

**TENNESSEE-AMERICAN WATER COMPANY, INC.**

**DOCKET NO. 24-00032**

**DIRECT TESTIMONY**

**OF**

**ROBERT (“BOB”) C. LANE**

**ON**

**Development of the Attrition Year; Minimum Filing Requirements Guidelines; Revenue Requirement; Select Expenses: Rate Case, Electronic Payment Fees, Uncollectible and Income Tax; Regulatory Treatment for Pension and Other Post-Employment Benefit Expenses and Rate Case Expense; Proposed Regulatory Treatment for Universal Affordability Tariff and Lead Service Line Replacement; General Rate Case Impacts on Capital Riders; and Tariff Changes**

**SPONSORING PETITIONER’S EXHIBITS:**

Petitioner’s Exhibit FS-1 -SUMMARY REVENUE REQUIREMENT-BL

Petitioner’s Exhibit FS-2-INCOME STATEMENT-BL

Petitioner’s Exhibit EXP-11-Regulatory Expense-BL

Petitioner’s Exhibit EXP-14-Uncollectible Expense-BL

Petitioner’s Exhibit EXP-23-State Income Tax-BL

Petitioner’s Exhibit EXP-24-Federal Income Tax-BL

Petitioner’s Exhibit – Current Rate ROE-BL

Exhibit – BL – 1

Exhibit – BL – 2

**DIRECT TESTIMONY  
ROBERT C. LANE  
TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 24-XXXXXX**

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1    **I.    INTRODUCTION**

2    **Q.    PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3    A.    My name is Robert (“Bob”) C. Lane, and my business address is 109 Wiehl Street,  
4        Chattanooga, Tennessee 37403.

5    **Q.    BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6    A.    I am employed by American Water Works Service Company (“Service Company”).  
7        Service Company is a wholly owned subsidiary of American Water Works Company, Inc.  
8        (“American Water”) that provides services to American Water’s subsidiaries, including  
9        Tennessee-American Water Company (“TAWC” or the “Company”). My current role is  
10       Sr. Manager, Rates and Regulatory for TAWC.

11   **Q.    PLEASE    STATE    YOUR    PROFESSIONAL    AND    EDUCATIONAL**  
12   **BACKGROUND.**

13   A.    I received both a Bachelor of Arts in Economics and Master of Arts in Economics from  
14        New Mexico State University. Prior to my current position at TAWC, I was the Director  
15        of Rates and Regulatory Affairs for New Mexico Gas Company from 2020 to 2022, where  
16        I led the Rates and Analysis and Regulatory Affairs Group and was responsible for all  
17        filings made before the Public Regulation Commission. Prior to joining New Mexico Gas  
18        Company, I served in various capacities for Sempra Energy, San Diego Gas and Electric  
19        (“SDG&E”) and SoCal Gas. From 2015 to 2018, I served as the Manager – Compliance in  
20        the Enterprise Risk Management and Compliance Department leading SDG&E’s and  
21        SoCal Gas’s enterprise compliance program and as liaison with Sempra Energy Corporate

1 Compliance. From 2010 to 2014, I served as the Director, FERC, CAISO and Regulatory  
2 Compliance for SDG&E and SoCal Gas, where I managed regulatory affairs with the  
3 Federal Energy Regulatory Commission (FERC), coordinated policy interactions with the  
4 California Independent System Operator (CAISO), and oversaw SDG&E's federal electric  
5 reliability standards compliance assurance program. In 2010, I was the Director of  
6 Regulatory Strategy for SDG&E and SoCal Gas, where I developed and implemented  
7 regulatory strategies to advance SDG&E's and SoCal Gas's regulatory agenda before state  
8 and federal regulators. From 2007 to 2010, I was the Manager of Corporate Regulatory  
9 Strategy for Sempra Energy and provided regulatory and policy analysis and advice for the  
10 Sempra Energy family of Companies, including regulated electric and gas utilities,  
11 renewable businesses and natural gas infrastructure business units.

12 Prior to 2007 I was staff at the California Public Utilities Commission ("CPUC")  
13 where I served in the following positions (1) as the Chief Staff to CPUC Commissioner  
14 John Bohn from 2005 to 2007; (2) as the Advisor for Policy and Planning for Governor  
15 Schwarzenegger from 2004 to 2005; and (3) as Senior Policy Advisor to CPUC  
16 Commissioner Jessie J. Knight from 1993 to 2000. In addition, from 1988 to 1993, I held  
17 several positions as a Regulatory Analyst in the CPUC's Division of Ratepayer Advocates,  
18 Advisory and Compliance Division, as well as in the Division of Strategic Planning.

19 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE**  
20 **TENNESSEE PUBLIC UTILITY COMMISSION?**

21 **A.** Yes, I have submitted testimony before the Tennessee Public Utility Commission ("TPUC"  
22 or the "Commission") in several matters, including Docket Nos. 22-00021 (2022 CRRs

1 Recon), 22-00072 (2022 Annual CRRs), 23-00007 (2023 PCOP), 23-00018 (2023 CRRs  
2 Recon), 19-00103 (Capital Riders Investigation), 24-00001 (2024 Financing Authority)  
3 24-00002 (2024 PCOP), and 24-00011 (2024 ICR Petition).

4 **Q. WHAT ARE YOUR DUTIES AS SENIOR MANAGER RATES AND**  
5 **REGULATORY FOR TAWC?**

6 A. As Senior Manager, Rates and Regulatory for TAWC, my duties generally consist of  
7 management and execution of the rates and regulatory function of TAWC. This includes  
8 coordinating all reports and filings, working with regulatory staff to ensure that all  
9 information produced addresses the requirements or requests, and overseeing the  
10 preparation of rate case applications, other regulatory filings, and tariff changes. I am  
11 responsible for remaining abreast of changes in regulation and trends in public utility  
12 regulations that may impact TAWC.

13 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**  
14 **PROCEEDING?**

15 A. The scope of my testimony will include the following topics:

- 16 ○ Development of the Company's Attrition Year
- 17 ○ Minimum Filing Guidelines
- 18 ○ Revenue Requirement and Revenue Deficiency
- 19 ○ Select Expenses:
  - 20 ■ Rate Case Regulatory Expense
  - 21 ■ Electronic Payment Fees

- 1                               ▪   Uncollectible Expense
- 2                               ▪   Income Tax Expense
- 3                               ○   Regulatory Treatment for Rate Case Expense and Pension and Other Post-
- 4                               Employment Benefit (“OPEB”) Expenses
- 5                               ○   Regulatory Treatment for Lead Service Line Replacement
- 6                               ○   Regulatory Treatment for Universal Affordability Tariff Costs
- 7                               ○   General Rate Case Impacts on Capital Recovery Riders
- 8                               ○   Tariff Changes

9   **Q.    ARE YOU SPONSORING ANY EXHIBITS?**

10   A.    Yes, I am sponsoring the following exhibits:

- 11               •    Petitioner’s Exhibit FS-1 -Summary Revenue Requirement-BL
- 12               •    Petitioner’s Exhibit FS-2-Income Statement-BL
- 13               •    Petitioner’s Exhibit EXP-11-Regulatory Expense-BL
- 14               •    Petitioner’s Exhibit EXP-14-Uncollectible Expense-BL
- 15               •    Petitioner’s Exhibit EXP-23-State Income Tax-BL
- 16               •    Petitioner’s Exhibit EXP-24-Federal Income Tax-BL
- 17               •    Petitioner’s Exhibit – Current Rate ROE-BL
- 18               •    Exhibit – BL – 1
- 19               •    Exhibit – BL – 2

20   **II.    DEVELOPMENT OF THE ATTRITION YEAR**

21   **Q.    WHAT IS THE HISTORIC TEST PERIOD IN THIS CASE?**

1 A. The Company's historic test period is the twelve months ended December 31, 2023. This  
2 test period data reflects twelve months of actual data from January 1, 2023, through  
3 December 31, 2023.

4 **Q. PLEASE EXPLAIN THE DEVELOPMENT OF THE COMPANY'S ATTRITION**  
5 **YEAR.**

6 A. The Attrition Year in this case is the twelve months of January 1, 2025, to December 31,  
7 2025. Tennessee American's Attrition Year projections in this case are the result of careful  
8 analyses and estimates based upon supportable data, including:

- 9 • a normalized and historical base period (i.e., the 12 months ended December 31, 2023),
- 10 • through a verifiable bridge period (January 1, 2024 to December 31, 2024) and then,
- 11 • across the period covering the first calendar year that new rates are expected to be in  
12 effect (i.e. January 1, 2025 to December 31, 2025).

13 Tennessee-American started by examining the "base period" (also known as the historic  
14 test period) that reflects actual revenues, expenses and rate base for the twelve months  
15 ended December 31, 2023. We then considered and incorporated verifiable changes in  
16 those elements that would occur during the "bridge period," which begins at the end of the  
17 base year and continues to the first day of the Attrition Year. The bridge period for this  
18 case is from January 1, 2024 through December 31, 2024. Finally, we continue the  
19 forecasting process through the Attrition Year. TAWC used a 13-month average for rate  
20 base and capitalization, for the attrition period ending December 31, 2025.

1 **Q. DID THE COMPANY INCLUDE THE REVENUES AND COSTS OF ANY**  
2 **ACQUIRED SYSTEMS IN ITS REVENUE REQUIREMENT FORECAST FOR**  
3 **THE ATTRITION YEAR?**

4 A. Yes. TAWC has included all systems acquired since the Company's last rate case. Those  
5 are the Jasper Highlands acquisition (2021) and the Whitwell acquisition (2013).

6 **III. MINIMUM FILING GUIDELINES**

7 **Q. PLEASE DESCRIBE THE COMPANY'S MINIMUM FILING GUIDELINES**  
8 **SUBMITTAL.**

9 A. To facilitate the rate case process, and consistent with its last rate case, TAWC has included  
10 in this filing supplemental information to address minimum filing guidelines ("MFGs").  
11 The Company's MFGs are attached to the Petition as Collective Attachment 1.

12 **IV. REVENUE REQUIREMENT AND REVENUE DEFICIENCY**

13 **Q. PLEASE EXPLAIN WHAT YOU MEAN BY THE TERM REVENUE**  
14 **REQUIREMENT.**

15 A. A utility's "revenue requirement" is the sum of its operations and maintenance expenses,  
16 depreciation expense, income taxes and taxes other than income taxes, combined with a  
17 fair and reasonable return on the utility's rate base. The revenue requirement is determined  
18 based on the utility revenue and expenses during a "test year," as well as a utility's rate  
19 base during that same forecasted year. To the extent the test year revenue requirement



exceeds the utility's test year revenues at present rates, a revenue deficiency exists, and a rate increase is needed. In this case, the test year is the Attrition Year.

**Q. PLEASE DESCRIBE THE UNDERLYING BASIS FOR TAWC'S REVENUE REQUIREMENT.**

A. The Company's revenue requirement is equal to the cost of providing water service to more than 87,000 customers in and around Chattanooga, Tennessee. Providing water service is a sprawling endeavor that starts with sourcing more than 13 billion gallons of water annually from the Tennessee River and other sources, then treating it to meet or surpass drinking water standards, and finally pumping and distributing it through approximately 1,443 miles of mains to reach all homes, businesses, schools, and industries throughout TAWC service territory. Along the way, the Company must ensure adequate capacity and storage to accommodate peak usage, maintain pressure and help protect our communities during fire events. The Company also provides customer service, monthly billing, 24-hour emergency call handling, and a self-service website. The Company monitors water quality for a host of contaminants and maintains the distribution system by exercising valves, flushing hydrants, repairing main breaks at all hours and in all weather conditions, reading meters and starting and stopping service for individual customers. All of these efforts support the Company's provision of safe, clean, reliable and affordable water service and fire protection service to customers.

To accomplish all of this, the Company incurs costs for which it seeks recovery through the ratemaking process. The Company's costs include a variety of operating expenses, depreciation and amortization, and various local, state, and federal taxes. The

1 Company also must provide a return, at least equal to the cost of capital, on over \$305  
2 million in water infrastructure that supports the Company's provision of service to  
3 customers.

4 **Q. WHAT IS TAWC'S REVENUE REQUIREMENT FOR THE ATTRITION YEAR**  
5 **IN THIS PROCEEDING?**

6 A. The Company's forecasted revenue requirement in this proceeding, equal to the cost of  
7 providing service, is approximately \$85.9 million for the 12 months ending December 31,  
8 2025. The Company's forecasted revenue requirement is found on Petitioner's Exhibit FS-  
9 1-Summary Revenue Requirement-BL.

10 **Q. PLEASE DESCRIBE HOW THE COMPANY'S REVENUE DEFICIENCY IS**  
11 **DERIVED.**

12 A. The Company's revenue deficiency, found on Exhibit FS-1-Summary Revenue  
13 Requirement-BL, is measured as the difference between the forecasted revenue  
14 requirement and the Company's forecasted revenues at present rates. The Company's  
15 revenue deficiency in this proceeding is calculated to be approximately \$14.1 million. (See,  
16 Petitioner's Exhibit FS-1-Summary Revenue Requirement-BL). Company Witness Heath  
17 Brooks's Direct Testimony addresses the forecast of revenues at present and proposed rates  
18 for the Attrition Year.

19 **Q. PLEASE DETAIL THE RATES AND CHARGES THAT TAWC CURRENTLY**  
20 **APPLIES TO CUSTOMER BILLS.**

1 A. TAWC generally applies three types of rates to customer bills – a monthly service charge,  
2 a volumetric usage charge per one hundred gallons, and surcharges. TAWC present base  
3 water rates and monthly service charges were established in TPUC Docket No. 12-00049  
4 (the “2012 Rate Case”), with an effective date of November 1, 2012. Surcharges include  
5 the Capital Recovery Rider and the Production Costs and Other Pass-Throughs (“PCOP”)  
6 Rider. The Capital Recovery Rider (now the “Legacy Capital Riders” as explained below)  
7 was approved in TPUC Docket No. 19-00103. The Company’s current PCOP Rider filing  
8 is pending before the Commission in TPUC Docket No. 24-00002.

9 **Q. WHAT WOULD BE THE COMPANY’S RETURN ON EQUITY (ROE) FOR THE**  
10 **ATTRITION YEAR AT CURRENT RATES?**

11 A. The Company’s ROE for the Attrition Year, if current rates remained in effect, would be  
12 4.36%. (See Petitioner’s Exhibit-Current Rate ROE – BL) This is far below the current  
13 authorized ROE of 10% and even further below the 10.75% ROE recommended by the  
14 Company’s Witness Buckley of 10.75%. Such a return is not reasonable and would not  
15 allow TAWC to attract the capital necessary to make the infrastructure investments  
16 required to provide safe, clean water service to customers.

17 **Q. WHAT COMPONENTS MAKE UP THE REVENUE DEFICIENCY IN THIS**  
18 **CASE?**

19 A. Please see Table BL-1 below for a summary of the components of the revenue  
20 requirement deficiency.

*Table BL-1*

Elements of Increase	Revenue Requirement
Capital Investment	\$7,268,859
Cost of Capital	3,107,158
O&M & Gen Taxes	3,754,984
Total Increase	\$14,131,001

The Company's revenue deficiency in this case is fundamentally driven by over \$173 million of projected rate base growth since the 2012 Rate Case, as shown by Exhibit RB-1-Summary-DD. Company Witnesses Ann Bulkley and Nick Furia explain why the Company's proposed cost of capital is reasonable and appropriate, and Company Witnesses Robert Prendergast and John Watkins support the Company's operations and maintenance ("O&M") expense. While operating expenses have increased since the Company's last rate case, the Company's overall O&M expense requested in this proceeding (\$31.7 million) remains reasonable.<sup>1</sup> In the Company's last rate case, the Commission authorized an O&M per customer of \$314. In this case, the Company's proposed O&M per customer is \$349, representing an average annual increase of 0.8% since the last rate case. This average annual increase is less than the rate of inflation, measured by the Consumer Price Index for all Urban Consumers ("CPI-U"), which represents an average annual increase of 1.47% over the same time period. To put this in perspective, if the Company's O&M expense increased at the rate of the CPI-U, the Company's O&M expense per customer would have risen from \$314 in the last case to \$380 in the Attrition Year. Based on the Attrition Year customer count included in this

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<sup>1</sup> The Company's overall O&M expense has remained below the rate of inflation. If the Company's total O&M expense authorized in its last rate case increased at the rate of inflation, it would have been over \$2.8 million higher.

1 rate case, annual O&M expense would have been over \$2.8 million more than the amount  
2 the Company is proposing in this proceeding. Clearly, the Company's ability to manage  
3 its O&M expense has benefited customers for well over a decade now, and its ongoing  
4 efforts to mitigate inflationary increases in O&M expense will continue to benefit  
5 customers into the future. This is a significant achievement and is a testament to the  
6 Company's commitment to operating efficiency. As Company Witness Grady Stout  
7 explains in his Direct Testimony, the Company strives to manage costs as efficiently as  
8 possible to provide a more cost-effective level of service for our customers over the long  
9 term.

10 **V. SELECT EXPENSES**

11 **A. Rate Case Expense**

12 **Q. WHAT IS RATE CASE EXPENSE?**

13 A. Rate case expense are costs incurred by a utility to prepare its base rate case filing and  
14 comply with the regulatory process established by the Commission to adjust rates.

15 **Q. PLEASE EXPLAIN THE TYPES OF EXPENSES TAWC FORECASTED FOR**  
16 **RATE CASE EXPENSE.**

17 A. Costs related to this rate filing include legal fees, consultants' costs, travel expenses, and  
18 other expenses. The total estimated cost to prepare and litigate this rate case filing is  
19 provided for in Petitioner's EXP-11-Regulatory Expense-BL. The rate case expense  
20 includes the fees and expenses the Company estimates it will pay to Butler Snow LLP, Ann  
21 Bulkley ("The Brattle Group"), Robert Mustich at Willis Towners Watson ("WTW"),

1 Larry Kennedy (“Concentric Advisor”), Baryenbruch & Co LLC (“Baryenbruch”) and  
2 Harold Walker (“Gannett Fleming”). These expenses are currently estimated, as the full  
3 costs are not known until the conclusion of the case. The rate case’s expense projections  
4 include the following:

5 **Legal Fees and Expenses.** The projected level of legal fees for this case reflects the  
6 requisite resources necessary to prepare for and prosecute this rate case, as estimated by  
7 the Company and its legal counsel, which in turn reflects counsel’s experience in  
8 representing utilities before state commissions. Moreover, this estimate necessarily  
9 includes various historical assumptions, such as an extensive discovery phase, motions and  
10 responses, briefs and preparations for a contested hearing.

11 Expense for expert witnesses in the following areas:

12 **Rate of Return.** The projected level of expense is for TAWC’s Rate of Return witness  
13 Ms. Ann Bulkley, who has extensive experience in preparing such studies. As a rate of  
14 return expert, Ms. Bulkley will provide a rate of return on common equity recommendation  
15 supported by appropriate direct testimony and exhibits; respond to data requests; review  
16 and analyze direct, and rebuttal testimonies of parties to the case, prepare rebuttal testimony  
17 (if required); and testify before the Commission on issues related to the rate of return.

18 **Cash Working Capital/ Lead Lag.** The projected cost of the cash working capital study  
19 is for an outside consultant, Gannett Fleming’s Mr. Harold Walker, who has extensive  
20 experience in preparing such studies. Mr. Walker was engaged to determine the cash  
21 working capital requirements, including conducting a current lead lag study. The estimate

1 is comprised of pre-filing support for the direct case filing and post filing support for data  
2 request response, travel, and post-direct testimony support.

3 **Depreciation.** The projected level of expense is for an outside consultant, Mr. Larry  
4 Kennedy, Concentric Advisors, to perform an updated depreciation study which is included  
5 in the Company's cost of service. Mr. Kennedy will provide a water depreciation study and  
6 analysis supported by appropriate direct testimony and exhibits; respond to data requests  
7 from the Commission Staff and any intervenors; review and analyze direct, and rebuttal  
8 testimonies of parties to the case, prepare rebuttal testimony (if required); and testify before  
9 the Commission on issues related to the depreciation studies and proposed depreciation  
10 rates.

11 **Support Services.** The projected level of expense is for an outside consultant, Mr. Pat  
12 Baryenbruch, to assess the reasonableness of the Services Company's charges. Mr.  
13 Baryenbruch will provide a service company cost study and analysis, supported by  
14 appropriate direct testimony and exhibits; respond to data requests; review and analyze  
15 direct and rebuttal testimonies of parties to the case, prepare rebuttal testimony (if  
16 required); and testify before the Commission on issues related to the service company costs  
17 (if required).

18 **Compensation.** The projected level of expense is for an outside consultant, WTW's Mr.  
19 Robert Mustich, to assess the reasonableness of the Company's total compensation  
20 program and costs. Mr. Mustich will provide a compensation study and analysis, supported  
21 by appropriate direct testimony and exhibits; respond to data requests; review and analyze  
22 direct and rebuttal testimonies of parties to the case, prepare rebuttal testimony (if

1 required); and testify before the Commission on issues related to compensation (if  
2 required).

3 **Customer Communications & Other Miscellaneous Expenses:** The combined expense  
4 includes all communication expenses that TAWC estimates to incur for the case, as well  
5 as other expenses associated with the preparation and litigation of the rate case.

6 Given the length of time since the last rate case for TAWC, depreciation, cash working  
7 capital, including lead lag, and compensation studies were necessary to ensure that  
8 TAWC's cost of service was based on more recent information. Again, these costs are  
9 estimates, based on hourly consultant rates, contractual rates, and prior company  
10 experience as it is unknown at this time how much additional discovery, rebuttal and  
11 hearing expense will be incurred during the pendency of this case.

12 **Q. SHOULD REASONABLE AND PRUDENTLY INCURRED RATE CASE**  
13 **EXPENSES BE RECOVERED?**

14 A. Yes. The cost of preparing and litigating a rate case is a normal and essential cost of service  
15 for any regulated public utility and should be treated as such. As a regulated utility, TAWC  
16 has a legal obligation to provide safe and adequate service to its customers at just and  
17 reasonable rates. Periodic rate cases may be necessary to support the Company's continued  
18 provision of safe and adequate service to its customers.



1           **B.       Uncollectible Expense**

2   **Q.     WHAT IS THE ADJUSTMENT TO OPERATING EXPENSES RELATED TO**  
3       **UNCOLLECTIBLE EXPENSE?**

4   A.     Uncollectible expenses are those costs associated with bad debt. A forecasted uncollectible  
5       percentage of revenue was developed utilizing historical uncollectible dollars to revenue  
6       ratio from 2021, 2022, and 2023 to determine an average uncollectible percentage. This  
7       percentage was then applied to pro forma revenue for the Attrition Year to arrive at the  
8       total uncollectible account expense. The Attrition Year uncollectible expense can be found  
9       in Petitioner's Exhibit EXP-14-Uncollectible Expense-BL.

10           **C.       Electronic Payment Fees**

11   **Q.     PLEASE EXPLAIN THE ADJUSTMENT TO OTHER CUSTOMERS'**  
12       **ACCOUNTING EXPENSE FOR ELECTRONIC PAYMENT FEES.**

13   A.     The purpose of this adjustment is to include electronic payment fees assessed by TAWC's  
14       vendor for customer payments processed via credit card and electronic check as an  
15       operating expense. The Company proposes that these fees be included in operating  
16       expense within the Attrition Year and no longer have customers pay these fees to the third-  
17       party vendor processing the customer electronic payment. The Attrition Year electronic  
18       payment fees of \$487,514 can be found in Petitioner's Exhibit EXP-13-Customer  
19       Accounting-JW.

20   **Q.     WHY IS THE COMPANY PROPOSING TO INCLUDE ELECTRONIC**  
21       **PAYMENT FEES AS BASE OPERATING EXPENSES?**

1 A. The Company’s goal is to provide customers with convenient options to pay their bill.  
2 Customers are accustomed to many transactions that are paid electronically, including with  
3 a credit card, as most online transactions are today.<sup>2</sup> Charging a fee on top of the customer  
4 bill adds friction to the process of paying a bill. Eliminating the direct payment of the fee  
5 is expected to be more convenient for many customers, help more customers pay their bill  
6 on time, avoid late fees and potential disconnections, and improve timely collections.  
7 Customer expectations of electronic payments have evolved since 2012 and the Company  
8 believes charging an additional fee for such a service is no longer as common among  
9 companies as it once was. This treatment is consistent with other American Water affiliates,  
10 such as California, Illinois, Missouri, Pennsylvania, and West Virginia. For instance, as  
11 far back as 2012, the National Association of State Utility Consumer Advocates  
12 (“NASUCA”) stated that utilities that “accept debit and credit card payments only through  
13 third parties are urged to consider dropping the third party mechanism and offering a direct  
14 debit and credit card payment option instead;” and urged state public utility commissions  
15 “to exercise their jurisdiction as necessary and appropriate so as to accomplish the public  
16 policy objective that consumers be given an ability to make direct payment of utility bills  
17 by debit or credit card. . . .” As NASUCA was recommending change back in 2012, this  
18 outdated practice is certainly far from customer expectations today. So, for these reasons,  
19 the Company believes this request is consistent with customer expectations, will improve  
20 customer experience and will serve the public interest.

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<sup>2</sup> According to a 2022 survey by FiServ, the preferred payment method for most consumers for all purchases is either a credit or debit card. *See Expectations & Experiences Consumer Trends Research from Fiserv: Cards, Credit and Consumer Control*, available at <https://www.fiserv.com/en/about-fiserv/resource-center/consumer-research/2022-expectations-and-experiences-cards-credit-and-consumer-control.html>

**D. Income Tax Expense**

**Q. WHAT IS THE FEDERAL AND STATE TAX RATE USED TO CALCULATE CURRENT TAX EXPENSE IN THE FILING?**

A. The Company used the 21% federal corporate income tax rate enacted as part of the TCJA, and the 6.5% Tennessee corporate income tax rate. Generally, the amounts of state and federal income tax expense included in the revenue requirement are calculated by applying the statutory state and federal income tax rates to operating income before income taxes. The income tax expense can be found on Petitioner's Exhibit EXP-24-Federal Income Tax – BL and Petitioner's EXP-23-State Income Tax-BL.

**VI. REGULATORY TREATMENT FOR RATE CASE EXPENSE AND PENSION AND OPEB EXPENSES**

**A. Regulatory Treatment for Rate Case Expense**

**Q. PLEASE DESCRIBE THE COMPANY'S REGULATORY TREATMENT PROPOSAL TO RECOVER RATE CASE EXPENSE.**

A. TAWC proposes that these costs be amortized over a three-year period and recovered through base rates. In addition, TAWC is proposing that the forecasted level of rate case expense be reconciled against the actual costs incurred for rate case expense, and any difference between the forecasted amount and actual amount will be refunded or recovered through the Company's PCOP Rider.

**Q. PLEASE EXPLAIN MORE FULLY THE PROPOSAL TO USE THE PCOP RIDER TO RECONCILE RATE CASE EXPENSE.**

1 A. The Company is proposing to recover the amortized amount of forecasted rate case expense  
2 through base rates. However, because actual costs incurred for rate case expense will not  
3 be known until after the conclusion of the proceeding, TAWC is proposing to use the PCOP  
4 Rider to reconcile the forecasted amount recovered in base rates with the known actual  
5 costs incurred, with any difference between the forecasted amount and the known actual  
6 amount to be returned to or recovered from customers via the PCOP Rider. By using the  
7 PCOP Rider to reconcile forecasted rate case expense against known actual rate case  
8 expense, customers will pay only the actual amount of rate case expense (based on a three-  
9 year amortization), no more or no less. Additionally, once the rate case expense has been  
10 fully amortized and therefore fully recovered, the PCOP Rider will be adjusted to offset  
11 the rate case expense built into base rates, which effectively removes rate case expense  
12 from the costs customers pay for service moving forward.

13 **Q. WHY IS IT APPROPRIATE FOR THE AMORTIZATION OF RATE CASE**  
14 **COSTS TO FLOW THROUGH THE PCOP RIDER?**

15 A. Rate Case costs are an essential and unavoidable expense born by regulated public utilities  
16 and recovery is typically allowed. Because these costs do not recur annually, as they are  
17 driven by periodic rate case filings, these costs are typically deferred and amortized over a  
18 specified period of time. In this instance TAWC is proposing a three-year amortization  
19 period. Because of the nature of Rate Case costs, these expenses are incurred as the rate  
20 case progresses and it can be difficult to estimate the exact level of actual costs. Further,  
21 as proposed, the three-year amortization results in amortization costs that are recovered in  
22 the first 3 years after a rate case, but remain in base rates until the Company's next rate

1 case filing absent some action to remove them. If there are more than three years between  
2 rate cases, the rate case amounts would remain in base rates even after the costs were fully  
3 amortized unless an adjustment mechanism is in place. Using the PCOP Rider in the  
4 manner proposed by TAWC provides an adjustment mechanism to ensure that customers  
5 pay only the actual costs associated with this rate case, while allowing the Company an  
6 opportunity to recover these costs. Once the amortization is complete, in 3 years as  
7 proposed by the Company, this mechanism would ensure that the amount recovered from  
8 customers going forward is zero as the expense would have been fully amortized.

9 . Additionally, under the Company's proposal, the regulatory process is streamlined  
10 and the cost and time of the regulatory process is reduced because parties and the  
11 Commission do not have to engage in the difficult and timely process of estimating the  
12 Rate Case costs to be recovered in base rates as the amount included in base rates will be  
13 trued up to actual expenses and provide an opportunity to review those costs when  
14 requested via the PCOP Rider. The process of automatically removing these costs from  
15 base rates once fully amortized obviates the need for the Commission to have another  
16 proceeding or take other actions to remove these costs from the rates customers pay. Such  
17 an automatic adjustment is fully consistent with the objective of streamlining the regulatory  
18 process and reducing the cost and time associated with adjusting rates.

19 **B. Regulatory Treatment for Pension and OPEB Expense**

20 **Q. PLEASE DESCRIBE THE COMPANY'S REGULATORY TREATMENT**  
21 **PROPOSAL TO RECOVER PENSION AND OPEB EXPENSE.**

1 A. A description of how the Company determined its pension and OPEB expense forecast for  
2 the Attrition Year is addressed in the Direct Testimony of Company Witness Robert  
3 Prendergast. Similar to the Company's regulatory treatment proposal for Rate Case  
4 Expense, TAWC is proposing to use the PCOP Rider to reconcile the forecasted amount  
5 of pension and OPEB expense (which will be recovered in base rates) with the actual  
6 pension and OPEB costs incurred for each year, with any difference between the forecasted  
7 amount and actual amount to be returned to or recovered from customers via the PCOP  
8 Rider. In other words, pension and OPEB costs will be forecast in base rates, and annually  
9 the amount included in base rates will be compared to the actual costs, and the difference,  
10 regardless of whether it is over or under, would be returned or recovered via the annual  
11 PCOP Rider filing similar to the way the current PCOP Rider eligible costs are recorded.

12 **Q. WHY IS IT APPROPRIATE FOR PENSION AND OPEB COSTS TO FLOW**  
13 **THROUGH THE PCOP RIDER?**

14 A. Just as for the Production Costs and Other Pass-throughs currently included in the PCOP  
15 Rider, these costs are a significant expense that the Company must incur to provide safe  
16 and reliable service to its customers. Further, the annual amount of the Company's  
17 expenses is driven by Federal law, the Employee Retirement Income Security Act of 1974  
18 ("ERISA"), covering pension. The Commission requires the use of ERISA for calculating  
19 such expenses for ratemaking purposes. Tennessee is one of only two states that American  
20 Water subsidiaries operate in that uses ERISA for pension expense, the other being  
21 California. As a result of using ERISA for ratemaking purposes for calculating the expense  
22 level, the expense level can and does result in significant volatility in the annual calculated

1 amount. This expense can fluctuate significantly depending on the performance of the  
2 financial markets, the timing of employees' decisions to retire, the retired employee's  
3 utilization of the benefits provided, the cost of the benefits provided and the cost of the  
4 underlying benefits. These factors are generally beyond the control of the Company, as  
5 they are driven by market conditions and the requirements of ERISA, and are the result of  
6 past obligations to those eligible to receive pensions. OPEB expenses can fluctuate  
7 significantly depending on the changes in valuation assumptions which must change  
8 annually to reflect market conditions, asset experience in the VEBAs, valuation experience,  
9 timing of employees' decisions to retire, the retired employee's utilization of the benefits  
10 provided, the cost of the benefits provided and the cost of the underlying benefits. These  
11 factors are generally beyond the control of the Company and are the result of past  
12 obligations to those eligible to receive OPEBs. The Company's pension and OPEB plans  
13 have been closed to most new employees since 2006 and all employees by 2012 at the  
14 latest<sup>3</sup>, so these costs reflect only past obligations and the costs associated with it are those  
15 needed to comply with federal law that seeks to ensure that past employers can meet the  
16 pension and OPEB obligations.

17 This volatility, and hence the difficulty in forecasting these expenses, is  
18 demonstrated by the table below. As this table shows, there is significant year over year  
19 variance in pension expense, both in the amount and the magnitude of the change. The  
20 pension changes range from a -77% change in 2019 when compared to 2018 levels to a  
21 254% change for 2020 when compared to 2019 levels. For OPEB expenses, this volatility

---

<sup>3</sup> For Pension, generally, Union employees hired before January 1, 2001 and non-union employees hired before January 1, 2006 are eligible for pension benefits. For OPEBs, generally, Union employees hired before January 1, 2006 and non-union employees hired before January 1, 2002 were offered these benefits.

