

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

IN RE:)	
)	
PETITION OF TENNESSEE-AMERICAN)	
WATER COMPANY TO MODIFY TARIFF,)	
CHANGE AND INCREASE CHARGES, FEES,)	DOCKET NO. 24-00032
AND RATES, AND FOR APPROVAL OF A)	
GENERAL RATE INCREASE)	

**CITY OF CHATTANOOGA'S FIRST DISCOVERY REQUESTS TO PETITIONER
TENNESSEE AMERICAN WATER COMPANY**

Intervenor, the City of Chattanooga ("Chattanooga"), by and through counsel, submits the following First Discovery Requests (the "Requests") to Petitioner, Tennessee American Water Company ("TAWC"). The responses to the Requests shall be delivered to counsel for Chattanooga in accordance with the Joint Proposed Procedural Schedule Order dated May 29, 2024.

INSTRUCTIONS AND DEFINITIONS

A. These Requests are to be deemed as continuing, and you are requested to provide, by way of supplemental responses, such additional information as may be hereafter obtained by you or any person on your behalf, which augment, supplement, or otherwise modify responses to these Requests.

B. The singular form of any defined term includes the plural form, and vice versa.

C. The word "***Document***" shall include and mean, without limitation, the original and each draft and copy of any kind of written, printed, typed, recorded, or graphic matter, however produced or reproduced, of any kind or description, whether sent or received or neither. The term shall further include, without limitation, originals, all copies, all images, all backup or archived copies, and all drafts of: papers, books, writings, memoranda, letters, electronic files,

computer files, emails, text messages, correspondence, notes, book entries, accounts, statements of accounts, checks, cancelled checks, minutes of meetings, contracts, intra-office communications, intra-departmental communications, recordings or notes of telephone conversations, recordings or notes of other conversations, or meetings, affidavits, schedules, calculations, computer files, and all other written or electronic records. The term "**Document**" includes the term "**Communication**".

D. The term "**Communication**" means any oral or written statement conveyed by one person or entity to another person or entity by whatever means, including electronic **Communications**, emails, and computer files.

E. If any **Document** called for by any request herein is withheld pursuant to any purported privilege or immunity:

- (a) State the basis for such claim of privilege or immunity (e.g., attorney-client privilege, work product doctrine);
- (b) Identify the **Document** being withheld by stating the name or title of the **Document**; the type of **Document**; its date, author, addressee, and person(s) copied; a general description of its subject matter; its present location(s) and custodian(s); and each person who, to your knowledge, has seen it; and
- (c) State the number and/or portion of the request to which each such **Document** would be responsive.

F. "**TAWC**" means the Petitioner, Tennessee-American Water Company.

G. **"Subsidiaries or Affiliates"** means American Water Works Co., Inc. ("**AWK**") and all of the subsidiaries or affiliates of TAWC or AWK.

H. **"Riders"** means the four (4) alternative regulatory mechanisms approved by the Commission in Docket No. 13-000130, including a Qualified Infrastructure Investment Program Rider ("**QIIP**"), an Economic Development Rider ("**EDI**"), a Safety and Environmental Compliant Rider ("**SEC**"), and a Production Costs and Other Pass-throughs Rider ("**PCOP**"). Each is defined individually as a "Rider".

I. **"Capital Recovery Riders"** means the QIIP, EDI, and SEC Riders.

J. **"Explain"** means to provide a detailed explanation of the specified subject matter and to provide all Documents reflecting, recording, referring to, reporting, or relating to the subject matter or the response.

K. **"Rate Areas"** means the seven (7) rate areas described in TAWC's Tariff in effect on May 1, 2024, including (a) the Chattanooga Area, (b) the Lakeview Area, (c) the Lookout Mountain Area, (d) the Suck Creek Area, (e) the Whitwell Inside City Area, (f) the Whitwell Outside City Area, and (g) the Jasper Highlands Area.

L. **"Recurring Project"** or "**RP**" means a capital project that TAWC undertakes on a frequent and regular basis, that requires less long-term financial and capital planning than an Investment Project or "**IP**", and that can be performed with TAWC's current workforce or existing contractors.

M. **"Investment Project"** or "**IP**" means a project that requires an investment of \$250,000 or greater and that needs significant planning.

