters will be read concurrent and included in a single monthly bill with regular water service.

NSF CHECK CHARGE:

A charge of \$10 will be applied to customers whose check is returned by the bank due to non-sufficient funds (one charge per check each time it is returned).

Issued: <u>1</u>	<u>TBD</u>	<u>1</u>	<u>2020</u>	Effective: <u>9</u>	<u>1</u>	<u>2024</u>
Month	Day	Year		Month	Day	Year

Issued by: <u>Donald Denton</u>	<u>Tiffany Van Horn</u>	<u>President</u>
Name of Officer		Title

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Jasper, GA 30143

Address of Officer

Applies to: Chalet Village North

WATER AND FIRE SERVICE

Contributions in Aid of Construction

The contract with the developer/customer shall contain a notice of these charges and timetable of payment.

For all cash and property contributions provided to the utility a gross-up factor shall be applied in order to recover the corporate federal income taxes associated with those contributions. The Utility will be paid this amount directly before the water system is allowed to start operation.

The formula used to gross up contributed cash and property is as follows:

$\text{Tax Impact} = \text{TR} / (1 - \text{TR}) * (\text{C} + \text{P})$

TR = Marginal tax rate of federal corporate income tax.

C = Dollar amount of charges (cash) paid to the utility as a contribution.

P = Dollar amount of property (plant, land...) conveyed to the utility to be recorded at the original construction cost of the property conveyed to the utility, or a reasonable estimate of the original construction cost if such cost is not reasonably ascertainable.

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Name of Officer

President
Title

4944 Parkway Plaza Boulevard, Suite 375, Charlotte, North Carolina 28217
Address of Officer

Applies to: Chalet Village North

RULES, REGULATIONS AND CONDITIONS OF SERVICE

Section I. DEFINITIONS

Company – The word "Company", whenever the same appears herein, means Tennessee Water Service, Inc., a Tennessee corporation.

Owner – The word "Owner", whenever the same appears herein, means the person, firm, corporation or association having the sole interest in any premises or property which is, or is about to be, supplied with water service by the Company, and the word "Owners" means all so interested.

Tenant – The word "tenant", whenever the same appears herein, means anyone occupying a premises or property under lease, oral or written, from the Owner and obtaining water service from the mains of the Company with the consent of his landlord.

Customer – The word "Customer" as used herein shall mean the party contracting for water service.

Section II. WATER SERVICE CONNECTIONS

1. All applications for water service connections must be made in writing on forms furnished by the Company by the person or parties desiring the same, must state the correct lot(s), block and street number of the property to be supplied, and must be signed by the Owner of the premises or his duly authorized agent.

2. A service pipe shall not be used to supply more than a single property without the consent of the Company. The minimum earth cover of the Customer's service pipe installation shall be four (4) feet.

3. Service pipes will not be installed where any portion of the pipes must pass through lands, buildings or parts of buildings which are not the property of applicant unless applicant- in writing assumes the liability therefor.

Issued: 10 4 2009
Month Day Year

Effective: 11 3 2009
Month Day Year

Issued by: Lawrence N. Schumacher
Name of Officer

CEO
Title

2335 Sanders Road, Northbrook, Illinois 60062
Address of Officer

Applies to: Chalet Village North

RULES, REGULATIONS AND CONDITIONS OF SERVICE

4. Applications for the service will be accepted subject to there being a Company main adjacent to the property to be served.

5. The Company will repair all leaks in the service pipe from the main up to and including the meter. Beyond the meter box, the Property Owner is responsible for all leaks, and the same must be repaired by him, and if such leaks are not repaired within a reasonable time, the water may be turned off.

Section III. APPLICATIONS FOR SERVICE

6. All applications for water service must be made on written forms provided by the Company. Upon acceptance thereof and payment to Company of any Commission-approved tap-on fee, such applications shall constitute a contract between the applicant as a Customer and the Company.

7. A new application must be made upon any change in tenancy where the tenant has contracted for the water service or by the new Owner upon any change in ownership where the Owner has contracted for water service. Where more than one tenant is supplied through a meter, the application for the water service must be made by the Owner of the property.

8. When an application is made, the Company reserves the right to require a deposit in cash commensurate with the probable size of the applicant's bill for the purpose of establishing or maintaining any Customer's credit. Any such deposit so made shall be subject to such terms and conditions as may be required by order of regulation of the Tennessee Public Utility Commission.

9. No contract for water service will be entered into by the Company with any applicant until all arrears and charges due by such applicant for water service to any premises then or theretofore owned or occupied by him shall have been paid.

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Month Day Year

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Month Day Year

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Applies to: Chalet Village North

RULES, REGULATIONS AND CONDITIONS OF SERVICE

Section IV. BILLS AND PAYMENT FOR SERVICES

10. Customers are liable for payment for all water used on the premises or property until notice has been received at the Company's office that the use of water is no longer desired. Customers are liable for all water shown to have passed through the meter whether by use, wastage or leakage.

11. A Customer's bill will not be considered past due unless it remains unpaid subsequent to the due date printed on the bill. The due date will be twenty-one (21) days after the bill is mailed.

12. Bills for metered service shall be rendered either bi-monthly or quarterly unless otherwise specified in the rate schedule then in effect, and shall show the readings of the meter at the beginning and end of the period for which the bill is rendered as well as consumption for the period.

13. Bills for water service will be mailed or delivered to the Customer's last address as shown by the records of the Company when due, but failure to receive a bill will not relieve the Customer from the obligation to pay the same. All bills and other accounts must be paid at the office of the Company.

14. In case the meter cannot be read for any cause, the Company will require a payment on account equal to the estimated bill for the period involved.

15. In cases where for any cause the meter cannot be read for a period of two (2) billing periods, the Company will turn off the water upon five (5) days 'written notice (8 days, if mailed) unless the Customer provides access to the meter immediately.

16. Where a meter has ceased to register or is registering improperly, the quantity of water for which the bill will be rendered will be determined by the average registration of the meter for the prior three (3) billing periods.

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RULES, REGULATIONS AND CONDITIONS OF SERVICE

Section V. RULES GOVERNING SERVICE

17. When the supply of water is to be temporarily shut off, advance notice will be given by the Company when practicable to all Customers affected by the shutting off, stating the probable duration of the interruption of service.

18. The Company will not permit its mains or services to be connected on any premises with any service pipe or piping which is connected with any other source of supply. The Company will not permit its mains or services to be connected in any way to any piping, tank, vat or other apparatus which contains liquids, chemicals or any other matter which may flow back into the Company's service pipes or mains.

19. The Company undertakes to use reasonable care and diligence to provide a constant supply of water at a reasonable pressure but reserves the right at any time, without notice, to shut off the water in its mains for the purpose of making repairs or extensions or for other purposes.

20. The Company shall not be liable for a deficiency or failure, regardless of cause, in the supply of water or in the pressure nor for any damage caused thereby or by the bursting or breaking of any main or service pipe or any attachment to the Company's property. All applicants having boilers upon their premises depending upon the pressure in the Company's pipes to keep them supplied are cautioned against danger of collapse, and all damage occasioned by any such collapse must be borne exclusively by the Customer.

21. The Company shall require all new Customers who require both regular water service and fire protection per applicable local, state, or federal building codes to submit a request to the Company for either a multi-use service (private fire and regular water) or a separate dedicated fire service line to be installed, solely at the Company's cost. The nature of the private fire service (dedicated fire or multi-use line) will be governed by applicable building codes for the premise type.

22. The Company shall have the sole right to determine the size of meters, number of meters, valves, service lines and connections necessary to give the service applied for.

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RULES, REGULATIONS AND CONDITIONS OF SERVICE

23. All use of water for any purpose or upon any premises not stated or described in the application must be prevented by the Customer.

24. Service may be discontinued for any of the following reasons:

- (a) For the use of water from Customer's facilities for any other property or purpose than that described in the application.
- (b) For waste of water due to leakage.
- (c) For tampering with or damaging any service pipe, meter, meter installation, stop cock valve, buffalo box, meter seal or other property of the Company.
- (d) For non-payment of bills for water service or any other charges of the Company.
- (e) For cross-connecting the Company's supply with any other source of supply, or with any apparatus which may endanger the quality or health standard of the Company's water supply.
- (f) For refusal of reasonable access to property for the purpose of inspecting, reading, repairing or removing meters.
- (g) For violation or refusal to comply with any of the rules and regulations of the Company filed with the Tennessee Public Utility Commission.

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RULES, REGULATIONS AND CONDITIONS OF SERVICE

25. If a Customer whose service has been discontinued for non-payment of bills or for violation of the rules and regulations of the Company desires a reconnection, such reconnection will only be made after the Customer:

- (a) has made a deposit to ensure future payment of bills (in cases only where no deposit was originally made or where such deposit has been applied to payment of the Customer's delinquent account);
- (b) has paid all unpaid bills and other charges;
- (c) has paid a reconnection fee of fifteen dollars (\$15.00)
- (d) and has corrected any condition found objectionable under the rules and regulations of the Company.

26. Automatic lawn sprinklers or sprays or other attachments requiring large quantities of water will be permitted only when water is furnished by meter measurement. The Company reserves the right to restrict lawn sprinkling by Customers whenever in its judgment there is not an adequate supply of water available for such purposes.

27. A supply of water for construction or other special purposes must be applied for in writing and the Company reserves the right to require a suitable deposit from the applicant. Water so supplied shall be discharged through a hose or pipe directly upon the material to be wet or into a barrel or other container and not upon the ground or into or through a ditch or trench, and all use of water by other than the applicant or for any purposes or upon any premises not described or stated in the application must be prevented by the applicant.

Section VI. METERED SERVICE

28. Meters, except detector devices, shall be installed, maintained and renewed by and at the expense of the Company and shall be conveniently located at a place approved by the Company, and such proper place and protection for the meter shall be provided by the applicant. A stop and waste or gate valve shall be placed on the service line on the street side of and near the meter, and a stop and waste or gate valve on the house side of such meter.

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RULES, REGULATIONS AND CONDITIONS OF SERVICE

29. All meters placed in building shall be located in the basement or on the first floor, as near as possible to the point of entrance of the service, in clean, dry, safe place not subject to great variation in temperature and so located as to be easily accessible for installation or disconnection purposes and for reading.

30. Meters will be maintained by the Company as far as ordinary wear and tear are concerned, but damage due to freezing, hot water or external causes shall be paid for by the Customers (except for outside meter settings).

31. Rules and regulations regarding meter accuracy, meter testing and frequency of meter tests shall be as contained in the Tennessee Public Utility Commission's Rules and Regulations Governing Public Utilities as from time to time revised.

Section VII. FIRE HYDRANTS

32. No person other than a Company agent or employee shall take water from any fire hydrant except for fire-fighting purposes, and no fire hydrant shall be used for sprinkling streets, flushing sewers or gutters or for any other purpose except with the advance approval of the Company in writing.

Section VIII. GENERAL CONDITIONS OF SERVICE

33. Where water is to be used for steam boilers or other uses where a stoppage of water supply might cause damage, Customers are cautioned that it is impossible for the Company to guarantee a continuous supply of water and that the Customer should, therefore, arrange for adequate storage capacity.

34. The Company will not be obliged to furnish service where service pipes are inferior, the plumbing defective or the fixtures, water closets or other fixtures leaky. When such conditions are discovered, the Company reserves the right to shut off the supply of water unless immediate repairs are made.

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RULES, REGULATIONS AND CONDITIONS OF SERVICE

35. Title to the main, service connections from the main up to and including the meter, stop cocks or valves, buffalo boxes, meters and meter installations is vested in the Company, and these shall at all times remain the sole property of the Company and shall not be trespassed upon or interfered with in any way.

36. Curb stops shall not be used by the Customer for turning on or shutting off the water supply. Control of the water supply by the Customer shall be by means of a valve located inside the building where the Customer is provided with water service.

37. Where two or more Customers are supplied through a single service pipe, any violation of the rules and regulations of the Company by either or any of such Customers shall be considered as a violation by all, and the Company may take such action as may be taken for a single Customer committing the violation.

38. All employees of the Company whose duty compels them to enter the Customer's premises shall, upon request, show their credentials or other evidence of authority.

39. If the Company finds that a meter seal or cover has been broken or any bypass inserted or there is evidence that the meter or meter seal or cover has been tampered with, the water will be shut off and not turned on again until the Customer has paid for the estimated quantity of water which has been used for the preceding four (4) month period and not registered plus the cost to restore the meter to proper working order and other expense incurred by the Company, plus the reconnection fee hereinabove specified.