1 is even greater, ranging from a -974% change in 2018 when compared to 2017 to a 147%  
2 increase for 2015 when compared to 2014 levels.

3



1

Pension				OPEB			
Year	Actuals	Change from Previous Year	% change from Previous Year	Year	Actuals	Change from Previous Year	Percent change from Previous Year
2013	\$661,894			2013	\$585,043		
2014	341,205	(320,690)	-48%	2014	195,551	(389,491)	-67%
2015	228,863	(112,342)	-33%	2015	482,746	287,195	147%
2016	288,959	60,096	26%	2016	184,021	(298,725)	-62%
2017	287,725	(1,234)	0%	2017	72,524	(111,497)	-61%
2018	418,440	130,715	45%	2018	(633,663)	(706,186)	-974%
2019	97,546	(320,894)	-77%	2019	(886,400)	(252,738)	40%
2020	345,319	247,773	254%	2020	(1,064,219)	(177,819)	20%
2021	342,360	(2,959)	-1%	2021	(1,175,564)	(111,345)	10%
2022	467,397	125,037	37%	2022	(1,159,341)	16,223	-1%
2023	587,398	120,001	26%	2023	(767,063)	392,278	-34%

2

3 The amount of the expenses going forward will change based on a number of factors. The

4 recognition of Pension and OPEB expenses are based on complex calculations using a

5 number of variables, performed by the Company's professional third party actuary, WTW.

6 As discussed earlier in my testimony, the level of fluctuation in these expenses from year

7 to year can change drastically based on market fluctuations, benefits utilization by current

8 and future retirees and other factors used to calculate the expenses. The proposed

9 regulatory treatment ensures that customers only pay for the Pension and OPEB expenses

10 actually incurred, nothing more and nothing less. The year-to-year fluctuations and

11 volatility are outside of the Company's control. The purpose of the Company's request for

12 flowing this through the PCOP Rider is to both protect the Company's customers if the

13 expense were to decrease in the future, as well as to allow the Company the opportunity to

14 recover in a future PCOP Rider filing the increased levels of actual cost. Moreover, this

1 symmetrical treatment of the variances that might occur between authorized and actual  
2 expenses is a fair and efficient means for adjusting rates for variances in the expenses paid  
3 for Pension and OPEB costs. The Company believes that this is reasonable treatment for  
4 nondiscretionary expenses that can vary so widely from year to year.

5 **C. Conclusion**

6 **Q. PLEASE EXPLAIN WHY THE COMPANY BELIEVES ITS PROPOSALS**  
7 **RELATED TO THE REGULATORY TREATMENT OF RATE CASE EXPENSES**  
8 **AND PENSION AND OPEB EXPENSE SHOULD BE APPROVED.**

9 A. Like the production costs and other pass throughs currently included in the PCOP Rider,  
10 Rate Case Expense and Pension and OPEB expense are significant expenses that the  
11 Company must incur to continue to provide safe and reliable service to its customers, but,  
12 in the case of Pension and OPEB expenses, are subject to significant year over year  
13 fluctuation and volatility, and in the case of Rate  
14 Case Expense, are not incurred on a regular basis. As such, each of these costs may be  
15 appropriately recovered via the PCOP Rider. In the unlikely event that the Commission  
16 determines that the existing PCOP Rider must be amended to accommodate the requested  
17 recovery, such an amendment, which is consistent with Section 65-5-103(d)(5)(B) can be  
18 achieved within this proceeding. I note that TAWC's request is consistent with the  
19 alternative streamlined regulatory mechanisms permitted by the Tennessee General  
20 Assembly pursuant to Tenn. Code Ann. Section 65-5-103(d)(5)(B), as well as Sections 65-  
21 5-103((d)(5)(C) and 65-5-103(d)(7).

22 **VII. LEAD SERVICE LINE REPLACEMENT**

1 **Q. WHAT IS TAWC'S PROPOSAL RELATED TO REPLACING LEAD SERVICE**  
2 **LINES?**

3 A. TAWC is proposing to replace customer-owned lead service lines<sup>4</sup> ("LSL"). Please see  
4 the Direct Testimony of Company Witness Stout for additional detail regarding the  
5 Company's proposal to replace customer-owned LSLs.

6 **Q. PLEASE DESCRIBE THE COMPANY'S PROPOSAL TO REPLACE CUSTOMER-**  
7 **OWNED LEAD SERVICE LINES.**

8 A. The Company is proposing to replace the customer-owned LSL when service lines  
9 containing lead are discovered as part of the Company's main replacement program, if lead  
10 is discovered during a company-owned service line leak repair, or if lead is identified  
11 following the completion of the service line inventory as required by the United States  
12 Environmental Protection Agency's revised Lead and Copper Rule<sup>5</sup>.

13 **Q. WHAT IS THE ESTIMATED COST OF REPLACING CUSTOMER-OWNED**  
14 **LEAD SERVICE LINES?**

15 A. The estimated replacement cost is approximately \$7,500 per customer-owned LSL. As  
16 indicated in the Direct Testimony of Company Witness Stout, the Company does not have  
17 an exact count of customer-owned LSLs but estimates that there are approximately 3,000  
18 such service lines.

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<sup>4</sup> This includes galvanized service lines that are or may have been downstream of a lead service line.

<sup>5</sup> Please refer to Company Witness Stout's Direct Testimony for information regarding the revised Lead Copper Rule.

1 **Q. HAS THE COMPANY replaced customer-owned LSLs as part of its main**  
2 **replacement program?**

3 A. No. As Company Witness Stout explains in his Direct Testimony, currently, when the  
4 Company encounters lead service lines, TAWC replaces its portion of the service line and  
5 notifies the customer that lead has been identified in their service line. The Company also  
6 provides the customer with information about replacing their service line. However,  
7 TAWC believes that replacing the entire service line containing lead in conjunction with  
8 main replacements is a cost effective, efficient, and responsible way to address the health  
9 and safety concerns otherwise present with lead service lines.

10 **Q. HOW DOES THE COMPANY PROPOSE TO ACCOUNT FOR ITS LSLR**  
11 **PROGRAM COSTS?**

12 A. As required by the Uniform System of Accounts (“USOA”), the Company records the cost  
13 of replacing Company-owned LSLs in account 333 – Services. The Company is proposing  
14 to include the costs to replace the customer-owned LSLs in USOA account 333 as part of  
15 its LSLR Program and seeks Commission approval for this approach. Because customer-  
16 owned LSL replacement costs are properly capitalized and recorded in Account 333, those  
17 costs are also properly includable in the Company’s rate base for ratemaking purposes.

18 **Q. WHY IS THE COMPANY PROPOSING TO RECORD THE CUSTOMER-**  
19 **OWNED LSL REPLACEMENT COSTS IN USOA ACCOUNT 333 – SERVICES?**

20 A. In accordance with USOA account 333, capitalized services include the installation cost of  
21 pipes and accessories. This account includes the replacement of the Company’s LSLs, as  
22 well as other restoration cost items, such as disturbed pavement, cutting and replacing

1 pavement, pavement base, sidewalks, and curbing. Restoration costs also generally include  
2 costs related to repairing the property of others, and other general costs in connection with  
3 restoring areas to a safe or prior condition. The replacement of customer-owned LSLs is  
4 similar to the restoration of other customer property. The LSL is restored (replaced with  
5 new material) for safety reasons - to mitigate the potential increased risk of lead  
6 contamination following physical disturbances from infrastructure work in the area.  
7 Company Witness Stout discusses the potential impact of disturbing customer-owned LSLs  
8 and facilities and partial LSL replacements in his Direct Testimony. The Company should  
9 capitalize these restoration expenditures to plant as part of its overall project costs,  
10 consistent with USOA guidelines.

11 **Q. WHY IS IT APPROPRIATE FOR THE COMPANY TO CAPITALIZE THE**  
12 **COSTS TO REPLACE CUSTOMER-OWNED LSLs IF THE COMPANY WILL**  
13 **NOT OWN THEM?**

14 A. Although the Company would not own the customer's LSL after the Company replaces it,  
15 the Company's investment is part of a prudent expenditure incurred on behalf of its  
16 customers to maintain safety and public health, which is further discussed in the Direct  
17 Testimony of Company Witness Stout. Replacing aging infrastructure often can disrupt or  
18 damage the assets of others, including customers, private entities and municipalities. The  
19 Company (and other utility companies) routinely incur costs to restore those assets. This  
20 includes pavement, sidewalks, curbing, driveways and landscaping. The Company  
21 capitalizes and recovers infrastructure costs associated with restoring other entities' assets  
22 that it disturbs or damages as part of its aging infrastructure replacement programs. The  
23 Company books the restoration costs to its property account for its underlying capital

1 project (such as mains or services) even though the pavement, driveways, landscaping, etc.,  
2 including the newly restored portions, remain the property of the municipality, customer  
3 or other third party. Consequently, what the Company is proposing is not unique or  
4 unprecedented. In fact, it is consistent with approved accounting practices already in use.

5 **Q. DO YOU BELIEVE THE LSLR PROGRAM SHOULD BE ELIGIBLE FOR**  
6 **RECOVERY UNDER THE COMPANY'S QUALIFIED INFRASTRUCTURE**  
7 **INVESTMENT PROGRAM ("QIIP")?**

8 A. Yes, it should be. Through the QIIP, the Company is allowed to recover the cost of main  
9 and service line replacements in between its base rate cases. LSLs, both Company- and  
10 customer-owned, will typically be replaced in conjunction with either the Company's main  
11 replacement projects, service line replacements or as part of another related project, and  
12 should be considered part of the overall project costs. Replacing customer-owned service  
13 lines at the time of the replacement of the new main or service is the most cost-efficient  
14 way to replace these lines. However, even if customer-owned LSL are replaced outside of  
15 a main or service line replacement project or leak repair, because the customer-owned LSL  
16 replacement costs could be properly capitalized and recorded in Account 333, it is  
17 appropriate, reasonable and prudent to include those costs as being eligible for QIIP  
18 recovery. The Company respectfully requests that the Commission appropriately include  
19 customer side lead service line replacements as an eligible QIIP expenditure.

20 **Q. TO YOUR KNOWLEDGE, DO OTHER WATER UTILITIES RECOVER THE**  
21 **COST TO REPLACE CUSTOMER-OWNED LSLs THROUGH CAPITAL**  
22 **RECOVERY MECHANISM?**

1 A. Yes. Several of TAWC affiliates – those in Illinois, Indiana, Iowa, Pennsylvania, Virginia  
2 and West Virginia – replace customer-owned LSLs as part of their overall infrastructure  
3 replacement plans and recover associated costs through their capital recovery mechanism,  
4 with those costs ultimately being included in rate base.

5 **VIII. REGULATORY TREATMENT OF THE UNIVERSAL AFFORDABILITY**  
6 **TARIFF**

7 **Q. CAN YOU BRIEFLY DESCRIBE THE UNIVERSAL AFFORDABILITY TARIFF**  
8 **AND ITS ANTICIPATED COSTS?**

9 A. Yes. As discussed by Company Witness Charles Rea, TAWC is proposing to offer a  
10 Universal Affordability Tariff (“UAT”), which would provide a discount to participating  
11 customers that will assist with the affordability of water service for lower income  
12 customers. The Company’s proposed UAT includes three tiers of discounts based on  
13 customers’ household income for those households whose income is 150% of the Federal  
14 Poverty Level (FPL).<sup>6</sup> The tariff offers a discount on the customer’s water service bill  
15 including applicable riders. As a result, both the basic 5/8” meter charge and the volumetric  
16 charges for water service are discounted. There are two components of expense that the  
17 Company may incur related to the UAT. The first component is the costs associated with  
18 management of the program. The Company will incur costs associated with the general  
19 program management, e.g., customer education, application processing, recertification,  
20 etc., which are not known at this time. The second component is the costs associated with  
21 the discount provided to participating customers and the impact on revenues. These costs

---

<sup>6</sup> The Federal Poverty Level (FPL) for a family of four is \$31,200 per year.

are difficult to predict as they are entirely dependent upon customer enrollment and participation in the program.

**Q. HAS THE COMPANY PROJECTED ANY EXPENSE OR PARTICIPATION RATES IN THE ATTRITION YEAR?**

A. No, the Company's forecasts for expense or revenue do not include costs associated with administering this tariff or an amount of discounts that will be provided to participating customers. As such, no expenses are included in the Revenue Requirement calculation and no costs are embedded in base rates for the UAT.

**Q. PLEASE DESCRIBE THE REGULATORY TREATMENT YOU ARE REQUESTING FOR UAT COSTS.**

A. The Company is requesting that actual costs associated with the discounts and administration of this program be recorded and deferred to a future regulatory proceeding. The Company would annually, every January 15<sup>th</sup>, provide a summary of the level of customer participation in the UAT, the amount of discounts provided to customers, the costs associated with administering the program, and the annual and total amount of costs deferred through November of the previous year.

**Q. WHY IS IT APPROPRIATE FOR THE UAT COSTS TO BE DEFERRED TO A FUTURE REGULATORY PROCEEDING?**

A. The costs associated with administering this tariff have not been included in the Company's Attrition Year in this case, but there will be costs associated with customer education, communication, and administration of this new tariff, as well as for the discounts provided to customers. Because the actual costs to administer this program will



1 vary based on participation in the program, it is better to defer the actual costs until a future  
2 regulatory filing when they are known rather than to project these costs for recovery now  
3 and include in base rates for the Attrition Year. Further, because the actual amount of  
4 discounts provided will be dependent on the customer participation level, rather than  
5 project those levels where there would be potential that the base line amount authorized in  
6 the case and used to design final rates would potentially under or over-recover the actual  
7 amount of discounts, it's more appropriate to defer cost recovery until these costs are  
8 known. This ensures that customers are not charged more or less than the cost the  
9 Company incurs to provide this tariff to its customers.

10 **Q. IS THE COMPANY PROVIDING PROPOSED LANGUAGE TO BE INCLUDED**  
11 **IN THE TARIFF RELATIVE TO THE PROPOSED UNIVERSAL**  
12 **AFFORDABILITY TARIFF?**

13 A. Yes, please refer to Exhibit – BL - 1, which provides the Company's proposed Universal  
14 Affordability tariff language. The proposed tariff language is not included as part of  
15 TAWC's proposed tariff; however, if the Universal Affordability tariff is approved in this  
16 proceeding, the Company will include this tariff page with the revised final tariff sheets at  
17 the conclusion of the case.

18 **IX. INCREMENTAL CAPITAL RECOVERY RIDER AND "LEGACY RIDERS"**

19 **Q. PLEASE BRIEFLY DESCRIBE THE COMPANY'S CAPITAL RECOVERY**  
20 **RIDERS.**

21 A. First, there are the original TAWC Capital Recovery Riders Tariffs established in TPUC  
22 Docket No. 13-00130 in 2014. As explained further below, these Capital Recovery Riders

1 have been replaced. Second, TAWC's recent Incremental Capital Rider Tariff was  
2 approved in TPUC Docket No. 19-00103 and replaced the Capital Recovery Riders.

3 In TPUC Docket No. 19-00103, the Commission directed the Company, interested  
4 parties and Commission Staff to review the then-existing Capital Recovery Riders to  
5 address potential issues and consider and evaluate proposed modifications to improve,  
6 make more transparent or further streamline the Capital Recovery Riders. The parties in  
7 Docket No. 19-00103 crafted a new mechanism, Incremental Capital Rider ("ICR"), that  
8 was subsequently approved by the Commission. Similar to the Capital Recovery Riders  
9 established in TPUC Docket No. 13-00130, the purpose of this new mechanism – the ICR  
10 – is to allow TAWC timely recovery of the costs associated with making eligible capital  
11 investment projects under its QIIP, Economic Development Investment ("EDI") and Safety  
12 and Environmental Compliance ("SEC") Riders in a more streamlined manner, which is  
13 accomplished via the revised methodologies and calculations reflected in the ICR. These  
14 riders are explained in further detail below. The previous Capital Recovery Riders are  
15 referred to in Docket No. 19-00103 and in the Incremental Capital Recovery Rider Tariff  
16 as the "Legacy Capital Recovery Riders" or "Legacy Riders."

17 In retiring the Legacy Capital Recovery Riders, the new mechanism had to provide  
18 an appropriate method by which the Company is permitted to continue to recover from its  
19 qualified capital investments made under the Legacy Riders until the submission and  
20 conclusion of its next rate case. Therefore, these Legacy Riders amounts were set going  
21 forward in TPUC Docket 19-00103 at the levels established in TPUC Docket No. 23-00018  
22 and represent the sum of the QIIP, EDI and SEC riders at that time.

1           The calculation of the Capital Recovery Riders under the previous mechanism,  
2           Legacy Riders, was based on a forward-looking test year based on planned capital additions  
3           that was reconciled in the following year based on actual costs associated with capital  
4           placed in service and actual rider revenues recovered. However, the new Incremental  
5           Capital Recovery Rider Tariff is based on a historic test year and determines the revenue  
6           requirement associated with the actual eligible capital investment made during the previous  
7           year. A true up of actual revenues to authorized rider revenues is performed to identify  
8           over/under collections from the prior period. The Company's most recent capital rider  
9           filing is currently pending before the Commission in TPUC Docket No. 24-00011 (2024  
10          ICR Petition).

11   **Q.    CAN YOU PROVIDE AN EXPLANATION OF THE QIIP, EDI AND SEC**  
12   **MENTIONED ABOVE.**

13   A.    Pursuant to Tennessee Code Annotated Section 65-5-103 et seq., the three Capital  
14    Recovery Riders were authorized in Docket No. 13-00130 based on certain categories of  
15    capital expenditures to cover the investments. These riders are as follows:

16    QIIP Rider: This rider is designed to recover the costs associated with the capital  
17    investment in non-revenue producing plant placed in service between rate cases. "Non-  
18    revenue producing plant" is not constructed or installed for the purpose of serving a new  
19    customer, e.g., replacing aging infrastructure. Aging water and wastewater infrastructure  
20    is a growing problem across the United States, including Tennessee, which requires  
21    significant investments to continue to provide clean and reliable water service. This rider  
22    helps TAWC address the replacement of this critical, aging infrastructure. The QIIP Rider

1 includes replacement of existing infrastructure in the areas of mains, meters, services,  
2 hydrants, water treatment equipment, pumping equipment, and tank painting.

3 EDI Rider: This rider is primarily focused on investment made in infrastructure to assist  
4 in economic development in the communities and areas served by TAWC. This rider  
5 provides an opportunity for TAWC to partner with the communities it serves to assist in  
6 economic development.

7 SEC Rider: This rider is for the recovery of investment made to comply with safety and  
8 environmental regulations. TAWC, like other utilities, is faced with increasing capital  
9 investment requirements to comply with safety and environmental regulation, and this rider  
10 assists in addressing those requirements.

11 **Q. WHAT WILL HAPPEN TO THE INCREMENTAL CAPITAL RIDERS UPON**  
12 **APPROVAL OF NEW RATES IN THIS PROCEEDING?**

13 A. The ICR will be reset to zero as the new base rates will include the actual and forecast rate  
14 base investment, including incremental capital placed in service prior to December 31,  
15 2025. At that time, the base rates would be providing recovery of the annual costs that had  
16 previously been recovered through Legacy Capital Riders.

17 **Q. WHAT WILL HAPPEN TO LEGACY CAPITAL RIDERS UPON APPROVAL OF**  
18 **NEW RATES IN THIS PROCEEDING?**

19 A. The Legacy Riders will be reset to zero as of the effective date of the new base rates in this  
20 proceeding. At that time, the base rates would be providing recovery of the annual costs  
21 that had previously been recovered through the Legacy Capital Riders. This reset was

1 established by the Commission when the Capital Recovery Riders were adopted in April  
2 2014.

3 **X. TARIFF CHANGES**

4 **Q. HAS THE COMPANY PROPOSED CHANGES TO ITS TARIFF IN THIS**  
5 **PROCEEDING?**

6 A. Yes. Exhibit-BL-2 provides a list of changes proposed for the tariffs along with a narrative  
7 explanation of each change as well as a copies of the proposed tariff (one copy that includes  
8 redlines of proposed changes and a clean version).

9 **Q. WHY IS THE COMPANY MAKING CHANGES TO ITS TARIFF IN THIS**  
10 **PROCEEDING?**

11 A. In considering the whole of the regulatory process before TPUC, TAWC viewed this  
12 proceeding as the appropriate platform and timely opportunity to update its tariffs, to make  
13 the tariffs more computer-friendly, searchable and therefore more accessible to customers  
14 and other stakeholders. The previous tariffs were a collection of scanned documents that  
15 were not editable, were not searchable and required a page-by-page examination to find  
16 information. TAWC utilized optical character reader software to make these pages and  
17 had a team review each page for accuracy in that conversion. The Company then did a  
18 section-by-section, paragraph-by-paragraph review of the tariffs looking for places to  
19 update, clarify or simplify the tariff language to make it clearer, more easily understood  
20 and better aligned with best business practices among American Water's various utilities.  
21 In addition, existing fees for various services were updated to be more consistent with the  
22 underlying costs associated with those services. The Company has also proposed the

1           addition of one new fee, a Meter Tampering Penalty fee. These fees are further discussed  
2           in the Direct Testimony of Company Witness Brooks.

3   **XI.   CONCLUSION**

4   **Q.   DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

5   **A.   Yes.**

Tennessee American Water Company  
Docket No. 24-XXXXX  
Calculation of Proposed Revenue Increase  
Based on Pro Forma Operating Results for the Attrition Period Ending December 31, 2025  
and Rate Base as of December 31, 2025

Type of Filing:   X   Original        Updated        Revised

Line Number	Description	Total Company
1		
2	<b><u>Present Rate Utility Operating Income:</u></b>	
3		
4	<b>Operating Revenue at Present Rates:</b>	<u>\$ 71,724,922</u>
5		
6	<b><u>Less: Deductions:</u></b>	
7	Operating and Maintenance:	\$ 31,615,021
8	Depreciation:	15,763,872
9	Amortization:	1,116
10	General Taxes:	7,748,014
11	State Income Taxes:	670,658
12	Federal Income Taxes:	1,752,717
13	<b>Total Deductions:</b>	<u>\$ 57,551,398</u>
14		
15	<b>Pro Forma Present Rate Utility Operating Income:</b>	<u>\$ 14,173,524</u>
16		
17		
18		
19		
20		<b>Total Company</b>
21	<b><u>Revenue Requirement and Increase Comparison:</u></b>	
22		
23	Net Original Cost Rate Base	\$ 305,126,372
24	Rate of Return	<u>7.94%</u>
25		
26	Net Operating Income Required for Return on Original Cost Rate Base	<u>\$ 24,227,034</u>
27		
28	Less: Pro Forma Net Operating Income Based on Current Rates	<u>\$ 14,173,524</u>
29		
30	Increase in Net Operating Income Required	<u>\$ 10,053,510</u>
31		
32	Gross Revenue Conversion Factor	<u>141.4331%</u>
33		
34	Increase in Revenue Requirement (Based on Net Original Cost Rate Base)	<u>\$ 14,218,991</u>
35		
36	Less: Additional Late Payment Fee Attributable to Rate Increase	<u>\$ 87,990</u>
37		
38	<b>Total Revenue Requirement Increase Requested</b>	<u><b>\$ 14,131,001</b></u>
39		
40	Percentage Increase in over Operating Revenue at Present Rates:	<u>19.70%</u>
41		
42	<b>Total Proposed Revenue Requirement</b>	<u><b>\$ 85,855,923</b></u>

Tennessee American Water Company  
Docket No. 24-XXXXX  
Income Statement at Proposed Rates

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line Number	Description	Gross Revenue Conversion Factor Percentage	Total Company
1			
2	<b><u>Increases by Line Items from Gross Revenue Conversion Factor Calculation</u></b>		
3	Operating and Maintenance Expenses (Uncollectibles)	2.3325%	\$ 95,107
4	General Taxes	11.5681%	471,688
5	State Income Taxes	21.9425%	894,703
6	Federal Income Taxes	64.1569%	2,615,992
7			
8	Total Increase:	<u>100.0000%</u>	<u>\$ 4,077,490</u>
9			
10	Operating Income		<u>\$ 10,053,511</u>
11			
12	Revenues		<u>\$ 14,131,001</u>
13			
14			
15	<b><u>Income Statement at Proposed Rates:</u></b>		
16			
17	<b>Operating Revenues at Proposed Rates:</b>		<u>\$ 85,855,923</u>
18			
19	<b><u>Less: Deductions:</u></b>		
20	Operating and Maintenance Expenses		\$ 31,710,128
21	Depreciation		15,763,872
22	Amortization		1,116
23	General Taxes		8,219,702
24	State Income Taxes		1,565,361
25	Federal Income Taxes		<u>4,368,709</u>
26			
27	<b>Total Deductions:</b>		<u>\$ 61,628,888</u>
28			
29	<b>Pro Forma Operating Income:</b>		<u>\$ 24,227,035</u>
30			



Tennessee American Water Company  
Docket No. 24-XXXXX  
Calculation of Gross Revenue Conversion Factor

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line Number	Gross Revenue Conversion Factor Calculation	Gross Revenue Conversion Factor Calculation	Percentage of Total
1	Gross revenue Change	100.0000%	
2	Less: Bad Debt Rate/ Uncollectible Expense	0.6833%	2.3325%
3	Total Before Gross Income and TRA Fees	99.3167%	
4			
5	Less: TRA Utility Fee (Calculated at 0.425)	0.4221%	1.4408%
6	Income Before State Income taxes	98.8946%	
7			
8	Less: State Income Tax @ 6.5%	6.4281%	21.9425%
9	Less: Gross Income Tax @ 3.0%	2.9668%	10.1273%
10	Income before Federal income Taxes	89.4997%	
11			
12	Less: Federal income Tax @ 21%	18.7949%	64.1569%
13			
14	Income after Income Taxes	70.7048%	100.0000%
15			
16	Gross Revenue Conversion Factor	141.4331%	

Tennessee American Water Company  
Docket No. 24-XXXXX  
Pro Forma Income Statement  
For Test Year Ended 12/31/2023 & Attrition Year Ended 12/31/2025 (At Both Present and Proposed Rates)

Line Number	Description	Supporting Exhibit Reference	Test Year Ending 12/31/2023			Attrition Year Ending 12/31/2025 at Present Rates		Attrition Year Ending 12/31/2025 at Proposed Rates	
			Per Books	Test Year Adjustments	Normalized Test Year	Attrition Year Adjustments	Attrition Year at Present Rates	Adjustments for Proposed Rates	Attrition Year at Proposed Rates
1									
2	Operating Revenues	Exhibit REV-1-Summary-HB	\$66,176,374	\$3,127,826	\$69,304,200	\$2,420,722	\$71,724,922	\$14,131,001	\$85,855,923
3									
4	Operating Expense								
5	Operation and Maintenance:								
6									
7	Purchased Water	Exhibit EXP-1-Purchased Water-DD	\$177,451	(\$2,157)	\$175,295	\$18,904	\$194,199	\$0	\$194,199
8	Purchased Power	Exhibit EXP-2-Purchased Power-DD	871,816	1,893,111	2,764,927	297,612	3,062,540	0	3,062,540
9	Chemicals	Exhibit EXP-3-Chemicals -DD	2,505,288	13,143	2,518,430	(211,430)	2,307,000	0	2,307,000
10	Waste Disposal	Exhibit EXP-4-Waste Disposal-DD	688,679	(13,550)	675,128	74,701	749,830	0	749,830
11	Labor	Exhibit EXP-5-Labor-RP	5,719,662	0	5,719,662	1,242,192	6,961,854	0	6,961,854
12	Group Insurance	Exhibit EXP-6-Group Insurance-RP	250,737	0	250,737	230,945	481,683	0	481,683
13	Other Benefits	Exhibit EXP-7-Other Benefits-RP	494,871	0	494,871	148,620	643,491	0	643,491
14	Support Services	Exhibit EXP-8-Support Services-JW	8,075,310	377,359	8,452,669	184,007	8,636,676	0	8,636,676
15	Contracted Services	Exhibit EXP-9-Contracted Services-JW	990,301	(71,550)	918,751	47,264	966,015	0	966,015
16	Pensions	Exhibit EXP-10-Pensions-RP	587,398	0	587,398	32,092	619,489	0	619,489
17	Regulatory Expense	Exhibit EXP-11-Regulatory Expense-BL	0	0	0	518,000	518,000	0	518,000
18	Insurance Other Than Group	Exhibit EXP-12-Insurance Other than Group-JW	1,267,232	(117,011)	1,150,221	55,283	1,205,504	0	1,205,504
19	Customer Accounting	Exhibit EXP-13-Customer Accounting-JW	84,683	523	85,206	491,899	577,105	0	577,105
20	Uncollectibles	Exhibit EXP-14-Uncollectible Expense-BL	382,661	0	382,661	107,435	490,096	95,107	585,203
21	Rents	Exhibit EXP-15-Rents-RP	8,429	18,288	26,717	3,268	29,985	0	29,985
22	Telecommunications	Exhibit EXP-16-Telecommunications-JW	313,502	0	313,502	38,949	352,451	0	352,451
23	Transportation	Exhibit EXP-17-Transportation-JW	438,484	11,196	449,680	(21,086)	428,594	0	428,594
24	Miscellaneous	Exhibit EXP-18-Miscellaneous Expense-JW	1,311,779	225,242	1,537,021	162,057	1,699,078	0	1,699,078
25	Maintenance Expense	Exhibit EXP-19-Maintenance Expense-DD	1,219,651	342,671	1,562,322	129,109	1,691,431	0	1,691,431
26									
27	Total Operation and Maintenance Expense (Total of Lines 7-25):		\$25,387,934	\$2,677,264	\$28,065,198	\$3,549,823	\$31,615,021	\$95,107	\$31,710,128
28									
29									
30	Depreciation Expense	Exhibit EXP-20-Depreciation Expense-DD	\$11,635,460	\$0	\$11,635,460	4,128,413	15,763,872	\$0	\$15,763,872
31	Amortization	Exhibit EXP-21-Amortization-DD	1,116	0	1,116	0	1,116	0	1,116
32	General Taxes	Exhibit EXP-22-General Taxes and Fees-DD	6,389,275	(1,030,261)	5,359,014	2,389,000	7,748,014	471,688	8,219,702
33	State Income Taxes	Exhibit EXP-23-State Income Tax-BL	1,173,521	38,358	1,211,879	(541,221)	670,658	894,703	1,565,361
34	Federal Income Taxes	Exhibit EXP-24-Federal Income Tax-BL	3,300,389	80,033	3,380,422	(1,627,706)	1,752,717	2,615,992	4,368,709
35									
36	Total Operating Expenses (Line 27 + Lines 30-34):		\$47,887,694	\$1,765,395	\$49,653,088	\$7,898,309	\$57,551,397	\$4,077,490	\$61,628,888
37									
38	Utility Operating Income (Line 1 less Line 36):		\$18,288,681	\$1,362,431	\$19,651,112	(\$5,477,588)	\$14,173,524	\$10,053,511	24,227,035

Tennessee American Water Company  
Docket No. 24-XXXXX  
Pro Forma Adjustment of Regulatory Expense

Witness Responsible: Bob Lane  
Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line No.	Description	Test Year (12 months ending December 31, 2023)	Test Year Adjustments	Attrition Year Adjustments	Attrition Year (12 months ending December 31, 2025)
1	Test Year (12 months ending December 31, 2023)	\$0			\$0
2					
3	Test Year Adjustment of Regulatory Expense				
4					
5	No adjustment		\$0		
6					
7	Total Test Year Adjustment of Regulatory Expense:		\$0		0
8					
9	Normalized Test Year of Regulatory Expense (Line 1 + Line 7):				0
10					
11	Attrition Year Adjustment at Present Rates:				
12					
13	Amortization of 2024 Rate Case Expense			\$518,000	
14					
15	Total Attrition Year Adjustment at Present Rates:			\$518,000	518,000
16					
17					
18	Attrition Year at Present Rates (Line 9 + Line 15):				\$518,000
19					
20					
21					
22					

Tennessee American Water Company  
Docket No. 24-XXXXX  
Pro Forma Adjustment of Regulatory Expense  
Test Year for the 12 Months Ended December 31, 2023

Line Number	Description	Consultant	2024 Rate Case Expense Estimate	2024 Rate Case Estimated Amortized Expense
1	Rate of Return	Brattle Group	\$85,000	
2				
3	Legal	Butler Snow LLP	1,200,000	
4				
5	Compensation Study	Willis Towers Watson	45,000	
6				
7	Support Services Study	Baryenbruch & Company, LLC	57,800	
8				
9	Cash Working Capital Study	Gannett Fleming	25,000	
10				
11	Depreciation Study	Concentric	114,700	
12				
13	Customer Notice		1,500	
14				
15	Miscellaneous		25,000	
16				
17	Total Rate Case Expense (Prior to Amortization)		\$1,554,000	
18				
19	Annual Rate Case Expense Amortized Over 36 Months			\$518,000

Tennessee American Water Company  
Docket No. 24-XXXXX  
Pro Forma Adjustment of Uncollectible Expense

Witness Responsible: Bob Lane

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line No.	Description	Test Year (12 months ending December 31, 2023)	Test Year Adjustments	Attrition Year Adjustments	Attrition Year (12 months ending December 31, 2025)
1	Test Year (12 months ending December 31, 2023)	\$382,661			\$382,661
2					
3	Test Year Adjustment of Uncollectible Expense:				
4					
5	No adjustment		\$0		
6					
7	Total Test Year Adjustment of Uncollectible Expense:		\$0		0
8					
9	Normalized Test Year of Uncollectible Expense (Line 1 + Line 7):				382,661
10					
11	Attrition Year Adjustment at Present Rates:				
12					
13	Adjustment based on 3 year Average			\$107,435	
14					
15	Total Attrition Year Adjustment at Present Rates:			\$107,435	107,435
16					
17					
18	Attrition Year at Present Rates (Line 9 + Line 15):				\$490,096
19					
20					
21					
22					

Tennessee American Water Company  
Docket No. 24-XXXXX  
Pro Forma Adjustment of State Income Tax

Witness Responsible: Bob Lane

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line No.	Description	Test Year (12 months ending December 31, 2023)	Test Year Adjustments	Attrition Year Adjustments	Attrition Year (12 months ending December 31, 2025)
1	Test Year (12 months ending December 31, 2023)	<u>\$1,173,521</u>			\$1,173,521
2					
3	Test Year Adjustment of State Income Tax Expense:				
4					
5	Adjustments for Book/Tax Differences		\$38,358		
6					
7	Total Test Year Adjustment of State Income Tax Expense:		<u>\$38,358</u>		<u>38,358</u>
8					
9	Normalized Test Year of State Income Tax Expense (Line 1 + Line 7):				1,211,879
10					
11	Attrition Year Adjustment at Present Rates:				
12					
13	Adjustments for Book/Tax Differences			(\$541,221)	
14					
15	Total Attrition Year Adjustment at Present Rates:			<u>(\$541,221)</u>	<u>(541,221)</u>
16					
17					
18	Attrition Year at Present Rates (Line 9 + Line 15):				<u>\$670,658</u>
19					
20					

Tennessee American Water Company  
Docket No. 24-XXXXX  
Pro Forma Adjustment of Federal Income Tax

Witness Responsible: Bob Lane

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line

No.	Description	Test Year (12 months ending December 31, 2023)	Test Year Adjustments	Attrition Year Adjustments	Attrition Year (12 months ending December 31, 2025)
1	Test Year for the 12 Months Ended December 31, 2023	<u>\$3,300,389</u>			\$3,300,389
2					
3	Test Year Adjustment of Federal Income Tax Expense:				
4					
5	Adjustments for Book/Tax Differences		\$80,034		
6					
7	Total Test Year Adjustment of Federal Income Tax Expense:		<u>\$80,034</u>		<u>80,034</u>
8					
9	Normalized Test Year of Federal Income Tax Expense (Line 1 + Line 7):				3,380,423
10					
11	Attrition Year Adjustment at Present Rates:				
12					
13	Adjustments for Book/Tax Differences			(\$1,627,706)	
14					
15	Total Attrition Year Adjustment at Present Rates:			<u>(\$1,627,706)</u>	<u>(1,627,706)</u>
16					
17					
18	Attrition Year at Present Rates (Line 9 + Line 15):				<u>\$1,752,717</u>
19					

**Tennessee American Water Company**  
**TPUC Docket Number 24-XXXXX**  
**Calculation of Return on Equity at (ROE) Current Rates**  
**Attrition Year 1/1/2025 - 12/31/2025**

Line No	Description	Amount	Source
1	Utility Operating Income (Current Rates)	\$14,173,524	Petitioner Exhibit FS - 2 Income Statement - BL
2			
3	Less Cost of Short Term Debt	244,101	
4	Less Cost of Long Term Debt	6,102,527	
5			
6	Income Available to Shareholders	\$7,826,896	
7			
8	Net Original Cost Rate Base	\$305,126,372	Petitioner's Exhibit FS-1-Summary Revenue Requirement-BL
9			
10	Common Equity Weighting	54.52%	
11			
12	Rate Base - Equity Financed	\$166,354,898	
13			
14	Return On Equity	4.70%	
15			
16			
17		Exhibit CS - 1, Capital Structure NF (Schedule CS-1.1)	
18	Capital Structure	Weighting %	Rate Base
19	Short Term Debt	1.99%	\$6,072,015
20	Long Term Debt	43.49%	132,699,459
21	Common Equity	54.52%	166,354,898
22	Total	100.00%	\$305,126,372

Weighting Cost %	Weighting Cost \$
0.08%	\$244,101
2.00%	6,102,527



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UNIVERSAL AFFORDABILITY  
FOR QUALIFYING RESIDENTIAL CUSTOMERS

Availability

Available to all metered residential water service customers who have a household income at or below 150% of the Federal Poverty Level. To qualify for this discount, the customer must make a complete application to the Company.