N. **"Downstream Area Served"** means the Rate Areas, all or a portion of which, during normal system operation, receive water flowing through or from a TAWC system asset, such as a pipe, main, valve, pump, tank, or treatment plant. For example, the Downstream Area Served by the Citico pumping station is all of the Rate Areas, and the Downstream Area Served by a main carrying water to the Jasper Highlands water distribution system is the Jasper Highlands Rate Area.

O. **"Capital Plans"** means all comprehensive planning studies; asset management plans; planning studies completed as part of TAWC's Capital Investment Program Management ("CPM") process; strategic capital expenditure plans ("SCEPs"); and implementation plans completed for, by, or about TAWC and covering any period of time after November 1, 2012.

P. **"Petition"** means the Petition, including all Exhibits and supporting documentation, filed by TAWC in this Docket.

Q. **"Identify"** means: (i) when used with reference to an individual person, to state his/her full name, employer, job title, present or last known residence address and telephone number, and present or last known business address and telephone number: and (ii) when used with reference to a Document, means to state the type of the Document, its date, author, addressee, any other recipient(s), general subject matter, present location, and custodian. If any Document to be identified was, but no longer is, in your possession, state the disposition that was made of it and the reasons, facts, or circumstances associated with its disposition.

DISCOVERY REQUESTS

1. Provide all Documents reflecting, constituting, recording, referring to, reporting, or relating to statements, earnings call presentations, "road show" presentations, or other

presentations or projections provided or presented by AWK or any Subsidiary or Affiliate to any underwriter, broker, investor, shareholder, institution, or other owner or potential owner of stock of AWK since November 1, 2012.

RESPONSE:

2. Provide copies of all Capital Plans completed for, by, or about TAWC covering any period of time after November 1, 2012, Identifying for each the purpose, date, and authoring entity or individual.

RESPONSE:

3. Describe each Recurring Project for which cost recovery is sought by TAWC, in whole or in part, in this proceeding.

RESPONSE:

4. Describe each Investment Project for which cost recovery is sought by TAWC, in whole or in part, in this proceeding.

RESPONSE:

5. Describe each Recurring Project for which cost recovery has been sought by TAWC, in whole or in part, under a Rider.

RESPONSE:

6. Describe each Investment Project for which cost recovery is sought by TAWC, in whole or in part, under a Rider.

RESPONSE:

7. Identify the location, by latitude and longitude or by census tract and block number, of each Recurring Project described in response to Requests Nos. 3 and 5 and Identify each of those Recovery Projects on a scaled map showing TAWC's service area and all Rate Areas.

RESPONSE:

8. Identify the location, by latitude and longitude or by census tract and block number, of each Investment Project described in response to Request Nos. 4 and 6 and Identify each of those Investment Projects on a scaled map showing TAWC's service area and all Rate Areas.

RESPONSE:

9. Identify the Downstream Area(s) Served in whole or in part by each Recurring Project described in response to these Requests.

RESPONSE:

10. Identify the Downstream Area(s) Served in whole or in part by each Investment Project described in response to these Requests.

RESPONSE:

11. Identify the number, by customer class, of TAWC customers in each of TAWC's Rate Areas as of December 31, 2023.

RESPONSE:

12. Identify any addition to, subtraction from, acceleration of, delay of, deferral of, or change in any Investment Project or Recurring Project identified in any Capital Plan since November 1, 2012.

RESPONSE:

13. Explain why there was any addition to, subtraction from, acceleration of, delay of, deferral of, or change in any Investment Project or Recurring Project identified in the response to the preceding Request.

RESPONSE:

14. Identify any Investment Project or Recurring Project that TAWC undertook since November 1, 2012 that was not identified in a Capital Plan.

RESPONSE:

15. Explain why TAWC undertook the Investment Projects or Recurring Projects identified in the response to the preceding Request.

RESPONSE:

16. Identify each capital investment made by TAWC since November 1, 2012, that has not been recovered through the Capital Riders.

17. Identify any non-capital expense increase incurred by TAWC prior to December 31, 2023, that has not been recovered through a Rider.

RESPONSE:

18. For each non-capital expense increase identified in the response to the preceding Request, Explain why the non-capital expense increase was not recovered by TAWC through a Rider.

RESPONSE:

19. Provide copies of all bills or statements in the form received by TAWC from any Subsidiary or Affiliate from November 1, 2012, through the present date for any expense classified as an Operating and Maintenance Expense.