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RULES, REGULATIONS AND CONDITIONS OF SERVICE

Section IX. USE OF WATER FOR SUMMER COMFORT AIR CONDITIONING OR REFRIGERATION

40. In all apparatus or equipment installed for the purpose of changing the dry bulb temperature or humidity content of the air, whether used in conjunction with summer comfort air conditioning or other refrigeration, the following regulations shall apply, unless other arrangements have been approved in advance by the Company.

- (a) The use of water is prohibited when used directly from the mains as a cooling medium in air washers or any type of equipment whereby the air to be conditioned comes into direct contact with sprays or wet surfaces, or where the water is used as the direct or indirect cooling medium in coils.
- (b) The use of water is permitted in all compressor type refrigeration units having standard rated capacities of one and one-half (1-1/2) tons or less.
- (c) All compressor type refrigeration units having standard rated capacities* of over one and one-half (1-1/2) tons shall be equipped with evaporative coolers and condensers, water cooling towers, spray ponds or other water cooling equipment so that all water from the mains is used for make-up purposes only.
- (d) If other than compressor types of refrigeration units are used, the consumption of water from the mains shall be limited in amount to not more per ton of refrigeration produced than would be used by the compressor type described under (c) above when such type is operated under normal conditions.

41. Failure to comply with the above Rule 40 shall be sufficient cause to discontinue service.

* Note in (b) and (c) capacities shall be in accordance with conditions given in Standard A.S.E.E. Testing and Rating Codes.

Issued: 10 4 2009
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Month Day Year

Issued by: Lawrence N. Schumacher
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CEO
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Applies to: Chalet Village North

RULES, REGULATIONS AND CONDITIONS OF SERVICE

Section X. WATER FOR PRIVATE FIRE PROTECTION AND SPECIAL USES

42. It is specifically understood that the Company does not hold itself out to render private fire protection service for purposes of extinguishment.

Section XI. PUBLIC FIRE PROTECTION SERVICE

43. The Company does not hold itself out to furnish public fire protection service.

Section XII. DAMAGE TO COMPANY PROPERTY

44. In case of damage to the Company's property on the Customer's premises and/or damage to the buffalo box installation on the service connection to the customer, including obstruction, burying and filling thereof, the cost of repair shall be billed to and paid by the customer in accordance with the applicable schedules of rates and of rules, regulations and conditions of service pertaining to the payment of water bills.

Section XIII. CHANGES IN RULES AND REGULATIONS

45. The Company reserves the right at any time to alter, amend, change or add to these rules, regulations and conditions of service or to substitute other rules and regulations, subject to the approval of the Tennessee Public Utility Commission or other regulatory body having jurisdiction thereof.

46. No representative, employee or agent of the Company has the right to alter or waive any of these rules, regulations or conditions of service without the consent or approval of the Tennessee Public Utility Commission or other regulatory body having jurisdiction thereof.

Section XIV. MAIN EXTENSION POLICY

47. Any person requesting water service from Company to an area not then served by water mains will be required to pay the entire cost of a water main extension to such area. The Company will require person applying to hire contractors and pay contractors directly for main installation. Company must approve the design, main size and route of main to be installed, and Company's representatives will inspect all work for construction standards and compliance with proper procedures related to water main installation.

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Name of Officer

President
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Address of Officer

Applies to: Chalet Village North

RULES, REGULATIONS AND CONDITIONS OF SERVICE

Section XV. CLEAR NOTICE OF RETURNED CHECK FEES

48. The Company shall provide a clear and conspicuous notice of any returned check fee charge and other charges and fees, including the amount of the charge, on its monthly billings to customers.

Section XVI. ABILITY TO WAIVE FEES

49. The Company shall implement and establish a process to permit waiving all fees associated with late payment including, but not limited to, disconnection, reconnection, and late fees, in special circumstances such as financial distress or for disabled customers, family member of customers or customers with a unique situation.

Section XVII. PROMPT RECONNECTION

50. The Company shall provide prompt and timely reconnection service for all customers within no more than two (2) days of receiving the first installment payment from the past due customer.

Section XVIII. ALTERNATE ADDRESS NOTIFICATION

51. The Company shall establish and implement a process to permit and notify customers of the opportunity to provide an alternate address for notification of a potential disconnection. If a customer has provided such an alternate address, the Company shall be required to provide the required notice of disconnection to that address in addition to the customer's primary billing address.

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Effective: 11 3 2009
Month Day Year

Issued by: Lawrence N. Schumacher
Name of Officer

CEO
Title

2335 Sanders Road, Northbrook, Illinois 60062
Address of Officer

Cancelling _____ Sheet No. _____

Applies to Chalet Village North

Annual Review Mechanism ("ARM")

Section I. PROCESS

This Annual Review Mechanism ("ARM") is implemented under the provisions of Tennessee Code Annotated Section 65-5-103(d) (6), which authorizes the Company to opt for an annual review of the Company's rates. Pursuant to this ARM and the annual filings described below, the Company's tariff rates shall be adjusted to provide that the Company earns the Authorized Return on Equity. The rate adjustments implemented under this mechanism shall reflect changes in the Company's revenues, cost of service, and rate base. The ARM may be terminated or modified as provided under Tennessee Code Annotated 65-5-103(d) (6) (D).

The Company's proposed ARM shall incorporate an historical base year review of its revenues, expenses, investments (rate base), and rate of return components to determine if the Company earned the authorized return on equity adopted in the most recent rate case. If the Company earned more than the authorized return on equity, the earnings excess (grossed up to determine excess revenues) shall be deferred in a regulatory liability and rates shall be reduced for this amount prospectively. If the Company earned less than its authorized return on equity, the Company shall defer expenses to a regulatory asset and rates shall be increased for this amount prospectively. Under both scenarios, the Company is proposing that any carrying charges be computed and accrued for on the simple average of the deferred balance. The simple average shall be determined based on the final year end deferred balance, assuming the balance accrued evenly throughout the year. The average balance shall then be multiplied by the authorized rate of return per the Company's 2019 Rate Case Final Order in Docket No. 19-00028 ("Rate Order").

In addition to the review of the annual earnings deficiency or excess, rates shall be adjusted prospectively based on an adjusted historic base period ("Attrition Period") so that the Company may earn its authorized return in the future, as well as include the recovery or refund of the deferred balance reflecting any earnings deficiency or excess. The annual earnings deficiency or excess review and Rate Reset shall occur in one filing, made on or before April 30th of each year. The historic base period for the ARM filing shall align with the Company's most recent fiscal year end, December 31. In summary, there shall be one annual filing that shall include the determination of the earning deficiency or excess, based on a reconciliation of the historic base period, and the Rate Reset, based on an adjusted cost of service for the historic base period. Per TCA 65-5-103(d)(1)(B), the Commission shall make a final determination on the filing no later than 120 days from the initial filing. Therefore, the final determination shall be issued by August 28th, and adjusted rates shall go into effect on September 1st.

The Company's rates shall not be increased as a result of the first two ARM filings, made on or before April 30, 2024 and April 30, 2025. If there is an earnings excess resulting from such filings, rates shall be reduced accordingly. However, revenue-neutral rate design changes may be requested.

Finally, the methodologies detailed below have been ordered and are numbered consistent with the applicable corresponding sections and page numbers in the Rate Case Order. Based on the Commission's rationale and discussions of the methodologies adopted in the Rate Order, the Company has determined that its proposed adjustment methodologies would be a reasonable basis for its ARM.

Issued: 10 20 2023
Month Day Year

Effective: 1 1 2024
Month Day Year

Issued by: Tiffany Van Horn
Name of Officer

President
Title

#2 Wolfscratch Drive, Jasper, GA 30143
Address of Officer

Cancelling _____ Sheet No. _____

Applies to Chalet Village North

Annual Review Mechanism ("ARM")

Section II. METHODOLOGIES

The below methodologies shall be utilized for determining the appropriate revenue requirement components for both the Attrition Period Rate Reset and the Historic Period Excess or Deficiency Calculation. For the Attrition Period, the Company may adjust certain expenses to reflect annualization of new or changed circumstances (e.g., a new rent expense due to an office move or new office being added).

A. Attrition Period

Defined as the year in which adjusted rates shall be in effect – September 1st to August 31st.

B. Historic Period

Defined as the most recently completed fiscal year ended December 31st as of the time of ARM filing.

C. Water Revenues

For the Attrition Period Rate Reset, the Company shall set its billing determinants based on projecting the average monthly customer counts in the Attrition Period and using the average per customer monthly consumption in the prior three calendar years. These billing determinants shall be applied to the applicable present tariff rates and usage blocks to determine Attrition Period present revenues.

For the Historic Period Excess or Deficiency Calculation, recorded revenues shall be used.

D. Other Revenues

For the Attrition Period Rate Reset, a rate of 1.4773% shall be used for late fees (forfeited discounts) per the Rate Order. For the remainder of Other Revenues, the Company shall use the actual Other Revenues per customer for the prior three calendar years, then multiply this value times the forecasted Attrition Period customer count per the Water Revenues methodology above.

For the Historic Period Excess or Deficiency Calculation, actual Other Revenues shall be used.

E. Expenses: Salaries and Wages

For the Attrition Period Rate Reset and the Historic Period Excess or Deficiency Calculation, the Company shall use the actual Salaries and Wages and capitalized labor as booked in the Historic Period.

Issued: 10 20 2023
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Effective: 1 1 2024
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Issued by: Tiffany Van Horn
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President
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Address of Officer

Cancelling _____ Sheet No. _____

Applies to Chalet Village North

Annual Review Mechanism ("ARM")

F. Expenses: Purchased Power, Maintenance Testing, Transportation, Office Supplies, Benefits, Insurance, Maintenance and Repair, Chemicals, Office Utilities, Outside Services, Rent, and Miscellaneous, Purchased Water, Bad Debt

For the Attrition Period Rate Reset in these expense line items, the Company shall use the actual expenses per customer for the prior three calendar years, then multiply this amount times the CPI Index – Water & Sewerage Maintenance value for the end of the Historic Period, compounded by 20 months (midpoint of the Historic Period through midpoint of the Attrition Period). Then, this value is multiplied by the forecasted Attrition Period customer count per the Water Revenues methodology above.

For the Historic Period Excess or Deficiency Calculation, actual expenses for these line items shall be used.

G. Expenses: Non-Revenue Water

The Company shall calculate and supply a Non-Revenue Water ("NRW") rate for the Historic Period Excess or Deficiency Calculation and for the Attrition Period Rate Reset in Schedule B-3. The Historic Period NRW rate is calculated on an annual historic basis as follows:

(Historic Period Total Metered Consumption minus Total Water Supplied)

Divided by: Historic Period Total Water Supplied

Non-Revenue Water Rate

Less: 15%

Non-Revenue Water Variance (Over/Under allowable %)

If the Historic Period NRW rate is above 15%, the Company shall adjust Purchased Water, Purchased Power, and Chemical Expenses for the proportion above 15% applicable to each expense. If the Historic Period NRW rate is below 15% for the Historic Period, the actual Purchased Water, Purchased Power, and Chemical Expense incurred in the Historic Period shall be used in the Historic Period Excess or Deficiency Calculation.

Issued: 10 20 2023
Month Day Year

Effective: 1 1 2024
Month Day Year

Issued by: Tiffany Van Horn
Name of Officer

President
Title

#2 Wolfscratch Drive, Jasper, GA 30143
Address of Officer

Cancelling _____ Sheet No. _____

Applies to Chalet Village North

Annual Review Mechanism ("ARM")

H. Cap on ARM Filing Costs

TWS will limit recovery through the ARM of costs to file and process each annual ARM filing to \$15,000, inclusive of incremental internal costs.

I. Depreciation Expense and CIAC Amortization Expense

For the Attrition Period Rate Reset, the Company shall use the authorized depreciation and CIAC amortization rates as applicable to utility plant balances as of the end of the Historic Period.

J. Amortization of Investment Tax Credits, Excess Deferred Income Taxes, Regulatory Liabilities and Regulatory Assets

For the Attrition Period Rate Reset, the Company shall use the authorized amortization life applied to the authorized balances per the Rate Order. Should the amortization conclude during an Attrition Period, the Company shall reflect only the amount relevant for that Attrition Period in the Rate Reset calculation (i.e., not an annualized level).