Billing Frequency

Bills for general metered water service are rendered monthly. The following sets forth the schedule of discounts.

Rate Discount

The following discounts shall be to a qualifying customer's Volumetric Charge and Service Charge:

Tier 1: Customers with a household income that is zero to 50% of the Federal Poverty Level receive a Discount of 70% on Volumetric and Service charges.

Tier 2: Customers with a household income that is 51% to 100% of the Federal Poverty Level receive a Discount of 40 % on Volumetric and Service charges.

Tier 3: Customers with a household income that is 101% to 150% of the Federal Poverty Level receive a Discount of 10% on Volumetric and Service charges.

Sheet No.	Tariff Change	Description
Sheet No. 1	No Change	
Sheet No. 2	Cancel	Combined on Sheet No. 1
Sheet No. 3-R	Update Tariff Applicability to align with proposed rate areas.	Update residential class of service to be defined by Rate Zone 1 and Rate Zone 2.
Sheet No. 3-C	Cancel/Replace with 4-NR	Update residential class of service to be defined by Rate Zone 1 and Rate Zone 2.
Sheet No. 3-I	Cancel/Replace with 4-NR	Update residential class of service to be defined by Rate Zone 1
Sheet No. 3-O	Cancel/Replace with 4-NR	Update residential class of service to be defined by Rate Zone 1 and Zone 2
Sheet No. 3-S	Cancel/Replace with 4-NR	Update residential class of service to be defined by Rate Zone 1
Sheet No. 3-NR	Non-Residential Applicability	New tariff page to define non-residential customer class; and update applicability to Rate zone 1 and Rate Zone 2.
Sheet No. 4-R	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4-R1	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4-RSC	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4R-LO	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4-RW	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4-C	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4-C1	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4-CSC	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4C-LO	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4-I	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.

Sheet No. 4-I1	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4-O	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4-O1	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4R-JH	Canceling/Replace with 4-S1.2	Replacing with proposed rates for Rate Zone 2.
Sheet No. 4-S	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4-S1	Canceling/Replace with 4-S1	Replacing with proposed rates for Rate Zone 1.
Sheet No. 4-S2	Change in the Unit of Measure	
Sheet No. 5	Cancel/Eliminate	This page was for a temporary Surcharge, authorized in Docket No. 2008-00039 which is no longer in effect.
Sheet No. 6	Cancel	TAWC no longer charges Public Fire to the City of Ridgeside
Sheet No. 7	Cancel	TAWC no longer charges Public Fire to City of Ridgeside
Sheet No. 8	Updated applicability	Updated to be inclusive of all areas in the Company's service territory.
Sheet No. 9	Change in monthly and quarterly charges; removed annual billing amounts.	Updated to include proposed private fire rates; based on billing frequency. Updated language to include approval from only the Engineering Department.
Sheet No. 10	Change the late fee assessment from 15 to 27 days.	Updated to align with billing due days (22 days) and late fee assessment period (5 days)
Sheet No. 11	Update Applicability to all Service Territories; replace Activity fee with activation fee.	MISC fees are applicable to all water customers. Removed previously eliminated language and rate for sewer billing contracts. Activity fee was replaced with service activation to clarify the service for with the fee is charted.
Sheet No. 11-SWR	Replace with Sheet No. 11-SR	Update sheet number to be Sheet No. 11-SR
Sheet No. 12	Disconnection-Reconnection Charge – Update Fees; Clarify language. Add Meter Tampering	Aligned fees for disconnection with updated proposed fees. Added specific fee for meter tampering.

Sheet No. 12-Riders-1	Reset to Zero	Riders are reset to zero with base rates; eliminated language for legacy riders.
Sheet No. 12-LR-1	Cancel	Legacy rider ends with base rate case and is fully replaced by the ICR.
Sheet No. 12-ICR-1	Removed definitions that are no longer applicable.	Removed legacy rider reference.
Sheet No. 12-ICR-2	Removed definitions that are no longer applicable.	Removed legacy rider references.
Sheet No. 12-ICR-3	No Change	
Sheet No. 12-ICR-4	No Change	
Sheet No. 12-ICR-5	No Change	
Sheet No. 12-ICR-6	No Change	
Sheet No. 12-ICR-7	No Change	
Sheet No. 12-ICR-8	No Change	
Sheet No. 12-ICR-9	No Change	
Sheet No. 12-ICR-10	No Change	
Sheet No. 12-ICR-11	No Change	
Sheet No. 12-ICR-12	Updated definitions.	Removed legacy rider references.
Sheet No. 12-ICR-13	Updated new base rate explanation	Removed legacy rider references.
Sheet No. 12-ICR-14	No Change	
Sheet No 12 Riders 1 – through Sheet No. 12 SEC-11	Canceled/Replaced	These tariff sheets were canceled and replaced with Sheet No 12-Riders 1 through Sheet No 12-ICR-14 as filed in TAWC Docket 24-00011.
Sheet No. 12-PCOP-1		
Sheet No. 12-PCOP-2	Updated description and general accounts.	Description was updated to include the Pension/OPEB and Rate Case Expense accounts to align with the Company's proposal to include these items in the PCOP Rider.
Sheet No. 12-PCOP-3	No Change	
Sheet No. 12-PCOP-4	No Change	
Sheet No. 12-PCOP-5	No Change	
Exhibit 1	Grady updating	
Sheet No. 15	Updating language to read TPUC "utility Commission" not "service commission"	Reflecting the updated to the correct name of the TN Public Utility Commission
Sheet No. 16	No change	
Sheet No. 17	No change	

Sheet No. 18	Minor text change in (d) part 3; and (a) under part 4	Part 3 (d) Allow process flexibility outlined by the Company rather than specific reference to a form. Part 4 (a) update language to reference multiunit housing.
Sheet No. 19	No change	
Sheet No. 20	Update Fire Services information – section 5.3; 5.4 and 5.7	Updated to clarify customer and company responsibility related to fire service installation. Include reference to rule 22.3; and specify backflow device must be denoted in drawings.
Sheet No. 21	Update Fire Services information – items 5.10, 5.11, and 5.12	Removed reference to fire line; added language for unauthorized use; included language related to Company approval for use of antifreeze or other substances.
Sheet No. 22	Update Fire Services Information – items 5.17	Minor language change noting approval of local authority.
Sheet No. 23	No change	
Sheet No. 24	Minor Text change in items 6.14, 6.15 and 7.1	Minor language change to add clarity of what may be required for service installation.
Sheet No. 25	Update to item 8.8 and 8.9	Item 8.8 added and locks and 8.9 added reference to Meter Tampering per the Company's proposed tampering fee.
Sheet No. 26	Update item 8.12	Update the reference to the unit of measure to align with the 100gal meter reading and billing units used by the Company.
Sheet No. 27	No change	
Sheet No. 28	Update item 12.2	Removed meter test fee language
Sheet No. 29	No change	
Sheet No. 30	Removed item 14.3; renumbered remaining items.	Removed reference to public fire billing to align with billing frequency.
Sheet No. 31	Renumbering	Renumbering of items due to change in Sheet No 30.
Sheet No. 32	No change	
Sheet No. 33	Update to item 15.3	Extend the medical disconnection hold from 20 to 30 days consistent with Company practice.

Sheet No. 34	No change	
Sheet No. 35	Updated item 16.2	Removed the reference to a deposit as TAWC does not collect deposits.
Sheet No. 36	No change	
Sheet No. 37	No change	
Sheet No. 38	No change	
Sheet No. 39	No change	
Sheet No. 40	No change	
Sheet No. 41	Updated item 23.6	Changed main extension distance from 45 to 100ft.
Sheet No. 42	Updated item (i)	Changed main extension distance from 45 to 100ft.
Sheet No. 43	No Change	
Sheet No. 44	No Change	
Sheet No. 45	No Change	
Sheet No. 46	No Change	
Sheet No. 47	Eliminated item 24.2; renumbered remaining items.	Removed reference to City of Ridgeside public fire.
Sheet No. 48	Renumbered items resulting in change from sheet 47.	
Sheet No. 49	No Change	
Sheet No. 50	No Change	
Sheet No. 51	No Change	
Sheet No. 52	No Change	
Sheet No. 53	No Change	
Sheet No. 54	Updating language to read TPUC “utility Commission” not “service commission”	Reflecting the updated to the correct name of the TN Public Utility Commission
Sheet No. 55	No Change	
Sheet No. 56	ED Rider – Cont’d - Updating language to read TPUC “utility Commission” not “service commission”	Reflecting the updated to the correct name of the TN Public Utility Commission
Sheet No. 57	No Change	
Sheet No. 58	ED Rider Form Contract Page: Updating language to read TPUC “utility Commission” not “service commission”	Reflecting the updated to the correct name of the TN Public Utility Commission
Sheet No. 59	No Change	

**Red Line Version of Tariff - Tennessee American Water - Exhibit-BL-2**

~~TENNESSEE-AMERICAN WATER COMPANY~~

TENNESSEE PUBLIC ~~SERVICE~~ UTILITY COMMISSION

TENNESSEE-AMERICAN WATER COMPANY  
CHATTANOOGA, TENNESSEE

RATES, RULES, REGULATIONS AND CONDITIONS OF WATER SERVICE

Issued by: ~~D.L. Edgemon, President~~  
~~1101 Broad Street~~  
~~Chattanooga, Tennessee 37401~~  
Grant A. Evitts, President  
109 Wiehl Street  
Chattanooga, Tennessee 37403



~~TENNESSEE-AMERICAN WATER COMPANY~~

Issued by: ~~D.L. Edgemon, President~~  
~~1101 Broad Street~~  
~~Chattanooga, Tennessee 37401~~  
Grant A. Evitts, President  
109 Wiehl Street  
Chattanooga, Tennessee 37403

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### RULES, REGULATIONS AND CONDITIONS OF WATER SERVICE

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—Issued: ~~April~~ May 24, 1990 1, 2024  
Effective: ~~May~~ January 431, 1990 20245

Issued by: ~~D.L. Edgemon~~ Grant A. Evitts, President  
~~1101 Broad Street~~ 109 Wiehl Street  
Chattanooga, Tennessee 37403

~~TENNESSEE AMERICAN WATER COMPANY~~~~TRA No. 19~~~~Second Revision of Sheet No. 2~~~~Canceled First Revision of Sheet No. 2~~

18. \_Customers Requiring Uninterrupted Supply
19. \_Requirements for Peak Demand Customers
20. \_Requirements for Valves and Other Devices
21. \_Plumbing Regulations and Work
22. \_Cross Connections
23. \_Extension of Distribution Mains
24. ~~5~~ \_Public Fire Hydrants
25. \_Interruptions In or Curtailment of Water Supply
26. \_Responsibility of Company
27. \_Ownership of Property
28. \_General

- (I) Increase in rate
- (D) Decrease in rate
- (N) New rate
- (C) Change
- (E) Eliminated

Issued: May 1, 2024Effective: ~~January~~ May 31,~~2024~~Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403~~— Issued: October 17, 1996~~~~Effective: November 1, 1996~~~~Issued by: R.T. SULLIVAN, VICE PRESIDENT~~~~1101 Broad Street Chattanooga, Tennessee, 37401~~

CLASSIFICATION OF SERVICERESIDENTIAL1. Schedule of Rate and Charges Available For:

- (C) a) Rate Zone 1 ~~The General Water Service Tariff~~ is available for public water supply service in all territories served by the Company except that area served by ~~the Lookout Mountain System, Elder Mountain, territory served in Lakeview and other unincorporated areas in Georgia, east of Rossville, Suck Creek and other unincorporated areas of Marion County served by Suck Creek Utility District, and the territory served by Lone Oak Utility District.~~ Jasper Highlands.
- b) Rate Zone 2 ~~The Lookout Mountain Tariff~~ is available for public water supply service in the territory served by the Company's Jasper Highlands Area. ~~Lookout Mountain High Service Area in the town of Lookout Mountain, Tennessee, Lookout Mountain, Georgia, and Elder Mountain, Tennessee.~~

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Effective: ~~January 1,~~~~2025~~ May 31, 2024Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403~~Issued: October 2, 2012~~~~Effective: November 1, 2012~~~~Issued by: Deron E. Allen, President~~~~1101 Broad Street Chattanooga, Tennessee, 37401~~

~~TENNESSEE AMERICAN WATER COMPANY~~~~TRA No. 19~~~~Ninth Revision of Sheet No. 3-R~~~~Canceled Eighth Revision of Sheet No. 3-R~~

~~e) The Lakeview Tariff is available for public water supply service in the territory served by the Company in Lakeview and other unincorporated areas of Georgia, east of Rossville as indicated on the Service Area Map: TPSC No. 19 Pages 13 and 14.~~

~~d) The Suck Creek Tariff is available for public water supply service in the territory served by the Company in Suck Creek and other unincorporated areas of Marion County formerly served by Suck Creek Utility District.~~

~~(E) e) The Lone Oak Tariff is available for public water supply service in the territory served by the Lone Oak Utility District.~~

~~(C) Change in text~~ (E) Eliminated text

Issued: May 1, 2024Effective: ~~January 1,~~~~2025~~ May 31, 2024Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403~~Issued: October 2, 2012~~~~Effective: November 1, 2012~~~~Issued by: Deron E. Allen, President~~~~1101 Broad Street Chattanooga, Tennessee, 37401~~

CLASSIFICATION OF SERVICECOMMERCIAL1. Schedule of Rate and Charges Available For:

- a) Rate Zone 1 is available for public water supply service in all territories served by the Company except that area served by Jasper Highlands
- b) Rate Zone 2 is available for public water supply service in the territory serviced by the Company's Jasper Highlands Area.

~~a)~~

~~The General Water Service Tariff is available for public water supply service in all (C) territory served by the Company except that area served by the Lookout Mountain System, Elder Mountain, territory served in Lakeview and other unincorporated areas in Georgia, east of Rossville, Suck Creek and other unincorporated areas of Marion County served by Suck Creek Utility District, and the territory served by Lone Oak Utility District.~~

~~b) The Lookout Mountain Tariff is available for public water supply service in the territory served by the Company's Lookout Mountain High Service Area in the town of Lookout Mountain, Tennessee, Lookout Mountain, Georgia, and Elder Mountain, Tennessee.~~

~~c) The Lakeview Tariff is available for public water supply service in the territory served by the Company in Lakeview and other unincorporated areas of Georgia, east of Rossville as indicated on the Service Area Map: TPSC No. 19 Pages 13 and 14.~~

~~d) The Suck Creek Tariff is available for public water supply service in the territory served by the Company in Suck Creek and other unincorporated areas of Marion County formerly served by Suck Creek Utility District.~~

~~(E) e) The Lone Oak Tariff is available for public water supply service in the territory (E) served by the Lone Oak Utility District.~~

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TENNESSEE-AMERICAN WATER COMPANY

TPUC No. 20

Original Sheet No. 3-C

~~TENNESSEE AMERICAN WATER COMPANY~~

~~TRA No. 19~~

~~Ninth Revision of Sheet No. 3-C~~

~~Canceling Eighth Revision of Sheet No. 3-C~~

~~(C) Change in text~~ (E) Eliminated text

Issued: May 1, 2024

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~~2025~~ May 31, 2024

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109 Wiehl Street

Chattanooga, Tennessee 37403

~~—Issued: October 2, 2012~~

Effective: November 1, 2012

~~Issued by: Deron E. Allen, President~~

~~1101 Broad Street Chattanooga, Tennessee, 37401~~

CLASSIFICATION OF SERVICEINDUSTRIAL~~1. Schedule of Rates and Charges Available For:~~

- ~~a) The General Water Service Tariff is available for public water supply service in all territory served by the Company except that area served by the Lookout Mountain System, Elder Mountain, and territory served in Lakeview and other unincorporated areas in Georgia, east of Rossville.~~
- ~~b) The Lookout Mountain Tariff is available for public water supply service in the territory served by the Company's Lookout Mountain High Service Area in the town of Lookout Mountain, Tennessee, Lookout Mountain, Georgia, and Elder Mountain, Tennessee.~~
- ~~c) The Lakeview Tariff is available for public water supply service in the territory served by the Company in Lakeview and other unincorporated areas of Georgia, east of Rossville as indicated on the Service Area Map: TPSC No. 19, Pages 13 and 14.~~

Issued: May 1, 2024Effective: ~~January 1,~~~~2025~~ May 31, 2024Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403 ~~Issued: February 4, 2005~~~~Effective: March 9, 2005~~~~Issued by: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER~~~~1101 Broad Street Chattanooga, Tennessee 37401~~



TENNESSEE-AMERICAN WATER COMPANY

TPUC No. 20

Original Sheet No. 3-I

~~TENNESSEE AMERICAN WATER COMPANY~~

~~TRA No. 19~~

~~Seventh Revision of Sheet No. 3-1~~

~~Canceling Sixth Revision of Sheet No. 3~~

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: ~~February 4, 2005~~

~~Effective: March 9, 2005~~

~~Issued by: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER~~

~~1101 Broad Street Chattanooga, Tennessee 37401~~

CLASSIFICATION OF SERVICEOTHER PUBLIC AUTHORITY1. Schedule of Rates and Charges Available For:

- a) ~~The General Water Service Tariff is available for public water supply service in all territory served by the Company except that area served by the Lookout Mountain System, Elder Mountain, and territory served in Lakeview and other unincorporated areas in Georgia, east of Rossville.~~
- b) ~~The Lookout Mountain Tariff is available for public water supply service in the territory served by the Company's Lookout Mountain High Service Area in the town of Lookout Mountain, Tennessee, Lookout Mountain, Georgia, and Elder Mountain, Tennessee.~~
- c) ~~The Lakeview Tariff is available for public water supply service in the territory served by the Company in Lakeview and other unincorporated areas of Georgia, east of Rossville as indicated on the Service Area Map: TPSC No. 19, Pages 13 and 14.~~

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

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109 Wiehl Street

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1101 Broad Street Chattanooga, Tennessee 37401

~~TENNESSEE AMERICAN WATER  
COMPANY~~

~~TRA~~

~~No. 19 Seventh Revision of Sheet No. 3-  
S~~

~~Canceling Sixth Revision of Sheet No. 3~~

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: February 4, 2005

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~~Issued by: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER~~

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE AMERICAN WATER  
COMPANY~~~~TRA~~~~No. 19 Seventh Revision of Sheet No. 3-  
S~~~~Canceled Sixth Revision of Sheet No. 3~~CLASSIFICATION OF SERVICESALE FOR RESALE1. Schedule of Rates and Charges Available For:

- a) ~~The General Water Service Tariff is available for public water supply service in all territory served by the Company except that area served by the Lookout Mountain System, Elder Mountain, and territory served in Lakeview and other unincorporated areas in Georgia, east of Rossville.~~
- b) ~~The Lookout Mountain Tariff is available for public water supply service in the territory served by the Company's Lookout Mountain High Service Area in the town of Lookout Mountain, Tennessee, Lookout Mountain, Georgia, and Elder Mountain, Tennessee.~~
- e) ~~The Lakeview Tariff is available for public water supply service in the territory served by the Company in Lakeview and other unincorporated areas of Georgia, east of Rossville as indicated on the Service Area Map: TPSC No. 19, Pages 13 and 14.~~

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<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$ <del>13.96 (I)</del>	\$ <del>15.66 (I)</del>	\$ <del>15.66 (I)</del>
3/4"	<del>23.45 (I)</del>	<del>23.45 (I)</del>	<del>23.45 (I)</del>
1"	<del>39.01 (I)</del>	<del>39.01 (I)</del>	<del>39.00 (I)</del>
1-1/2"	<del>78.05 (I)</del>	<del>78.05 (I)</del>	<del>78.05 (I)</del>
2"	<del>124.88 (I)</del>	<del>124.89 (I)</del>	<del>124.88 (I)</del>
3"	<del>234.52 (I)</del>	<del>234.14 (I)</del>	<del>234.14 (I)</del>
4"	<del>390.25 (I)</del>	<del>390.25 (I)</del>	<del>390.25 (I)</del>
6"	<del>780.50 (I)</del>	<del>780.50 (I)</del>	<del>780.50 (I)</del>
8"	<del>1,248.77 (I)</del>	<del>1,248.77 (I)</del>	<del>1,248.77 (I)</del>

Classification of Service  
Residential

Service Charges:

Service Charge Per Month

Rate Zone 1

Meter Rate and Volumetric Rate – Residential, Commercial and Other

AVAILABILITY – Residential and Non-Residential (Commercial, Industrial, Other Public Authority, and Sale for Resale (Non-Special Contract)) in the following rate territories; Chattanooga, Lookout Mountain, Lakeview, Suck Creek, Whitwell (inside), and Whitwell (outside).

SERVICE CHARGES:

		<u>Service Charge Per Month</u>		
		<u>Residential</u>	<u>Non-Residential</u>	
		<u>Monthly Billing</u>	<u>Monthly Billing</u>	
<u>Meter Size</u>				
5/8"		<u>21.50</u>	<u>27.50</u>	<u>(I)</u>
3/4"		<u>32.25</u>	<u>41.00</u>	<u>(I)</u>
1"		<u>53.75</u>	<u>68.50</u>	<u>(I)</u>
1-1/2"		<u>107.50</u>	<u>137.50</u>	<u>(I)</u>

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~~2025~~ May 31, 2024

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109 Wiehl Street

Chattanooga, Tennessee 37403 ~~Issued: October 2, 2012~~

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1101 Broad Street Chattanooga, Tennessee ~~37401~~

~~TENNESSEE AMERICAN WATER COMPANY~~~~TRA No. 19~~~~Eleventh Revision of Sheet No. 4-R~~~~Canceled Tenth Revision of Sheet No. 4-R~~

-	<u>2"</u>	<u>172.00</u>	<u>219.50</u>	-	<u>(I)</u>
-	<u>3"</u>	<u>344.00</u>	<u>438.50</u>	-	<u>(I)</u>
-	<u>4"</u>	<u>537.50</u>	<u>686.50</u>	-	<u>(I)</u>
-	<u>6"</u>	<u>1,075.00</u>	<u>1,372.50</u>	-	<u>(I)</u>
-	<u>8"</u>	<u>1,720.00</u>	<u>2,196.50</u>	-	<u>(I)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

VOLUMETRIC CHARGES:Cost per 100 Gallons

Residential: All water used for residential service is charged at **\$1.28091 per 100 gallons** after the first 30hgal.

Non-Residential:

<u>Monthly Use</u>	<u>Non-Residential</u>		
First 30	0.05969	-	<u>(I)</u>
Next 456	0.94791	-	<u>(I)</u>
Next 3,254	0.59574	-	<u>(I)</u>
Next 33,660	0.42075	-	<u>(I)</u>
Next 74,600	0.32145	-	<u>(I)</u>
Over 112,000	0.19122	-	<u>(I)</u>

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: October 2, 2012

Effective: November 1, 2012

Issued by: Deron E. Allen, President

1101 Broad Street Chattanooga, Tennessee—37401

Rate Zone 2Meter Rate and Volumetric Rate – Residential, Commercial and Other

AVAILABILITY – Residential and Non-Residential (Commercial, and Other Public Authority), in the following rate territories; Jasper Highlands development in Kimball, TN.

(C)

SERVICE CHARGES:Service Charge Per MonthResidential & Non-Residential

(C)

Meter SizeMonthly Billing5/8"52.153/4"52.151"52.151-1/2"52.152"52.153"52.154"52.156"52.158"52.15

-

-

-

-

VOLUMETRIC CHARGES:Cost per 100 Gallons

Residential & Non-Residential: All water used for residential, and non-residential service is charged at \$1.11790 per 100 gallons after the first 25hgal.

(C)

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: October 2, 2012

Effective: November 1, 2012

Issued by: Deron E. Allen, President

1101 Broad Street Chattanooga, Tennessee 37401

~~TENNESSEE AMERICAN WATER COMPANY~~~~TRA No. 19~~~~Eleventh Revision of Sheet No. 4-R  
Canceling Tenth Revision of Sheet No. 4-R~~

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-

Volumetric Rates:Cost Per CCF

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
<del>0-4 CCF/Mo.</del>	<del>\$ 0.2667 (I)</del>	<del>\$ 0.9935 (I)</del>	<del>\$ 0.4910 (I)</del>
<del>4-65</del>	<del>4.2303 (I)</del>	<del>5.4492 (I)</del>	<del>4.6618 (I)</del>
<del>65-500</del>	<del>2.6577 (I)</del>	<del>3.8766 (I)</del>	<del>3.0893 (I)</del>
<del>500-5,000</del>	<del>1.9870 (I)</del>	<del>2.7065 (I)</del>	<del>2.2078 (I)</del>
<del>5,000-15,000</del>	<del>1.5188 (I)</del>	<del>2.2433 (I)</del>	<del>1.7409 (I)</del>
<del>Over 15,000</del>	<del>0.9019 (I)</del>	<del>1.6264 (I)</del>	<del>1.1240 (I)</del>

Issued: May 1, 2024Effective: ~~January 1,~~~~2025~~May 31, 2024Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403 ~~Issued: October 2, 2012~~~~Effective: November 1, 2012~~Issued by: Deron E. Allen, President1101 Broad Street Chattanooga, Tennessee 37401



(I) Increase

Issued: May 1, 2024

Effective: January 1,

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403

~~Issued: October 2, 2012~~

~~Effective: November 1, 2012~~

Issued by: Deron E. Allen, President

1101 Broad Street Chattanooga, Tennessee 37401

Classification of ServiceResidentialVolumetric Rates:Cost Per 1,000 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-3.0	\$ 0.3566	\$ 1.3282	\$ 0.6564 (C)
3.0-48.6	5.6555	7.2850	6.2324 (C)
48.6-374	3.5531	5.1826	4.1301 (C)
374-3,740	2.6564	3.6183	2.9516
3,740-11,200	2.0305	2.9991	2.3274
Over 11,200	1.2057	2.1743	1.5027

Volumetric Rates:Cost Per 100 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-30	\$ 0.03566	\$ 0.13282	\$ 0.06564 (C)
30-486	0.56555	0.72850	0.62324 (C)
486-3,740	0.35531	0.51826	0.41301 (C)
3,740-37,400	0.26564	0.36183	0.29516
37,400-112,000	0.20305	0.29991	0.23274
Over 112,000	0.12057	0.21743	0.15027

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109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: March 1, 2013

Effective: March 31, 2013

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~(C) Text Change that revises block for each rate~~

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: March 1, 2013

Effective: March 31, 2013

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

Issued: May 1, 2024

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~~2025~~ May 31, 2024

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109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: March 1, 2013

Effective: March 31, 2013

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~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE AMERICAN WATER COMPANY~~~~TRA No. 19~~~~Third Revised Sheet No. 4-RSC~~~~Canceled Second Revision Sheet No. 4-RSC~~Classification of ServiceResidentialVolumetric Rates:Cost per 1,000 Gallons

<u>Monthly Use</u>	<u>Suck Creek General</u>		
	<u>Water Service</u>		
<u>First 1,500 Gallons</u>	<u>\$30.60</u>		<u>(C)</u>
<u>Next 7,900 Gallons</u>	<u>\$6.0731</u>	<u>Per 1,000 gallons</u>	<u>(C)</u>
<u>All over 9,400 Gallons</u>	<u>\$4.5551</u>	<u>Per 1,000 gallons</u>	<u>(C)</u>

Volumetric Rates:Cost per 100 Gallons

<u>Monthly Use</u>	<u>Suck Creek General</u>		
	<u>Water Service</u>		
<u>First 1,500 Gallons</u>	<u>\$30.60</u>		<u>(C)</u>
<u>Next 7,900 Gallons</u>	<u>\$0.60731</u>	<u>Per 100 gallons</u>	<u>(C)</u>
<u>All over 9,400 Gallons</u>	<u>\$0.45551</u>	<u>Per 100 gallons</u>	<u>(C)</u>

Volumetric Rates:Cost per CCF

<u>Monthly Use</u>	<u>Suck Creek General</u>		
	<u>Water Service</u>		
<u>First 2 CCF</u>	<u>\$30.60</u>		
<u>Next 10.667 CCF</u>	<u>\$4.5427</u>	<u>Per CCF</u>	
<u>Over 12.667 CCF</u>	<u>\$3.4072</u>	<u>Per CCF</u>	

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: March 1, 2013

Effective: March 31, 2013

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

(C) Text Change that revises block for each rateClassification of ServiceResidential

For all Residential Customers of Suck Creek

Volumetric Rates:Cost per 1,000 Gallons

<u>Monthly Use</u>	<u>Suck Creek General</u> <u>Water Service</u>	
First 1,500 Gallons	\$30.60	(C)
Next 7,900 Gallons	\$6.0731	Per 1,000 gallons (C)
All over 9,400 Gallons	\$4.5551	Per 1,000 gallons (C)

Volumetric Rates:Cost per 100 Gallons

<u>Monthly Use</u>	<u>Suck Creek General</u> <u>Water Service</u>	
First 1,500 Gallons	\$30.60	(C)
Next 7,900 Gallons	\$0.60731	Per 100 gallons (C)
All over 9,400 Gallons	\$0.45551	Per 100 gallons (C)

Volumetric Rates:Cost per CCF

<u>Monthly Use</u>	<u>Suck Creek General</u> <u>Water Service</u>	
First 2 CCF	\$30.60	
Next 10.667 CCF	\$4.5427	Per CCF

Issued: May 1, 2024

Effective: January 1,~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: March 1, 2013

Effective: March 31, 2013

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

(C) Text Change that revises block for each rate

LONE OAK UTILITY DISTRICT - O &amp; M

TRA No. 19

~~Third Revised~~Original Sheet No. 4R-LO

Canceling Second Revision of Sheet No. 4R-LO

Classification of Service

(E)

Residential

(E)

~~For all Residential Customers of Lone Oak~~

(E)

Volumetric Rates:

(E)

Cost per 1,000 Gallons

(E)

Monthly UseLone Oak General

(E)

Water Service

(E)

First 2,000 Gallons

\$42.03

(E)

(C)

All over 2,000 Gallons

\$7.2655

Per 1,000 gallons

(E)

(C)

Volumetric Rates:

(E)

Cost per 100 Gallons

(E)

Monthly UseLone Oak General

(E)

Water Service

(E)

First 2,000 Gallons

\$42.03

(E)

(C)

All over 2,000 Gallons

\$0.72655

Per 100 gallons

(E)

(C)

Volumetric Rates:Cost per CCF

(E)

Monthly UseSuck Creek General

(E)

Water Service

(E)

First 2.67 CCF

\$42.03

(E)

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109 Wiehl Street

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1101 Broad Street Chattanooga, Tennessee 37401



TENNESSEE-AMERICAN WATER COMPANY TPUC No. 20

LONE OAK UTILITY DISTRICT - O & M

TRA No. 19

~~Third Revised~~Original Sheet No. 4R-LO

~~Canceling Second Revision of Sheet No. 4R-LO~~

~~All Over 2.67 CCF~~ ~~\$5.4346~~ ~~Per CCF~~ ~~(E)~~

~~(CE) Text Change that revises block for each rate~~  
~~Eliminate~~

Issued: May 1, 2024 Effective: ~~January 1,~~

~~2025~~May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403 ~~Issued: March 1, 2013~~

Effective: March 31, 2013

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

Classification of ServiceApplicability

For all Residential commercial, industrial, other public authority, and sale for resale customers in the service area formerly served by the City of Whitwell.