RESPONSE:

20. Provide a schedule, for each month from November 1, 2012, through the present, showing all fees, charges, or expenses billed to, charged to, owed by, or paid by TAWC to any Subsidiary or Affiliate for expenses classified as Operating and Maintenance Expenses, Identifying for each such fee, charge, or expense, (a) its total amount; (b) any discount allowed or taken; (c) its purpose; and (d) the Subsidiary or Affiliate business unit or entity providing the good or service to which the fee, charge, or expense relates.

RESPONSE:

21. Identify all amounts paid or planned to be paid to any Subsidiary or Affiliate relating to any Recurring Project Described in response to Requests Nos. 3 and 5, Describing the

date and purpose of each such payment or planned payment and the Subsidiary or Affiliate to which it was or will be paid.

RESPONSE:

22. Provide all Documents reflecting, recording, referring to, reporting, or relating to each payment Identified in response to the previous Request.

RESPONSE:

23. Identify all amounts paid or planned to be paid to any Subsidiary or Affiliate relating to any Investment Project Described in response to Requests Nos. 3 and 5, Describing the date and purpose of each such payment or planned payment and the Subsidiary or Affiliate to which it was or will be paid.

RESPONSE:

24. Provide all Documents reflecting, recording, referring to, reporting, or relating to each payment Identified in response to the previous Request.

RESPONSE:

25. Provide all Documents reflecting, recording, referring to, reporting, or relating to comparisons of monthly and annual budgets to actual Operating and Maintenance expenses for the period November 1, 2012, through December 31, 2023.

RESPONSE:

26. For each fiscal year since November 1, 2012, in which TAWC paid any amount to any Subsidiary or Affiliate, provide the complete audited financial statements (including income statements and balance sheets) for each Subsidiary or Affiliate that received such a payment from TAWC. If audited financial statements are not available, provide unaudited financial statements (including income statements and balance sheets) for each such Subsidiary or Affiliate.

RESPONSE:

27. For each calendar year since and including 2012, Identify each employee or contractor of any Subsidiary or Affiliate whose compensation has been allocated in whole or part to TAWC.

RESPONSE:

28. For each calendar year since and including 2012, Describe the total compensation, including without limitation all salaries, wages, contract payments, fringe benefits, bonuses, incentive pay, and reimbursed expenses, paid to each person or contractor Identified in response to the previous Request and provide a schedule setting forth the portion of such total compensation charged to or paid by TAWC.

RESPONSE:

29. Identify the total amount of non-revenue water in gallons and as a percentage of total water produced for each month since November 1, 2012.

RESPONSE:

30. Explain how you will verify income to determine which customers qualify for the Universal Affordability Tariff discussed in the Direct Testimony of Charles Rea and of Robert Lane.

RESPONSE:

31. Describe the number of customers TAWC projects to be served under its proposed Universal Affordability Tariff during each of the first five (5) years after its implementation.

RESPONSE:

32. Describe (a) the revenue that would be received from the customers projected to be served under TAWC's proposed Universal Affordability Tariff during each of the first five (5) years after its implementation; (b) the revenue that would be received from those customers during the same years if they were served under TAWC's proposed standard residential rate; and (c) the difference between (a) and (b).

RESPONSE:

33. Describe the total projected cost per year for each of the first five (5) years after implementation of TAWC's proposed Universal Affordability Tariff for implementing the Universal Affordability Tariff, including advertising, income verification, and monitoring continued qualification for that Tariff.

RESPONSE:

34. Identify by class and/or subclass the customers from which TAWC proposes to recover any of the costs Described in response to Request No. 33 and any of the difference in revenue Described in response to Request No. 32 (c).

RESPONSE:

35. Produce all Documents reflecting, constituting, recording, referring to, reporting, or relating to analyses of or cost projections related to the Universal Affordability Tariff.

RESPONSE:

Respectfully Submitted,

CITY OF CHATTANOOGA

By: Phillip Noblett by CSD w/permission

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing First Discovery Requests to Petitioner Tennessee American Water Company was served via U.S. Mail, with a courtesy copy by electronic mail provided upon:

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This the 7th day of June, 2024.

CHAMBLISS, BAHNER & STOPHEL, P.C.

By: 
Catherine S. Dorvil