For the Historic Period Excess or Deficiency Calculation, actual amortization for these line items shall be used. The Company shall expense the costs related to the processing of the annual ARM filing, and therefore recover such costs as part of the Excess or Deficiency Calculation in the normal course of the ARM process.

K. Taxes Other than Income: Payroll Taxes, Real Estate Tax

For the Attrition Period Rate Reset and the Historic Period Excess or Deficiency Calculation, the Company shall use the actual Payroll Taxes as booked in the Historic Period.

L. Taxes Other than Income: Franchise Tax, Gross Receipts Tax, Property Tax

For the Attrition Period Rate Reset in these tax line items, the Company shall use the actual expenses per customer for the prior three calendar years, then multiply this amount times the CPI Index – Water & Sewerage Maintenance value for the end of the Historic Period, compounded by 20 months (midpoint of the Historic Period through midpoint of the Attrition Period). Then, this value is multiplied by the forecasted Attrition Period customer count per the Water Revenues methodology above.

For the Historic Period Excess or Deficiency Calculation, actual expenses for these line items shall be used.

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Applies to Chalet Village North

Annual Review Mechanism ("ARM")

M. State Excise and Federal Income Taxes

For the Attrition Period Rate Reset, the Company shall use the applicable statutory rates.

For the Historic Period Excess or Deficiency Calculation, the statutory State Excise and Federal Income Tax rates as of the end of the Historic Period shall be used.

N. Utility Plant in Service, Accumulated Depreciation, CIAC, Accumulated Amortization of CIAC, Accumulated Deferred Income Taxes

For the Attrition Period Rate Reset, the Company shall use the balances for these line items as of the end of the Historic Period.

For the Historic Period Excess or Deficiency Calculation, the Company shall use the 13-month average (December to December) of the balances for these line items.

O. Cash Working Capital

For both the Attrition Period Rate Reset and Historic Period Excess or Deficiency Calculation, the Company shall use the applicable Period's total Operation and Maintenance Expenses and Taxes Other than Income, less Purchased Water, multiplied by 1/8th.

P. Deferred Operating Losses, Deferred Return on Incremental Plant Investment, Deferred Rate Case Costs, Regulatory Liability – Uninsured Property, Excess Deferred Income Taxes

For both the Attrition Period Rate Reset and Historic Period Excess or Deficiency Calculation, the Company shall use the applicable Period's 13-month average (December to December for Historic Period, September to August for Attrition Period) of the unamortized balances for these line items.

Q. Revenue Conversion Factor

For both the Attrition Period Rate Reset and Historic Period Excess or Deficiency Calculation, the Company shall use the approved conversion factor of 1.337392 per the Rate Order, adjusted as needed for any changes per the above methodologies. The excise and federal income tax components are subject to change to reflect the then-current rate.

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Applies to Chalet Village North

Annual Review Mechanism ("ARM")

R. Rate of Return

For both the Attrition Period Rate Reset and Historic Period Excess or Deficiency Calculation, the Company shall use the approved 50%/50% debt/equity ratio, 5.04% cost of debt, and 10.50% return on equity per the Rate Order.

S. Other Adjustments

Consistent with Commission Rules, costs not generally allowed for rate recovery shall be removed or excluded from both the Historic Period and Attrition Period. Removals and exclusions include, but are not limited to, the following categories: Advertising, Lobbying, Charitable Contributions, and Fines & Penalties. Any material one-time, non-recurring items impacting income or costs may be identified and adjusted for by the Company for either the Historic Period or Attrition Period.

T. New Matters

New Matters refers to any issue, adjustment, and/or ambiguity in or for any account, method of accounting or estimation, or ratemaking topic that would directly or indirectly affect the Annual ARM Filing for which there is no explicit prior determination by the Commission regarding the Company. The Company may reflect, for the Attrition Period, amortization expense and unamortized balances for new deferral amounts incurred since the Rate Order or for deferral amounts not yet authorized for amortization. The Attrition Period shall also reflect any other relevant changes since the Rate Order in GAAP or other regulatory pronouncements or tax law changes. The Company may include and present studies or other evidence supporting other necessary changes since the Rate Order, such as depreciation studies.

U. Rate Design and Tariff Changes

Any Party to an ARM proceeding may propose adjustments to the then-current rate design, miscellaneous terms, tariff language or provisions.

V. Excess or Deficiency Deferral

The Company shall defer any revenue excess or deficiency incurred in the Historic Period. The Company shall recover/credit over the Attrition Period any revenue deficiency/excess deferred. Further, there would be no regulatory asset deferrals created as a result of any revenue deficiency produced in the first two ARM filings. The deferral shall accrue carrying charges at the authorized rate of return of 7.77% per the Rate Order. Carrying charges shall be calculated based on a simple average of the starting and ending balance of the Historic Period.

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Applies to Chalet Village North

Annual Review Mechanism ("ARM")

W. Additional Alternative Rate Mechanisms

Authorization of the ARM process does not preclude the Company requesting or being approved to implement additional alternative rate mechanisms, as allowed pursuant to T.C.A. § 65-5-103(d).

X. Affidavit Certifying Filing

The Company shall include with its annual filings an affidavit signed by an officer of the Company, certifying that the information included within the filing is accurate and complete.

Y. Cost Allocation Manual

The Company shall include with its annual filings the most current iteration of its Cost Allocation Manual ("CAM"), which details the allocation methodologies for affiliate costs supporting operating companies such as TWS. The CAM shall be consistent with the terms of the active Affiliate interest Agreement for TWS.

Section III. DEFINED TERMS

A. Excess or Deficiency Calculation

The Company shall calculate, based on the methodologies described above, any excess earnings or deficiency for the Historic Period. The excess earnings or deficiency shall be based on the comparison of the earned return on equity and the authorized 10.50%. This amount shall be used to calculate the Annual True-Up Rate Adjustment.

B. Annual True-Up Rate Adjustment

Defined as the revenue adjustment necessary to allow the Company to recover from or credit to customers the Historic Period deficiency or excess earnings. The Excess or Deficiency Calculation result shall be multiplied by the Revenue Conversion Factor, then shall incorporate any carrying charges, to determine the revenue adjustment required in setting the Attrition Period revenue requirement.

C. Attrition Period Rate Reset

Defined as the adjustment of rates applicable to the Attrition Period, effective September 1st each year, that reflects the Attrition Period methodologies described above and incorporates the Annual True-Up Rate Adjustment into the revenue requirement.

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Applies to Chalet Village North

Annual Review Mechanism ("ARM")

D. Annual ARM Filing

By April 30th each year, the Company shall file with the Commission the schedules and workpapers that reflect 1) actual Historic Period amounts per its books and records, 2) any adjustments to the Historic Period actuals per the methodologies described above, 3) the Excess Earnings or Deficiency Calculation and resulting Annual True-Up Rate Adjustment, 4) the Attrition Period Rate Reset revenue requirement, inclusive of any recovery/credit from the Annual True-Up Rate Adjustment, calculated per the methodologies described above, 5) proposed tariff rates that support the Attrition Period Rate Reset revenue requirement, and 6) the most current version of the Company's Cost Allocation Manual ("CAM"). The list of schedules to be filed include, but need not be limited to:

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Applies to Chalet Village North

Annual Review Mechanism ("ARM")

SCHEDULE	NAME
A	Rate Base
B	Income Statement
C	Annual True Up Reconciliation and Attrition Period Rate Reset
D	Income Taxes
E	Capital Structure and Retention Factor
F	Rate of Return
G	Proposed Tariff
H	Current Cost Allocation Manual
I	Affidavit by Officer
A-1	Plant In-Service and Depreciation Expense
A-2	Accumulated Depreciation
A-3	Cash Working Capital
A-4	Deferred Charges, Regulatory Commission Expense and Deferred Maintenance Expense
A-5	Regulatory Liability and EDIT
A-6	CIAC and CIAC Amortization Expense
B-1	Attrition Period Revenues and Rate Design
B-2	Bill Comparisons at Present Rates and Proposed Rates
B-3	Non-Revenue Water Rate

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 Name of Officer

President
 Title

#2 Wolfscratch Drive, Jasper, GA 30143
 Address of Officer

Tennessee Water Service, Inc.
Docket 24-_____
Annual Review Filing
Historic Period: December 31, 2023
Attrition Period: August 31, 2025

Exhibit 1
Schedule A-1

Plant In-Service and Depreciation Expense

Line No.	Account	Description	Historic Period Per Books	Historic Period Adjustment	Historic Period As Adjusted	Attrition Period Adjustment	Attrition Period Under Present Rates	Depreciation Rate	Attrition Period Depreciation
			[A]	[B]	[C]	[D]	[E]	[F]	[G]
1	141101	Land and Rights General	-	-	-	-	-	0.00%	-
2	141102	Land and Rights Pump	-	-	-	-	-	0.00%	-
3	141103	Land and Rights Water	-	-	-	-	-	0.00%	-
4	141104	Land and Rights Trans	-	-	-	-	-	0.00%	-
5	141105	Land and Rights Intangible	-	-	-	-	-	0.00%	-
6	141106	Land and Rights Collections	-	-	-	-	-	0.00%	-
7	141107	Land and Rights Treatment	-	-	-	-	-	0.00%	-
8	141108	Land and Rights Reclaim	-	-	-	-	-	0.00%	-
9	141199	Land Clearing	-	-	-	-	-	0.00%	-
10	141201	Organization	4,548.78	-	4,548.78	-	4,548.78	1.50%	68.23
11	141202	Franchises	-	-	-	-	-	1.50%	-
12	141203	Struct and Improv General Plant	-	-	-	-	-	1.50%	-
13	141204	Struct and Improv Service Supplies	37,585.22	(352.60)	37,232.62	352.60	37,585.22	1.50%	563.78
14	141205	Struct and Improv Water Treat Plt	14,084.18	(1,880.90)	12,203.28	1,880.90	14,084.18	1.50%	211.26
15	141206	Struct and Improv Trans Dist Plt	18,853.53	(4,620.87)	14,232.66	4,620.87	18,853.53	1.50%	282.80
16	141207	Struct and Improv Collect Plant	-	-	-	-	-	1.50%	-
17	141208	Struct and Improv Pump Plant	-	-	-	-	-	1.50%	-
18	141209	Struct and Improv Treatment Plant	-	-	-	-	-	1.50%	-
19	141210	Struct and Improv Reclaim WTP	-	-	-	-	-	1.50%	-
20	141211	Struct and Improv Reclaim Wtr Dist	-	-	-	-	-	1.50%	-
21	141212	Struct and Improv Production	-	-	-	-	-	1.50%	-
22	141213	Struct and Improv Natural Gas	-	-	-	-	-	1.50%	-
23	141214	Struct and Improv Transmissions	-	-	-	-	-	1.50%	-
24	141215	Struct and Improv Distribution	-	-	-	-	-	1.50%	-
25	141216	Struct and Improv Electrical	-	-	-	-	-	1.50%	-
26	141217	Struct and Improv Propane	-	-	-	-	-	1.50%	-
27	141218	Struct and Improv Municipal	-	-	-	-	-	1.50%	-
28	141219	Struct and Improv Biomass	-	-	-	-	-	1.50%	-
29	141220	Struct and Improv Office	4,858.49	(200.77)	4,657.72	200.77	4,858.49	1.50%	72.88
30	141221	Collecting Reservoirs	-	-	-	-	-	1.50%	-
31	141222	Lake, River, Other Intakes	-	-	-	-	-	1.50%	-
32	141223	Wells and Springs	284,168.75	(1,129.05)	283,039.70	1,129.05	284,168.75	1.50%	4,262.53
33	141224	Infiltration Gallery	-	-	-	-	-	1.50%	-
34	141225	Supply Mains	1,624.08	-	1,624.08	-	1,624.08	1.50%	24.36
35	141226	Power Generation Equipment	-	-	-	-	-	1.50%	-
36	141227	Electric Pump Equip Src Pump	42,858.17	-	42,858.17	-	42,858.17	1.50%	642.87
37	141228	Electric Pump Equip WTP	594,059.42	(4,653.15)	589,406.27	4,653.15	594,059.42	1.50%	8,910.89
38	141229	Electric Pump Equip Trans Dist	342,048.56	-	342,048.56	-	342,048.56	1.50%	5,130.73
39	141230	Water Treatment Equipment	33,131.77	(5,419.18)	27,712.59	5,419.18	33,131.77	1.50%	496.98
40	141231	Dist Resv and Standpipes	173,422.48	(5,530.94)	167,891.54	5,530.94	173,422.48	1.50%	2,601.34
41	141232	Trans and Distr Mains	1,006,872.08	(1,644.23)	1,005,227.85	1,644.23	1,006,872.08	1.50%	15,103.08
42	141233	Service Lines	149,266.95	(692.32)	148,574.63	692.32	149,266.95	1.50%	2,239.00
43	141234	Meters	73,488.51	(4,174.77)	69,313.74	4,174.77	73,488.51	1.50%	1,102.33
44	141235	Meter Installations	12,024.82	165.67	12,190.49	(165.67)	12,024.82	1.50%	180.37
45	141236	Hydrants	145,845.53	(558.97)	145,286.56	558.97	145,845.53	1.50%	2,187.68
46	141237	Backflow Prevention Devices	2,091.38	-	2,091.38	-	2,091.38	1.50%	31.37
47	141238	Power Gen Equip Coll Plt	-	-	-	-	-	1.50%	-
48	141239	Power Gen Equip Pump Plt	-	-	-	-	-	1.50%	-
49	141240	Power Gen Equip Treat Plt	-	-	-	-	-	1.50%	-
50	141241	Sewer Force Main	-	-	-	-	-	1.50%	-
51	141242	Sewer Gravity Main	-	-	-	-	-	1.50%	-
52	141243	Manholes	-	-	-	-	-	1.50%	-
53	141244	Special Collection Structures	-	-	-	-	-	1.50%	-
54	141245	Service to Customers	488.71	-	488.71	-	488.71	1.50%	7.33
55	141246	Flow Measure Devices	-	-	-	-	-	1.50%	-
56	141247	Flow Measure Install	-	-	-	-	-	1.50%	-
57	141248	Receiving Wells	-	-	-	-	-	1.50%	-
58	141249	Pumping Equip Pump Plt	-	-	-	-	-	1.50%	-
59	141250	Pumping Equip Reclaim WTP	-	-	-	-	-	1.50%	-
60	141251	Pumping Equip Rcl Wtr Dist	-	-	-	-	-	1.50%	-
61	141252	Treat/Disp Equip Lagoon	-	-	-	-	-	1.50%	-
62	141253	Treat/Disp Equip Trt Plt	-	-	-	-	-	1.50%	-