Volumetric Rates:Cost per 1,000 Gallons

<u>Monthly Use</u>	<u>Whitwell</u> <u>Inside City</u>	<u>Whitwell</u> <u>Outside City</u>	
0—2,000 Gallons	\$14.45 + \$6.00 = \$20.45	\$17.37 + \$6.00 = \$23.37	(N)
2,000—4,000 Gallons	\$4.80	\$5.87	(N)
4,000—6,000 Gallons	\$4.56	\$5.32	(N)
Over 6,000 Gallons	\$4.19	\$4.37	(N)

Volumetric Rates:Cost per 100 Gallons

<u>Monthly Use</u>	<u>Whitwell</u> <u>Inside City</u>	<u>Whitwell</u> <u>Outside City</u>	
0—2,000 Gallons	\$14.45 + \$6.00 = \$20.45	\$17.37 + \$6.00 = \$23.37	(N)
2,000—4,000 Gallons	\$0.480	\$0.587	(N)
4,000—6,000 Gallons	\$0.456	\$0.532	(N)
Over 6,000 Gallons	\$0.419	\$0.437	(N)

(N) New

Issued: May 1, 2024

Effective: January 1,

2025 May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: April 22, 2013

Effective: June 17, 2013

Issued by: Deron E. Allen, President

1101 Broad Street Chattanooga, Tennessee 37401

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: April 22, 2013

Effective: June 17, 2013

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

Classification of Service  
CommercialService Charges:Service Charge Per Month

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$——17.82 (I)	\$——20.01 (I)	\$——20.01 (I)
3/4"	29.93 (I)	29.93 (I)	29.93 (I)
1"	49.81 (I)	49.81 (I)	49.81 (I)
1-1/2"	99.66 (I)	99.66 (I)	99.66 (I)
2"	159.44 (I)	159.44 (I)	159.44 (I)
3"	298.98 (I)	298.97 (I)	298.97 (I)
4"	498.31 (I)	498.31 (I)	498.31 (I)
6"	996.64 (I)	996.64 (I)	996.64 (I)
8"	1,594.61 (I)	1,594.61 (I)	1,594.61 (I)

Volumetric Rates:Cost Per CCF

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$0.2360 (I)	\$0.8769 (I)	\$0.4324 (I)
4-65	3.7365 (I)	4.8128 (I)	4.1179 (I)
65-500	2.3479 (I)	3.4242 (I)	2.7294 (I)
500-5,000	1.7548 (I)	2.3937 (I)	1.9513 (I)
5,000-15,000	1.3408 (I)	1.9827 (I)	1.5381 (I)
Over 15,000	0.7965 (I)	1.4364 (I)	0.9918 (I)

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: October 2, 2012

Effective: November 1, 2012

Issued by: Deron E. Allen, President

1101 Broad Street Chattanooga, Tennessee 37401

(I) — Increase

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403 — Issued: October 2, 2012

Effective: November 1, 2012

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>	
0-3.0	\$0.3155	\$1.1723	\$0.5781	(C)
3.0-48.6	4.9953	6.4342	5.5052	(C)
48.6-374	3.1389	4.5778	3.6489	(C)
374-3,740	2.3460	3.2001	2.6087	
3,740-11,200	1.7925	2.6507	2.0563	
Over 11,200	1.0648	1.9203	1.3259	

Classification of Service  
Commercial

Volumetric Rates:

Cost Per 1,000 Gallons

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: March 1, 2013

Effective: March 31, 2013

Issued by: Deron E. Allen, President

1101 Broad Street Chattanooga, Tennessee 37401

Volumetric Rates:Cost Per 100 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>	
0-30	\$0.03155	\$0.11723	\$0.05781	(C)
30-486	0.49953	0.64342	0.55052	(C)
486-3,740	0.31389	0.45778	0.36489	(C)
3,740-37,400	0.23460	0.32001	0.26087	
37,400-112,000	0.17925	0.26507	0.20563	
Over 112,000	0.10648	0.19203	0.13259	

(C) Text Change that revises block for each rateIssued: May 1, 2024Effective: January 1,~~2025~~ May 31, 2024Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403 ~~—Issued: March 1, 2013~~Effective: March 31, 2013Issued by: Deron E. Allen, President~~1101 Broad Street Chattanooga, Tennessee 37401~~

Classification of ServiceCommercial~~For all Commercial Customers of Suck Creek~~Volumetric Rates:Cost per 1,000 Gallons

<u>Monthly Use</u>	<u>Suck Creek General</u>		
	<u>Water Service</u>		
First 1,500 Gallons	\$39.06		(C)
Next 7,900 Gallons	\$5.3533	Per 1,000 gallons	(C)
All over 9,400 Gallons	\$4.0241	Per 1,000 gallons	(C)

Volumetric Rates:Cost per 100 Gallons

<u>Monthly Use</u>	<u>Suck Creek General</u>		
	<u>Water Service</u>		
First 1,500 Gallons	\$39.06		(C)
Next 7,900 Gallons	\$0.53533	Per 100 gallons	(C)
All over 9,400 Gallons	\$0.40241	Per 100 gallons	(C)

Volumetric Rates:Cost per CCF

First 2 CCF	\$39.06		
Next 10.667 CCF	\$4.0043	Per CCF	
Over 12.667 CCF	\$3.0100	Per CCF	

Issued: May 1, 2024Effective: January 1,~~2025 May 31, 2024~~Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403—~~Issued: March 1, 2013~~~~Effective: March 31, 2013~~~~Issued by: Deron E. Allen, President~~~~1101 Broad Street Chattanooga, Tennessee 37401~~



(C) Text Change that revises block for each rate

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: March 1, 2013

Effective: March 31, 2013

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE AMERICAN WATER COMPANY~~~~LONE OAK UTILITY District - O & M~~~~TRA No. 19~~~~Fourth Revised Sheet No. 4C-LO~~Classification of Service~~(E)~~~~Canceled Third Revision of Sheet No. 4C-LO~~Commercial~~(E)~~~~For all Commercial Customers of Lone Oak~~~~(E)~~~~Volumetric Rates:~~~~(E)~~~~Cost per 1,000 Gallons~~~~(E)~~~~Monthly Use~~~~Lone Oak General~~~~(E)~~~~Water Service~~~~(E)~~~~First 2,000 Gallons~~~~\$53.69~~~~(E)(C)~~~~All over 2,000 Gallons~~~~\$6.4389~~~~Per 1,000 gallons~~~~(E)(C)~~~~Volumetric Rates:~~~~(E)~~~~Cost per 100 Gallons~~~~(E)~~~~Monthly Use~~~~Lone Oak General~~~~(E)~~~~Water Service~~~~(E)~~~~First 2,000 Gallons~~~~\$53.69~~~~(E)(C)~~~~All over 2,000 Gallons~~~~\$0.64389~~~~Per 100 gallons~~~~(E)(C)~~~~Volumetric Rates:~~~~(E)~~~~Cost per CCF~~~~(E)~~~~Monthly Use~~~~(E)~~~~First 2.67 CCF~~~~\$53.69~~~~(E)~~~~All Over 2.67 CCF~~~~\$4.8163~~~~Per CCF~~~~(E)~~~~(E)(C) Eliminated Text Change that revises block  
for each rate~~Issued: May 1, 2024Effective: ~~January 1,~~~~2025 May 31, 2024~~Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403—~~Issued: March 1, 2013~~Effective: March 31, 2013Issued by: Deron E. Allen, President1101 Broad Street Chattanooga, Tennessee 37401

~~TENNESSEE AMERICAN WATER COMPANY~~~~TRA No. 19~~~~Twelfth Revision of Sheet No. 4-1  
Canceling Eleventh Revision of Sheet No. 4-1~~Classification of Service  
IndustrialService Charges:Service Charge Per Month

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$— 37.16 (I)	\$— 39.94 (I)	\$— 39.94 (I)
3/4"	62.46 (I)	59.82 (I)	59.82 (I)
1"	103.85 (I)	99.51 (I)	99.51 (I)
<del>1-1/2"</del>	<del>207.80 (I)</del>	<del>199.10 (I)</del>	<del>199.10 (I)</del>
2"	332.45 (I)	318.53 (I)	318.53 (I)
3"	623.30 (I)	597.24 (I)	597.24 (I)
4"	1,038.90 (I)	995.43 (I)	995.43 (I)
6"	2,077.79 (I)	1,990.87 (I)	1,990.87 (I)
8"	3,324.43 (I)	3,185.32 (I)	3,185.32 (I)

Volumetric Rates:Cost Per CCF

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$0.2462 (I)	\$0.8798 (I)	\$0.4348 (I)
4-65	3.9093 (I)	4.8256 (I)	4.1283 (I)
65-500	2.4569 (I)	3.4330 (I)	2.7356 (I)
500-5,000	1.7352 (I)	2.4001 (I)	1.9552 (I)
5,000-15,000	1.3257 (I)	1.9866 (I)	1.5416 (I)

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: October 2, 2012

Effective: November 1, 2012

Issued by: Deron E. Allen, President

—1101 Broad Street

—Chattanooga, Tennessee 37401

(I) — Increase

Classification of ServiceIndustrialVolumetric Rates:Cost Per 1,000 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>	
0-3.0	\$0.3291	\$1.1762	\$0.5813	(C)
3.0-48.6	5.2263	6.4513	5.5191	(C)
48.6-374	3.2846	4.5896	3.6572	(C)
374-3,740	2.3198	3.2087	2.6139	
3,740-11,200	1.7723	2.6559	2.0610	
Over 11,200	1.0543	1.9255	1.3306	

Volumetric Rates:Cost Per 100 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>	
0-30	\$0.03291	\$0.11762	\$0.05813	(C)
30-486	0.52263	0.64513	0.55191	(C)
486-3,740	0.32846	0.45896	0.36572	(C)
3,740-37,400	0.23198	0.32087	0.26139	
37,400-112,000	0.17723	0.26559	0.20610	
Over 112,000	0.10543	0.19255	0.13306	

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: March 1, 2013

Effective: March 31, 2013

Issued by: Deron E. Allen, President

1101 Broad Street Chattanooga, Tennessee 37401

~~(C) Text Change that revises block for each rate~~

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: March 1, 2013

Effective: March 31, 2013

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~~~TRA No. 19~~~~Eleventh Revision of Sheet No. 4-O~~~~Canceled Tenth Revision of Sheet No. 4-O~~Classification of ServiceOther Public AuthorityService Charges:Service Charge Per Month

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$——16.33 (I)	\$——18.32 (I)	\$——18.30 (I)
3/4"	27.43 (I)	27.45 (I)	27.43 (I)
1"	45.63 (I)	45.64 (I)	45.68 (I)
1-1/2"	91.30 (I)	91.35 (I)	91.35 (I)
2"	146.07 (I)	146.07 (I)	146.08 (I)
3"	273.88 (I)	273.88 (I)	273.88 (I)
4"	456.48 (I)	456.48 (I)	456.48 (I)
6"	912.97 (I)	912.97 (I)	912.97 (I)
8"	1,460.71 (I)	1,460.71 (I)	1,460.71 (I)

Volumetric Rates:Cost Per CCF

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$0.2517 (I)	\$0.9383 (I)	\$0.4623 (I)
4-65	3.9934 (I)	5.1440 (I)	4.4004 (I)
65-500	2.5088 (I)	3.6596 (I)	2.9163 (I)
500-5,000	1.8757 (I)	2.5585 (I)	2.0842 (I)
5,000-15,000	1.4338 (I)	2.1177 (I)	1.6434 (I)
Over 15,000	0.8514 (I)	1.5353 (I)	1.0610 (I)

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: October 2, 2012

Effective: November 1, 2012

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TRA No. 19~~

~~Eleventh Revision of Sheet No. 4-O~~

~~Canceled Tenth Revision of Sheet No. 4-O~~

~~(I) — Increase~~

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403 — Issued: October 2, 2012

Effective: November 1, 2012

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~



~~TENNESSEE-AMERICAN WATER COMPANY~~~~TRA No. 19~~~~First Revised Sheet No. 4-O1~~~~Canceled Original Sheet No. 4-O1~~Classification of ServiceOther Public AuthorityVolumetric Rates:Cost Per 1,000 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>	
0-3.0	\$0.3365	\$1.2544	\$0.6180	(C)
3.0-48.6	5.3388	6.8770	5.8829	(C)
48.6-374	3.3540	4.8925	3.8988	(C)
374-3,740	2.5076	3.4205	2.7864	
3,740-11,200	1.9168	2.8311	2.1971	
Over 11,200	1.1382	2.0525	1.4184	

Volumetric Rates:Cost Per 100 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>	
0-30	\$0.03365	\$0.12544	\$0.06180	(C)
30-486	0.53388	0.68770	0.58829	(C)
486-3,740	0.33540	0.48925	0.38988	(C)
3,740-37,400	0.25076	0.34205	0.27864	
37,400-112,000	0.19168	0.28311	0.21971	
Over 112,000	0.11382	0.20525	0.14184	

Issued: May 1, 2024Effective: January 1,~~2025~~May 31, 2024Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403—~~Issued: March 1, 2013~~~~Effective: March 31, 2013~~~~Issued by: Deron E. Allen, President~~~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TRA No. 19~~

~~First Revised Sheet No. 4-O1~~

~~Canceled Original Sheet No. 4-O1~~

~~(C) Text Change that revises block for each rate~~

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: March 1, 2013

Effective: March 31, 2013

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

Classification of Service

Applicability

For all Residential, commercial, and other public authority customers of Jasper Highlands development in Kimball, TN.

Volumetric Rates:

Cost per 100 Gallons

<u>Monthly Use</u>	<u>Jasper Highlands</u> <u>General Water Service</u>		
First 2,500 Gallons	\$52.15		(N)
Next 2,500 Gallons	\$1.31	Per 100 Gallons	(N)
Next 2,500 Gallons	\$1.17	Per 100 Gallons	(N)
Above 7,500 Gallons	\$1.04	Per 100 Gallons	(N)

(N) Indicates New rate

—Issued: December 29, 2020  
2020

\_\_\_\_Effective: December 29,

Issued by: Grant Evitts, President  
\_\_\_\_109 Wiehl Street  
\_\_\_\_Chattanooga, Tennessee 37403

~~TENNESSEE-AMERICAN WATER COMPANY~~~~TRA No. 19~~~~Eleventh Revision of Sheet No. 4-S  
Canceling Tenth Revision of Sheet No. 4-S~~Classification of Service  
Sales For ResaleService Charges:Service Charge Per Month

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$——14.14 (I)	\$——15.86 (I)	\$——15.86 (I)
3/4"	23.76 (I)	23.76 (I)	23.76 (I)
1"	39.52 (I)	39.52 (I)	39.52 (I)
1-1/2"	79.07 (I)	79.07 (I)	79.07 (I)
2"	126.46 (I)	126.46 (I)	126.46 (I)
3"	237.18 (I)	237.18 (I)	237.18 (I)
4"	395.34 (I)	395.34 (I)	395.34 (I)
6"	790.64 (I)	790.64 (I)	790.64 (I)
8"	1,265.00 (I)	1,265.00 (I)	1,265.00 (I)

Volumetric Rates:Cost Per CCF

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$0.2330 (I)	\$0.8680 (I)	\$0.4290 (I)
4-65	3.6960 (I)	4.7610 (I)	4.0730 (I)
65-500	2.3220 (I)	3.3870 (I)	2.6990 (I)
500-5,000	1.7360 (I)	2.3680 (I)	1.9290 (I)
5,000-15,000	1.3270 (I)	1.9600 (I)	1.5210 (I)
Over 15,000	0.7880 (I)	1.4210 (I)	0.9820 (I)

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403

~~Issued: October 2, 2012~~

Effective: November 1, 2012

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TRA No. 19~~

~~Eleventh Revision of Sheet No. 4-S~~

~~Canceling Tenth Revision of Sheet No. 4-S~~

~~(I) — Increase~~

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403

~~Issued: October 2, 2012~~

Effective: November 1, 2012

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~~~TRA No. 19~~~~First Revised Sheet No. 4-S1~~~~Canceling Original Sheet No. 4-S1~~Classification of ServiceSale For ResaleVolumetric Rates:Cost Per 1,000 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>	
0-3.0	\$0.3115	\$1.1604	\$0.5735	(C)
3.0-48.6	4.9412	6.3650	5.4452	(C)
48.6-374	3.1043	4.5281	3.6083	(C)
374-3,740	2.3209	3.1658	2.5789	
3,740-11,200	1.7741	2.6203	2.0334	
Over 11,200	1.0535	1.8997	1.3128	

Volumetric Rates:Cost Per 100 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>	
0-30	\$0.03115	\$0.11604	\$0.05735	(C)
30-486	0.49412	0.63650	0.54452	(C)
486-3,740	0.31043	0.45281	0.36083	(C)
3,740-37,400	0.23209	0.31658	0.25789	
37,400-112,000	0.17741	0.26203	0.20334	
Over 112,000	0.10535	0.18997	0.13128	

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: March 1, 2013

Effective: March 31, 2013

Issued by: Deron E. Allen, President

1101 Broad Street Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE  
SALES FOR RESALE - SPECIAL CONTRACT

Schedule of Rates and Charges Available For:

Other entities that provide retail water service to customers and have contracted to purchase potable water under special contract pricing.

VOLUMETRIC RATES:

<u>Monthly Use</u>	<u>Ft.</u> <u>Oglethorpe Tariff</u>	<u>Cost per CCF Per 100</u> <u>gallons</u>		<u>Walden's Ridge</u> <u>Utility District</u> <u>Walker County</u> <u>Tariff</u>	<u>Signal Mountain</u> <u>Utility District</u> <u>Tariff</u>
		<u>Catoosa County Tariff</u>			
All Usage	<del>\$1.05</del> <u>43.19830</u> ( <u>CD</u> )	<del>\$1.21</del> <u>52.22856</u> ( <u>CI</u> )		<del>\$1.21</del> <u>8.19015</u> ( <u>C</u> )	<del>\$1.03</del> <u>44.19456</u> ( <u>C</u> )

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403

~~Issued: October 2, 2012~~

Effective: November 1, 2012

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TRA No. 19~~  
~~Original Sheet No. 4-S2~~

~~(D)~~      ~~Decrease~~  
~~(I)~~      ~~Increase~~



~~TENNESSEE-AMERICAN WATER COMPANY~~

TRA No. 19

First Revision of Sheet No. 5

Canceling Original Sheet No. 5

CLASSIFICATION OF SERVICESURCHARGE~~For all customer classifications.~~~~(E)~~

~~A surcharge will be applied to the customer bill in the amount of \$.62 per month to collect \$275,000 in additional rate case expense which was authorized by the Appellate Court for Docket Number 2008-00039. This surcharge is temporary and will cease once the total is collected, which is anticipated to be six (6) months from the effective date.~~

~~(E) Eliminated~~

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403

Issued: October 2, 2012

Effective: November 1, 2012

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~

TRA No. 19

Sixth Revision of Sheet No. 6

Canceling Fifth Revision of Sheet No. 6

CLASSIFICATION OF SERVICEPUBLIC FIRE SERVICE FOR THE CITY OF RIDGESIDEAvailable For:

Public Fire Service in the City of Ridgeside.

Annual Rates, Charges and Conditions of Service

The annual charge for water service furnished to fire hydrants existing on October 20, 1956, attached to its then-existing water mains in the City shall be \$0. This charge shall be due ~~(D)~~ and payable in twelve (12) equal installments, each installment to be due and payable on the 10<sup>th</sup> day of the month, covering service for the preceding month, and if not paid within sixty (60) days thereafter, shall bear interest from said due and payable date at the rate of six percent (6%) per annum.

The City shall have the right to install or cause to be installed, at its own cost and expense, such additional fire hydrants as it may desire on mains within the limits of the city six (6") inches and larger in diameter, size to be determined by the Water Company, in the public highways in the City, and, on such extended mains as may be ordered by the City, and the City shall pay an annual rental on such water main extensions of six (6") inches or larger at the rate of three cents (\$.03) per inch of diameter for each lineal foot of main laid in the extension of such main, provided, however, that the Water Company shall not be required to make any extension of its mains while the City is in arrears on its fire hydrant rental payment.

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403

Issued: February 4, 2005

Effective: March 9, 2005

Issued by: John Watson, Vice President and General Manager

1101 Broad Street Chattanooga, Tennessee 37401

~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TRA No. 19~~

~~Sixth Revision of Sheet No. 6~~

~~Canceled Fifth Revision of Sheet No. 6~~

(D) Decrease

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403

~~Issued: February 4, 2005~~

Effective: ~~March 9, 2005~~

~~Issued by: John Watson, Vice President and General Manager~~

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~TPSC No. 19 First Revision of  
Original Sheet No. 7~~-Canceling Original Sheet No. 7-~~

~~The City shall pay for the cost of installing all hydrants and hydrant branches, and upon such installation, the City shall thereafter own, maintain and, where necessary, replace the same. All public fire hydrants existing as of October 20, 1956, now owned by the City shall likewise be maintained by the city and replaced at its own cost and expense.~~

Issued: May 1, 2024

Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403

~~Issued: April 24, 1990~~~~Effective: May 4, 1990~~Issued by: ~~D. L. Edgemon, President~~~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~~~TRA No. 19~~~~Seventh Revision of Sheet No. 8~~~~Canceling Sixth Revision of Sheet No. 8~~CLASSIFICATION OF SERVICEPUBLIC FIRE SERVICEAvailable For:

Public Fire Service in all areas served by the Company. ~~the City of Chattanooga, City of East Ridge, City of Red Bank, the Town of Lookout Mountain, Tennessee, and Unincorporated Areas of Hamilton and Marion Counties, Tennessee; and the City of Rossville, the Town of Lookout Mountain, Georgia and the Unincorporated Areas of Walker, Catoosa and Dade Counties, Georgia.~~

<u>Rates</u>	<u>Rates per Annum – Billed Monthly</u>	
Each Public Fire Hydrant	\$0.00	(D)

Issued: May 1, 2024Effective: ~~January 1,~~~~2025~~ May 31, 2024Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403 ~~Issued: February 4, 2005~~~~Effective: March 9, 2005~~~~Issued by: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER~~~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TRA No. 19~~

~~Seventh Revision of Sheet No. 8~~

~~Canceling Sixth Revision of Sheet No. 8~~

(D) Decrease

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403 ~~Issued: February 4, 2005~~

~~Effective: March 9, 2005~~

~~Issued by: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER~~

~~1101 Broad Street Chattanooga, Tennessee 37401~~

CLASSIFICATION OF SERVICEPRIVATE FIRE SERVICEAvailable For:

~~Private Fire Service in all territory served by the Company. Private Fire Service is rendered only after approval by the President or Vice President and General Manager of the Engineering Department of the Company of an "Application for Special Connection," and only in accordance with the terms and conditions as provided therein.~~

Rates

	<u>Rate per Annum</u>
Private Fire Service Connections:	
1" diameter	\$36.80 (I)
1-1/2" diameter	83.01 (I)
2" diameter	147.63 (I)
2-1/2" diameter	225.12 (I)
3" diameter	331.84 (I)
4" diameter	664.53 (I)
6" diameter	1,328.00 (I)
8" diameter	2,658.23 (I)
10" diameter	3,987.64 (I)
12" diameter	5,317.30 (I)
Private Fire Hydrants other than those supplied by Private Fire Service Connections	\$1,266.87 (I)
<u>Rate Zone 1 and Rate Zone 2</u>	
<u>Private Fire</u>	

AVAILABILITY – Private Fire Service in all territories served by the Company. Private Fire Service is rendered Only after approval by the Engineering Department of the Company of an "Application for Special Connection" and

(I) Increase

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403

~~Issued: October 2, 2012~~

Effective: November 1, 2012

Issued by: Deron E. Allen, President

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~~~TRA No. 19~~~~Eleventh Revision of Sheet No. 9~~~~Canceling Tenth Revision of Sheet No. 9~~Only in accordance with the terms and conditions as approved therein.SERVICE CHARGES:Service Charge Per Month

<u>Meter Size</u>	<u>Monthly</u>	<u>Quarterly</u>	
<u>1"</u>	<u>4.70</u>	<u>14.10</u>	<u>(I)</u>
<u>1-1/2"</u>	<u>10.70</u>	<u>32.10</u>	<u>(I)</u>
<u>2"</u>	<u>19.00</u>	<u>57.00</u>	<u>(I)</u>
<u>2-1/2"</u>	<u>28.90</u>	<u>86.70</u>	<u>(I)</u>
<u>3"</u>	<u>42.60</u>	<u>127.80</u>	<u>(I)</u>
<u>4"</u>	<u>85.50</u>	<u>256.50</u>	<u>(I)</u>
<u>6"</u>	<u>170.75</u>	<u>512.25</u>	<u>(I)</u>
<u>8"</u>	<u>341.65</u>	<u>1,024.95</u>	<u>(I)</u>
<u>10"</u>	<u>512.40</u>	<u>1,537.20</u>	<u>(I)</u>
<u>12</u>	<u>683.30</u>	<u>2,049.90</u>	<u>(I)</u>
<u>Public Hydrants</u>	<u>162.86</u>	<u>488.58</u>	<u>(N)</u>

Issued: May 1, 2024Effective: ~~January 1,~~~~2025~~ May 31, 2024Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403 ~~Issued: October 2, 2012~~Effective: November 1, 2012Issued by: Deron E. Allen, President~~1101 Broad Street Chattanooga, Tennessee 37401~~



GENERAL PROVISIONS APPLICABLE TO ALL WATER SERVICE

- (N) All bills for service are due upon presentation. A late payment charge will be assessed to bills that remain unpaid ~~15~~27 days after they are first rendered. The effective date of the late payment charge will be stated on the bill. The net amount shown on the bill shall apply if payment is made on or before the late payment date. Payments made after that date shall be for the gross amount which shall be greater by five percent (5%) than the net billing.

The Water Company will furnish, install and maintain all meters except those required by it to be set on "Fire Service Connections" in accordance with the terms and of "Application for Special Connection" attached thereto.

The Water Company reserves the right subject to the approval of the Tennessee Public ~~Service Commission~~Utility Commission to make special contracts for water service.

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~~2025~~May 31, 2024

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109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: April 24, 1990

Effective: May 4, 1990

Issued by: D. L. Edgemon, President

1101 Broad Street Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE

## (C) MISCELLANEOUS AND OTHER FEES

Applicable For:

- (C) Applicable to all areas served by the Company. ~~the cities of Chattanooga, East Ridge and Red Bank, Tennessee, the Cities of Rossville, City of Ridgside, Lookout Mountain, unincorporated Hamilton County, Ft. Oglethorpe and Catoosa County, Georgia.~~

Availability of Service

- (~~E~~) Available for billing and collecting services connected with sewer billing until  
 (~~E~~) October 31, 2012, unless the entity enters into a contract for water usage data by that  
 (~~E~~) date and then it may extended until December 31, 2012 only for those contracted  
 (~~E~~) entities.

(~~E~~) Rates

- (~~E~~) Rates Per Bill ..... \$0.405

~~Activity~~ Activation Fee

- (C) When the Company is requested to turn on and/or set a meter at a location where there is pre-existing Company service, a fee of ~~\$15~~\$25.00 may be charged to cover the expense involved.

This fee shall not be applied to a landlord when the landlord requests continuation of service in their name for their rental property during an interim period between permanent tenants.

New Service Fee

- ~~Any applicant for water service at a location at which there is no preexisting Company service may be charged a fee of \$25.00 to cover the expense of being added to the system. This fee includes the above mentioned activity fee.~~
- (C)

Issued: May 1, 2024

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~~2025~~ May 31, 2024

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109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: May 10, 2012

Effective: June 11, 2012

Issued by: Deron E. Allen, President

1101 Broad Street Chattanooga, Tennessee 37401

~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TRA No. 19~~

~~Fourth Revision of Sheet No. 11~~

~~Canceling Third Revision of Sheet No. 11~~

(C) Change in Text

Issued: May 1, 2024

Effective: ~~January 1,~~

~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: May 10, 2012

Effective: June 11, 2012

Issued by: ~~Deron E. Allen, President~~

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~

TRA No. 19

~~Original Sheet No. 11-SWR~~CLASSIFICATION OF SERVICE~~(N)~~ SEWER BILLING DATA AND SERVICE DISCONNECTION~~(N)~~ Available For:~~(N)~~ Any private or public entity that provides sewer collection and billing services based on water usage in all territory served by the Company.~~(N)~~ Availability of Service~~(N)~~ Available for sewer providers that have contracted with the Company to receive water usage data for such entity's own billing purposes. This rate will include only the provision of water usage data. Disconnection of water service requested by the entity for non-payment of sewer billing may be billed to the entity at [Tennessee-American Water Company](#) ("TAWC's") approved disconnect/reconnect rate for each disconnection performed. Disconnection may occur even if the customer is current on all water service payments to the Company. Prior to such disconnection request, the sewer entity shall satisfy all notice requirements to the sewer customer.~~(N)~~ Rates~~(N)~~ Rates Per Meter Read ..... \$0.020~~(N)~~ Billing~~(N)~~ The billing shall be monthly. This rate will be applied at the billing date to the total number of meters read during the month for which usage data is to be provided. Any discontinued water connections during the month will be included in the billed number of meters. The rate will be applied for each meter even if there are multiple meters for a single customer, bill or account.~~(N)~~ The number of disconnections during the month at the request of the entity to be billed to the entity will be included in the monthly billing at the approved disconnect/reconnect rate even if customer has not yet been reconnected at the billing date.

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Effective: ~~January 1,~~~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403—Issued: May 10, 2012

Effective: June 11, 2012

Issued by: ~~Deron E. Allen, President~~~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TRA No. 19~~  
~~Original Sheet No. 11-SWR~~

Issued: May 1, 2024  
~~2025~~ May 31, 2024

Effective: ~~January 1,~~

Issued by: Grant A. Evitts, President

~~109 (N) New Rate for New Service~~

~~Chattanooga, Tennessee 37403~~ Issued: May 10, 2012

~~Effective: June 11, 2012~~

Issued by: ~~Deron E. Allen, President~~

~~1101 Broad Street Chattanooga, Tennessee 37401~~

TENNESSEE-AMERICAN WATER COMPANY

TPUC No. 20

Original Sheet No. 12

~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TRA No. 19~~

~~Third Revision of Original Sheet No. 12~~

~~Canceled Second Revision of Original Sheet No. 12~~

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~~2025~~ May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403 ~~Issued: October 2, 2012~~

~~Effective: November 1, 2012~~

~~Issued by: Deron E. Allen, President~~

~~1101 Broad Street Chattanooga, Tennessee 37401~~

~~TENNESSEE-AMERICAN WATER COMPANY~~~~TRA No. 19~~~~Third Revision of Original Sheet No. 12~~~~Canceling Second Revision of Original Sheet No. 12~~**CLASSIFICATION OF SERVICE****DISCONNECTION – RECONNECTION CHARGE**

- (C) When it becomes necessary to discontinue water service to any premises because of a violation of the Company's Rules and Regulations on account of non-payment of any bill for water service, a charge of thirty (\$30.00) dollars ~~fifteen dollars (\$15.00)~~ may be incurred to cover the expense involved with disconnecting and reconnecting the service.
- ~~(N)~~ If a customer's water service is discontinued for non-payment of sewer service and such customer is a sewer customer of an entity that has contracted with the Company for disconnection within five (5) days of notification by the sewer entity, a charge of forty-eight dollars (\$48.00) may be made to cover the expense involved.

