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August 5, 2024

Chairman David F. Jones
c/o Ectory Lawless, Docket Room Manager
Tennessee Public Utility Commission
502 Deadrick Street, 4th Floor
Nashville, TN 37243
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Via Email

Electronically Filed in TPUC Docket
Room on August 5, 2024 at 8:03 a.m.

Re: Tennessee Water Service, Inc. Petition for Approval of Its 2024 Annual Rate
Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(d)(6) and Request for
Rate Structure Modification, TPUC Docket No. 24-00028

Dear Chairman Hilliard,

Since the submission of Tennessee Water Service, Inc.'s ("TWS") Petition in the above-referenced matter, TWS and the Consumer Advocate Division in the Office of the Tennessee Attorney General ("Consumer Advocate") have been involved in cooperative discussions and have exchanged various information related to the Petition. With the recent submission of TWS's Rebuttal Testimony of Philip J. Drennan and the Consumer Advocate's Direct Testimony of David N. Dittmore, the parties hereby jointly represent that there are no outstanding procedural matters requiring resolution by the Hearing Officer in Tennessee Public Utility Commission ("TPUC" or the "Commission") Docket 24-00028.

After considering the entire record, including TWS's responses to discovery, it is the joint position of the parties that this matter is ripe for consideration on the merits by the TPUC. At this time, there remain no outstanding disputes between the parties with respect to this Docket, as clarified by and through discovery, the parties' communications, pre-filed testimonies, and this letter. As reflected in the Pre-filed Direct and Rebuttal Testimony of Philip J. Drennan and the Pre-filed Direct Testimony of David N. Dittmore, there are no contested issues between the parties on the merits of the Petition. Specifically, based upon the additional information provided by TWS, the Consumer Advocate is willing to accept TWS's state Net Operating Loss calculation and its revised revenue reduction calculation that would result in a new water base charge of \$48.54/month (or a \$1.42/month reduction).¹ The parties also agree to the tariff revisions, which

¹ *Rebuttal Testimony of Philip J. Drennan*, pp. 4-5, TPUC Docket No. 24-00028 (July 15, 2024).

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change the rate design to bill a base charge for water usage from 0 to 2,000 gallons/month from the current 0 to 1,000 gallons/month.² As well, the parties have agreed to the addition of tariff language regarding meter read cycles to address concerns regarding application of the rate design.³

The parties agree that if TWS claims a state Net Operating Loss (NOL) asset in Rate Base in future proceedings, it will provide the underlying calculations supporting the claimed asset component. The parties agree that if TWS seeks to include a federal NOL in Rate Base it will identify and provide supporting calculations underlying the consolidated company NOL, including supporting information indicating the period in which such losses occurred and the underlying tax calculations. Further, if the Company seeks to include an NOL in Rate Base, it will provide a reconciliation of the tax loss calculation that reconciles to the book balance.

Because there are no remaining outstanding procedural matters requiring resolution by the Hearing Officer, unless otherwise requested by the Commission, the parties agree to waive opening and closing statements and the cross examination of the parties' witnesses.

As required, an original of this filing, along with four hard copies will follow. Please do not hesitate to contact me with questions.

Sincerely,



Ryan A. Freeman
For the Firm

CC:

Shilina B. Brown

² *Direct Testimony of Philip J. Drennan*, pp. 7-9, TPUC Docket No. 24-00028 (April 30, 2024); *Direct Testimony of David N. Dittmore*, pp. 14-15 (July 5, 2024).

³ *Direct Testimony of David N. Dittmore*, pp. 15-16 (July 5, 2024); *Rebuttal Testimony of Philip J. Drennan*, p. 3 TPUC Docket No. 24-00028 (July 15, 2024).