Tennessee Water Service, Inc.
Docket 24-_____
Annual Review Filing
Historic Period: December 31, 2023
Attrition Period: August 31, 2025

Exhibit 1
Schedule A-1

Plant In-Service and Depreciation Expense

Line No.	Account	Description	Historic Period Per Books	Historic Period Adjustment	Historic Period As Adjusted	Attrition Period Adjustment	Attrition Period Under Present Rates	Depreciation Rate	Attrition Period Depreciation
			[A]	[B]	[C]	[D]	[E]	[F]	[G]
63	141254	Treat/Disp Equip Rclm Wtr	-	-	-	-	-	1.50%	-
64	141255	Plant Sewers Treatment Plt	-	-	-	-	-	1.50%	-
65	141256	Plant Sewers Reclaim Wtr	-	-	-	-	-	1.50%	-
66	141257	Outfall Lines	-	-	-	-	-	1.50%	-
67	141258	Reservoirs	-	-	-	-	-	1.50%	-
68	141259	House Regulators	-	-	-	-	-	1.50%	-
69	141260	House Regulatory Install	-	-	-	-	-	1.50%	-
70	141261	Reuse Services	-	-	-	-	-	1.50%	-
71	141262	Reuse Mtr/Installations	-	-	-	-	-	1.50%	-
72	141263	Reuse Dist Reservoirs	-	-	-	-	-	1.50%	-
73	141264	Reuse Transmission and Dist	-	-	-	-	-	1.50%	-
74	141265	Processing Plant	-	-	-	-	-	1.50%	-
75	141266	Maintenance Structure and Improv	-	-	-	-	-	1.50%	-
76	141267	Other and Misc Equip Intangible Plt	-	-	-	-	-	1.50%	-
77	141268	Other and Misc Equip Source Supply	-	-	-	-	-	1.50%	-
78	141269	Other and Misc Equip WTP	-	-	-	-	-	1.50%	-
79	141270	Other and Misc Equip Trans Dist	-	-	-	-	-	1.50%	-
80	141271	Other Tangible Plant	-	-	-	-	-	1.50%	-
81	141272	Other Plant Collection	-	-	-	-	-	1.50%	-
82	141273	Other Plant Pump	-	-	-	-	-	1.50%	-
83	141274	Other Plant Treatment	-	-	-	-	-	1.50%	-
84	141275	Other Plant Reclaim Water Trt	-	-	-	-	-	1.50%	-
85	141276	Other Plant Reclaim Water Dist	-	-	-	-	-	1.50%	-
86	141277	Other Plant	-	-	-	-	-	1.50%	-
87	141278	Plant Alloc	-	-	-	-	-	1.50%	-
88	141292	Non-Utility Property	-	-	-	-	-	1.50%	-
89	141293	Plant Held for Future Use	-	-	-	-	-	1.50%	-
90	141298	FA default	-	-	-	-	-	1.50%	-
91	141299	Utility Plant Clearing	-	-	-	-	-	1.50%	-
92	141301	Building	-	-	-	-	-	1.50%	-
93	141302	Leasehold Improvement	-	-	-	-	-	1.50%	-
94	141303	Office Furniture	3,692.58	(143.45)	3,549.13	143.45	3,692.58	1.50%	55.39
95	141304	Office Equipment	16.28	(0.08)	16.20	0.08	16.28	1.50%	0.24
96	141305	Stores Equipment	18,717.58	(0.12)	18,717.46	0.12	18,717.58	1.50%	280.76
97	141306	Lab Equipment	584.58	-	584.58	-	584.58	1.50%	8.77
98	141307	Rental Equipment	-	-	-	-	-	1.50%	-
99	141308	Tool Shop Equipment	12,156.93	47.71	12,204.64	(47.71)	12,156.93	1.50%	182.35
100	141309	Power Operated Equipment	671.49	-	671.49	-	671.49	1.50%	10.07
101	141310	Communications Equipment	106,132.38	(6,980.38)	99,152.00	6,980.38	106,132.38	1.50%	1,591.99
102	141311	Misc Equipment	1,942.85	(7.55)	1,935.30	7.55	1,942.85	1.50%	29.14
103	141399	Building and Equipment Clearing	-	-	-	-	-	1.50%	-
104	141401	Vehicles	51,851.57	(47,800.32)	4,051.25	47,800.32	51,851.57	20.00%	10,370.31
105	141499	Vehicles Clearing	-	-	-	-	-	20.00%	-
106	141501	Computer Hardware	9.99	(0.42)	9.57	0.42	9.99	33.33%	3.33
107	141502	Desktop/Laptop Computers	1,406.51	(270.27)	1,136.24	270.27	1,406.51	33.33%	468.84
108	141503	Mainframe Computers	1,525.99	(63.06)	1,462.93	63.06	1,525.99	20.00%	305.20
109	141504	Mini Comp Wtr	14,888.53	(787.59)	14,100.94	787.59	14,888.53	33.33%	4,962.84
110	141601	Computer Software	3,463.18	(1,118.93)	2,344.25	1,118.93	3,463.18	33.33%	1,154.39
111	141602	Comp Systems	45,452.69	(1,878.21)	43,574.48	1,878.21	45,452.69	12.50%	5,681.59
112	141603	Micro Systems	789.46	(32.62)	756.84	32.62	789.46	33.33%	263.15
113	141699	Computer Clearing	1.81	1.03	2.84	(1.03)	1.81	33.33%	-
114									
115		Total Water Plant	<u>3,204,625.81</u>	<u>(89,726.34)</u>	<u>3,114,899.47</u>	<u>89,726.34</u>	<u>3,204,625.81</u>		<u>69,488.20</u>

Tennessee Water Service, Inc.
Docket 24-_____
Annual Review Filing
Historic Period: December 31, 2023
Attrition Period: August 31, 2025

Exhibit 1
Schedule A-2

Accumulated Depreciation

Line No.	Account	Description	Historic Period Per Books	Historic Period Adjustment	Historic Period As Adjusted	Attrition Period Adjustment	Attrition Period Under Present Rates
			[A]	[B]	[C]	[D]	[E]
1	142201	Acc Dep - Organization	3,391.05	34.09	3,425.14	(34.09)	3,391.05
2	142202	Acc Dep - Franchises	-	-	-	-	-
3	142203	Acc Dep - Struct and Improv General Plant	-	-	-	-	-
4	142204	Acc Dep - Struct and Improv Service Supplies	(7,363.79)	281.00	(7,082.79)	(281.00)	(7,363.79)
5	142205	Acc Dep - Struct and Improv Water Treat Plt	4,467.35	101.29	4,568.64	(101.29)	4,467.35
6	142206	Acc Dep - Struct and Improv Trans Dist Plt	2,211.78	(2,001.28)	210.50	2,001.28	2,211.78
7	142207	Acc Dep - Struct and Improv Collect Plant	-	-	-	-	-
8	142208	Acc Dep - Struct and Improv Pump Plant	-	-	-	-	-
9	142209	Acc Dep - Struct and Improv Treatment Plant	-	-	-	-	-
10	142210	Acc Dep - Struct and Improv Reclaim WTP	-	-	-	-	-
11	142211	Acc Dep - Struct and Improv Reclaim Wtr Dist	-	-	-	-	-
12	142212	Acc Dep - Struct and Improv Production	-	-	-	-	-
13	142213	Acc Dep - Struct and Improv Natural Gas	-	-	-	-	-
14	142214	Acc Dep - Struct and Improv Transmissions	-	-	-	-	-
15	142215	Acc Dep - Struct and Improv Distribution	-	-	-	-	-
16	142216	Acc Dep - Struct and Improv Electrical	-	-	-	-	-
17	142217	Acc Dep - Struct and Improv Propane	-	-	-	-	-
18	142218	Acc Dep - Struct and Improv Municipal	-	-	-	-	-
19	142219	Acc Dep - Struct and Improv Biomass	-	-	-	-	-
20	142220	Acc Dep - Struct and Improv Office	(1,389.33)	210.79	(1,178.54)	(210.79)	(1,389.33)
21	142221	Acc Dep - Collecting Reservoirs	-	-	-	-	-
22	142222	Acc Dep - Lake, River, Other Intakes	-	-	-	-	-
23	142223	Acc Dep - Wells and Springs	(95,144.97)	2,127.13	(93,017.84)	(2,127.13)	(95,144.97)
24	142224	Acc Dep - Infiltration Gallery	-	-	-	-	-
25	142225	Acc Dep - Supply Mains	(76.48)	12.18	(64.30)	(12.18)	(76.48)
26	142226	Acc Dep - Power Generation Equipment	-	-	-	-	-
27	142227	Acc Dep - Electric Pump Equip Src Pump	(4,522.74)	321.45	(4,201.29)	(321.45)	(4,522.74)
28	142228	Acc Dep - Electric Pump Equip WTP	16,021.86	527.34	16,549.20	(527.34)	16,021.86
29	142229	Acc Dep - Electric Pump Equip Trans Dist	(12,486.55)	2,565.36	(9,921.19)	(2,565.36)	(12,486.55)
30	142230	Acc Dep - Water Treatment Equipment	(3,932.72)	217.61	(3,715.11)	(217.61)	(3,932.72)
31	142231	Acc Dep - Dist Resv and Standpipes	(44,379.42)	1,321.80	(43,057.62)	(1,321.80)	(44,379.42)
32	142232	Acc Dep - Trans and Distr Mains	(312,377.35)	7,547.06	(304,830.29)	(7,547.06)	(312,377.35)
33	142233	Acc Dep - Service Lines	(727.77)	1,119.08	391.31	(1,119.08)	(727.77)
34	142234	Acc Dep - Meters	20,133.84	527.61	20,661.45	(527.61)	20,133.84
35	142235	Acc Dep - Meter Installations	4,194.53	91.35	4,285.88	(91.35)	4,194.53
36	142236	Acc Dep - Hydrants	5,803.27	1,091.40	6,894.67	(1,091.40)	5,803.27
37	142237	Acc Dep - Backflow Prevention Devices	(159.36)	15.71	(143.65)	(15.71)	(159.36)
38	142238	Acc Dep - Power Gen Equip Coll Plt	-	-	-	-	-
39	142239	Acc Dep - Power Gen Equip Pump Plt	-	-	-	-	-
40	142240	Acc Dep - Power Gen Equip Treat Plt	-	-	-	-	-
41	142241	Acc Dep - Sewer Force Main	-	-	-	-	-
42	142242	Acc Dep - Sewer Gravity Main	-	-	-	-	-
43	142243	Acc Dep - Manholes	-	-	-	-	-
44	142244	Acc Dep - Special Collection Structures	-	-	-	-	-
45	142245	Acc Dep - Service to Customers	(16.79)	3.26	(13.53)	(3.26)	(16.79)
46	142246	Acc Dep - Flow Measure Devices	-	-	-	-	-
47	142247	Acc Dep - Flow Measure Install	-	-	-	-	-
48	142248	Acc Dep - Receiving Wells	-	-	-	-	-
49	142249	Acc Dep - Pumping Equip Pump Plt	-	-	-	-	-
50	142250	Acc Dep - Pumping Equip Reclaim WTP	-	-	-	-	-
51	142251	Acc Dep - Pumping Equip Rcl Wtr Dist	-	-	-	-	-
52	142252	Acc Dep - Treat/Disp Equip Lagoon	-	-	-	-	-
53	142253	Acc Dep - Treat/Disp Equip Trt Plt	-	-	-	-	-
54	142254	Acc Dep - Treat/Disp Equip Rclm Wtr	-	-	-	-	-
55	142255	Acc Dep - Plant Sewers Treatment Plt	-	-	-	-	-