In the event a customer's water service has been discontinued by the Company ~~as described above~~, and said customer re-establishes services illegally ~~in order to avoid payment of outstanding obligations due the Company~~, the Company will take

- (C) service in such circumstances, a meter tampering penalty fee ~~charge of ninety-two dollars (\$92.00)~~ and a disconnection-reconnection fee may be incurred to cover the expense of re-activating the service.

After hours reconnection fee \$40.00 in addition to the standard reconnection fee.

**METER TAMPERING PENALTY FEE**

Any customer who removes or relocates, or cause or permit the removal or relocation of a meter by their agents once it has been installed by the Company, may be subject to a meter tampering penalty fee of ninety-two dollars (\$~~92.00~~250.00).

**Returned Check Charge**

When a payment is returned for non-sufficient funds ~~bad check has been issued to Tennessee American Water Company for payment of any bill for water service~~, a charge of \$20.00 will be made to cover expenses involved.

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~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TRA No. 19~~  
~~Third Revision of Original Sheet No. 12~~  
~~Canceled Second Revision of Original Sheet No. 12~~

(N) New Text  
(C) Change in Text

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~~2025~~ May 31, 2024  
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109 Wiehl Street  
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~~Effective: November 1, 2012~~  
Issued by: Deron E. Allen, President  
1101 Broad Street Chattanooga, Tennessee 37401



**CLASSIFICATION OF  
SERVICE****SUMMARY OF RIDERS****1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, the Legacy Capital Recovery Riders, Incremental Capital Recovery Rider ("ICR"), and Production Costs and Other Pass-Throughs Rider ("PCOP") will apply to customers in all approved service areas.

**2. The Percentage of Riders, Reconciliation and Offsets**

For the Riders defined in the tariffs:

(E)	<u>Legacy Capital Recover Riders</u>	<u>00.00%</u>
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<u>Incremental Capital Recovery Rider</u>	<u>00.00%</u>
<u>Total of Legacy and Incremental Capital Recovery Riders</u>	<u>00.00%</u>
<u>Reconciliation Rate (expires December 31, 2023)</u>	<u>00.00%</u>

<u>Offset to Legacy and ICR Riders for TCJA Savings</u>	<u>00.00%</u>
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<u>Offset to Legacy and ICR Riders for Excess ADIT</u>	<u>00.00%</u>
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<u>PCOP</u>	<u>00.00%</u>
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(D) Indicates Decrease

(I) Indicates Increase

(E) Text Eliminated

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109 Wiehl Street

Chattanooga, Tennessee 37403



CLASSIFICATION OF SERVICEDETAIL OF LEGACY RIDERS1. Applicability

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Legacy Qualified Infrastructure Improvement Program ("QIIP") Rider, a Legacy Economic Development Investment Program Rider ("EDI"), and a Legacy Safety and Environmental Compliance Program Rider (SEC"), collectively the Legacy Capital Recovery Riders, will apply to customers in all approved service areas.

The Legacy Capital Recovery Riders were established by Commission Order in TPUC Docket No. 23-00018.

2. The Percentage of Legacy Riders

The Legacy Capital Recovery Riders percentages shall be expressed as a percentage carried to two (2) decimal places and shall be applied to the total amount billed to each Customer based on the Company's otherwise applicable rates and charges.

For the Riders defined in the tariffs:

<u>Legacy QIIP</u>	<u>24.28%</u>
<u>Legacy EDI</u>	<u>1.93%</u>
<u>Legacy SEC</u>	<u>10.09%</u>
<u>Total of Legacy Capital Recovery Riders</u>	<u>36.30%</u>

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109 Wiehl Street

Chattanooga, Tennessee 37403

**CLASSIFICATION OF SERVICE****INCREMENTAL CAPITAL RIDER****1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, an Incremental Capital Rider ("ICR") will apply to customers in all Approved Service Areas.

The above rider will be computed and reconciled annually within a single filing.

**2. Definitions**

For the purposes of this Rider:

"Annual Filing Date" shall be the date the Company will make its annual calculation of the ICR Percentage Rate for the following twelve-month period. The Annual Filing Date shall be no later than March 1 of each year.

"Approved Service Areas" means service areas authorized by the Commission to have the Incremental Capital Rider charges applied.

"Annual Review Period" means the calendar twelve-month period (January through December) of the prior year.

"Commission" means the Tennessee Public Utility Commission.

"Consumer Advocate" means the Consumer Advocate Unit in the Financial Division of the Office of the Attorney General.

"Return on Equity (ROE) Test" means the return on equity test that shall be used to determine any limitation that shall apply to the recovery of the ICR.

"Eligible Rate Base" means the amount of the Incremental Capital Rider eligible rate base not otherwise included in current base rates.

~~"Legacy Capital Riders" means all capital rider investment made prior to January 1, 2023 from the Qualified Infrastructure Improvement Program ("QIIP"), Economic Development Investment ("EDI"), and Safety and Environmental Compliance Riders ("SEC"). Referred to~~

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109 Wiehl Street

Chattanooga, Tennessee 37403

as “Previously Recovered CR Rate Base” in the Incremental Capital Rider Revenue Requirement calculation listed below. The Legacy Capital Riders percentages were established by Commission Order in Docket No. 23-00018.

“New matter” 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 Incremental Capital Rider filing for which there is no explicit prior determination by the Commission regarding the Company.

“Relevant Rate Order” is defined as the methodologies approved and adopted by the Commission in Docket Nos. 12-00049, 13-00130, 19-00103, any subsequent general rate case, the most recent final order of the Commission specifically prescribing or fixing the factors and procedures to be used in the application of this Rider, or as modified following a determination of a New Matter (defined in part2).

### 3. General Description

- (A) The ICR allows the Company to recover outside of a base rate case its qualifying incremental non-revenue producing plant infrastructure investment costs, with such recovery limited to the lower of the ICRRR necessary to allow the Company to earn its authorized return on equity, or its actual incremental ICRRR. Starting with the 2024 filing for investments made through December 31, 2023, the annual Incremental Capital Rider Revenue Requirement (“ICRRR”) will be calculated using the Eligible Rate Base less the amount recovered in the Legacy Capital Riders rates.
- (B) Investments eligible for recovery under the ICR are subject to the same requirements initially adopted in TRA Docket No. 13-00130 for the Qualified Infrastructure Improvement Program (“QIIP”), Economic Development Investment (“EDI”), and Safety and Environmental Compliance (“SEC”) Riders.
- (C) General Description QIIP: QIIP allows the Company to recover outside of a rate case its qualifying incremental non-revenue producing plant infrastructure investment. For purposes of this Rider, qualifying QUP investment includes the following:
- *Distribution Infrastructure* -Replacement distribution and transmission mains and valves installed as replacements for existing facilities, reinforcement of existing facilities or otherwise insuring reliability of existing facilities; I hydrant, Services, Meters and Meter Installations - installed as in-kind replacements, reinforcements or insuring reliability of existing facilities; Unreimbursed funds related to capital projects to relocate facilities required by governmental highway projects; Capitalized tank repairs and maintenance that serve to replace, reinforce, or otherwise insure reliability of existing facilities.

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109 Wiehl Street

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- Production and Pumping Infrastructure -Replacement of water treatment facilities and equipment installed as replacements for existing facilities, reinforcement of existing facilities or otherwise insuring reliability of existing facilities; Raw Water and Finished Water pumping equipment and structures installed as replacements, reinforcements or otherwise insuring reliability of existing facilities.
- Other Infrastructure – Infrastructure designed to utilize alternative fuels.
- QIIP Investment is to be identifiable on the Company's books and segregated into the following general accounts:
  - Account 331 - Transmission & Distribution Mains;
  - Account 333 - Services;
  - Account 334 - Meters & Meter Installations;
  - Account 335 - Hydrants;
  - Account 320 - Water Treatment Equipment, Non-Media;
  - Account 311 - Pumping Equipment;
  - Account 303 - Land and Land Rights;
  - Account 304 - Structures and Improvements;
  - Account 306 - Lake, River and Other Intakes;
  - Account 307 - Wells and Springs;
  - Account 309 - Supply Mains;
  - Account 310 - Power Generation Equipment
  - Account 330 - Distribution Reservoirs and Standpipes;
  - Account 341 - Transportation Equipment; and
  - Account 3300003 - Capitalized Tank Painting.

(D) EDI allows the Company to recover outside of a rate case its qualifying incremental non-revenue producing plant infrastructure investment and expenses. For purposes of this Rider, qualifying EDI investment includes the following:

- Distribution, Production, and Other Infrastructure - Distribution, production, and other infrastructure that may be identified as being for the purpose of economic development.
- Economic Development Expenses - Operational expenses that are specifically to support economic development and economic development investment utility plant.

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109 Wiehl Street

Chattanooga, Tennessee 37403

- EDI Investment is to be identifiable on the Company's books and segregated into the following general accounts:

Account 331 - Transmission & Distribution Mains;  
Account 333 - Services;  
Account 334 - Meters & Meter Installations;  
Account 335 - Hydrants;  
Account 320 - Water Treatment Equipment, Non-Media;  
Account 311 - Pumping Equipment;  
Account 303 - Land and Land Rights;  
Account 304 - Structures and Improvements;  
Account 306 - Lake, River and Other Intakes;  
Account 307 - Wells and Springs;  
Account 309 - Supply Mains;  
Account 310 - Power Generation Equipment;  
Account 330 - Distribution Reservoirs and Standpipes; and  
Account 330003 - Capitalized Tank Painting.

(E) SEC allows the Company to recover outside of a rate case its qualifying incremental non-revenue producing plant infrastructure investment and expenses. For purposes of this Rider, qualifying SEC investment includes the following:

- Distribution and Production infrastructure - Distribution, production, and other infrastructure that may be identified as being for the purpose of safety and environmental compliance.
- Safety and Environmental Expenses - Operational expenses similar to other expenses authorized in previous rate cases that are specifically new expenses for safety and environmental compliance or to support safety and environmental compliance utility plant.
- SEC Investment is to be identifiable on the Company's books and segregated into the following general accounts:

Account 331 - Transmission & Distribution Mains;  
Account 333 - Services; Account 334 - Meters & Meter Installations;  
Account 335 - Hydrants;  
Account 320 - Water Treatment Equipment, Non-Media;  
Account 311 - Pumping Equipment;  
Account 303 - Land and Land Rights;  
Account 304 - Structures and Improvements;  
Account 306 - Lake, River and Other Intakes;  
Account 307 - Wells and Springs;

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Effective: May 31, 2024

Issued by: Grant A. Evitts, President

109 Wiehl Street

Chattanooga, Tennessee 37403



Account 309 - Supply Mains;  
Account 310 - Power Generation Equipment  
Account 330 - Distribution Reservoirs and Standpipes; and  
Account 330003 - Capitalized Tank Painting

(F) Investments eligible for recovery under the ICR are subject to the conditions established by Commission Order in TPUC Docket No. 19-00103.

(G) An annual return on equity test will determine any limitation that shall apply to the recovery of the ICRRR.

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109 Wiehl Street

Chattanooga, Tennessee 37403

**4. Computation of the Return on Equity Test**

Recovery of the ICRRR shall be subject to the following limitations:

- a. If an *earnings deficiency* exists and it is greater than the ICRRR, there would be no ICRRR recovery limitation.
- b. If an *earnings deficiency* exists and it is less than the ICRRR, the ICRRR would be limited to the amount of the earnings deficiency.
- c. If an *earnings surplus* exists in the test period, there will be no ICRRR for that single year.

An earnings deficiency exists if the as-adjusted Earned Return on Equity during the Annual Review Period is less than the last Authorized Return on Equity. An earnings surplus exists if the as-adjusted Earned Return on Equity during the Annual Review Period is greater than the Authorized Return on Equity. The Earned Return on Equity may include the impact of any New Matter, as appropriate.

The Return on Equity Test shall be calculated for the Annual Review Period as follows:

**Calculation of Return on Equity Test**  
**For the Twelve Months Ending December 31, xxxx**

Line  
No.

1

20xx ICRRR

2

**Calculation of Adjusted Net Income**

3

Book Net Income

\$

4

Adjustments to Book Income:

5

Deduct Deferred Depreciation, Property Taxes and Debt Carrying Costs

6

Deduct New ICRRR Revenue Collections

7

Add Adjustment to reflect effective federal

8

Add Income tax rate (debt assigned to parent)

9

Add Incentive Compensation

10

Add Lobbying Expenses

11

Add Lobbying - Salary

12

Add Deferral of Operating Costs - Main Break

13

Add Excess Production Costs > 15% Adjustment

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14	Add Amortization of prior years' deferred Depreciation, Property Taxes and Debt Carrying Costs.	
15	Reserved for Adjustment to Book Income	
16	Adjustments to Net Income (Lines 5 thru 15)	\$
17	Adjusted Net Income (Line 3+16)	\$
18	<b>Calculation of Equity</b>	
19	TAWC 13-Month Avg Rate Base	\$
20	Less: 13-Month Avg Debt:	
21	Long-Term Debt	
22	Short-Term Debt	
23	Equity Financed Rate Base (Line 19 Less 21 and 22)	\$
24	Earned Return on Equity (Line 17/23)	%
25	Less: Authorized Return on Equity	10.75%
26	Excess Return on Equity (Line 24 less Line 25)	%
27	Multiplied by Equity Balance (Line 26 * Line 23)	\$
28	Tax Gross-up Factor	
29	Revenue Excess – Subtotal (Line 27 * Line 28)	\$
30	Multiplied by: Reciprocal Factor - Revenue Taxes at 3.19%	
31	Revenue Excess/(Deficiency)	\$

Where:

**“Adjusted Net Income”** means TAWC’s Book Net Income adjusted to include items historically used to adjust operating income, for which a precedent has been set or an Order received from the Commission to exclude specific expenses or revenues. Book Net Income should be adjusted to include deferred depreciation, property taxes and debt carrying costs as an expense on a net of tax basis in the period in which the expenses were deferred. Once amortization begins on these deferred expenses, they are not to be included as adjustments in subsequent Earnings Test calculations. An adjustment should be made for any over or under collection from prior period ICR.

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**“Authorized Return on Equity”** means TAWC’s most recent authorized return on equity as ordered by the Commission in the last rate case or Relevant Rate Order.

**“Book Net Income”** means TAWC’s unadjusted net income for the Annual Review Period per its general ledger. Book Net Income shall include Allowance for Funds Used During Construction and interest on customer deposits.

**“Long-Term Debt”** means TAWC’s long-term debt as reported in the PSC-3.06 monthly reports submitted to the Commission, subject to a determination as to the reasonableness of such balances for inclusion in the Return on Equity calculation.

**“Short-Term Debt”** means TAWC’s short-term debt as reported in the PSC-3.06 monthly reports submitted to the Commission, subject to a determination as to the reasonableness of such balances for inclusion in the Return on Equity calculation..

**“Reciprocal Factor”** means the gross up of the effective rate of the revenue tax rate, which includes the uncollectible expense rate and forfeited discounts rate from the Relevant Rate Order, the current gross receipts tax rate, and any applicable Tennessee River Authority fees.

**“TAWC 13-Month Avg Rate Base”** means TAWC’s thirteen-month average rate base for December of the prior period through December of the Annual Review Period.

**“Tax Gross-Up Factor”** means the gross up of the effective tax rate of the current state and federal tax rates.

## **5. Determination of the ICR**

- (A) The ICR percentage shall be expressed as a percentage carried to two (2) decimal places. The ICR percentage shall be applied to the total amount billed to each Customer based on the Company’s otherwise applicable rates and charges.
- (B) The ICR percentage shall be calculated for the Annual Review Period as follows:

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<u>Line No.</u>	<u>Description</u>	<u>Source</u>	
<b><u>Section A: Return</u></b>			
<b><u>Determining Capital Rider Rate Base and Rate of Return</u></b>			
<u>1</u>	<u>TAWC 13-Month Average Rate Base</u>		<u>\$</u>
<u>2</u>	<u>Eligible Capital Rider Rate Base</u>		
<u>3</u>	<u>Plus:</u>		
<u>4</u>	<u>Authorized Rate Base</u>	<u>Rate Order 24-000XX</u>	
<u>5</u>	<u>Acquisition Rate Base</u>		
		<u>Line 2 + Line 4 + Line</u>	
<u>6</u>	<u>Eligible Capital Rider Rate Base Plus</u>	<u>5</u>	<u>\$</u>
		<u>Lower of Line 1 or</u>	
<u>7</u>	<u>Lower of the Rate Base Calculation</u>	<u>Line 6</u>	<u>\$</u>
		<u>Line 7 Less Lines 4</u>	
<u>8</u>	<u>Eligible Rate Base</u>	<u>and 5</u>	<u>\$</u>
<u>9</u>	<u>Less: Previously Recovered CR Rate Base</u>		<u>\$0.00</u>
<u>10</u>	<u>Incremental CR Investment</u>	<u>Line 8 Less Line 9</u>	<u>\$</u>
<u>11</u>	<u>Pre-Tax Return</u>	<u>Rate Order 24-000XX</u>	<u>%</u>
<u>12</u>	<u>Pre-Tax Revenue Deficiency on ICR Investment</u>	<u>Lines 10 * 11</u>	<u>\$</u>
		<u>Regulatory Lag</u>	
<u>13</u>	<u>Lag Weighted Return Factor - Pre-Tax</u>	<u>Factor</u>	<u>1.1056</u>
	<u>Return on Rate Base Revenue Deficiency w/</u>		
<u>14</u>	<u>Regulatory Lag</u>	<u>Line 12 * Line 13</u>	<u>\$</u>

<b><u>Section B: Depreciation</u></b>			
<b><u>Determining Depreciation Expense</u></b>			
<u>15</u>	<u>TAWC Depreciation Expense</u>	<u>PSC--3.06</u>	<u>\$</u>
<u>16</u>	<u>Minus:</u>		
		<u>Rate Order 24-</u>	
<u>17</u>	<u>Authorized Depreciation Expense</u>	<u>000XX</u>	
<u>18</u>	<u>Acquisition Depreciation Expense</u>		

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<u>20</u>	<u>Incremental Depreciation Expense Cap</u> <u>(Depreciation expense unrecovered in either</u> <u>base rates or capital rider)</u>	<u>Line 15 Less Lines</u> <u>17, 18, 19</u>	<u>\$</u>
<u>21</u>	<u>Incremental CR Depreciation Expense</u>		
<u>22</u>	<u>Lower of the Depr Expense on Incremental CR</u> <u>Expenditures or Unrecovered Depreciation</u> <u>Expense</u>	<u>Lower of Line 20 or</u> <u>21</u>	<u>\$</u>
<u>23</u>	<u>Lag Weighted Return Factor - Pre-Tax</u>	<u>Regulatory Lag</u> <u>Factor</u>	<u>1.1056</u>
<u>24</u>	<u>ICRRR Depreciation Expense w/ Regulatory Lag</u>	<u>Line 22 * 23</u>	<u>\$</u>
<b><u>Section C: Property and Franchise Tax Expense</u></b> <b><u>Determining Property &amp; Franchise Tax Expense</u></b>			
<u>25</u>	<u>TAWC Property Tax</u>	<u>PSC--3.06</u>	<u>\$</u>
<u>26</u>	<u>TAWC Franchise Tax</u>		
<u>27</u>	<u>Minus:</u>		
<u>28</u>	<u>Authorized Property &amp; Franchise Tax</u>	<u>Rate Order 24-</u> <u>000XX</u>	<u>\$</u>
<u>29</u>	<u>Acquisition Property Tax</u>		
<u>30</u>	<u>Acquisition Franchise Tax</u>		
<u>31</u>	<u>Legacy CR Property Tax Recovery</u>		<u>\$</u>
<u>32</u>	<u>Incremental Property &amp; Franchise Tax</u> <u>(Unrecovered in either base rates or capital</u> <u>rider)</u>	<u>Lines 25 + 26 Less</u> <u>Lines 28,29, 30, 31</u>	<u>\$</u>
<u>33</u>	<u>Incremental Property and Franchise Taxes</u>	<u>Property &amp;</u> <u>Franchise Tax Calc</u>	<u>\$</u>
<u>34</u>	<u>Eligible Capital Rider Franchise Tax</u>		
<u>35</u>	<u>Lower of Unrecovered Actual or CR Property</u> <u>and Franchise Tax Expense</u>	<u>Lower of Line 32 or</u> <u>33</u>	<u>\$</u>

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36	Lag Weighted Return Factor - Pre-Tax	Regulatory Lag Factor	1.1056
37	ICRRR Property and Franchise Tax w/ Regulatory Lag	Line 35 * 36	\$
38	Total ICRRR Revenue Requirement	Lines 14 + 24 + 37	\$
39	CRR Revenue Deficiency	Line 38	\$
40	Revenue Taxes Reciprocal Factor		
41	Revenues with Revenue Taxes		\$
42	Over/(Under) Collection from Prior Period		
43	After Tax ICRRR		\$

Where:

**“Acquisition Rate Base, Depreciation and Taxes”** means inclusion of net rate base based upon the book value of the acquired system, depreciation and taxes associated with a new service area not previously included in TAWC’s Relevant Rate Order’s authorized rate base, depreciation expense, or taxes.

**“Authorized Depreciation Expense”** means the depreciation expense authorized in the Relevant Rate Order.

**“Authorized Rate Base”** means the rate base authorized in the Relevant Rate Order.

**“Authorized Property & Franchise Tax”** means the property and franchise tax authorized in the Relevant Rate Order.

**“Eligible Capital Rider Rate Base”** means the rate base from all Legacy Capital Rider investments from the QIIP, EDI, and SEC riders through the Annual Review Period.

**“Incremental CR Depreciation Expense”** means the calculation of depreciation expense on the eligible Incremental Capital Rider investment.

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**“Incremental Property and Franchise Taxes”** means the difference between the Legacy Capital Rider property and franchise taxes calculation and the current calculation of property and franchise taxes, which includes all eligible capital investment for the Annual Review Period.

**“Lag Weighted Return Factor”** means the computed lag on each ICRRR component from the mid-point of the study period through the mid-point of the collection period, assumed to be 17 months. The lag is applied to the Pre-tax Return adopted in the Relevant Rate Order. The lag period could be adjusted based on procedural schedules, effective dates, and/or other circumstances.

**“Legacy CR Property Tax Recovery”** means the property tax expense authorized in all Legacy Capital Rider investments.

**“Legacy CR Depreciation Recovery”** means the depreciation expense authorized in all Legacy Capital Rider investments.

**“Over/(Under) Collection from Prior Period”** means the difference between actual revenues collected through the ICR from the prior Annual Review Period, compared with the actual ICRRR authorized by the Commission during the prior Annual Review Period.

**“Pre-Tax Return”** means the rate of return on investment before taxes as approved in the Relevant Rate Order.

**“Revenue Taxes Reciprocal Factor”** means the gross up of the effective rate of the revenue tax rate, which includes the uncollectible expense rate and forfeited discounts rate from the relevant rate order, the current gross receipts tax rate, and any applicable Tennessee River Authority fees.

**“TAWC Property Tax”** means TAWC’s property tax expense as reported in the PSC-3.06 monthly report submitted to the Commission.

**“TAWC Depreciation Expense”** means TAWC’s depreciation expense as reported in PSC-3.06 monthly report submitted to the Commission.

**“TAWC 13-Month Average Rate Base”** means TAWC’s total thirteen-month average rate base for December of the prior period through December of the test period.

## **6. New Matters**

If New Matters arise, the Company, TPUC Staff, and the Consumer Advocate will endeavor to reach a resolved treatment, or if necessary, will seek a ruling from the Commission.

## **7. New Base Rates**

The ICR and Legacy Capital Rider will be reset to zero upon the establishment of new Commission-authorized base rates and charges to customer billings that provide for the prospective recovery of the annual costs that had theretofore been recovered under the ICR or Legacy Capital Riders. Thereafter, only the costs of new ICR eligible plant additions that have not previously been reflected in the Company's Eligible Rate Base would be reflected in new annual ICR filings.

## **8. Annual ICR Percentage Rate Filing**

On or before March 1 of each year, the Company shall submit to the Commission a calculation of the ICR Percentage Rate for the following twelve-month period. The Annual ICR Percentage Rate Filing shall be verified by an officer of the Company. The Annual ICR Percentage Rate Filing shall include a calculation to adjust revenue to recover costs related to the Historical ICR Investment Amount, with such revenue adjustment applied through the ICR Percentage Rate. The interim ICR Percentage Rate shall become effective on April 1 of each year and be applied as an adjustment to Customers' bills for the next twelve months. Rates will be effective on the same day each year and implemented as interim rates until an order is received from the Commission. A true-up of interim rates for over or under collection would be done if the Commission Order differs from the rates that were implemented.

The Company will include in its Annual ICR Percentage Rate Filing the following information at a minimum: (a) computation of the ICR Percentage Rate, including the detailed calculation of each component and (b) such other information as the Commission may direct.

The Company will simultaneously copy the Consumer Advocate on its Annual ICR Percentage Rate Filing.

## 9. Computation of the Over-Under Collection Adjustment

The Company will identify and record the total amount of the ICR collected from customers for the prior Annual Review Period. The total amount collected will be based on twelve months of actual collection from January through December . The difference between the Total ICR Collected from Customers and the Total ICRRR authorized by the Commission from the prior Annual Review Period shall constitute the Over-Under Collection Adjustment. The true-up for February and March actuals versus estimates shall be made in the subsequent ICR filing as part of the Over-Under Collection Adjustment. The Over-Under Collection Adjustment shall be included in the current Annual Review Period's ICRRR calculation as identified on Line 43 of the ICR calculation above.

The Over-Under Collection Adjustment shall include any necessary adjustments for over-under collection due to interim rates differing from the Commission Ordered rates from the prior Annual Review Period.

The Company will include in its computation of the Over-Under Collection Adjustment the following information at a minimum: (a) a schedule of all journal entries made related to the ICR for the annual review period, including any related general ledger support, (b) actual billing determinants by month as used in the computation of the total ICR collected from customers for the prior annual review period, (c) computation of the annual over-under collection amount, including the detailed calculation of each component, (d) the cumulative amount of ICR and Legacy amounts collected from customers under this Rider and (e) such other information as the Commission may direct.

## 10. Notice Requirements

The Company will file revised tariffs for Commission approval upon 30 days' notice to implement a decrement or increment each April 1. Along with the tariff filing, the Company will include a copy of the computation of the new rate adjustment. The Company will simultaneously copy the Consumer Advocate on this filing.

## 11. Public Interest Review

Nothing herein shall be construed to eliminate or otherwise restrict the opportunity of the Consumer Advocate or any other interested party from seeking a review of this Rider, as permitted by law and the rules and regulations of the Commission, for a reconsideration of whether it remains in the public interest.

**CLASSIFICATION OF SERVICE****SUMMARY OF RIDERS****1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Qualified Infrastructure Improvement Program ("QIP") Rider, an Economic Development Investment Program Rider ("EDI"), a Safety and Environmental Compliance Program Rider ("SEC"), and Production Costs and Other Pass-Throughs Rider ("PCOP") will apply to customers in all service areas.

**2. The Percentage of Rider and Reconciliations**

For the Riders defined in the tariffs:

QIP	<u>24.22%</u>
EDI	<u>1.91%</u>
SEC	<u>9.97%</u>
Subtotal of all Capital Recovery Rider	36.10%

QIP Annual Reconciliation Percentage	-0.16%	(D)
EDI Annual Reconciliation Percentage	0.90%	(I)
SEC Annual Reconciliation Percentage	<u>-3.52%</u>	(D)
Subtotal of all Capital Recovery Riders	-2.78%	(D)

Total of Capital Recovery Riders and Reconciliation Percentages	33.32%
Offset to Capital Recovery Riders for TCJA savings	-4.32%
Offset to Capital Recovery Riders for TCJA Excess ADIT	-0.23%

PCOP	2.13%
------	-------

(I) Indicates Increase

(D) Indicate Decrease

~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TPUC No. 19~~  
~~Third Revised Sheet No. 12-QIIP-1~~

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~~TENNESSEE-AMERICAN WATER COMPANY~~CLASSIFICATION OF SERVICETPUC No. 19  
Third Revised Sheet No. 12-QIIP-1QUALIFIED INFRASTRUCTURE IMPROVEMENT PROGRAM—RIDER1. Applicability

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Qualified Infrastructure Improvement Program ("QIIP") Rider will apply to customers in all service areas.

The above rider will be recomputed annually and be adjusted periodically to incorporate the Annual Reconciliation Factor.

2. Definitions

For the purposes of this Rider:

**"Actual QIIP Investment Amount"** means the amount of actual capital investment of the Company for the Qualified Infrastructure Improvement Program and not otherwise included in current base rates. At the time of the Company's next general rate case proceeding, all prudently incurred Actual QIIP Investment Amounts associated with this Rider shall be included in base rates.

**"Annual Reconciliation Factor"** means an adjustment factor to true-up rates from forecasted costs to the actual costs incurred through application of 1) the Budget to Actual Adjustment and 2) the Over-Under Collection Adjustment, and the 3) Earnings Test Adjustment, as adjusted for Interest.

**"Annual Review Period"** means the twelve-month period between the annual adjustments of the QIIP Percentage Rate.

**"Commission"** means the Tennessee Public Utility Commission.

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~~Third Revised Sheet No. 12-QIIP-1~~

~~“Budget to Actual Adjustment” means the adjustment to QIIP for the applicable coming annual period due to the difference between the Forecasted QIIP Investment Amount and the Actual QIIP Investment Amount.~~

~~(T) Denotes change in text~~

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~~"Consumer Advocate" means the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General.~~

~~"Forecasted QIIP Investment Amount" means the amount of forecasted capital investment of the Company for the Qualified Infrastructure and Investment Program and not otherwise included in current base rates.~~

~~(T) "Over-Under Collection Adjustment" means the adjustment to QIIP for the applicable coming annual period due to the net amount of over or under collections. This will include over under collections from the annual review period EDI and any remaining balance of the over under collection from the prior reconciliation of the EDI.~~

~~"Relevant Rate Order" means the final order of the Commission in the most recent rate case of the Company fixing the rates of the Company or the most recent final order of the Commission specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.~~

### 3. General Description

~~QIIP allows the Company to recover outside of a rate case its qualifying incremental non-revenue producing plant infrastructure investment. For purposes of this Rider, qualifying QUP investment includes the following:~~

~~*Distribution Infrastructure*—Replacement distribution and transmission mains and valves installed as replacements for existing facilities, reinforcement of existing facilities or otherwise insuring reliability of existing facilities; Hydrant, Services, Meters and Meter Installations—installed as in-kind replacements, reinforcements or insuring reliability of existing facilities; Unreimbursed funds related to capital projects to relocate facilities required by governmental highway projects; Capitalized tank repairs and maintenance **that** serve to replace, reinforce, or otherwise insure reliability of existing facilities.~~

~~*Production and Pumping Infrastructure*—Replacement of water treatment facilities and equipment installed as replacements for existing facilities, reinforcement of existing facilities or otherwise insuring reliability of existing facilities; Raw Water and Finished Water pumping equipment and structures installed as replacements, reinforcements or otherwise insuring reliability of existing facilities.~~

~~*Other Infrastructure*—Infrastructure designed to utilize alternative fuels.~~

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~~TENNESSEE-AMERICAN WATER COMPANY—~~~~TPUC NO. 19~~~~Third Revised Sheet QIIP-12-QIIP-3. This document is to be identifiable on the Company's books and segregated into the following general accounts:~~

Account 331	<del>—Transmission &amp; Distribution Mains;</del>
Account 333	<del>—Services;</del>
Account 334	<del>—Meters &amp; Meter Installations;</del>
Account 335	<del>—Hydrants;</del>
Account 320	<del>—Water Treatment Equipment, Non-Media;</del>
Account 311	<del>—Pumping Equipment;</del>
Account 303	<del>—Land and Land Rights;</del>
Account 304	<del>—Structures and Improvements;</del>
Account 306	<del>—Lake, River and Other Intakes;</del>
Account 307	<del>—Wells and Springs;</del>
Account 309	<del>—Supply Mains;</del>
Account 310	<del>—Power Generation Equipment</del>
Account 330	<del>—Distribution Reservoirs and Standpipes;</del>
Account 341	<del>—Transportation Equipment; and</del>
Account 3300003	<del>—Capitalized Tank Painting.</del>

**4. Determination of the Qualified Infrastructure Improvement Program Percentage Rate**

- (A) ~~The QIIP percentage shall be expressed as a percentage carried to two (2) decimal places. The QIIP percentage shall be applied to the total amount billed to each Customer based on the Company's otherwise applicable rates and charges.~~
- (B) ~~The QTIP percentage shall be calculated on an annual prospective basis as follows:~~

**FORECASTED QIIP Investment Amount**~~Less QIIP Plant Retirements (Net of Cost of Removal & Salvage)~~~~Less Contributions in Aid of Construction~~~~Less Accumulated Depreciation~~~~Less Accumulated Deferred Income Taxes~~~~Net Forecasted QIIP Qualifying Investment~~~~Multiplied by the Pre-Tax ROR set forth in the Relevant Rate Order~~Issued: May 1, 2024Effective: January 1,2025 May 31, 2024Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403 ~~—Issued: October 3, 2017~~~~Effective: November 2, 2017~~~~Issued by: Valoria V. Armstrong, President~~~~109 Wiehl Street~~~~Chattanooga, Tennessee 37403~~

~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TPUC NO. 19~~

~~Third Revised Sheet No. 12-QIIP-3~~

~~Allowed Forecasted QIIP Pre-Tax Return Plus Depreciation Expense~~

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~~TENNESSEE-AMERICAN WATER COMPANY~~~~TPUC NO. 19~~

Third Revised Sheet No. 12-QIIP-4

~~Plus Property Taxes~~~~Plus Franchise Taxes~~~~Subtotal Forecasted QIIP Revenue Requirement Before Revenue Tax~~~~Divided by 1 minus the following: Forfeited Discounts Rate~~~~Plus Uncollectible Expense Rate~~~~Plus Gross Receipts Tax Rate~~~~Total Forecasted QIIP Revenue Requirement~~~~Divided by Relevant Rate Order Volumetric & Metered Revenue~~~~QIIP Percentage Rate~~~~Where:~~~~**Accumulated Depreciation** = Accumulated depreciation calculated by debiting for Forecasted QIIP plant removed from service, and crediting for new accumulations using rates approved in the Relevant Rate Order on new investments, less retirements and CIAC.~~~~**Accumulated Deferred Income Taxes** = An average of the forecasted accumulated deferred income taxes related to qualified forecasted QIIP investment at the beginning and end of the year.~~~~**Contributions in Aid of Construction** = Non-investor supplied funds used in the construction of forecasted QIIP infrastructure.~~~~**Depreciation Expense** = Forecasted cumulative qualified QIIP investment net of retirements and CIAC, multiplied by depreciation rates approved in the Relevant Rate Order.~~~~**Forfeited Discount Rate** = Forecasted QIIP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.~~~~**Franchise Taxes** = Forecasted cumulative qualified QIIP investment multiplied by composite franchise tax rate approved in the Relevant Rate Order.~~~~(T) Denotes change in text~~

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TENNESSEE-AMERICAN WATER COMPANY

TPUC No. 20

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~~TENNESSEE-AMERICAN WATER COMPANY~~

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~~**Gross Receipts Tax Rate** = Forecasted QHP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.~~

~~**Property Taxes** = forecasted cumulative qualified QHP investment multiplied by composite property tax rate approved in the Relevant Rate Order.~~

~~**QHP Plant Retirements** = Forecasted QHP plant removed from service net of any associated cost of removal and salvage.~~

~~**Forecasted QHP Investment Amount** = Average forecasted QHP additions to plant infrastructure as described in Section 3, computed by use of average of 12 end-of-month balances.~~

~~**Uncollectible Expense** = Forecasted QHP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.~~

~~**Volumetric & Metered Revenue** = the revenues authorized in the Relevant Rate Order for volumetric water sales, meter charges, and private fire service charges.~~

- (C) ~~The total amount to be recovered through the QHP is the QHP Percentage Rate as adjusted for the Annual Reconciliation Factor Percentage Rate.~~

## 5. ~~Determination of the Annual Reconciliation Factor Percentage Rate~~

- (A) ~~The Annual Reconciliation Factor Percentage shall be expressed as a percentage carried to two (2) decimal places. The Annual Reconciliation Factor Percentage shall be applied to the total amount billed to each Customer based on the Company's otherwise applicable rates and charges.~~
- (B) ~~The Annual Reconciliation Factor Percentage Rate will be computed as follows:~~

~~Budget to Actual Adjustment  
Plus Over Under Collection Adjustment~~

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~~Plus Earnings Test Adjustment~~~~Plus Interest~~~~Annual Reconciliation Amount~~~~Divided by 9/12 of the Relevant Rate Order Volumetric & Metered Revenue~~~~Annual Reconciliation Factor Percentage Rate~~~~(C) Computation of the Budget to Actual Adjustment.~~~~The Budget to Actual Adjustment will be computed as follows:~~~~ACTUAL QIIP Investment Amount for the Annual Review Period~~~~Less QIIP Plant Retirements (Net of Cost of Removal & Salvage) Less~~~~Contributions in Aid of Construction~~~~Less Accumulated Depreciation~~~~Less Accumulated Deferred Income Taxes~~~~Net Actual QIIP Qualifying Investment~~~~Multiplied by the Pre-Tax ROR set forth in the Relevant Rate Order~~~~Allowed Actual QIIP Pre-Tax Return~~~~Plus Depreciation Expense~~~~Plus Property Taxes~~~~Plus Franchise Taxes~~~~Subtotal Actual QIIP Revenue Requirement Before Revenue Tax~~~~Divided by 1 minus the following:~~~~Forfeited Discounts Rate~~~~Plus Uncollectible Expense Rate~~~~Plus Gross Receipts Tax Rate~~~~Total Actual QIIP Revenue Requirement~~~~Less Total Forecasted QIIP Revenue Requirement~~~~Budget to Actual Adjustment~~~~Where:~~~~(T) Denotes change in text~~

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**Accumulated Depreciation** = Accumulated depreciation calculated by debiting for Forecasted QIIP plant removed from service, and crediting for new accumulations using rates approved in the Relevant Rate Order on new investments, less retirements and CIAC

**Accumulated Deferred Income Taxes** = An average of the actual accumulated deferred income taxes related to actual QIIP investment at the beginning and end of the year.

**Contributions in Aid of Construction** = Non investor supplied funds used in the construction of actual QIIP infrastructure.

**Depreciation Expense** = Actual cumulative qualified QIIP investment net of retirements and CIAC multiplied by depreciation rates approved in the Relevant Rate Order.

**Forfeited Discount Rate** = Actual QIIP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.

**Franchise Taxes** = Actual cumulative qualified QIIP investment multiplied by composite franchise tax rate approved in the Relevant Rate Order.

**Gross Receipts Tax Rate** = Actual QIIP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.

**Property Taxes** = Actual cumulative qualified QIIP investment multiplied by composite property tax rate approved in the Relevant Rate Order.

**QIIP Plant Retirements** = Actual QIIP plant removed from service net of any associated cost of removal and salvage.

**Actual QIIP Investment Amount** = Average actual QIIP additions to plant infrastructure as described in Section 3, computed by use of average of 12 end of month balances.

**Uncollectible Expense** = Actual QIIP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.

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~~**Volumetric & Metered Revenue** = the revenues authorized in the Relevant Rate Order for volumetric water sales, meter charges, and private fire service charges.~~

~~(D) Computation of the Over-Under Collection Adjustment.~~

~~The Company will identify and record the total amount of the QHP Collected from Customers for the Annual Review Period. The difference between the Total QHP Collected from Customers and the Total Budgeted QHP Revenue Requirement shall constitute the Over-Under Collection Adjustment. This adjustment shall include any remaining Over-Under amount from the prior period reconciliation during the Annual Review Period in addition to the Over-Under collection amount for the EDI during the Annual Review Period~~

~~(E) Computation of the Earnings Test Adjustment.~~

~~If the earnings attained by the Company for the Annual Review Period exceed the earnings allowed for the Annual Review Period by applying the overall rate of return authorized in the Relevant Rate Order, then any such earnings difference shall constitute the Earnings Test Adjustment. If the earnings attained by the Company for the Annual Review Period are less than the earnings allowed for the Annual Review Period by applying the overall rate of return authorized in the Relevant Rate Order, then no Earnings Test Adjustment shall be recognized.~~

~~Any Earnings Test Adjustment shall be allocated among the Qualified Infrastructure Improvement Program Rider, the Economic Development Investment Rider, and the Safety and Environmental Compliance Rider based on the pro-rata revenues collected under these riders for the Annual Review Period for purposes of computing new rate adjustments.~~

~~(F) Computation of Interest.~~

~~Interest will be computed as follows:~~

~~Budget to Actual Adjustment  
Plus Over-Under Collection Adjustment  
Plus Earnings Test Adjustment~~

~~Total Amount Subject to Interest  
Interest Rate Multiplied by 50%~~

~~Total Interest~~

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Where "Interest Rate" equals the prime rate value published in the "Federal Reserve Bulletin" or in the Federal Reserve's "Selected Interest Rates" for the most recent preceding month.

#### **6. New Base Rates**

The QIIP rider will be reset at zero upon the establishment of new base rates to customer billings that provide for the prospective recovery of the annual costs that had theretofore been recovered under the QIIP. Thereafter, only the costs of new QIIP-eligible plant additions that have not previously been reflected in the Company's rate base, would be reflected in new annual prospective QIIP filings.

#### **7. Annual QIIP Percentage Rate Filing**

On or before December 1 of each year, the Company shall submit to the Commission a calculation of the QIIP Percentage Rate for the following calendar year. The Annual QIIP Percentage Rate Filing shall be verified by an officer of the Company. The Annual QIIP Percentage Rate Filing shall include a calculation to adjust revenue to recover costs related to the Forecasted QUP Investment Amount, with such revenue adjustment applied through the QIIP Percentage Rate. The QIIP Percentage Rate shall become effective on January 1 of each year and be applied as an adjustment to Customers' bills for the remainder of the calendar year.

The Company will include in its Annual QIIP Percentage Rate Filing the following information at a minimum: (a) computation of the QIIP Percentage Rate, including the detailed calculation of each component, (b) a budget of the Forecasted QIIP Investment Amount adopted by the Company's Board of Directors, (c) any related Strategic Capital Expenditures Plans, (d) a statement demonstrating how each projected capital investment comprising the Forecasted QIIP Investment Amount meets the requirements for recovery under this Rider set forth in Section 3, and (e) such other information as the Commission may direct.

The Company will simultaneously copy the Consumer Advocate on its Annual QIIP Percentage Rate Filing.

#### **8. Annual Reconciliation Filing with the Commission**

On or before March 1 of each year, the Company shall submit to the Commission a reconciliation of the results of the operation of the QIIP for the previous Annual Review Period. The Annual Reconciliation Filing shall be verified by an officer of the Company. The annual reconciliation shall include a calculation to adjust revenue collected under this QIIP Rider in effect for the prior Annual Review Period to an amount equivalent to the actual level of prudently incurred QIIP cost for the prior Annual Review Period, with such revenue adjustment applied through the Annual Reconciliation Factor Percentage Rate. The Annual Reconciliation Factor Percentage Rate shall become effective on

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~~April 1 of each year and be applied as an adjustment to Customers' bills for the remainder of the calendar year.~~

~~The Company will include in its Annual Reconciliation Filing the following information at a minimum: (a) a schedule of all journal entries made related to this Rider for the Annual Review Period, including any related general ledger support, (b) actual billing determinants by month as used in the computation of the Total QHP Collected from Customers for the Annual Review Period, (c) capitalization policy effective for the Annual Review Period, (d) computation of the Annual Reconciliation Factor Percentage Rate, including the detailed calculation of each component, (e) a schedule of any proposed prior period adjustments, (f) an affirmative statement of whether the Company is aware of any changes in market conditions or other factors that may affect whether the Rider is still in the public interest, including the identification of such factors if they exist, (g) the cumulative amount of QHP collected from customers under this Rider, and (h) such other information as the Commission may direct.~~

~~The Company will simultaneously copy the Consumer Advocate on its Annual Reconciliation Filing.~~

#### **9. Notice Requirements**

~~The Company will file revised tariffs for Commission approval upon 30 days' notice to implement a decrement or an increment each January 1 and April 1. Along with the tariff filing, the Company will include a copy of the computation of the new rate adjustment. The Company will simultaneously copy the Consumer Advocate on this filing.~~

#### **10. Public Interest Review**

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Nothing herein shall be construed to eliminate or otherwise restrict the opportunity of the Consumer Advocate or any other interested party from seeking a review of this Rider, as permitted by law and the rules and regulations of the Commission, for a reconsideration of whether it remains in the public interest.

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CLASSIFICATION OF SERVICEECONOMIC DEVELOPMENT INVESTMENT PROGRAM – RIDER**1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Economic Development Investment Program ("EDI") Rider will apply to customers in all service areas.

The above rider will be recomputed annually and be adjusted periodically to incorporate the Annual Reconciliation Factor.

**2. Definitions**

For the purposes of this Rider:

**"Actual EDI Investment Amount"** means the amount of actual capital investment and associated operating expenses of the Company for the Economic Development Investment Program and not otherwise included in current base rates. At the time of the Company's next general rate case proceeding, all prudently incurred Actual EDI Investment Amounts associated with this Rider shall be included in base rates.

**"Annual Reconciliation Factor"** means an adjustment factor to true-up rates from forecasted costs to the actual costs incurred through application of 1) the Budget to Actual Adjustment and 2) the Over-Under Collection Adjustment, and the 3) Earnings Test Adjustment, as adjusted for Interest.

**"Annual Review Period"** means the twelve-month period between the annual adjustments of the EDI Percentage Rate. For the first year beyond the attrition year of the base rate case, this review period may be shorter or longer than a twelve-month period to cover expenditures between the attrition year and the start of the subsequent calendar year.

**"Commission"** means the Tennessee Public Utility Commission.

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~~"Budget-to-Actual Adjustment" means the adjustment to EDI for the applicable coming annual period due to the difference between the Forecasted EDI Investment and Expense Amount and the Actual EDI Investment and Expense Amount.~~

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~~"Consumer Advocate" means the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General.~~

~~"Forecasted EDI Investment Amount" means the amount of forecasted capital investment of the Company for the Economic Development Investment Program and not otherwise included in current base rates.~~

~~"Over-Under Collection Adjustment" means the adjustment to EDI for the applicable coming annual period due to the net amount of over or under collections. This will include over-under collections from the annual review period EDI and any remaining balance of the over-under collection from the prior reconciliation of the EDI.~~

(T)

~~"Relevant Rate Order" means the final order of the Commission in the most recent rate case of the Company fixing the rates of the Company or the most recent final order of the Commission specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.~~

### 3. General Description

EDI allows the Company to recover outside of a rate case its qualifying incremental non-revenue producing plant infrastructure investment and expenses. For purposes of this Rider, qualifying EDI investment includes the following:

~~*Distribution, Production, and Other Infrastructure*—Distribution, production, and other infrastructure that may be identified as being for the purpose of economic development.~~

~~*Economic Development Expenses*—Operational expenses that are specifically to support economic development and economic development investment utility plant.~~

EDI Investment is to be identifiable on the Company's books and segregated into the following general accounts:

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~~Account 331—Transmission & Distribution Mains;  
Account 333—Services;  
Account 334—Meters & Meter Installations;  
Account 335—Hydrants;  
Account 320—Water Treatment Equipment, Non-Media;  
Account 311—Pumping Equipment;  
Account 303—Land and Land Rights;  
Account 304—Structures and Improvements;~~

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~~Account 306—Lake, River and Other Intakes;  
 Account 307—Wells and Springs;  
 Account 309—Supply Mains;  
 Account 310—Power Generation Equipment;  
 Account 330—Distribution Reservoirs and Standpipes; and  
 Account 330003—Capitalized Tank Painting.~~

#### **4. Determination of the Economic Development Investment Program Percentage Rate**

- (A) ~~The EDI percentage shall be expressed as a percentage carried to two (2) decimal places. The EDI percentage shall be applied to the total amount billed to each Customer based on the Company's otherwise applicable rates and charges.~~
- (B) ~~The EDI percentage shall be calculated on an annual prospective basis as follows:~~

~~**FORECASTED EDI Investment Amount**  
 Less EDI Plant Retirements (Net of Cost of Removal & Salvage) Less  
 Contributions in Aid of Construction  
 Less Accumulated Depreciation  
Less Accumulated Deferred Income Taxes  
 Net Forecasted EDI Qualifying Investment~~

~~Multiplied by the Pre-Tax ROR set forth in the Relevant Rate Order~~

~~Allowed Forecasted EDI Pre-Tax Return  
 Plus Depreciation Expense  
 Plus Property Taxes  
 Plus Franchise Taxes  
Plus Economic Development Operational Expenses  
 Subtotal Forecasted EDI Revenue Requirement Before Revenue Tax~~

~~Divided by 1 minus the following:  
 Forfeited Discounts Rate  
 Plus Uncollectible Expense Rate  
Plus Gross Receipts Tax Rate  
 Total Forecasted EDI Revenue Requirement~~

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~~Divided by Relevant Rate Order Volumetric & Metered Revenue~~

~~EDI Percentage Rate~~

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Where:

**Accumulated Depreciation** = Accumulated depreciation calculated by debiting for Forecasted EDI plant removed from service, and crediting for new accumulations using rates approved in the Relevant Rate Order on new investments, less retirements and CIAC.

**Accumulated Deferred Income Taxes** = An average of the forecasted accumulated deferred income taxes related to qualified forecasted EDI investment at the beginning and end of the year.

**Contributions in Aid of Construction** = Non-investor supplied funds used in the construction of forecasted EDI infrastructure.

**Depreciation Expense** = Forecasted cumulative qualified EDI investment net of retirements and CIAC, multiplied by depreciation rates approved in the Relevant Rate Order.

**Forfeited Discount Rate** = Forecasted EDI Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.

**Franchise Taxes** = Forecasted cumulative qualified EDI investment multiplied by composite franchise tax rate approved in the Relevant Rate Order.

**Gross Receipts Tax Rate** = Forecasted EDI Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.

**Property Taxes** = Forecasted cumulative qualified EDI investment multiplied by composite property tax rate approved in the Relevant Rate Order.

**EDI Plant Retirements** = Forecasted EDI plant removed from service net of any associated cost of removal and salvage.

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~~**Forecasted EDI Investment Amount** = Average forecasted EDI additions to plant Infrastructure as described in Section 3, computed by use of average of 12 end-of-month balances.~~

~~**Economic Development Expenses** = the incremental operational expenses that are specifically to support economic development or economic development utility plant.~~

~~**Uncollectible Expense** = Forecasted EDI Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.~~

~~**Volumetric & Metered Revenue** = the revenues authorized in the Relevant Rate Order for volumetric water sales, meter charges, and private fire service charges.~~

- (C) ~~The total amount to be recovered through the EDI is the EDI Percentage Rate as adjusted for the Annual Reconciliation Factor Percentage Rate.~~

## 5. ~~Determination of the Annual Reconciliation Factor Percentage Rate~~

- (A) ~~The Annual Reconciliation Factor Percentage shall be expressed as a percentage carried to two (2) decimal places. The Annual Reconciliation Factor Percentage shall be applied to the total amount billed to each Customer based on the Company's otherwise applicable rates and charges.~~

- (B) ~~The Annual Reconciliation Factor Percentage Rate will be computed as follows:~~

~~Budget to Actual Adjustment  
Plus Over Under Collection Adjustment  
Plus Earnings Test Adjustment  
Plus Interest~~

~~Annual Reconciliation Amount~~

~~Divided by 9/12 of the Relevant Rate Order Volumetric & Metered Revenue~~

~~Annual Reconciliation Factor Percentage Rate~~

- (C) ~~Computation of the Budget to Actual Adjustment.~~

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The Budget to Actual Adjustment will be computed as follows:

~~ACTUAL~~ EDI Investment Amount for the Annual Review Period  
 Less EDI Plant Retirements (Net of Cost of Removal & Salvage)  
 Less Contributions in Aid of Construction  
 Less Accumulated Depreciation  
 Less Accumulated Deferred Income Taxes  
 Net Actual EDI Qualifying Investment

Multiplied by the Pre-Tax ROR set forth in the Relevant Rate Order

Allowed Actual EDI Pre-Tax Return  
 Plus Depreciation Expense  
 Plus Property Taxes  
 Plus Franchise Taxes  
 Plus Economic Development Operational Expenses  
 Subtotal Actual EDI Revenue Requirement Before Revenue Tax

Divided by 1 minus the following:

Forfeited Discounts Rate  
 Plus Uncollectible Expense Rate  
 Plus Gross Receipts Tax Rate  
 Total Actual EDI Revenue Requirement

Less Total Forecasted EDI Revenue Requirement

Budget to Actual Adjustment

Where:

**Accumulated Depreciation** = Accumulated depreciation calculated by debiting for Forecasted EDI plant removed from service, and crediting for new accumulations using rates approved in the Relevant Rate Order on new investments, less retirements and CIAC

**Accumulated Deferred Income Taxes** = An average of the actual accumulated deferred income taxes related to actual EDI investment at the beginning and end of the year.

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TENNESSEE-AMERICAN WATER COMPANY

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~~**Contributions in Aid of Construction** = Non-investor supplied funds used in the construction of actual EDI infrastructure.~~

~~**Depreciation Expense** = Actual cumulative qualified EDI investment net of retirements and CIAC multiplied by depreciation rates approved in the Relevant Rate Order.~~

~~**Forfeited Discount Rate** = Actual EDI Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.~~

~~**Franchise Taxes** = Actual cumulative qualified EDI investment multiplied by composite franchise tax rate approved in the Relevant Rate Order.~~

~~**Gross Receipts Tax Rate** = Actual EDI Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.~~

~~**Property Taxes** = Actual cumulative qualified EDI investment multiplied by composite property tax rate approved in the Relevant Rate Order.~~

~~**EDI Plant Retirements** = Actual EDI plant removed from service net of any associated cost of removal and salvage.~~

~~**Actual EDI Investment Amount** = Average actual EDI additions to plant infrastructure as Described in Section 3, computed by use of average of 12 end of month balances.~~

~~**Economic Development Expenses** = the incremental operational expenses that are specifically to support economic development or economic development utility plant.~~

~~**Uncollectible Expense** = Actual EDT Revenue Requirement before gross receipts taxes, Uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.~~

~~**Volumetric & Metered Revenue** = the revenues authorized in the Relevant Rate Order for Volumetric water sales, meter charges, and private fire service charges.~~

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~~(D) Computation of the Over-Under Collection Adjustment.~~

~~The Company will identify and record the total amount of the EDI Collected from Customers for the Annual Review Period. The difference between the Total EDI Collected from Customers and the Total Budgeted EDI Revenue Requirement shall constitute the Over-Under Collection Adjustment. This adjustment shall include any remaining Over-Under amount from the prior period reconciliation during the Annual Review Period in addition to the Over-Under collection amount for the EDI during the Annual Review Period.~~

~~(E) Computation of the Earnings Test Adjustment.~~

~~If the earnings attained by the Company for the Annual Review Period exceed the earnings allowed for the Annual Review Period by applying the overall rate of return authorized in the Relevant Rate Order, then any such earnings difference shall constitute the Earnings Test Adjustment. If the earnings attained by the Company for the Annual Review Period are less than the earnings allowed for the Annual Review Period by applying the overall rate of return authorized in the Relevant Rate Order, then no Earnings Test Adjustment shall be recognized.~~

~~Any Earnings Test Adjustment shall be allocated among the Qualified Infrastructure Improvement Program Rider, the Economic Development Investment Rider, and the Safety and Environmental Compliance Rider based on the pro-rata revenues collected under these riders for the Annual Review Period for purposes of computing new rate adjustments.~~

~~(F) Computation of Interest.~~

~~Interest will be computed as follows:~~

~~Budget to Actual Adjustment  
Plus Over-Under Collection Adjustment  
Plus Earnings Test Adjustment~~

~~Total Amount Subject to Interest  
Interest Rate Multiplied by 50%~~

~~Total Interest~~

~~Where "Interest Rate" equals the prime rate value published in the "Federal Reserve Bulletin" or in the Federal Reserve's "Selected Interest Rates" for the most recent preceding month.~~

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## **6. New Base Rates**

~~The EDI rider will be reset at zero upon the establishment of new base rates to customer billings that provide for the prospective recovery of the annual costs that had theretofore been recovered under the EDI. Thereafter, only the costs of new EDI-eligible plant additions that have not previously been reflected in the Company's rate base, would be reflected in new annual prospective EDI filings.~~

## **7. Annual EDI Percentage Rate Filing**

~~On or before December 1 of each year, the Company shall submit to the Commission a calculation of the EDI Percentage Rate for the following calendar year. The Annual EDI Percentage Rate Filing shall be verified by an officer of the Company. The Annual EDI Percentage Rate Filing shall include a calculation to adjust revenue to recover costs related to the Forecasted EDI Investment Amount, with such revenue adjustment applied through the EDI Percentage Rate. The EDI Percentage Rate shall become effective on January 1 of each year and be applied as an adjustment to Customers' bills for the remainder of the calendar year.~~

~~The Company will include in its Annual EDI Percentage Rate Filing the following information at a minimum: (a) computation of the EDI Percentage Rate, including the detailed calculation of each component, (b) a budget of the Forecasted EDI Investment Amount and Forecasted Economic Development Operational Expenses adopted by the Company's Board of Directors, (c) any related Strategic Capital Expenditures Plans, (d) statements demonstrating how each projected capital investment comprising the Forecasted EDI Investment Amount and each projected operational expense comprising the Forecasted Economic Development Operational Expenses meet the requirements for recovery under this Rider set forth in Section 3, and (e) such other information as the Commission may direct.~~

~~The Company will simultaneously copy the Consumer Advocate on its Annual EDI Percentage Rate Filing.~~

## **8. Annual Reconciliation Filing with the Commission**

~~On or before March 1 of each year, the Company shall submit to the Commission a reconciliation of the results of the operation of the EDI for the previous Annual Review Period. The Annual Reconciliation Filing shall be verified by an officer of the Company. The annual reconciliation shall include a calculation to adjust revenue collected under this EDI Rider in effect for the prior Annual Review Period to an amount equivalent to the actual level of prudently-incurred EDI cost for the prior Annual Review Period, with such revenue adjustment applied through the Annual Reconciliation Factor Percentage Rate. The Annual Reconciliation Factor Percentage Rate shall become effective on~~

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~~April 1 of each year and be applied as an adjustment to Customers' bills for the remainder of the calendar year.~~

~~The Company will include in its Annual Reconciliation Filing the following information at a minimum: (a) a schedule of all journal entries made related to this Rider for the Annual Review Period, including any related general ledger support, (b) actual billing determinants by month as used in the computation of the Total EDI Collected from Customers for the Annual Review Period, (c) capitalization policy effective for the Annual Review Period, (d) computation of the Annual Reconciliation Factor Percentage Rate, including the detailed calculation of each component, (e) schedules of the Actual EDI Investment Amount and Actual Economic Development Operational Expenses, including related general ledger support, (f) a schedule of any proposed prior period adjustments, (g) an affirmative statement of whether the Company is aware of any changes in market conditions or other factors that may affect whether the Rider is still in the public interest, including the identification of such factors if they exist, (h) the cumulative amount of EDI collected from customers under this Rider, and (i) such other information as the Commission may direct.~~

~~The Company will simultaneously copy the Consumer Advocate on its Annual Reconciliation Filing.~~

#### **9. Notice Requirements**

~~The Company will file revised tariffs for Commission approval upon 30 days' notice to implement a decrement or an increment each January 1 and April 1. Along with the tariff filing, the Company will include a copy of the computation of the new rate adjustment. The Company will simultaneously copy the Consumer Advocate on this filing.~~

#### **10. Public Interest Review**

~~Nothing herein shall be construed to eliminate or otherwise restrict the opportunity of the Consumer Advocate or any other interested party from seeking a review of this Rider, as permitted by law and the rules and regulations of the Commission, for a reconsideration of whether it remains in the public interest.~~

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TENNESSEE-AMERICAN WATER COMPANY

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**CLASSIFICATION OF SERVICE****SAFETY AND ENVIRONMENTAL COMPLIANCE—RIDER****1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Safety and Environmental Compliance Program ("SEC") Rider will apply to customers in all service areas.

The above rider will be recomputed annually and be adjusted periodically to incorporate the Annual Reconciliation Factor.

**2. Definitions**

For the purposes of this Rider:

**"Actual SEC Investment Amount"** means the amount of actual capital investment and Associated operating expenses of the Company for the Safety and Environmental Compliance Program and not otherwise included in current base rates. At the time of the Company's next general rate case proceeding, all prudently incurred Actual SEC Investment Amounts associated with this Rider shall be included in base rates.

**"Annual Reconciliation Factor"** means an adjustment factor to true-up rates from forecasted costs to the actual costs incurred through application of 1) the Budget to Actual Adjustment and 2) the Over-Under Collection Adjustment, and the 3) Earnings Test Adjustment, as adjusted for Interest.

**"Annual Review Period"** means the twelve-month period between the annual adjustments of the SEC Percentage Rate. For the first year beyond the attrition year of the base rate case, this review period may be shorter or longer than a twelve-month period to cover expenditures between the attrition year and the start of the subsequent calendar year.