Tennessee Water Service, Inc.
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Exhibit 1
Schedule A-2

Accumulated Depreciation

Line No.	Account	Description	Historic Period Per Books	Historic Period Adjustment	Historic Period As Adjusted	Attrition Period Adjustment	Attrition Period Under Present Rates
			[A]	[B]	[C]	[D]	[E]
56	142256	Acc Dep - Plant Sewers Reclaim Wtr	-	-	-	-	-
57	142257	Acc Dep - Outfall Lines	-	-	-	-	-
58	142258	Acc Dep - Reservoirs	-	-	-	-	-
59	142259	Acc Dep - House Regulators	-	-	-	-	-
60	142260	Acc Dep - House Regulatory Install	-	-	-	-	-
61	142261	Acc Dep - Reuse Services	-	-	-	-	-
62	142262	Acc Dep - Reuse Mtr/Installations	-	-	-	-	-
63	142263	Acc Dep - Reuse Dist Reservoirs	-	-	-	-	-
64	142264	Acc Dep - Reuse Transmission and Dist	-	-	-	-	-
65	142265	Acc Dep - Processing Plant	-	-	-	-	-
66	142266	Acc Dep - Maintenance Structure and Improv	-	-	-	-	-
67	142267	Acc Dep - Other and Misc Equip Intangible Plt	-	-	-	-	-
68	142268	Acc Dep - Other and Misc Equip Source Supply	-	-	-	-	-
69	142269	Acc Dep - Other and Misc Equip WTP	-	-	-	-	-
70	142270	Acc Dep - Other and Misc Equip Trans Dist	-	-	-	-	-
71	142271	Acc Dep - Other Tangible Plant	-	-	-	-	-
72	142272	Acc Dep - Other Plant Collection	-	-	-	-	-
73	142273	Acc Dep - Other Plant Pump	-	-	-	-	-
74	142274	Acc Dep - Other Plant Treatment	-	-	-	-	-
75	142275	Acc Dep - Other Plant Reclaim Water Trt	-	-	-	-	-
76	142276	Acc Dep - Other Plant Reclaim Water Dist	-	-	-	-	-
77	142277	Acc Dep - Other Plant	-	-	-	-	-
78	142278	Acc Dep - Plant Alloc	-	-	-	-	-
79	142292	Acc Dep - Non-Utility Property	-	-	-	-	-
80	142293	Acc Dep - Plant Held for Future Use	-	-	-	-	-
81	142299	Acc Dep - Land	-	-	-	-	-
82	142301	Acc Dep - Building	-	-	-	-	-
83	142302	Acc Dep - Leasehold Improvement	-	-	-	-	-
84	142303	Acc Dep - Office Furniture	(2,385.09)	158.39	(2,226.70)	(158.39)	(2,385.09)
85	142304	Acc Dep - Office Equipment	(4.03)	0.81	(3.22)	(0.81)	(4.03)
86	142305	Acc Dep - Stores Equipment	(1,126.72)	519.99	(606.73)	(519.99)	(1,126.72)
87	142306	Acc Dep - Lab Equipment	1,410.69	4.38	1,415.07	(4.38)	1,410.69
88	142307	Acc Dep - Rental Equipment	-	-	-	-	-
89	142308	Acc Dep - Tool Shop Equipment	(2,109.85)	92.83	(2,017.02)	(92.83)	(2,109.85)
90	142309	Acc Dep - Power Operated Equipment	(134.33)	5.03	(129.30)	(5.03)	(134.33)
91	142310	Acc Dep - Communications Equipment	(12,869.80)	811.26	(12,058.54)	(811.26)	(12,869.80)
92	142311	Acc Dep - Misc Equipment	(147.55)	14.55	(133.00)	(14.55)	(147.55)
93	142401	Acc Dep - Vehicles	(71.07)	2.93	(68.14)	(2.93)	(71.07)
94	142501	Acc Dep - Computer Hardware	(6.00)	1.19	(4.81)	(1.19)	(6.00)
95	142502	Acc Dep - Desktop/Laptop Computers	(380.63)	140.10	(240.53)	(140.10)	(380.63)
96	142503	Acc Dep - Mainframe Computers	(1,525.99)	63.06	(1,462.93)	(63.06)	(1,525.99)
97	142504	Acc Dep - Mini Comp Wtr	(14,360.55)	856.75	(13,503.80)	(856.75)	(14,360.55)
98	142601	Acc Dep - Computer Software	(1,360.02)	414.95	(945.07)	(414.95)	(1,360.02)
99	142602	Acc Dep - Comp Systems	(42,111.99)	2,323.82	(39,788.17)	(2,323.82)	(42,111.99)
100	142603	Acc Dep - Micro Systems	(789.46)	32.62	(756.84)	(32.62)	(789.46)
101	142701	Acc Dep - Salvage	-	-	-	-	-
102	142702	Cost of Removal	-	-	-	-	-
103	142801	Acc Dep - Fixed Assets Accrued	-	-	-	-	-
104							
105		Total Water Plant	<u>(504,325.98)</u>	<u>21,556.89</u>	<u>(482,769.09)</u>	<u>(21,556.89)</u>	<u>(504,325.98)</u>

Tennessee Water Service, Inc.
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Exhibit 1
Schedule A-3

Cash Working Capital

Line No.	Description	Historic Period Per Books	Historic Period Adjustment	Historic Period As Adjusted	Attrition Period Adjustment	Attrition Period Under Present Rates
		[A]	[B]	[C]	[D]	[E]
1	Maintenance & General Expenses, less purchased wa	137,567.06	-	137,567.06	40,107.49	177,674.55
2	General expenses	96,642.77	-	96,642.77	(117.66)	96,525.11
3	Taxes Other than Income	12,646.04	-	12,646.04	6,072.89	18,718.93
4	Total cash working capital expenses	<u>246,855.87</u>	<u>-</u>	<u>246,855.87</u>	<u>46,062.72</u>	<u>292,918.59</u>
5	Cash Working Capital (Line 4 multiplied by 1/8)	30,856.98	-	30,856.98	5,757.84	36,614.82

Tennessee Water Service, Inc.
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Exhibit 1
Schedule A-4

Deferred Charges, Regulatory Commission Expense and Deferred Maintenance Expense

Month	2019 Rate Case Expense	2023 ARM Filing Expense	2017- Sept 2018 Operating Loss	Oct 2018 - 2019 Operating Loss	Return on Plant	Total	13 Month Average
12/31/2019	103,188.00		208,940.00	122,567.77	57,574.00	492,269.77	
1/31/2020	101,468.20		207,198.83	122,567.77	57,094.22	488,329.02	
2/29/2020	99,748.40		205,457.67	122,567.77	56,614.43	484,388.27	
3/31/2020	98,028.60		203,716.50	122,567.77	56,134.65	480,447.52	
4/30/2020	96,308.80		201,975.33	122,567.77	55,654.87	476,506.77	
5/31/2020	94,589.00		200,234.17	122,567.77	55,175.08	472,566.02	
6/30/2020	92,869.20		198,493.00	122,567.77	54,695.30	468,625.27	
7/31/2020	91,149.40		196,751.83	122,567.77	54,215.52	464,684.52	
8/31/2020	89,429.60		195,010.67	122,567.77	53,735.73	460,743.77	
9/30/2020	87,709.80		193,269.50	122,567.77	53,255.95	456,803.02	
10/31/2020	85,990.00		191,528.33	122,567.77	52,776.17	452,862.27	
11/30/2020	84,270.20		189,787.17	122,567.77	52,296.38	448,921.52	
12/31/2020	82,550.40		188,046.00	122,567.77	51,816.60	444,980.77	
1/31/2021	80,830.60		186,304.83	122,567.77	51,336.82	441,040.02	468,625.27
2/28/2021	79,110.80		184,563.67	122,567.77	50,857.03	437,099.27	464,684.52
3/31/2021	77,391.00		182,822.50	122,567.77	50,377.25	433,158.52	460,743.77
4/30/2021	75,671.20		181,081.33	122,567.77	49,897.47	429,217.77	456,803.02
5/31/2021	73,951.40		179,340.17	122,567.77	49,417.68	425,277.02	452,862.27
6/30/2021	72,231.60		177,599.00	122,567.77	48,937.90	421,336.27	448,921.52
7/31/2021	70,511.80		175,857.83	122,567.77	48,458.12	417,395.52	444,980.77
8/31/2021	68,792.00		174,116.67	122,567.77	47,978.33	413,454.77	441,040.02
9/30/2021	67,072.20		172,375.50	122,567.77	47,498.55	409,514.02	437,099.27
10/31/2021	65,352.40		170,634.33	122,567.77	47,018.77	405,573.27	433,158.52
11/30/2021	63,632.60		168,893.17	122,567.77	46,538.98	401,632.52	429,217.77
12/31/2021	61,912.80		167,152.00	122,567.77	46,059.20	397,691.77	425,277.02
1/31/2022	60,193.00		165,410.83	122,567.77	45,579.42	393,751.02	421,336.27
2/28/2022	58,473.20		163,669.67	122,567.77	45,099.63	389,810.27	417,395.52
3/31/2022	56,753.40		161,928.50	122,567.77	44,619.85	385,869.52	413,454.77
4/30/2022	55,033.60		160,187.33	122,567.77	44,140.07	381,928.77	409,514.02
5/31/2022	53,313.80		158,446.17	122,567.77	43,660.28	377,988.02	405,573.27
6/30/2022	51,594.00		156,705.00	122,567.77	43,180.50	374,047.27	401,632.52
7/31/2022	49,874.20		154,963.83	122,567.77	42,700.72	370,106.52	397,691.77
8/31/2022	48,154.40		153,222.67	122,567.77	42,220.93	366,165.77	393,751.02
9/30/2022	46,434.60		151,481.50	122,567.77	41,741.15	362,225.02	389,810.27
10/31/2022	44,714.80		149,740.33	122,567.77	41,261.37	358,284.27	385,869.52
11/30/2022	42,995.00		147,999.17	122,567.77	40,781.58	354,343.52	381,928.77
12/31/2022	41,275.20		146,258.00	122,567.77	40,301.80	350,402.77	377,988.02
1/31/2023	39,555.40		144,516.83	122,567.77	39,822.02	346,462.02	374,047.27
2/28/2023	37,835.60		142,775.67	122,567.77	39,342.23	342,521.27	370,106.52
3/31/2023	36,115.80		141,034.50	122,567.77	38,862.45	338,580.52	366,165.77
4/30/2023	34,396.00		139,293.33	122,567.77	38,382.67	334,639.77	362,225.02
5/31/2023	32,676.20		137,552.17	122,567.77	37,902.88	330,699.02	358,284.27
6/30/2023	30,956.40		135,811.00	122,567.77	37,423.10	326,758.27	354,343.52
7/31/2023	29,236.60		134,069.83	122,567.77	36,943.32	322,817.52	350,402.77
8/31/2023	27,516.80		132,328.67	122,567.77	36,463.53	318,876.77	346,462.02
9/30/2023	25,797.00		130,587.50	122,567.77	35,983.75	314,936.02	342,521.27
10/31/2023	24,077.20		128,846.33	122,567.77	35,503.97	310,995.27	338,580.52
11/30/2023	22,357.40		127,105.17	122,567.77	35,024.18	307,054.52	334,639.77
12/31/2023	20,637.60	22,725.82	125,364.00	122,567.77	34,544.40	325,839.59	330,699.02