**"Commission"** means the Tennessee Public Utility Commission.

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~~"Budget to Actual Adjustment" means the adjustment to SEC for the applicable coming annual period due to the difference between the Forecasted SEC Investment and Expense Amount and the Actual SEC Investment and Expense Amount.~~

~~"Consumer Advocate" means the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General.~~

~~"Forecasted SEC Investment Amount" means the amount of forecasted capital investment of the Company for the Safety and Environmental Compliance Program and not otherwise included in current base rates.~~

(T) ~~"Over-Under Collection Adjustment" means the adjustment to SEC for the applicable coming annual period due to the net amount of over or under collections. . This will include~~  
(T) ~~over-under collections from the annual review period EDI and any remaining balance of the~~  
(T) ~~over-under collection from the prior reconciliation of the EDI.~~

~~"Relevant Rate Order" means the final order of the Commission in the most recent rate case of the Company fixing the rates of the Company or the most recent final order of the Commission specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.~~

### 3. General Description

~~SEC allows the Company to recover outside of a rate case its qualifying incremental non-revenue producing plant infrastructure investment and expenses. For purposes of this Rider, qualifying SEC investment includes the following:~~

~~*Distribution and Production infrastructure*—Distribution, production, and other infrastructure that may be identified as being for the purpose of safety and environmental compliance.~~

~~*Safety and Environmental Expenses*—Operational expenses similar to other expenses authorized in previous rate cases that are specifically new expenses for safety and environmental compliance or to support safety and environmental compliance utility plant.~~

~~SEC Investment is to be identifiable on the Company's books and segregated into the following general accounts:~~

~~Account 331—Transmission & Distribution Mains;  
Account 333—Services;~~

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~~Account 334—Meters & Meter Installations;~~

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TENNESSEE-AMERICAN WATER COMPANY

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~~TENNESSEE-AMERICAN WATER COMPANY~~~~TPUC NO. 19~~~~Second Revised Sheet No. 12-SEC-3~~~~Account 335—Hydrants;~~~~Account 320—Water Treatment Equipment, Non-Media;~~~~Account 311—Pumping Equipment;~~~~Account 303—Land and Land Rights;~~~~Account 304—Structures and Improvements;~~~~Account 306—Lake, River and Other Intakes;~~~~Account 307—Wells and Springs;~~~~Account 309—Supply Mains;~~~~Account 310—Power Generation Equipment~~~~Account 330—Distribution Reservoirs and Standpipes; and~~~~Account 330003—Capitalized Tank Painting.~~**4. Determination of the Safety and Environmental Compliance Program Percentage Rate**

- (A) The SEC percentage shall be expressed as a percentage carried to two (2) decimal places. The SEC percentage shall be applied to the total amount billed to each Customer based on the Company's otherwise applicable rates and charges.
- (B) The SEC percentage shall be calculated on an annual prospective basis as follows:

**FORECASTED SEC Investment Amount**~~Less SEC Plant Retirements (Net of Cost of Removal & Salvage)~~~~Less Contributions in Aid of Construction~~~~Less Accumulated Depreciation~~~~Less Accumulated Deferred Income Taxes~~~~Net Forecasted SEC Qualifying Investment~~~~Multiplied by the Pre-Tax ROR set forth in the Relevant Rate Order~~~~Allowed Forecasted SEC Pre-Tax Return~~~~Plus Depreciation Expense~~~~Plus Property Taxes~~~~Plus Franchise Taxes~~~~Plus Safety and Environmental Compliance Operational Expenses~~~~Subtotal Forecasted SEC Revenue Requirement Before Revenue Tax~~~~Divided by 1 minus the following:~~Issued: May 1, 2024Effective: January 1,2025 May 31, 2024Issued by: Grant A. Evitts, President109 Wiehl StreetChattanooga, Tennessee 37403 ~~Issued: October 3, 2017~~~~Effective: November 2, 2017~~~~Issued by: Valoria V. Armstrong, President~~~~109 Wiehl Street~~~~Chattanooga, Tennessee 37403~~

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~~Forfeited Discounts Rate  
Plus Uncollectible Expense Rate  
Plus Gross Receipts Tax Rate  
Total Forecasted SEC Revenue Requirement  
  
Divided by Relevant Rate Order Volumetric & Metered Revenue  
  
SEC Percentage Rate~~

Where:

~~**Accumulated Depreciation** — Accumulated depreciation calculated by debiting for Forecasted SEC plant removed from service, and crediting for new accumulations using rates approved in the Relevant Rate Order on new investments, less retirements and CIAC.~~

~~**Accumulated Deferred Income Taxes** — An average of the forecasted accumulated deferred income taxes related to qualified forecasted SEC investment at the beginning and end of the year.~~

~~**Contributions in Aid of Construction** — Non-investor supplied funds used in the construction of forecasted SEC infrastructure.~~

~~**Depreciation Expense** — Forecasted cumulative qualified SEC investment net of retirements and CIAC, multiplied by depreciation rates approved in the Relevant Rate Order.~~

~~**Forfeited Discount Rate** — forecasted SEC Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.~~

~~**Franchise Taxes** — Forecasted cumulative qualified SEC investment multiplied by composite franchise tax rate approved in the Relevant Rate Order.~~

~~**Gross Receipts Tax Rate** — Forecasted SEC Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.~~

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~~**Property Taxes** = Forecasted cumulative qualified SEC investment multiplied by composite Property tax rate approved in the Relevant Rate Order.~~

~~**SEC Plant Retirements** = Forecasted SEC plant removed from service net of any associated cost of removal and salvage.~~

~~**Forecasted SEC Investment Amount** = Average forecasted SEC additions to plant infrastructure as described in Section 3, computed by use of average of 12 end-of-month balances.~~

~~**Safety and Environmental Compliance Expenses** = the incremental operational expenses similar to other expenses authorized in previous rate cases that are specifically for safety and environmental compliance or to support safety and environmental compliance utility plant.~~

~~**Uncollectible Expense** = Forecasted SEC Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.~~

~~**Volumetric & Metered Revenue** = the revenues authorized in the Relevant Rate Order for volumetric water sales, meter charges, and private fire service charges.~~

- (C) ~~The total amount to be recovered through the SEC is the SEC Percentage Rate as adjusted for the Annual Reconciliation Factor Percentage Rate.~~

### ~~5. Determination of the Annual Reconciliation Factor Percentage Rate~~

- (A) ~~The Annual Reconciliation Factor Percentage shall be expressed as a percentage carried to two (2) decimal places. The Annual Reconciliation Factor Percentage shall be applied to the total amount billed to each Customer based on the Company's otherwise applicable rates and charges.~~
- (B) ~~The Annual Reconciliation Factor Percentage Rate will be computed as follows:~~

~~Budget to Actual Adjustment  
Plus Over Under Collection Adjustment~~

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~~Plus Earnings Test Adjustment~~~~Plus Interest~~~~Annual Reconciliation Amount~~~~Divided by 9/12 of the Relevant Rate Order Volumetric & Metered Revenue~~~~Annual Reconciliation Factor Percentage Rate~~~~(C) Computation of the Budget to Actual Adjustment.~~~~The Budget to Actual Adjustment will be computed as follows:~~~~ACTUAL SEC Investment Amount for the Annual Review Period~~~~Less SEC Plant Retirements (Net of Cost of Removal & Salvage)~~~~Less Contributions in Aid of Construction~~~~Less Accumulated Depreciation~~~~Less Accumulated Deferred Income Taxes~~~~Net Actual SEC Qualifying Investment~~~~Multiplied by the Pre-Tax ROR set forth in the Relevant Rate Order~~~~Allowed Actual SEC Pre-Tax Return~~~~Plus Depreciation Expense~~~~Plus Property Taxes~~~~Plus Franchise Taxes~~~~Plus Safety and Environmental Compliance Operational Expenses~~~~Subtotal Actual SEC Revenue Requirement Before Revenue Tax~~~~Divided by 1 minus the following:~~~~Forfeited Discounts Rate~~~~Plus Uncollectible Expense Rate~~~~Plus Gross Receipts Tax Rate~~~~Total Actual SEC Revenue Requirement~~~~Less Total Forecasted SEC Revenue Requirement~~~~Budget to Actual Adjustment~~~~Issued: May 1, 2024~~~~Effective: January 1,~~~~2025 May 31, 2024~~~~Issued by: Grant A. Evitts, President~~~~109 Wiehl Street~~~~Chattanooga, Tennessee 37403—Issued: October 3, 2017~~~~Effective: November 2, 2017~~~~Issued by: Valoria V. Armstrong, President~~~~109 Wiehl Street~~~~Chattanooga, Tennessee 37403~~

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Where:

**Accumulated Depreciation** = Accumulated depreciation calculated by debiting for Forecasted SEC plant removed from service, and crediting for new accumulations using rates approved in the Relevant Rate Order on new investments, less retirements and CIAC

**Accumulated Deferred Income Taxes** = An average of the actual accumulated deferred income taxes related to actual SEC investment at the beginning and end of the year.

**Contributions in Aid of Construction** = Non-investor supplied funds used in the construction of actual SEC infrastructure.

**Depreciation Expense** = Actual cumulative qualified SEC investment net of retirements and CIAC multiplied by depreciation rates approved in the Relevant Rate Order.

**Forfeited Discount Rate** = Actual SEC Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.

**Franchise Taxes** = Actual cumulative qualified SEC investment multiplied by composite Franchise tax rate approved in the Relevant Rate Order.

**Gross Receipts Tax Rate** = Actual SEC Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.

**Property Taxes** = Actual cumulative qualified SEC investment multiplied by composite property tax rate approved in the Relevant Rate Order.

**SEC Plant Retirements** = Actual SEC plant removed from service net of any associated cost of removal and salvage.

**Actual SEC Investment Amount** = Average actual SEC additions to plant infrastructure as described in Section 3, computed by use of average of 12 end-of-month balances.

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TENNESSEE-AMERICAN WATER COMPANY

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~~**Safety and Environmental Compliance Expenses** = the incremental operational expenses similar to other expenses authorized in previous rate cases that are specifically for safety and environmental compliance or to support safety and environmental compliance utility plant.~~

~~**Uncollectible Expense** = Actual SEC Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.~~

~~**Volumetric & Metered Revenue** = the revenues authorized in the Relevant Rate Order for volumetric water sales, meter charges, and private fire service charges.~~

~~(D) Computation of the Over-Under Collection Adjustment.~~

~~The Company will identify and record the total amount of the SEC Collected from Customers for the Annual Review Period. The difference between the Total SEC Collected from Customers and the Total Budgeted SEC Revenue Requirement shall constitute the Over-Under Collection Adjustment. This adjustment shall include any remaining Over-Under amount from the prior period reconciliation during the Annual Review Period in addition to the Over-Under collection amount for the EDT during the Annual Review Period.~~

~~(E) Computation of the Earnings Test Adjustment.~~

~~If the earnings attained by the Company for the Annual Review Period exceed the earnings allowed for the Annual Review Period by applying the overall rate of return authorized in the Relevant Rate Order, then any such earnings difference shall constitute the Earnings Test Adjustment. If the earnings attained by the Company for the Annual Review Period are less than the earnings allowed for the Annual Review Period by applying the overall rate of return authorized in the Relevant Rate Order, then no Earnings Test Adjustment shall be recognized.~~

~~Any Earnings Test Adjustment shall be allocated among the Qualified Infrastructure Improvement Program Rider, the Economic Development Investment Rider, and the Safety and Environmental Compliance Rider based on the pro-rata revenues collected under these riders for the Annual Review Period for purposes of computing new rate adjustments.~~

~~(F) Computation of Interest.~~

~~Interest will be computed as follows:~~

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~~Budget to Actual Adjustment  
Plus Over Under Collection Adjustment  
Plus Earnings Test Adjustment~~

~~Total Amount Subject to Interest  
Interest Rate Multiplied by 50%~~

~~Total Interest~~

~~Where "Interest Rate" equals the prime rate value published in the "Federal Reserve Bulletin" or in the Federal Reserve's "Selected Interest Rates" for the most recent preceding month.~~

## **6. New Base Rates**

~~The SEC rider will be reset at zero upon the establishment of new base rates to customer billings that provide for the prospective recovery of the annual costs that had theretofore been recovered under the SEC. Thereafter, only the costs of new SEC eligible plant additions that have not previously been reflected in the Company's rate base, would be reflected in new annual prospective SEC filings.~~

## **7. Annual SEC Percentage Rate Filing**

~~On or before December 1 of each year, the Company shall submit to the Commission a calculation of the SEC Percentage Rate for the following calendar year. The Annual SEC Percentage Rate Filing shall be verified by an officer of the Company. The Annual SEC Percentage Rate Filing shall include a calculation to adjust revenue to recover costs related to the Forecasted SEC Investment Amount, with such revenue adjustment applied through the SEC Percentage Rate. The SEC Percentage Rate shall become effective on January 1 of each year and be applied as an adjustment to Customers' bills for the remainder of the calendar year.~~

~~The Company will include in its Annual SEC Percentage Rate Filing the following information at a minimum: (a) computation of the SEC Percentage Rate, including the detailed calculation of each component, (b) a budget of the Forecasted SEC Investment Amount and Forecasted Safety and Environmental Compliance Operational Expenses adopted by the Company's Board of Directors, (c) any related Strategic Capital Expenditures Plans, (d) statements demonstrating how each projected capital investment comprising the Forecasted SEC Investment Amount and each projected operational expense comprising the Forecasted Safety and Environmental Compliance Operational Expenses meet the requirements for recovery under this Rider set forth in Section 3, and (e) such other information as the Commission may direct.~~

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~~The Company will simultaneously copy the Consumer Advocate on its Annual SEC Percentage Rate Filing.~~

### **8. Annual Reconciliation Filing with the Commission**

~~On or before March 1 of each year, the Company shall submit to the Commission a reconciliation of the results of the operation of the SEC for the previous Annual Review Period. The Annual Reconciliation Filing shall be verified by an officer of the Company. The annual reconciliation shall include a calculation to adjust revenue collected under this SEC Rider in effect for the prior Annual Review Period to an amount equivalent to the actual level of prudently incurred SEC cost for the prior Annual Review Period, with such revenue adjustment applied through the Annual Reconciliation Factor Percentage Rate. The Annual Reconciliation Factor Percentage Rate shall become effective on April 1 of each year and be applied as an adjustment to Customers' bills for the remainder of the calendar year.~~

~~The Company will include in its Annual Reconciliation Filing the following information at a minimum: (a) a schedule of all journal entries made related to this Rider for the Annual Review Period, including any related general ledger support, (b) actual billing determinants by month as used in the computation of the Total SEC Collected from Customers for the Annual Review Period, (c) capitalization policy effective for the Annual Review Period, (d) computation of the Annual Reconciliation Factor Percentage Rate, including the detailed calculation of each component, (e) schedules of the Actual SEC Investment Amount and Actual Safety and Environmental Compliance Operational Expenses, including related general ledger support, (t) a schedule of any proposed prior period adjustments, (g) an affirmative statement of whether the Company is aware of any changes in market conditions or other factors that may affect whether the Rider is still in the public interest, including the identification of such factors if they exist, (h) the cumulative amount of SEC collected from customers under this Rider, and (i) such other information as the Commission may direct.~~

~~The Company will simultaneously copy the Consumer Advocate on its Annual Reconciliation Filing.~~

### **9. Notice Requirements**

~~The Company will file revised tariffs for Commission approval upon 30 days' notice to implement a decrement or an increment each January 1 and April 1. Along with the tariff filing, the Company will include a copy of the computation of the new rate adjustment. The Company will simultaneously copy the Consumer Advocate on this filing.~~

### **10. Public Interest Review**

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~~Nothing herein shall be construed to eliminate or otherwise restrict the opportunity of the Consumer Advocate or any other interested party from seeking a review of this Rider, as permitted by law and the rules and regulations of the Commission, for a reconsideration of whether it remains in the public interest.~~

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**CLASSIFICATION OF SERVICE****PRODUCTION COSTS AND OTHER PASS-THROUGHS ("PCOP") RIDER****1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Production Cost and Other Pass-Through ("PCOP") Rider will apply to customers in all service areas.

The above rider will be recomputed annually and will be adjusted to incorporate the Over-Under Collection Adjustment.

**2. Definitions**

For the purposes of this Rider:

**"Adjusted Review Period PCOP Costs"** means the Review Period PCOP Costs net of the Over-Under Collection Adjustment.

(T) **"Commission"** means the Tennessee Public Utility Commission

(T) **"Base Period PCOP Costs"** means the amount of annual expenses of the Company for Purchased power expenses, purchased chemical expenses, purchased water expenses, wheeling charges, waste disposal expenses and TPUC inspection fees reflected in the Relevant Rate Order.

**"Consumer Advocate"** means the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General.

**"Over-Under Collection Adjustment"** means the adjustment to the PCOP Percentage Rate applicable to the coming Review Period for the net amount of over or under collections for the prior Review Period, as adjusted for Interest.

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- (T) **"Relevant Rate Order"** means the final order of the Commission in the most recent rate case of the
- (T) Company fixing the rates of the Company or the most recent final order of the Commission
- Specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.

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**"Review Period"** means the twelve month period on which the Review Period PCOP Costs are calculated.

**"Review Period PCOP Costs"** means the amount of actual annual expenses of the Company for purchased power expenses, purchased chemical expenses, purchased water expenses, wheeling charges, waste disposal expenses, and TPUC inspection fees, as adjusted for the Commission's water loss policies.

(T)

(T)

### 3. General Description

PCOP allows the Company to recover outside of a rate case its incremental cost for purchased power expenses, purchased chemical expenses, purchased water expenses, wheeling charges, waste disposal expenses, [regulatory expense amortization](#), [pension expenses](#), [other postretirement employee benefits expenses](#), and TPUC inspection fees, as adjusted for the Commission's water loss policies.

(T)

(T)

Review Period PCOP Costs are to be separately identifiable on the Company's books and segregated into the following general accounts:

(T)

Accounts 510000000 - 510999999 - Purchased Water Expense;  
Accounts 51510000 - 51599999 - Purchased Power Expense;  
Accounts 51800000 - 51899999 - Purchased Chemical Expense;  
Accounts 51110000 - 51115000 - Waste Disposal Expense;  
[Account 56610000 – Regulatory Exp Amortization](#)  
[Account 50610000 – Pension Expense](#)  
[Account 50610100 – Pension Capitalized Credits](#)  
[Account 71810000 – Other Non-service Pension Benefit Cost](#)  
[Account 50610000 -- Pension Expense](#)  
[50610100 – Pension Capitalized Credits](#)  
[71810000 – Other Non-service Pension Benefit Cost](#), and  
Account 68545000- TPUC Inspection Fee.

### 4. Determination of the Annual Production Cost and Other Pass-Throughs Percentage

(T)

(A) The PCOP Percentage Rate shall be expressed as a percentage carried to two (2) decimal places. The PCOP Percentage Rate shall be applied to the total amount billed to each Customer based on the Company's otherwise applicable rates and charges.

(B) The PCOP Percentage Rate shall be calculated on an annual historical basis as follows:

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Base Period PCOP Costs from the Relevant Rate Order  
Divided by Relevant Rate Order Sales Volume in 100 Gallons  
Base Period PCOP Costs per 100 Gallons

Review Period PCOP Costs Subject to Commission's Water Loss Policies  
Plus Over-Under Collection Adjustment  
Review Period PCOP Costs Adjusted for Over-Under Collections

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Divided by Relevant Rate Order Sales Volume in 100 Gallons  
Adjusted Review Period PCOP Costs per 100 Gallons

Incremental Change in PCOP Costs per 100 Gallons  
Multiplied by Relevant Rate Order Sales Volumes in 100 Gallons  
 PCOP Net Deferred Cost  
 Less Forfeited Discount Rate  
 Plus Uncollectible Expense Rate  
Plus Gross Receipts Tax Rate  
 Total Deferred PCOP Costs  
Divided by Relevant Rate Order Water Sales Revenue  
PCOP Percentage Rate

Where:

**Forfeited Discount Rate**= PCOP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.

**Gross Receipts Tax Rate** = PCOP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.

**Uncollectible Expense** = PCOP Revenue Requirement before gross receipts taxes, Uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.

(C) The total amount to be recovered through the PCOP is the PCOP Percentage Rate.

## 5. Computation of the Over-Under Collection Adjustment

The Company will identify and record the total amount of the PCOP Collected from Customers under this Rider for the Review Period. The difference between the Total PCOP Collected from Customers for the Review Period and the Total Deferred PCOP Costs authorized for the Review

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Period as determined in Section 4, as adjusted for Interest, shall constitute the Over-Under Collection Adjustment.

(A) The Over-Under Collection Adjustment shall be computed as follows:

Total PCOP Costs Collected from Customers for the Review Period  
 Less Total Deferred PCOP Costs Authorized for the Review Period  
 Subtotal of Over-Under Collection Adjustment  
Plus Interest Adjustment  
 Total Over-Under Collection Adjustment

(B) Computation of Interest Adjustment.

Interest will be computed as follows:

Subtotal of Over-Under Collection Adjustment  
 Multiplied by (Interest Rate Multiplied by 50%)Interest Adjustment

Where "Interest Rate" equals the prime rate value published in the "Federal Reserve Bulletin" or in the Federal Reserve's "Selected Interest Rates" for the most recent preceding month.

## 6. New Base Rates

The PCOP rider will be reset at zero upon the establishment of new base rates to customer billings that provide for the prospective recovery of the annual costs that had theretofore been recovered under the PCOP rider. Thereafter, only the costs of new PCOP incremental costs that have not previously been reflected in the Company's base rates would be reflected in new annual prospective PCOP filings.

## 7. Annual Filing: with the Commission

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- (T) Within 45 days of the end of the most recently authorized Attrition Year set forth in the Relevant Rate Order, and every twelve months subsequent to the end of that Attrition Year, the Company shall submit to the Commission an annual filing calculating the PCOP Percentage Rate. The annual filing shall be verified by an officer of the Company. The PCOP Percentage Rate shall become effective 30 days after the annual filing is submitted to the Commission and shall be applied as an adjustment to Customers' bills for the twelve month period following the effective date of the PCOP Percentage Rate. The Company shall file one single adjustment each year to include both the new percentage rate based on the annual production expenses and the reconciliation of the Over-Under Collections Adjustment.

(T) Denotes Change in Text

- The Company will include in its annual filing the following information at a minimum: (a) a schedule of all Review Period PCOP Costs, including any related general ledger support, (b) actual billing determinants by month as used in the computation of the PCOP Collected from Customers, (c) computation of the PCOP Percentage Rate, including the detailed calculation of each component, (d) a schedule of any proposed prior period adjustments, (e) an affirmative statement of whether the Company is aware of any changes in market conditions or other factors that may affect whether the Rider is still in the public interest, including the identification of such factors if they exist, (f) the cumulative amount of PCOP Costs collected from customers under this Rider, and (g) such other
- (T) information as the Commission may direct.

The Company will simultaneously copy the Consumer Advocate on this annual filing.

## **8. Notice Requirements**

- (T) The Company will file revised tariffs for Commission approval upon 30 days' notice to implement a decrement or an increment to the PCOP Percentage Rate. Along with the tariff filing, the Company will include a copy of the computation of the new PCOP Percentage Rate. The Company will simultaneously copy the Consumer Advocate on this tariff filing.

## **9. Public Interest Review**

- (T) Nothing herein shall be construed to eliminate or otherwise restrict the opportunity of the Consumer Advocate or any other interested party from seeking a review of this Rider, as permitted by law and the rules and regulations of the Commission, for a reconsideration of whether it remains in the public interest.

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**EXHIBIT 1**  
**TO**  
**OPERATIONS AND MAINTENANCE AGREEMENT**  
**Legal Description and Map of Suck Creek Water System**

**Legal Description:**

Beginning on the North bank of the Tennessee River where Shoal Creek enters the River in Hamilton County, Tennessee; thence extending along the right bank looking downstream, to Ritchie Hollow in Marion County; thence west across Walden's Ridge to Mullens Creek; thence North along Mullens Creek to Shelton Creek; thence northwest along Shelton Creek to the Cumberland Escarpment at Ditch Gap; thence northeast along the Escarpment to the Marion-Sequatchie County Line; thence southeast along the Marion-Sequatchie County Line to the junction of the Marion-Sequatchie-Hamilton County Line; thence south along the Marion-Hamilton County Line to a point one half mile from the Bank of the Tennessee River at "The Suck"; thence southeast to the southwest corner of the Town of Signal Mountain, Tennessee; thence along the south boundary of the Town of Signal Mountain to Shoal Creek; thence southwest along Shoal Creek to the north bank of the Tennessee River at the point of beginning.

Map: Attached

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## RULES, REGULATIONS AND CONDITIONS OF WATER SERVICE

## 1. RATES, RULES AND REGULATIONS GOVERN RENDERING OF WATER SERVICE

- 1.1 A copy of all Rates, Rules, Regulations and Conditions of **Water**" Service is on file with the Tennessee Public ~~Utility Service~~ Commission and may be inspected by the public in the office of the Company.
- 1.2 All Water Services furnished by the Company shall be subject to these Rates, Rules, Regulations and Conditions of Water Service, and are made a part of all applications or contracts (both oral and written) for service (except when modified by special contract approved by the Tennessee Public ~~Service Commission~~ Utility Commission). They are subject to revision, change, modification or cancellation by the Company, subject to the approval of the Tennessee Public ~~Service Commission~~ Utility Commission, or by the Commission through utility industry orders. The failure of the Company to enforce any of the terms of these Rates, Rules, Regulations and Conditions of Water Service shall not diminish or sacrifice its right to do so.
- 1.3 Upon request by an Applicant or Customer, the Company shall supply, without charge, a copy of applicable rate schedules.

## 2. DEFINITIONS

- (a) An "Applicant" is any person, firm, corporation or Governmental Unit making application for **Water** Service.
- (b) A Battery Setting of Meters" is a system of pipe, valves and fittings designed to accommodate two or more meters.
- (c) A "Combination Service" means a Service Pipe which is used to provide both General Water Service and Private Fire Protection Service.
- (d) The "Commission" is the Tennessee Public ~~Service Commission~~ Utility Commission and commission Rule 11 means any rules or- regulations duly adopted by the Commission and applicable to water utilities under the Commission's jurisdiction.

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- (e) The “company” is the Tennessee-American **Water** Company acting through its Officers, Manager or other duly authorized employees or agents.

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- (f) "Company Service Pipe" means the portion of the General Water Service Pipe, extending from the distribution Main to and including the curb cock, or the outlet connection of the meter setting when installed at or near the curb or property line at the cost and expense of the Company.
- (g) A "Customer" is any person, firm, corporation or Governmental Unit taking Water Service from the Company.
- (h) "Residential Customer" means a person taking Water Service exclusively for personal use at a single family residence.
- (i) "Customer's Service Pipe" means the portion of General Water Service Pipe from the end of the Company's service Pipe to the customer's place of consumption, installed at the cost and expense of the Customer.
- (j) "Distribution Main" means water pipe owned, operated, or maintained by the Company and used for the purpose of distribution of water. and to which Service Lines are connected.
- (k) "General Water Service" means the provision or use of Water Service for any purpose other than fire extinguishment.
- (l) A "Governmental Unit" is any municipality or other political subdivision or agency of a state or the federal government.
- (m) A "Hidden Leak" is a leak occurring on the Customer's property not obviously detectable by sight or sound.
- (n) A "Premises" is:
- I. A single structure owned or leased by a customer and used as one residence or place of business; or
  - II. A combination of structures owned or leased by a Customer, which is located on a single site, and such Customer constructs, operates and maintains on the site a secondary distribution system. Such site may be composed of one or more connecting or adjacent parcels of land, not separated

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by public streets or highways; or

- III. Each unit or a multiple unit building wherein each unit is under separate ownership or lease; or

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- IV. Each unit of a multiple unit building wherein the Customer's Service Pipe for each unit is connected to a separate Company Service Pipe; or
- V. A building owned or leased by a customer, having two or more apartments, residences, offices, or suites of offices; or
- VI. A trailer park, area or site in which space is rented or leased for the parking and occupancy of trailers or mobile homes.
- (o) A "private Fire Protection Service" is a Service Line for a single Customer and Premises to which fixtures are attached and water may be taken only for the extinguishment of fire or for the testing of such fixtures.
- (p) "Service Pipe" or "Service Line" is the pipe between the Distribution Main and the Customer's place of consumption, and includes all pipe, fittings, valves and other necessary fixtures.
- (q) A "Temporary Service Connection" is a service line with necessary fittings, valves and fixtures including meter, which is installed for the temporary use of water on a site abutting a Distribution Main.
- (r) "Termination of Service" is disconnection of Water service at Customer request.
- (s) "Discontinuance of Service" is disconnection of Water Service not at Customer request.
- (t) "Water Service" is the supply of water and accompanying services in which the company is engaged in behalf of the Customer.
- (u) A "Depositor" is any person, firm, corporation or Governmental Unit making a deposit with the Company under an agreement providing for the construction of a main extension and related facilities in accordance with the Extension of Distribution Mains rule herein.

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### 3. COMMENCEMENT OF WATER SERVICE

#### 3.1 GENERAL

- (a) A prospective Customer shall not connect or reconnect service, nor employ any person to do so, without authorization by the Company.
- (b) The Company shall not be under any duty to permit connection or to supply Water Service to any Customer whose Premises does not abut on a Distribution Main.
- (c) Requests by Governmental Units for public fire protection service will be governed by these rules.
- (d) All persons, firms, corporations, or Governmental Units desiring Water Service must make application to the Company in a ~~form~~ manner prescribed by the Company, setting forth all purposes for which water will be used.
- (e) Applications for Water Service, when accepted by the Company, shall cover only the Premises and uses applied for.
- (f) The Customer, in accepting conditions for Water Service, is responsible for all Water Service furnished until the Customer notifies the Company to terminate the service for its account or until the Company has accepted a new Water Service application for the Premises.
- (g) Any change in the identity of a Customer will require new application, and the Company may, after notice, discontinue Water Service until such new application has been made and accepted.

### 4. SPECIAL APPLICATIONS FOR WATER SERVICE

- 4.1 Water Service for the following purposes must be specially applied for, and the special terms and conditions applicable must be agreed to in writing by the Applicant:

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- (a) Multi-unit housing and ~~Condominiums, cooperative apartments and housing~~ housing  
developments

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- (b) Water Service to multiple Premises under common ownership located on a single site undivided by public streets, and requiring service to each individual Premises through a secondary distribution system not owned or operated by the Company.
- (c) Private Fire Protection Service.
- (d) Construction or temporary purposes.
- (e) Shopping centers.
- (f) Trailers and trailer courts.
- (g) Water for resale.

4.2 If a Company Service Pipe installation is made for construction or temporary service, the Applicant shall reimburse the Company for the cost of such installation and its removal.

4.3 In an emergency, the Company may authorize temporary Water Service in any manner appropriate to the circumstances and consistent with sound engineering practice and will charge, during the period of emergency, the minimum charge prescribed in the Company's rate schedules for the size of meter through which the Customer would normally receive Water Service.

## 5. PRIVATE FIRE PROTECTION SERVICE

5.1 Private Fire Protection Service for the purpose of supplying water for the extinguishment of fire shall be installed after approval in writing by the Company and is subject to the terms and conditions contained in the Application for Private fire Protection Service. A copy is on file in the Company's office. All applications shall be submitted for written approval of the Chief of the Fire Department having jurisdiction and such approval shall offer the opinion that the public fire protection will not be adversely affected by the proposed connection.

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- 5.2 Application for Private Fire Protection Service will not be approved unless there is suitable water volume and pressure available in the Distribution Main abutting the Premises to be supplied.

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- 5.3 The Applicant shall furnish, as part of the application, ~~three~~ complete sets of drawings approved by the Insurance Services' Office or comparable agency approved by the Company showing the pipes, valves, hydrants, tanks, openings and fixtures including detail of backflow device and type and detail of pit or riser room contemplated. Such drawings must also show any other water supply system and pipe lines and fixtures existing on the Premises.
- 5.4 The Company reserves the right to determine the size and location of any new connections made to its distribution Mains for Private fire Protection Service including the materials and installation specifications for the connection. The customer shall be responsible for the full and total cost and installation of the Private Fire Service. The physical connection to the Company's distribution main shall only be made by an authorized employee or agent of the Company. The customer shall install its own isolation valve as near the property line as practical. Upon inspection and approval of the installation of the Private Fire Service, the Company shall own and maintain the portion of the Private Fire Service from the Company's distribution Mains to the Customer's property line, and the Customer shall own, operate, and maintain the remainder of the Private Fire Service unless specifically excluded.~~The Company reserves the right to determine the size and location of any new connections made to its distribution Mains for Private fire Protection Service, and will, at the cost and expense of the Customer, install and maintain the connection to its distribution Main. The Customer shall install and maintain the Service Pipe from the Distribution Main to the property line.~~
- 5.5 Once in operation, the customer must obtain, in advance, the approval of the Company for any change, alteration or addition in the fixtures, openings and uses specified in the application.
- 5.6 The extent of the rights of the Private Fire Protection Service Customer is to receive at times of fire such supply of water as shall then be available from the Company's Distribution Main. The Company shall not be considered in any manner an insurer of property or persons, or to have undertaken to extinguish fire or to protect any Customer, persons or property against loss or damage by fire or otherwise. The Company shall be free and exempt from any and all liability on account of any injury to property or persons by reason of fire, water, failure to supply water pressure, or for any other cause whatsoever.

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- 5.7 No pipe or fixtures connected with a Private fire Protection Service served by the Company shall be connected with pipes or fixtures supplied with water from any other source, unless specifically approved in writing by the Company. Rule 22.3 shall apply.
- 5.8 Unless otherwise provided in a written agreement between the Applicant and the Company, Service Lines for Private fire Protection service shall be distinct and separate from the General Water Service Line. A Private Fire Protection Service connection is furnished for the sole purpose of supplying water for the extinguishment of fires, and the use of water from such a connection for any other purpose, other than testing, is absolutely forbidden.

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- 5.9 Where one Service Pipe is used for both General Water Service and Private Fire Protection Service, separate charges ~~will~~ may be made for each type of use, in accordance with the applicable tariff; the charge for Private fire Protection Service being based on the size of the Service Pipe supplying the Premises and that the General Water Service being based on the consumption through, and the size of, the meter or meters installed. The responsibility for installation and maintenance of such a Combination Service Pipe shall be the same as that provided for Private Fire Protection Service.
- 5.10 Private Fire Protection Service shall be furnished through a line monitored by an approved bypass detector device which shall be furnished and installed by the Customer at his cost and expense. The bypass detector device shall be located at a point approved by the Company. The bypass detector device will be maintained at the cost and expense of the Customer, subject to the inspection and approval of the Company. The bypass meter as used with the bypass detector device shall be furnished, installed, and maintained by the Company at its cost and expense. ~~Private Fire Protection Service shall be furnished through a line guarded by an approved fire line meter or detector device which shall be furnished and installed by the Customer at their cost and expense. The fire line meter or detector device shall be located at a point approved by the Company. The fire line meter or detector device will be maintained at the cost and expense of the Customer, subject to the inspection and approval of the Company. The by-pass meter only, used with the detector device, shall be furnished, installed and maintained by the Company at its cost and expense.~~
- 5.11 The rates for Private Fire Protection Service include only the water used for the extinguishment of fires and necessary for the testing of fire protection facilities on the Premises. Unauthorized use of water for purposes other than those specified will subject the Customer, after notice, to discontinuance of Private Fire Protection Service. A fire service line indicating continuous unauthorized use in excess of 10,000 gallons per month, for a period of three or more consecutive months, may be billed based upon the size of the service and total estimated consumption for the period consistent with the Company's general service rate schedule and such billing can continue until such time as the unauthorized use ends, the service is converted to general water service, or the service is terminated by the Company for unauthorized use, non-payment, or other termination under this tariff. ~~The rates for Private Fire Protection Service include only the water used for the extinguishment of fires and necessary for the testing of~~

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~~fire protection facilities on the Premises. Unauthorized use of water for purposes other than those specified will subject the Customer, after notice, to discontinuance of Private Fire Protection Service.~~

- 5.12 The introduction of anti-freeze or any other substance not specifically approved by the Environmental Protection Agency as non-detrimental to the public water supply is not permitted in sprinkling systems or any other part of Applicant's Private fire Protection Service system without explicit written permission from the Company.
- 5.13 The Customer's Private Fire Protection Service system shall be subject to the inspection, test and approval of the Company before the service is made effective, and afterwards as deemed necessary or appropriate by the Company. The Customer shall be solely responsible for the design, adequacy, function and maintenance of its Private Fire Protection Service System.

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- 5.14 Hydrants and other fixtures connected with a Private Fire Protection System may be sealed by the Company, and such seals may not be broken except in case of fire or as specially permitted by the Company for testing or other approved purposes. The customer shall immediately notify the Company of the breaking of any such seal.
- 5.15 Whenever a Private fire Protection Service System is proposed to be tested, the Customer shall notify the Company at least two (2) business days in advance of such proposed test. The Company may elect to have an inspector present during the test.
- 5.16 Private fire hydrants may be painted any color other than that adopted by the Company for public fire hydrants.
- 5.17 A gate valve with post indicator controlling the entire supply shall be placed at the curb or property line of the street in which the main is located or at such other point as may be approved by the Company or local authority having jurisdiction, and shall be furnished, installed and maintained by and at the expense of the customer. Unless otherwise approved by the Company, the valve shall be installed in a valve pit or vault also furnished, installed and maintained by and at the expense of the customer.