Tennessee Water Service, Inc.
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Exhibit 1
Schedule A-4

Deferred Charges, Regulatory Commission Expense and Deferred Maintenance Expense

Month	2019 Rate Case Expense	2023 ARM Filing Expense	2017- Sept 2018 Operating Loss	Oct 2018 - 2019 Operating Loss	Return on Plant	Total	13 Month Average
1/31/2024	18,917.80	22,725.82	123,622.83	122,567.77	34,064.62	321,898.84	328,506.41
2/29/2024	17,198.00	22,725.82	121,881.67	122,567.77	33,584.83	317,958.09	326,313.80
3/31/2024	15,478.20	22,725.82	120,140.50	122,567.77	33,105.05	314,017.34	324,121.19
4/30/2024	13,758.40	22,725.82	118,399.33	122,567.77	32,625.27	310,076.59	321,928.58
5/31/2024	12,038.60	22,725.82	116,658.17	122,567.77	32,145.48	306,135.84	319,735.97
6/30/2024	10,318.80	22,725.82	114,917.00	122,567.77	31,665.70	302,195.09	317,543.36
7/31/2024	8,599.00	22,725.82	113,175.83	122,567.77	31,185.92	298,254.34	315,350.75
8/31/2024	6,879.20	22,725.82	111,434.67	121,546.37	30,706.13	293,292.19	313,158.14
9/30/2024	5,159.40	22,094.55	109,693.50	120,524.97	30,226.35	287,698.77	310,886.96
10/31/2024	3,439.60	21,463.27	107,952.33	119,503.58	29,746.57	282,105.35	308,488.65
11/30/2024	1,719.80	20,832.00	106,211.17	118,482.18	29,266.78	276,511.93	305,963.22
12/31/2024	(0.00)	20,200.73	104,470.00	117,460.78	28,787.00	270,918.51	303,310.65
1/31/2025		19,569.46	102,728.83	116,439.38	28,307.22	267,044.89	300,530.96
2/28/2025		18,938.18	100,987.67	115,417.98	27,827.43	263,171.27	296,008.29
3/31/2025		18,306.91	99,246.50	114,396.59	27,347.65	259,297.65	291,490.78
4/30/2025		17,675.64	97,505.33	113,375.19	26,867.87	255,424.03	286,978.44
5/31/2025		17,044.37	95,764.17	112,353.79	26,388.08	251,550.40	282,471.26
6/30/2025		16,413.09	94,023.00	111,332.39	25,908.30	247,676.78	277,969.25
7/31/2025		15,781.82	92,281.83	110,310.99	25,428.52	243,803.16	273,472.40
8/31/2025		15,150.55	90,540.67	109,289.59	24,948.73	239,929.54	268,980.71
Monthly Amort.	1,719.80	631.27	1,741.17	1,021.40	479.78		
Attrition Period							
Expense	-	7,575.27	20,894.00	12,256.78	5,757.40		
Regulatory							
Commission							
Expense		7,575.27					
Deferred							
Maintenance							
Expense					38,908.18		

Tennessee Water Service, Inc.

Docket 24-_____

Annual Review Filing

Historic Period: December 31, 2023

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Exhibit 1

Schedule A-5

Regulatory Liability and EDIT

Month	EDIT			13 Month Average	Uninsured Property	
	EDIT - Protected	EDIT - Unprotected	Total		Uninsured Property	13 Month Average
12/31/2019	(72,183.11)	(3,887.83)	(76,070.94)		(382,016.00)	
1/31/2020	(72,060.35)	(3,779.83)	(75,840.18)		(381,538.50)	
2/29/2020	(71,937.59)	(3,671.83)	(75,609.42)		(381,061.00)	
3/31/2020	(71,814.83)	(3,563.83)	(75,378.66)		(380,583.50)	
4/30/2020	(71,692.07)	(3,455.83)	(75,147.90)		(380,106.00)	
5/31/2020	(71,569.31)	(3,347.83)	(74,917.14)		(379,628.50)	
6/30/2020	(71,446.55)	(3,239.83)	(74,686.38)		(379,151.00)	
7/31/2020	(71,323.79)	(3,131.83)	(74,455.62)		(378,673.50)	
8/31/2020	(71,201.03)	(3,023.83)	(74,224.86)		(378,196.00)	
9/30/2020	(71,078.27)	(2,915.83)	(73,994.10)		(377,718.50)	
10/31/2020	(70,955.51)	(2,807.83)	(73,763.34)		(377,241.00)	
11/30/2020	(70,832.75)	(2,699.83)	(73,532.58)		(376,763.50)	
12/31/2020	(70,709.99)	(2,591.83)	(73,301.82)		(376,286.00)	
1/31/2021	(70,587.23)	(2,483.83)	(73,071.06)	(74,686.38)	(375,808.50)	(379,151.00)
2/28/2021	(70,464.47)	(2,375.83)	(72,840.30)	(74,455.62)	(375,331.00)	(378,673.50)
3/31/2021	(70,341.71)	(2,267.83)	(72,609.54)	(74,224.86)	(374,853.50)	(378,196.00)
4/30/2021	(70,218.95)	(2,159.83)	(72,378.78)	(73,994.10)	(374,376.00)	(377,718.50)
5/31/2021	(70,096.19)	(2,051.83)	(72,148.02)	(73,763.34)	(373,898.50)	(377,241.00)
6/30/2021	(69,973.43)	(1,943.83)	(71,917.26)	(73,532.58)	(373,421.00)	(376,763.50)
7/31/2021	(69,850.67)	(1,835.83)	(71,686.50)	(73,301.82)	(372,943.50)	(376,286.00)
8/31/2021	(69,727.91)	(1,727.83)	(71,455.74)	(73,071.06)	(372,466.00)	(375,808.50)
9/30/2021	(69,605.15)	(1,619.83)	(71,224.98)	(72,840.30)	(371,988.50)	(375,331.00)
10/31/2021	(69,482.39)	(1,511.83)	(70,994.22)	(72,609.54)	(371,511.00)	(374,853.50)
11/30/2021	(69,359.63)	(1,403.83)	(70,763.46)	(72,378.78)	(371,033.50)	(374,376.00)
12/31/2021	(69,236.87)	(1,295.83)	(70,532.70)	(72,148.02)	(370,556.00)	(373,898.50)
1/31/2022	(69,114.11)	(1,187.83)	(70,301.94)	(71,917.26)	(370,078.50)	(373,421.00)
2/28/2022	(68,991.35)	(1,079.83)	(70,071.18)	(71,686.50)	(369,601.00)	(372,943.50)
3/31/2022	(68,868.59)	(971.83)	(69,840.42)	(71,455.74)	(369,123.50)	(372,466.00)
4/30/2022	(68,745.83)	(863.83)	(69,609.66)	(71,224.98)	(368,646.00)	(371,988.50)
5/31/2022	(68,623.07)	(755.83)	(69,378.90)	(70,994.22)	(368,168.50)	(371,511.00)
6/30/2022	(68,500.31)	(647.83)	(69,148.14)	(70,763.46)	(367,691.00)	(371,033.50)
7/31/2022	(68,377.55)	(539.83)	(68,917.38)	(70,532.70)	(367,213.50)	(370,556.00)
8/31/2022	(68,254.79)	(431.83)	(68,686.62)	(70,301.94)	(366,736.00)	(370,078.50)
9/30/2022	(68,132.03)	(323.83)	(68,455.86)	(70,071.18)	(366,258.50)	(369,601.00)
10/31/2022	(68,009.27)	(215.83)	(68,225.10)	(69,840.42)	(365,781.00)	(369,123.50)
11/30/2022	(67,886.51)	(107.83)	(67,994.34)	(69,609.66)	(365,303.50)	(368,646.00)
12/31/2022	(67,763.75)	-	(67,763.75)	(69,378.90)	(364,826.00)	(368,168.50)
1/31/2023	(67,640.99)		(67,640.99)	(69,148.15)	(364,348.50)	(367,691.00)
2/28/2023	(67,518.23)		(67,518.23)	(68,925.71)	(363,871.00)	(367,213.50)
3/31/2023	(67,395.47)		(67,395.47)	(68,711.58)	(363,393.50)	(366,736.00)
4/30/2023	(67,272.71)		(67,272.71)	(68,505.76)	(362,916.00)	(366,258.50)
5/31/2023	(67,149.95)		(67,149.95)	(68,308.24)	(362,438.50)	(365,781.00)
6/30/2023	(67,027.19)		(67,027.19)	(68,119.03)	(361,961.00)	(365,303.50)
7/31/2023	(66,904.43)		(66,904.43)	(67,938.13)	(361,483.50)	(364,826.00)
8/31/2023	(66,781.67)		(66,781.67)	(67,765.54)	(361,006.00)	(364,348.50)
9/30/2023	(66,658.91)		(66,658.91)	(67,601.25)	(360,528.50)	(363,871.00)
10/31/2023	(66,536.15)		(66,536.15)	(67,445.28)	(360,051.00)	(363,393.50)
11/30/2023	(66,413.39)		(66,413.39)	(67,297.61)	(359,573.50)	(362,916.00)
12/31/2023	(66,290.63)		(66,290.63)	(67,158.24)	(359,096.00)	(362,438.50)

Tennessee Water Service, Inc.

Docket 24-_____

Annual Review Filing

Historic Period: December 31, 2023

Attrition Period: August 31, 2025

Exhibit 1

Schedule A-5

Regulatory Liability and EDIT

Month	EDIT			13 Month Average	Uninsured Property	
	EDIT - Protected	EDIT - Unprotected	Total		Uninsured Property	13 Month Average
1/31/2024	(66,167.87)		(66,167.87)	(67,027.19)	(358,618.50)	(361,961.00)
2/29/2024	(66,045.11)		(66,045.11)	(66,904.43)	(358,141.00)	(361,483.50)
3/31/2024	(65,922.35)		(65,922.35)	(66,781.67)	(357,663.50)	(361,006.00)
4/30/2024	(65,799.59)		(65,799.59)	(66,658.91)	(357,186.00)	(360,528.50)
5/31/2024	(65,676.83)		(65,676.83)	(66,536.15)	(356,708.50)	(360,051.00)
6/30/2024	(65,554.07)		(65,554.07)	(66,413.39)	(356,231.00)	(359,573.50)
7/31/2024	(65,431.31)		(65,431.31)	(66,290.63)	(355,753.50)	(359,096.00)
8/31/2024	(65,308.55)		(65,308.55)	(66,167.87)	(355,276.00)	(358,618.50)
9/30/2024	(65,185.79)		(65,185.79)	(66,045.11)	(354,798.50)	(358,141.00)
10/31/2024	(65,063.03)		(65,063.03)	(65,922.35)	(354,321.00)	(357,663.50)
11/30/2024	(64,940.27)		(64,940.27)	(65,799.59)	(353,843.50)	(357,186.00)
12/31/2024	(64,817.51)		(64,817.51)	(65,676.83)	(353,366.00)	(356,708.50)
1/31/2025	(64,694.75)		(64,694.75)	(65,554.07)	(352,888.50)	(356,231.00)
2/28/2025	(64,571.99)		(64,571.99)	(65,431.31)	(352,411.00)	(355,753.50)
3/31/2025	(64,449.23)		(64,449.23)	(65,308.55)	(351,933.50)	(355,276.00)
4/30/2025	(64,326.47)		(64,326.47)	(65,185.79)	(351,456.00)	(354,798.50)
5/31/2025	(64,203.71)		(64,203.71)	(65,063.03)	(350,978.50)	(354,321.00)
6/30/2025	(64,080.95)		(64,080.95)	(64,940.27)	(350,501.00)	(353,843.50)
7/31/2025	(63,958.19)		(63,958.19)	(64,817.51)	(350,023.50)	(353,366.00)
8/31/2025	(63,835.43)		(63,835.43)	(64,694.75)	(349,546.00)	(352,888.50)
Monthly Amort.	(122.76)	(108.00)			(477.50)	

Tennessee Water Service, Inc.

Docket 24-_____

Annual Review Filing

Historic Period: December 31, 2023

Attrition Period: August 31, 2025

Exhibit 1

Schedule A-6

Contribution-In-Aid of Construction and Amortization Expense

Line No.	Account	Description	Historic Period Per Books	Historic Period Adjustment	Historic Period As Adjusted	Attrition Period Adjustment	Period Under Present	CIAC Rate	Attrition Period CIAC Ammortization
			[A]	[B]	[C]	[D]	[E]	[F]	[G]
1	141899	CIAC-Clearing	-	-	-	-	-	0.00%	-
2	271001	CIAC - Organization	-	-	-	-	-	1.50%	-
3	271002	CIAC - Franchises	-	-	-	-	-	1.50%	-
4	271003	CIAC - Structure/Improvement Src Supply	-	-	-	-	-	1.50%	-
5	271004	CIAC - Structure/Improvement WTP	-	-	-	-	-	1.50%	-
6	271005	CIAC - Structure/Improvement Trans Dist	-	-	-	-	-	1.50%	-
7	271006	CIAC - Structure/Improvement Coll Plant	-	-	-	-	-	1.50%	-
8	271007	CIAC - Structure/Improvement Pump Plant Ls	-	-	-	-	-	1.50%	-
9	271008	CIAC - Structure/Improvement Treatment Plant	-	-	-	-	-	1.50%	-
10	271009	CIAC - Structure/Improvement Reclaim Dist	-	-	-	-	-	1.50%	-
11	271010	CIAC - Structure/Improvement Reclaim WTP	-	-	-	-	-	1.50%	-
12	271011	CIAC - Structure/Improvement Generator Plant	-	-	-	-	-	1.50%	-
13	271012	CIAC - Power Generator Equipment COLL Plant	-	-	-	-	-	1.50%	-
14	271013	CIAC - Power Generator Equipment Treatment Plant	-	-	-	-	-	1.50%	-
15	271014	CIAC - Power Generator Equipment Reclaim WTP	-	-	-	-	-	0.00%	-
16	271015	CIAC - Power Generator Equipment Reclaim DIST	-	-	-	-	-	0.00%	-
17	271016	CIAC - Power Generator Equipment Pump Plant	-	-	-	-	-	1.50%	-
18	271017	CIAC - Wells and Springs	-	-	-	-	-	1.50%	-
19	271018	CIAC - Supply Mains	-	-	-	-	-	1.50%	-
20	271019	CIAC - Electric Pump Equipment Src Pump	-	-	-	-	-	1.50%	-
21	271020	CIAC - Electric Pump Equipment WTP	-	-	-	-	-	1.50%	-
22	271021	CIAC - Electric Pump Equipment Trans Dist	-	-	-	-	-	1.50%	-
23	271022	CIAC - Water Treatment Equipment	-	-	-	-	-	1.50%	-
24	271023	CIAC - Dist Resv and S	-	-	-	-	-	1.50%	-
25	271024	CIAC - Trans and Distr Mains	-	-	-	-	-	1.50%	-
26	271025	CIAC - Service Lines	-	-	-	-	-	1.50%	-
27	271026	CIAC - Meters	-	-	-	-	-	1.50%	-
28	271027	CIAC - Meter Installations	-	-	-	-	-	1.50%	-
29	271028	CIAC - Hydrants	-	-	-	-	-	1.50%	-
30	271029	CIAC - Backflow Prevent D	-	-	-	-	-	1.50%	-
31	271030	CIAC - Collecting Reservo	-	-	-	-	-	1.50%	-
32	271031	CIAC - Lake, River, Other	-	-	-	-	-	0.00%	-
33	271032	CIAC - Office Structure	-	-	-	-	-	1.50%	-
34	271033	CIAC - Office Furniture/Equipment	-	-	-	-	-	1.50%	-
35	271034	CIAC - Misc Equipment	-	-	-	-	-	1.50%	-
36	271035	CIAC - Other Tangible Plant	(998,451.59)	-	(998,451.59)	-	(998,451.59)	1.50%	(14,976.77)
37	271036	CIAC - Tap Fee	(67,892.50)	36,356.39	(31,536.11)	(36,356.39)	(67,892.50)	1.50%	(1,018.39)
38	271037	CIAC - Management Fee	-	-	-	-	-	1.50%	-
39	271038	CIAC - Line Ext Fee	-	-	-	-	-	1.50%	-
40	271039	CIAC - Res Cap Fee	-	-	-	-	-	1.50%	-
41	271040	CIAC - Plant Mod Fee	-	-	-	-	-	1.50%	-
42	271041	CIAC - Plant Meter Fee	(16,324.99)	-	(16,324.99)	-	(16,324.99)	1.50%	(244.87)
43	271042	CIAC - Sewer Force Main	-	-	-	-	-	1.50%	-
44	271043	CIAC - Sewer Gravity Main	-	-	-	-	-	1.50%	-
45	271044	CIAC - Manholes	-	-	-	-	-	1.50%	-
46	271045	CIAC - Special Coll Struc	-	-	-	-	-	1.50%	-
47	271046	CIAC - Service to Customers	-	-	-	-	-	1.50%	-
48	271047	CIAC - Flow Measure Devices	-	-	-	-	-	1.50%	-
49	271048	CIAC - Flow Measure Install	-	-	-	-	-	1.50%	-
50	271049	CIAC - Pump Equipment Pump Plant	-	-	-	-	-	1.50%	-
51	271050	CIAC - Pump Equipment Reclaim Water	-	-	-	-	-	1.50%	-
52	271051	CIAC - Pump Equipment Reclaim Dist	-	-	-	-	-	1.50%	-
53	271052	CIAC - Laborator Equipment	-	-	-	-	-	1.50%	-
54	271053	CIAC - Treatment/Disp Equipment Lagoon	-	-	-	-	-	1.50%	-
55	271054	CIAC - Treatment/Disp Equipment Treatment Plant	-	-	-	-	-	1.50%	-
56	271055	CIAC - Treatment/Disp Equipment Reclaim WTP	-	-	-	-	-	1.50%	-
57	271056	CIAC - Sewer Treatment Plant	-	-	-	-	-	1.50%	-
58	271057	CIAC - Outfall Lines	-	-	-	-	-	1.50%	-
59	271058	CIAC - Stores Equipment	-	-	-	-	-	1.50%	-
60	271059	CIAC - Power Operated Equipment	-	-	-	-	-	1.50%	-
61	271060	CIAC - Communication Equipment	-	-	-	-	-	1.50%	-
62	271061	CIAC - Reuse Services	-	-	-	-	-	1.50%	-
63	271062	CIAC - Reuse Dist Reservoir	-	-	-	-	-	1.50%	-
64	271063	CIAC - Reuse Transmission	-	-	-	-	-	1.50%	-
65	271064	CIAC - Capital	-	-	-	-	-	0.00%	-
66	271065	CIAC - Commercial Concession	-	-	-	-	-	0.00%	-
67	271066	CIAC - Developer	-	-	-	-	-	0.00%	-
68	271067	CIAC - Post Oct 97	-	-	-	-	-	0.00%	-
69	271068	CIAC - New (Taxable)N	-	-	-	-	-	0.00%	-
70	271069	CIAC - Old-10 Year (Taxable)	-	-	-	-	-	0.00%	-
71	271070	CIAC - Old Plant	-	-	-	-	-	0.00%	-
72	271071	CIAC - Estimates Only	-	-	-	-	-	0.00%	-
73	271072	CIAC - Unallocated - Non-taxable	-	-	-	-	-	0.00%	-
74	271073	CIAC - Unallocated - Taxable	-	-	-	-	-	0.00%	-
75	271074	CIAC - Utility Reloc/Non-taxable	-	-	-	-	-	0.00%	-
76	271075	CIAC - Utility Reloc/Taxable	-	-	-	-	-	0.00%	-
77	271076	CIAC - Residential	-	-	-	-	-	0.00%	-
78	271077	CIAC - Concession CIAC ETS/DPS - SC	-	-	-	-	-	0.00%	-
79	271078	CIAC - BC Hydro Grant	-	-	-	-	-	0.00%	-
80	271079	CIAC - Land	-	-	-	-	-	0.00%	-
81		Total Gross CIAC - Water	(1,082,669.08)	36,356.39	(1,046,312.69)	(36,356.39)	#####		(16,240.04)
82	272001	Acc Amort CIAC - Organization	-	-	-	-	-	1.50%	-
83	272002	Acc Amort CIAC - Franchises	-	-	-	-	-	1.50%	-
84	272003	Acc Amort CIAC - Structure/Improvement Src Supply	-	-	-	-	-	1.50%	-
85	272004	Acc Amort CIAC - Structure/Improvement WTP	-	-	-	-	-	1.50%	-
86	272005	Acc Amort CIAC - Structure/Improvement Trans Dist	-	-	-	-	-	1.50%	-
87	272006	Acc Amort CIAC - Structure/Improvement Coll Plant	-	-	-	-	-	1.50%	-
88	272007	Acc Amort CIAC - Structure/Improvement Pump Plant Ls	-	-	-	-	-	1.50%	-
89	272008	Acc Amort CIAC - Structure/Improvement Treat Plant	-	-	-	-	-	1.50%	-

Tennessee Water Service, Inc.

Docket 24-_____

Annual Review Filing

Historic Period: December 31, 2023

Attrition Period: August 31, 2025

Exhibit 1

Schedule A-6

Contribution-In-Aid of Construction and Amortization Expense

Line No.	Account	Description	Historic Period Per Books	Historic Period Adjustment	Historic Period As Adjusted	Attrition Period Adjustment	Period Under Present	CIAC Rate	Attrition Period CIAC Ammortization
			[A]	[B]	[C]	[D]	[E]	[F]	[G]
90	272009	Acc Amort CIAC - Structure/Improvement Reclaim Dist	-	-	-	-	-	1.50%	
91	272010	Acc Amort CIAC - Structure/Improvement Reclaim WTP	-	-	-	-	-	1.50%	
92	272011	Acc Amort CIAC - Structure/Improvement Generator Plant	-	-	-	-	-	1.50%	
93	272012	Acc Amort CIAC - Power Generator Equipment COLL Plant	-	-	-	-	-	1.50%	
94	272013	Acc Amort CIAC - Power Generator Equipment Treatment Plant	-	-	-	-	-	1.50%	
95	272014	Acc Amort CIAC - Power Generator Equipment Reclaim WTP	-	-	-	-	-	0.00%	
96	272015	Acc Amort CIAC - Power Generator Equipment Reclaim Dist	-	-	-	-	-	0.00%	
97	272016	Acc Amort CIAC - Power Generator Equipment Pump Plant	-	-	-	-	-	1.50%	
98	272017	Acc Amort CIAC - Wells and Springs	-	-	-	-	-	1.50%	
99	272018	Acc Amort CIAC - Supply Mains	-	-	-	-	-	1.50%	
100	272019	Acc Amort CIAC - Electric Pump Equipment Src Pump	-	-	-	-	-	1.50%	
101	272020	Acc Amort CIAC - Electric Pump Equipment Water Treatment P	-	-	-	-	-	1.50%	
102	272021	Acc Amort CIAC - Electric Pump Equipment Trans Dist	-	-	-	-	-	1.50%	
103	272022	Acc Amort CIAC - Water Treatment Equipment	-	-	-	-	-	1.50%	
104	272023	Acc Amort CIAC - Dist Resv and S	-	-	-	-	-	1.50%	
105	272024	Acc Amort CIAC - Trans and Distr Mains	-	-	-	-	-	1.50%	
106	272025	Acc Amort CIAC - Service Lines	-	-	-	-	-	1.50%	
107	272026	Acc Amort CIAC - Meters	-	-	-	-	-	1.50%	
108	272027	Acc Amort CIAC - Meter Installations	-	-	-	-	-	1.50%	
109	272028	Acc Amort CIAC - Hydrants	-	-	-	-	-	1.50%	
110	272029	Acc Amort CIAC - Backflow Prevent D	-	-	-	-	-	1.50%	
111	272030	Acc Amort CIAC - Collecting Reservo	-	-	-	-	-	1.50%	
112	272031	Acc Amort CIAC - Lake, River, Other	-	-	-	-	-	1.50%	
113	272032	Acc Amort CIAC - Office Structure	-	-	-	-	-	1.50%	
114	272033	Acc Amort CIAC - Office Furniture/Equipment	-	-	-	-	-	1.50%	
115	272034	Acc Amort CIAC - Misc Equipment	-	-	-	-	-	1.50%	
116	272035	Acc Amort CIAC - Other Tangible Plant	431,877.77	(7,488.41)	424,389.36	7,488.41	431,877.77	1.50%	
117	272036	Acc Amort CIAC - Tap Fee	2,544.99	(281.61)	2,263.38	281.61	2,544.99	1.50%	
118	272037	Acc Amort CIAC - Management Fee	-	-	-	-	-	1.50%	
119	272038	Acc Amort CIAC - Line Ext Fee	-	-	-	-	-	1.50%	
120	272039	Acc Amort CIAC - Res Cap Fee	-	-	-	-	-	1.50%	
121	272040	Acc Amort CIAC - Plant Mod Fee	-	-	-	-	-	1.50%	
122	272041	Acc Amort CIAC - Plant Meter Fee	1,209.30	(122.41)	1,086.89	122.41	1,209.30	1.50%	
123	272042	Acc Amort CIAC - Sewer Force Main	-	-	-	-	-	1.50%	
124	272043	Acc Amort CIAC - Sewer Gravity Main	-	-	-	-	-	1.50%	
125	272044	Acc Amort CIAC - Manholes	-	-	-	-	-	1.50%	
126	272045	Acc Amort CIAC - Special Coll Struc	-	-	-	-	-	1.50%	
127	272046	Acc Amort CIAC - Service to Customers	-	-	-	-	-	1.50%	
128	272047	Acc Amort CIAC - Flow Measure Devices	-	-	-	-	-	1.50%	
129	272048	Acc Amort CIAC - Flow Measure Install	-	-	-	-	-	1.50%	
130	272049	Acc Amort CIAC - Pump Equipment Pump Plant	-	-	-	-	-	1.50%	
131	272050	Acc Amort CIAC - Pump Equipment Reclaim Water	-	-	-	-	-	1.50%	
132	272051	Acc Amort CIAC - Pump Equipment Reclaim Dist	-	-	-	-	-	1.50%	
133	272052	Acc Amort CIAC - Laboratory Equipment	-	-	-	-	-	1.50%	
134	272053	Acc Amort CIAC - Treatment/Disp Equipment Lagoon	-	-	-	-	-	1.50%	
135	272054	Acc Amort CIAC - Treatment/Disp Equipment Treatment Plant	-	-	-	-	-	1.50%	
136	272055	Acc Amort CIAC - Treatment/Disp Equipment Reclaim WTP	-	-	-	-	-	1.50%	
137	272056	Acc Amort CIAC - Sewer Treatment Plant	-	-	-	-	-	1.50%	
138	272057	Acc Amort CIAC - Outfall Lines	-	-	-	-	-	1.50%	
139	272058	Acc Amort CIAC - Stores Equipment	-	-	-	-	-	1.50%	
140	272059	Acc Amort CIAC - Power Operated Equipment	-	-	-	-	-	1.50%	
141	272060	Acc Amort CIAC - Communication Equipment	-	-	-	-	-	1.50%	
142	272061	Acc Amort CIAC - Reuse Services	-	-	-	-	-	1.50%	
143	272062	Acc Amort CIAC - Reuse Dist Reservoir	-	-	-	-	-	1.50%	
144	272063	Acc Amort CIAC - Reuse Transmission	-	-	-	-	-	1.50%	
145	272064	Acc Amort CIAC - Capital	-	-	-	-	-	0.00%	
146	272065	Acc Amort CIAC - Commercial Concession	-	-	-	-	-	0.00%	
147	272066	Acc Amort CIAC - Developer	-	-	-	-	-	0.00%	
148	272067	Acc Amort CIAC - Post Oct 97	-	-	-	-	-	0.00%	
149	272068	Acc Amort CIAC - New (Taxable)N	-	-	-	-	-	0.00%	
150	272069	Acc Amort CIAC - Old-10 Year (Taxable)	-	-	-	-	-	0.00%	
151	272070	Acc Amort CIAC - Old Plant	-	-	-	-	-	0.00%	
152	272071	Acc Amort CIAC - Estimates Only	-	-	-	-	-	0.00%	
153	272072	Acc Amort CIAC - Unallocated - Non-taxable	-	-	-	-	-	0.00%	
154	272073	Acc Amort CIAC - Unallocated - Taxable	-	-	-	-	-	0.00%	
155	272074	Acc Amort CIAC - Utility Reloc/Non-taxable	-	-	-	-	-	0.00%	
156	272075	Acc Amort CIAC - Utility Reloc/Taxable	-	-	-	-	-	0.00%	
157	272076	Acc Amort CIAC - Residential	-	-	-	-	-	0.00%	
158	272077	Acc Amort CIAC - Concession CIAC ETS/DPS - SC	-	-	-	-	-	0.00%	
159	272078	Acc Amort CIAC - BC Hydro Grant	-	-	-	-	-	0.00%	
160	272079	Acc Amort CIAC - Land	-	-	-	-	-	0.00%	
161		Total Acc Amortization CIAC - Water	435,632.06	(7,892.43)	427,739.63	7,892.43	435,632.06		
162		Net CIAC- Water (Line 161 plus Line 81)	(647,037.02)	28,463.96	(618,573.06)	(28,463.96)	(647,037.02)		

Tennessee Water Service, Inc.

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Annual Review Filing

Historic Period: December 31, 2023

Attrition Period: August 31, 2025

Exhibit 1

Schedule B-1

Attrition Period Revenues and Rate Design

Present Rates at Present Rate Design

Water Revenues

<u>Customers</u>	<u>Billed Usage</u>	<u>Usage Block</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>Base Revenue</u>	<u>Usage Revenue</u>	<u>Total Revenue</u>
5,696	21,525,409	1+ TG	50.00	14.95	284,817	321,805	606,622

Fire Revenues

<u>Customers</u>	<u>Usage</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>Base Revenue</u>	<u>Usage Revenue</u>	<u>Total Revenue</u>
36	-	35.80	14.95	1,289	-	1,289
						<u>\$ 607,910</u>

Present Rates at Proposed Rate Design

Water Revenues

<u>Customers</u>	<u>Billed Usage</u>	<u>Usage Block</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>Base Revenue</u>	<u>Usage Revenue</u>	<u>Total Revenue</u>
5,696			50.00		284,817		284,817
	8,952,709	0-2 TG		-		-	-
	10,726,124	2-6 TG		16.95		181,808	181,808
	4,380,388	6-12 TG		20.00		87,608	87,608
	2,286,402	12+ TG		22.90		52,359	52,359

Fire Revenues

<u>Customers</u>	<u>Usage</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>Base Revenue</u>	<u>Usage Revenue</u>	<u>Total Revenue</u>
36	-	35.80	-	1,289	-	1,289
						<u>\$ 607,880</u>

Proposed Rates at Proposed Rate Design

Water Revenues

<u>Customers</u>	<u>Billed Usage</u>	<u>Usage Block</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>Base Revenue</u>	<u>Usage Revenue</u>	<u>Total Revenue</u>
5,696			49.96	-	284,589	-	284,589
	8,952,709	0-2 TG		-		-	-
	10,726,124	2-6 TG		16.93		181,593	181,593
	4,380,388	6-12 TG		19.98		87,520	87,520
	2,286,402	12+ TG		22.88		52,313	52,313

Fire Revenues

<u>Customers</u>	<u>Usage</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>Base Revenue</u>	<u>Usage Revenue</u>	<u>Total Revenue</u>
36	-	35.77	-	1,288	-	1,288
						<u>\$ 607,303</u>

Tennessee Water Service, Inc.

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Historic Period: December 31, 2023

Attrition Period: August 31, 2025

Exhibit 1

Schedule B-2

Bill Comparisons at Present Rates and Proposed Rates

Usage, 000 Gallons	Present Rates	Present Rates, Proposed Structure	Difference	Percent Difference	Proposed Rates and Structure	Difference	Percent Difference
	[A]	[B]	[C] = [B] - [A]	[D] = [C] / [A]	[E]	[F] = [E] - [A]	[G] = [F] / [A]
0	\$ 50.00	\$ 50.00	\$ -	0.00%	\$ 49.96	\$ (0.04)	-0.08%
1	50.00	50.00	-	0.00%	49.96	(0.04)	-0.08%
2	64.95	50.00	(14.95)	-23.02%	49.96	(14.99)	-29.98%
3	79.90	66.95	(12.95)	-16.21%	66.89	(13.01)	-19.43%
4	94.85	83.90	(10.95)	-11.54%	83.82	(11.03)	-13.15%
5	109.80	100.85	(8.95)	-8.15%	100.75	(9.05)	-8.97%
6	124.75	117.80	(6.95)	-5.57%	117.68	(7.07)	-6.00%
7	139.70	137.80	(1.90)	-1.36%	137.66	(2.04)	-1.48%
8	154.65	157.80	3.15	2.04%	157.64	2.99	1.89%
9	169.60	177.80	8.20	4.83%	177.62	8.02	4.51%
10	184.55	197.80	13.25	7.18%	197.60	13.05	6.60%
11	199.50	217.80	18.30	9.17%	217.58	18.08	8.30%
12	214.45	237.80	23.35	10.89%	237.56	23.11	9.72%
13	229.40	260.70	31.30	13.64%	260.44	31.04	11.91%
14	244.35	283.60	39.25	16.06%	283.32	38.97	13.74%
15	259.30	306.50	47.20	18.20%	306.20	46.90	15.30%
20	334.05	406.50	72.45	21.69%	420.60	86.55	21.29%
25	408.80	506.50	97.70	23.90%	535.00	126.20	24.92%
30	483.55	606.50	122.95	25.43%	649.40	165.85	27.35%
35	558.30	706.50	148.20	26.54%	763.80	205.50	29.09%
40	633.05	806.50	173.45	27.40%	878.20	245.15	30.40%
45	707.80	906.50	198.70	28.07%	992.60	284.80	31.42%
50	782.55	1,006.50	223.95	28.62%	1,107.00	324.45	32.24%

Fire Rates

Multi-Use Connection	\$ 35.80	\$ 35.80	\$ -	0.00%	\$ 35.77	\$ (0.03)	-0.08%
Fire Only Connection	\$ 71.60	\$ 71.60	\$ -	0.00%	\$ 71.54	\$ (0.06)	-0.08%

Tennessee Water Service, Inc.
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Historic Period: December 31, 2023
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Exhibit 1
Schedule B-3

Non-Revenue Water Rate

Line No.	Year	Total Purchased Water, TG	Total Well Water, TG	Total Water Supplied, TG - B + C	Total Metered Consumption, TG	Attrition Period NRW Rate - (D - E) / D	Historic Period NRW Rate
	[A]	[B]	[C]	[D]	[E]	[F]	
1	2021	11,279	10,875	22,154	18,525	19.59%	
2	2022	12,042	9,895	21,937	21,524	1.92%	
3	2023	10,129	14,886	25,015	22,738	10.02%	10.02%
4	Aggregate (Line 1 + Line 2 + Line 3)	33,450	35,656	69,106	62,787	10.06%	10.02%
5	NRW Threshold					15.00%	15.00%
6	Variance (Line 4 - Line 6)					-4.94%	-4.98%
7	Purchased Water Ratio (Attrition Period: Line 4, B / D. Historic Period: Line 3, B / D)					48.40%	40.49%
8	Well Water Ratio (Attrition Period: Line 4, C / D. Historic Period: Line 3, C / D)					51.60%	59.51%
9	Ratio for Purchased Power Expense: (1 + Line 5) / (1 + Line 4), Note 1					104.48%	104.53%
10	Ratio for Purchased Water Expense: (1 + (Line 5 * Line 7)) / (1 + (Line 4 * Line 7)), Note 1					102.28%	101.94%
11	Ratio for Chemicals Expense (1 + (Line 5 * Line 8)) / (1 + (Line 4 * Line 8)), Note 1					102.42%	102.80%

Note 1 - If Line 6 is positive, values of the identified expenses will be multiplied by the ratio in Lines 9, 10, and 11 to adjust Historic Period or Attrition Period calculated result.