## 6. INSTALLATION AND MAINTENANCE OF SERVICE LINES

- 6.1 Where Company Distribution Mains are *or* may be installed, the Company will install the Company Service Pipe provided the Service Pipe is required for General Water Service to Premises abutting such mains.
- 6.2 Service Pipes for construction or temporary service shall be installed and removed at the Customer's expense.
- 6.3 A Customer Service Pipe shall not extend from *one* dwelling, building, structure or parcel of real estate to another dwelling, building, structure or parcel of real estate across a public street or across a property line unless the property line crossed is located within a building complex described in Rule 2(n)(II).

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- 6.4 The Company will make all connections to ~~its~~ its Distribution Mains and will specify the size, kind, quality and location of all materials used in the Service Line.
- 6.5 The Company Service Pipe shall be furnished, installed and maintained only by the Company and shall remain under its sole control and jurisdiction.
- 6.6 Service Pipes for Private Fire Protection Service from the distribution Main to the curb or property line shall be installed and maintained in accordance with Rule 5.
- 6.7 The Customer's Service Pipe shall be installed and maintained by the Customer, free from leaks and other defects, at their own expense and risk, and for failure to do so, Water Service may be discontinued. The Customer's Service Pipe shall be installed in accordance with applicable governmental regulations and Company specifications below the frost line on firm and continuous earth so as to give unyielding and permanent support.
- 6.8 For new Service Lines, the Customer shall install their Service Pipe to the curb or property line at a point approved by the Company, ~~after~~ after which the Company will install its Service Line from the Distribution Main to the Customer's Service Line.
- 6.9 Where the Company's Service Pipe is already installed to the curb or property line, the Customer shall connect with the Company Service Pipe as installed.
- 6.10 The customer shall make all changes in the Customer's Service Pipe required on account of changes of grade or other causes.
- 6.11 No fixture shall be attached to, or any branch made in, the Service Pipe between the meter and the Distribution Main, other than by authorized employees of the Company.
- 6.12 There shall be no more than one Service Pipe supplying a single Premises, unless otherwise approved by the Company.

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- 6.13 If a Customer, occupant, owner, or any of their agents should damage Company property, repairs shall be made only by the Company, but at the Customer's expense.

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- 6.14 The Customer shall install and properly maintain on ~~their~~<sup>this</sup> Service Pipe a ~~stop and waste valve~~<sup>shutoff valve</sup> approved by the Company. It shall be in an accessible location, protected from freezing and adequate to shut off and drain all plumbing. Further, where a Customer's Service Pipe is branched or arranged to supply more than one building, additional valves shall be installed in such manner that Service to one of the buildings may be shut off without shutting off service to other buildings. A drawing showing the layout of branched Customer Service Pipes and valves ~~shall~~<sup>may</sup> be ~~submitted~~<sup>required</sup> to ~~be submitted~~ and approved by the Company prior to installation of the Customer Service Pipe and valves.
- 6.15 A customer Service Pipe which is irregularly located because there was not a distribution Main abutting the Premises at the time the Customer Service Pipe was installed, ~~shall~~<sup>shall be required</sup> at the customer's expense, <sup>to</sup> be relocated and connected to the Distribution Main abutting the Premises when replacement becomes necessary.

## 7. SERVICES INSTALLED IN ADVANCE ~~OF~~<sup>OF</sup> PAVING

- 7.1 Owners of lots required to install Service Pipes from the Distribution Main to the curb or property line in advance of street or highway paving, ~~shall~~<sup>may be required to</sup> pay the Company the cost of installing such Service Pipes. The Company will install such Pipes and will refund such cost, without interest, to the depositing party when Water Service is connected to such lots.

## 8. METERS

- 8.1 Water shall be supplied to all Customers by meter measurement only, excepting sales of water to tank trucks of known capacity and those Customers receiving public fire Protection Service and Private Fire Protection Service. The Company shall have the right to place a meter on any Service Pipe and charge for Water Service by meter measurement.
- 8.2 All meters, except fire Service line meters, shall be furnished, installed, maintained, tested, repaired, removed and replaced only by the Company and shall remain its property. In case of damage to any

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meter by reason of any act, neglect or omission on the part of the Customer (such damages occasioned by fire, hot water, accident or misuse), the Customer shall reimburse the Company for the cost of repairing or replacing the meter.

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- 8.3 The Company reserves the right to determine the kind, size and type of meter that shall be placed on any Service Pipe.
- 8.4 Meters may be located either in an outdoor meter box or vault, or inside the Customer's building or structure, at the option of the Company.
- 8.5 If the meter or Battery Setting of Meters is to be installed inside, it shall be located in a clean, dry, safe place not subject to wide temperature variations so that the meter may easily be examined, read or removed. The Customer shall, at their expense, provide suitable pipe connections and shut-off valves, one each at the inlet and outlet sides of the meter or Battery Setting of Meters, and other appropriate fittings designed by the Company.
- 8.6 If the meter or Battery Setting of Meters is to be installed in a meter box or vault, it shall be located in a convenient and readily accessible location at or near the street right-of-way line. Meter boxes or vaults for settings for single meters and Battery Settings of Meters shall be furnished, installed and maintained by the Company. The Company shall at its expense, provide suitable pipe connection and shut-off valves, and such other fittings as may be designated by the Company. Upon a request by the Customer before the original installation is made, the meter box or vault will be located at the point requested, if feasible under proper utility standards. The meter box or vault may be constructed to protect the meter from freezing and damage by vehicular traffic, and its location and design shall prevent, as far as possible, the inflow of surface water.
- 8.7 Separate Premises shall be separately metered and billed, and only one Premise shall be supplied through one meter or Battery Setting of Meters.
- 8.8 The Company reserves the right to put seals and locks on all meters or meter couplings.
- 8.9 No Customer shall remove or cause or permit the removal of a meter by their agents once it has been installed by the Company, and any change in location of the meter desired by the Customer shall first be approved by the Company in writing, but shall be made by the Company

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at the Customer's expense. Violation of this tariff provision may result in the customer being charged a meter tampering penalty fee in accordance with the tariff.

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- 8.10 If a Customer requests an additional self-serving meter or meters for their Premises (i.e. lawn sprinkling or swimming pool), the Company will make the requested installation at the expense of the Customer and billing will occur as provided in Rule 9.
- 8.11 The Company may at any time, remove the meter for routine tests, repair, or replacement.
- 8.12 Meters may register in either U.S. gallons or cubic feet. Meter readings in units or hundred cubic feet may be converted to units of ~~thousand~~ hundred gallons for billing purposes if the existing schedule of charges is stated in gallon units. The factor used for making a
- (C) conversion ~~from hundred cubic feet to thousand gallons shall be based on the use of~~ is one cubic foot as being equivalent to seven and forty-eight hundredths (7.48) U.S. gallons.

## 9. MULTIPLE METER SETTINGS

- 9.1 When more than one meter setting is installed at a Customer's Premises because of conditions warranted and determined by the Customer, each meter setting shall be treated separately as if it belonged to a separate Customer, and the registrations of such meters will not be combined.
- 9.2 When more than one meter setting is installed on a Customer's Premises because of conditions warranted and determined by the Company, the registration of all such meters shall be combined and the minimum charge shall be the sum of the individual minimum charges for all such meters.

## 10. DISPUTED BILLS

- 10.1 When a Customer disputes a bill, the Company will not terminate service for nonpayment so long as the Customer (i) pays the undisputed portion of the bill, (ii) pays all future bills by the due date, and (iii) enters *into* bona fide discussions with the Company to settle the dispute.

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- 10.2 In instances where the Customer and Company cannot agree as to what portion of a bill is undisputed, it shall be sufficient that the Customer pay an amount equal to their average bill for the twelve (12) months immediately preceding the disputed bill. In those cases where the Customer shall pay an amount equal to 1/12 of the estimated • annual cost of service.
- 10.3 If the Company and the Customer arrive at a mutually satisfactory settlement of a disputed bill, the Company may enter into a settlement agreement providing for payment of the outstanding balance in installments over a reasonable period of time. Such an agreement shall be limited to the bill in dispute or the delinquent account.
- 10.4 A settlement agreement may be in writing and signed by the Customer or their representative and an authorized representative of the Company. A settlement reached by telephone may be confirmed by the Company in writing and mailed to the Customer, with instructions to sign a confirming copy and return it to the Company.
- 10.5 The Company shall not be required to enter into concurrent settlement agreements relating to the same Water Service account.
- 10.6 The Company shall not be required to enter into a subsequent agreement with a Customer who defaults upon the terms and conditions of a previous agreement entered into within the previous twelve (12) months.
- 10.7 If the Customer fails to comply with the terms and conditions of a settlement agreement, the Company may discontinue Water Service without further notice to the Customer.
- 10.8 If agreement cannot be reached on settlement of the dispute, the Customer may register their dispute with the Commission.

## 11. ADJUSTMENT OF BILLS

- 11.1 Water Service bills which are incorrect due to meter or billing errors shall be adjusted in accordance with Commission Rules and to the known date of error or one (1) year, whichever is shorter.

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- 11.2 Adjustment for Hidden Leaks (as defined on page 14. item (M) may be given as follows:

Adjustment for Hidden Leaks will be 50 percent of the charge for wasted water estimated from the beginning date of the leak to the date of repair, which period shall not exceed two regular reading periods unless extended by missed scheduled meter reading. Wastage will be considered as the excess consumption over normal usage, obtained by reference to the Customer's consumption record. If there is no consumption record, the average consumption for the previous calendar year for the appropriate Customer classification will be used as the normal consumption. An adjustment will be given only after the Customer has corrected the condition and verification has been presented to the Company or that proper repairs have been made. Adjustments for Hidden Leaks will be limited to (1) one per Customer, per year, or (2) the adjustment amount set forth above unless occurring under unusual or extenuating circumstances.

## 12. METER TESTING

- 12.1 The Company will make a test of the accuracy of registration of a meter upon written request by a Customer. The Customer will be required to bear the full cost of any subsequent test of their meter if requested at less than eighteen (18) months after the preceding test, and accuracy of the meter is found to be in compliance with rules of the Commission. The results of such tests will be reported to the customer in writing within ten (10) days after the test is complete or the customer shall be given the opportunity of being present at such requested tests.

~~12.2 Upon written application and payment of the required fee to the Commission by any Customer, a test will be made of the Customer's meter under the supervision of a representative of the Commission in accordance with rules of the Commission.~~

## 13. DEPOSIT TO INSURE PAYMENT OF BILLS

- 13.1 The Company will not require a cash deposit as a condition of new Water Service unless the Customer has a prior Water Service account which remains unpaid with the Company. Water Service is considered

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new if the Customer has not been a Customer of the Company within the last 12 months.

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- 13.2 The Company will not require a cash deposit as a condition of continued Water Service unless the Water service of a Customer has been discontinued for nonpayment.
- 13.3 A cash deposit will be required under the following terms and conditions:
- (a) A deposit will be required as a condition of new Water Service if the Applicant has a prior outstanding account. such deposit shall not exceed an amount equal to two (2) times the estimated monthly bill for Water Service at the Customer's Premises. The Company may also require payment of the prior outstanding account, if due and owing to the Company, as a condition of new Water Service.
  - (b) A deposit will be required as a condition of continued Water Service if the Customer's service has been discontinued for nonpayment. Such deposit shall not exceed an amount equal to two (2) times the actual or estimated monthly bill for Water Service at the Customer's Premises. The Company may also require payment of the prior outstanding account as a condition of continued Water Service.
  - (c) Interest at the rate of 6% per annum, or at such other percentage per annum established by the Commission shall be payable on all deposits. Interest shall be paid upon the return of the deposit; however, a refund made within three (3) months from the date of deposit shall bear no interest.
  - (d) Deposits shall not earn interest after the date full payment is made to the Customer by mail or personal delivery, or after the date Water Service is terminated.
  - (e) Upon termination of Water Service, the deposit, with any accrued interest, shall be credited to the final bill and any balance returned promptly to the Customer. A change of customer's address within the Company's service area will not be considered Termination of Service.
  - (f) The deposit and accrued interest shall be refunded by the

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Company upon satisfactory payment by the Customer of all proper charges for Water Service for twelve (12) successive months. Payment is satisfactory if made Prior to issuance of a notice of discontinuation of Water Service for nonpayment of an account.

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- 13.4 For each deposit, the Company will provide a written receipt and maintain a record showing (1) the name of the Customer, (2) the current address of the Customer so long as he maintains an active account with the Company in their name, (3) the amount of the deposit, (4) the date the deposit was made, and (5) a record of each transaction affecting the deposit. If a Customer requests a refund of their deposit, but is unable to locate their receipt, and the Company's record reflects that the deposit was made and the Customer is entitled to the refund, the Company will make the refund based on a written statement from the Customer reciting that he made a deposit and requests the refund.
- 13.5 Any deposit remaining unclaimed for the applicable statutory period after the Company has made diligent efforts to locate the Customer shall be presumed abandoned and, after making any lawful deductions, will be treated in accordance with the provisions of the applicable unclaimed property laws.

#### 14. TERMS AND CONDITIONS OF BILLING AND PAYMENT

- 14.1 All water sold shall be on the basis of meter measurement. Meters shall be scheduled to be read at not greater than quarterly intervals. The Company shall have the option to issue interim estimated monthly bills to Customers whose meters are read bi-monthly. Estimated bills shall not be less than a minimum bill as prescribed in the Company's current tariffs.
- 14.2 Private Fire Protection Service charges shall be payable quarterly in advance.
- ~~14.3 Public Fire Protection Service charges will be payable monthly in arrears.~~
- 14.4 Special charges shall be payable on demand.
- 14.5 All bills for Water Service are due on or before the due date printed on the bills, and considered delinquent if not paid by such date. The due date will be at least twelve (12) days after the postmarked date of the bill, if mailed, or the date of delivery if delivered by other means.

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- 14.65 All bills will be sent to the address entered in the application unless the Company is otherwise notified by the Customer.

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- 14.~~7~~6 Customers are responsible for furnishing the Company with their correct addresses. Failure to receive bills will not release Customer from payment obligations.
- 14.~~8~~7 The use of water by the same Customer at different Premises or localities will not be combined for billing.
- 14.~~9~~8 The Company may estimate the bill of any Customer for good cause, including, but not limited to: request of Customer; inclement weather; labor or union disputes; inaccessibility of a Customer's meter; other circumstances beyond the control of the Company or its agents and employees; and, a billing period with a varying meter reading schedule; or the Company may render an estimated bill when a meter is found to be not registering. In such cases, the Company shall estimate the charge for the water used by averaging the amount registered over a similar period preceding or subsequent to the period of nonregistration or for corresponding period in previous years, adjusting for any changes in the Customer's usage.
- 14.~~10~~9 The Company may include charges for special services with charges for Water Service on the same bill if such charges are identified.

## 15. DISCONTINUANCE OF WATER SERVICE

### 15.1 Upon Customer's Request

- (a) The Customer shall notify the Company at least three (3) days in advance of the desired termination day and shall remain responsible for payment of all service until service is terminated pursuant to such request. The Company shall terminate service within three (3) working days of the requested termination date. The Customer shall not be liable for any service rendered to such address or location after the expiration of these three (3) days.

### 15.2 Without Customer's Request

- (a) The Company may disconnect service without request by the Customer and without prior notice only:

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- I. If a condition dangerous or hazardous to life.  
physical safety or property exists; or

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- II. Upon order by any court, the Commission or other duly authorized public authority; or
  - III. If fraudulent or unauthorized use of water is detected and the Company has reasonable grounds to believe the affected Customer is responsible for such use; or
  - IV. If the company's regulating or measuring equipment has been tampered with and the Company has reasonable grounds to believe that the affected Customer is responsible for such tampering; or
  - V. If a Customer violates the terms of a settlement agreement described in Rule 10, Disputed Bills.
- (b) The Company may discontinue Private Fire Protection Service immediately after written notice to such Customer and the appropriate Fire Department for leakage within such Private Fire Protection Service system and until such leaks are repaired.
- (c) In all other instances, the Company, upon providing the Customer with seven (7) days Prior written notice, may disconnect Water Service for any of the following reasons:
- I. The Customer fails to repair any leak in the Customer Service Pipe or other plumbing fixtures.
  - II. The Customer vacates the Premises or fails to pay their water bills or other charges related to their Water Service installations or facilities in accordance with these rules and the Company's rate schedules, or otherwise violates any of these rules.
  - III. Nonpayment of a Water Service bill based on estimated consumption after the estimated meter reading has been verified.
  - IV. The Customer fails to provide free and non-hazardous access to the Premises and meter so that the Company's representatives may make meter readings and necessary

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inspections and maintain. replace or remove the meter,  
or fails to maintain Customer-owned meter settings.  
including pits and vaults.

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- V. The Customer installs a new Service Pipe and other fixtures or alters or removes an existing Service Pipe or other fixtures, including the meter, without the Company's consent.
- VI. The Customer fails to remedy a condition or use on their Premises which, in the Company's engineering judgment, endangers the Company's distribution system.
- VII. Misrepresentation of identity of Applicant for the purpose of obtaining Water Service.
- VIII. A Customer selling or providing water to other Premises not specifically included in the accepted application.
- IX. Where two or more Premises are supplied through a single Service Pipe, any violation of the Rates, Rules, Regulations and Conditions of Water Service of the Company shall be deemed a violation as to all, and the Company may enforce compliance with these rules and regulations by discontinuing Service. Such action, however, will not be taken until the customer not in violation has been given reasonable notice to acquire a separate Company Service Pipe.
- X. The Customer fails to pay for any sewer Service charge and discontinuance of Water Service is duly authorized by the appropriate Governmental Unit.
- XI. A Customer occupies a Premises already receiving Water Service without making application and fails to pay for Water Service used Prior to the Company accepting such Customer's application.

### 15.3 Prohibited Disconnection

- (a) Except as otherwise provided in subsection 15.1 and 15.2, the Company shall postpone disconnection of residential service for ~~twenty~~thirty (~~20~~30) days if, Prior to the disconnect date specified in the disconnect notice, the Customer provides the Company a

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medical statement from a licensed physician or public health official stating that disconnection would be a serious and immediate threat to the health or safety of a designated person in the household of the Customer.

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- (b) The Company may not disconnect Service to the customer:
- I. Upon failure to pay for goods or services not approved by the Commission.
  - II. Upon failure to pay for concurrent Water Service received at a separate Premises. However, if Water Service is discontinued or terminated at the separate Premises, any unpaid balance may be transferred to the other account on the next regular billing.
  - III. Upon failure to pay for a different class of Water Service received at the same or different locations: or
  - IV. Upon failure to pay for Water Service provided in the name of another Customer.
- (c) If a Customer proceeds with a complaint before the Commission pursuant to Commission Rules and complies with Rule 10, Disputed Bills.

#### 15.4 Notice and procedure for Involuntary Disconnection

- (a) Except as otherwise provided in Section 15.2(a) and (b), service to any Customer shall not be disconnected for a violation of any rule or regulation of the Company or for the nonpayment of a bill, except after seven (7) days prior written notice to such Customer.
- (b) The Company may discontinue Water Service to a customer on the date specified in the notice of discontinuation. or within a reasonable time thereafter, only between the hours of 8:00 a.m. and 4:00 p.m.
- (c) Water Service shall not be discontinued on a day. or a day immediately preceding a day, when the Services of the Company are not available to the general public for the purpose of reconnecting discontinued Water Service.

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16. RECONNECTION OF WATER SERVICE AFTER DISCONTINUANCE

- 16.1 When service has been discontinued because of violations of the  
Rates, Rules, Regulations and Conditions of Water Service or because

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of nonpayment, a reconnection ~~on~~ charge will be made as set forth in the schedule of the rates and charges of the Company.

- 16.2 The Company will reconnect Service within the one (1) working day after it is requested provided:
- (a) The conditions, circumstances or practices which caused the disconnection have been corrected;
  - (b) Satisfactory settlement of all delinquent charges owed the Company by the Customer ~~and any deposit~~ authorized by these rules has been made; and
  - (c) A responsible person is present in the Premises to see that all water outlets are closed to prevent damage from escaping water.
- 16.3 No Customer whose Water Service has been discontinued by the Company shall re-establish Service or cause Service to be re-established except by the Company.

## 17. MODIFICATION OF FACILITIES AT CUSTOMER'S EXPENSE

- 17.1 If a Customer requests for their convenience, or by their actions requires, that the Company's facilities be relocated or modified, compatible with water utility construction practices, the Company will require reimbursement for the full cost of performing such service.
- 17.2 Where such changes become necessary due to altered or additional use on the Customer's part, such as the causing of pressure fluctuations which affect service to other Customers or damage to the Company's system, the Customer shall bear the cost of such changes in the facilities in question.

## 18. CUSTOMERS REQUIRING UNINTERRUPTED SUPPLY

- 18.1 The Company will endeavor to give reasonable Water Service, however, customers are cautioned to provide sufficient storage of water where an absolutely uninterrupted supply at uniform pressure must be

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assured, such as for steam boilers. hot water systems, gas engines,  
Fire Service. etc.

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- 18.2 Customers installing fixtures or devices taking a supply of water directly from the Service Pipe, dependent upon the working pressure of the distribution system, will do so at their own risk. The Company will not be responsible for any accidents or damages to which such fixtures or devices are subject.

19. REQUIREMENTS FOR PEAK DEMAND CUSTOMER

- 19.1 Customer usages requiring a large quantity of water within a short period of time will not be permitted except through intercepting or intermediate storage tanks, unless approved by the Company in writing. Customer Service Pipes or Private Fire Protection Service connections shall not be connected to the suction side of pumps, unless approved by the Company in writing.

- 19.2 The inlet connection for tanks attached directly or indirectly to the Customer's Service Pipes or Private Fire Protection Service connections shall discharge at a point no less than three (3) times the diameter of the inlet Pipe above the overflow of such tanks. Such connections must be approved by the Company in writing.

20. REQUIREMENTS FOR VALVES AND OTHER DEVICES

- 20.1 Check valves, relief valves, flush valves and vacuum breakers required or recommended by this rule must be installed and maintained by, and at the cost and expense of the Customer.
- 20.2 Check and relief valves will be required for Customers having boilers, hot water heaters (heating systems) connected directly or indirectly with the Distribution Mains of the Company. The check valve must be in the supply Pipe to any heating system and a relief valve between the check valve and heating system.
- 20.3 As a precaution against collapse of boilers, a vacuum valve should be installed in the steam line in case the water supply is interrupted.
- 20.4 The Company is not responsible for accidents or damages resulting from imperfect action or failure of check, relief or vacuum valves or failure of the Customer to provide necessary safety devices.

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- 20.5 Any Customer desiring or requiring a pressure reducing device for Water Service to their Premises shall install and maintain such device at their cost and expense.

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## 21. PLUMBING REGULATIONS AND WORK

- 21.1 All plumbing work shall be done in accordance with the plumbing code of the Governmental Unit or units applicable in the Company's service area and/or regulations adopted by any duly constituted board or commission having Jurisdiction.
- 21.2 All plumbing work connected to the Company's Distribution Mains shall be submitted for Company inspection before being covered.
- 21.3 If the Company determines plumbing work to be defective, though not necessarily in direct violation of these rules and regulations, the Company may insist it be corrected before Water Service is initiated.
- 21.4 Except where the plumbing is a simple extension or additional fixture on a service in use, the plumber shall turn off the water after completion testing.
- 21.5 No plumber, or any other person, shall initiate Water Service without permission from the Company.
- 21.6 No plumber, or any other person, shall connect to the Company's Distribution Main or to any Service Pipe or extend Pipe to any Premises for the purpose of securing a supply of water until application has been made and accepted by the Company as provided in these Rates, Rules, Regulations and Conditions of Water Service.

## 22. CROSS CONNECTIONS

- 22.1 A cross-connection is any physical connection whereby the Company's public water supply is connected with any other water supply, whether public or private, either inside or outside of any building or buildings, in such manner that a flow of water into the Company's public water supply is possible either through the manipulation of valves or because of ineffective check or back-pressure valves, or because of any other arrangement.
- 22.2 By-pass arrangements, Jumper connections, removable sections, swivel or change-over devices, and other temporary or permanent devices through which, or because of which, backflow can occur, are considered

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to be cross-connections.

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- 22.3 No cross-connection will be permitted unless an acceptable form of protection against contamination by backflow into the water distribution system is provided. An acceptable form of protection is one which meets the approval of the Tennessee Department of Public Health, or any successor agency or organization, and the local regulating health agency. The required protective device or system shall be provided and installed by the customer and maintained by him in good working condition at their own cost and expense and shall be subject to the inspection, test and approval of the Company before being placed in service, and at such times thereafter as may be deemed necessary by the Company.
- 22.4 Any cross-connection in violation of this rule shall immediately be removed or corrected in a manner acceptable to the Tennessee Department of Public Health, or any successor agency or organization, and the local regulation health authority, and the Company. failure to do so may result in discontinuance of Water Service.
- 22.5 The Customer's Service Pipe and all connections and fixtures attached on a Customer's Private Fire Protection Service system shall be subject to the inspection of the Company to determine compliance with its cross-connection rule before water will be turned on, and all Premises receiving a supply of water and all Service Pipes, meters and fixtures, including any and all fixtures within the Premises, shall at all reasonable hours be subject to inspection by any duly authorized employee(s) of the Company.
23. EXTENSION OF DISTRIBUTION MAINS
- 23.1 The Company will extend its Distribution Mains and related facilities from the end of existing mains under the terms and conditions of this rule, unless otherwise approved by the Commission.
- 23.2 The Company, upon written request, from an Applicant(s) in an established neighborhood, shall extend mains and connect Customer(s) in accordance with Rule 23.4. All other requests for Service requiring main extensions shall be subject to either Rule 23.6 or Rule 23.7 at the option of the Applicant(s). Rule 23.4 is for main installations necessary to serve existing Premises owned or occupied by the Applicant(s) to be served. Rules 23.6 and 23.7 are for main

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installations necessary to serve new subdivisions or developments  
involving speculation or the prospect of new Customers.

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TENNESSEE-AMERICAN WATER COMPANY

TPUC No. 20

Original Sheet No. 39

~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TRA No. 19~~

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- 23.3 (a) Upon application for an extension of a Distribution Main, the Company will determine the necessary size, location and characteristics of the main and related facilities and make an estimate of the cost. Such estimate shall include all pipe, valves, fittings and other fixtures and materials and all other costs such as labor, permits, etc., including the Company's expense for supervision, engineering, insurance, tools, equipment, accounting, and overhead.
- (E)
- (b) Main extensions under Rule 23.4 shall terminate at a point perpendicular to the center of the Customer's residence fronting on the street in which the extension is to be made.
- (c) Main extensions under either Rule 23.6 or Rule 23.7 shall terminate at a point equidistant from the side property lines of the last lot or parcel for which facilities for Water Service are to be provided.
- (d) The size of pipe for extensions shall be eight-inch (8") unless a larger or smaller pipe, as determined by the Company, is reasonably necessary to serve the requirements of the proposed Customer(s), including fire protection service. If, for the Company's future extension plans it proposes to install a pipe larger than that which is reasonably necessary to meet the applicants' service requirements, the Company will pay the additional cost of such larger pipe.
- 23.4 Upon receipt of a signed application for permanent Water Service which shall commence upon completion of the Company's main extension, an extension shall be provided as follows:
- (a) Where the length of extension required does not exceed 100 feet for each applicant to be served, the Company will install the required amount of mains at no cost to the applicant(s) provided, the Company has on file a written application for Service from each applicant to be served.

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- (b) If the length of main required to provide service to each applicant or group of applicants exceeds 100 feet per applicant, such extension will be made only if the applicant(s) shall contract with the Company for such extension and deposit in a manner mutually agreed to in writing between the applicant(s) hereinafter called Depositor (s) and the Company, the total estimated cost of the extension less a credit equal to the amount produced by multiplying the estimated unit cost per foot of main by 100 and by then multiplying that result by the number of applicants.
- (c) If within a ten (10) year period beginning with the date the main extension is completed, service is provided directly from said extension to any Premises which has not previously received water service from the Company, the Company will refund to the Depositor(s) an amount equal to the actual completed cost of 100 feet of main installed under the contract. In no event shall the aggregate refund made to any Depositor(s) exceed the amount of that Depositor's original deposit. No refunds shall be required to be made by the Company until the number of Customers actually connecting to the extension equals the number of applicants used in computing the deposit required for the extension.
- (d) When more than one Depositor is involved, the amount of the advance deposit may be divided equally among the Depositors, unless otherwise agreed to by the Depositors.
- (E) (e) Should the actual cost of the extension be less than the estimated cost, the Company will refund the difference as soon as the actual cost has been ascertained. Should the actual cost of the extension exceed the estimated cost, the Company may require the original Depositor(s) to pay for the additional cost. The final cost of the extension shall be reflected in a supplemental memorandum to the original extension and deposit agreement.
- (E)
- 23.5 For the purposes of main extensions Rules 23.6 and 23. 7 and all agreements entered into by the company for the extension of water mains in accordance with this Rule 23.5, the following definitions shall apply:

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TENNESSEE-AMERICAN WATER COMPANY

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- (a) Bona Fide Prospective Customer - Any owner or lessee who is or will be the occupant of a developed Premises having a curb line abutting on that part of a street or public highway in which there is, or is to be, located a Distribution Main of the Company, and who shall have filed with the Company a signed application for permanent Water Service to begin immediately after installation of a Service Line to such Premises.
  - (b) Prior Main - A Distribution Main not a Branch Main installed under an Extension Deposit Agreement for the purpose of serving a new development having one or more Bona Fide Prospective Customers.
  - (c) Branch Main - A lateral Distribution Main installed under an Extension Deposit Agreement for the purpose of serving one or more Bona Fide Prospective Customers whose Premises are located in an area not contiguous to a street in which water mains have been installed under unexpired prior Extension Deposit Agreements.
  - (d) Unit Cost Per Foot of Main - An amount, to be determined by the Company as soon as possible after installation of the requested main, consisting of the Company's average completed cost per foot of all mains installed pursuant to the specific Extension Deposit Agreement. For the purposes of determining the initial deposit to be made by the applicant(s), the Company will estimate the Unit Cost Per Foot of Main in accordance with Rule 23.3.
- 23.6 (a) The Company will extend existing Distribution Mains in dedicated public streets or highways where the ground surface has been conformed to the established grade or sub-grade of the street, a distance of ~~forty-five~~ one hundred (100~~45~~) feet for each Bona Fide Prospective Customer making application for Water Service therefrom. Such extension will be made without cost to the applicant(s) for service, except for such connection charge, if any, as may be applicable to such customer.
- (b) When an extension greater than ~~forty-five~~ one hundred (100~~45~~) feet in length for each Bona Fide Prospective Customer is required or requested, such extension will be made, in dedicated public streets or highways where the ground surface has been conformed to the established grade or sub-grade of the street, under the terms of an Extension Deposit Agreement as hereinafter set forth:

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- (E) ( The applicant (hereinafter the Depositor) shall deposit with the Company an amount equal to (i) the estimated number of feet or pipe to be installed multiplied by the estimated Unit Cost Per Foot of Main, plus the estimated cost of other facilities ( excluding fire hydrants, hydrant laterals, service lines and meters), which the Company shall have determined are necessary to render adequate service, less (ii) a credit equal to the amount produced by multiplying the results of such computation by the number of Bona Fide Prospective Customers whose Premises abut said extension and will be directly connected thereto.
- (E) ( Upon completion of the extension and compilation of actual costs, should the actual completed Unit Cost Per Foot of Main and/or the actual number of feet of pipe installed be more, or less, than the original estimate, the Depositor shall immediately deposit with the Company, or receive from the Company, an amount equal to the difference between the estimated footage multiplied by the estimated Unit Cost Per Foot of Main and the actual footage multiplied by the completed Unit Cost Per Foot of Main.
- (E) ( Deposits made pursuant to this rule shall be subject to refunds within the period of ten (10) years from the actual date of deposit as follows:
- (i) For each additional bona fide Customer for whom a Service Line has been made to the extension in question, the Company shall refund to the Depositor an amount equal to the completed Unit Cost Per Foot of Main used in calculating the final deposit multiplied by ~~forty-five~~ one hundred (~~45~~100); and
- (ii) If any Branch Mains are connected to the Prior Main within a period of five (5) years from the date said Prior Main was installed, the Company shall refund to the Depositor, or to the Depositor and all other parties who may have participated in the cost of the main in question, their proportionate share of the supplemental deposit required for such a Branch Main connection as provided in Rule 23.6 (b) IV hereof.

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(IV) When a Distribution Main is installed under an Extension Deposit Agreement and such main passes through undeveloped property where future Branch Mains may be connected thereto, the persons for whom such Branch Mains are installed within a period of five (5) years from the date the Prior Main was installed shall be required to share proratably in the cost of such Prior Main from its beginning point to the point of connection of the Branch Main. This shall be accomplished by requiring each person for whom such a Branch Main is to be installed to make a supplemental deposit with the Company in an amount equal to their proportionate share of the then un-refunded balance of the deposit which was established to secure the installation of such Prior Main to the point of connection of the Branch Main. Such supplemental deposit shall be paid over by the Company, promptly after receipt thereof, to the original Depositor and to all others who have made deposits on that portion of the Prior Main. The allocation thereof to such parties shall be in proportion to their respective percentage participations in the un-refunded balance of the deposit relating to the installation of the Prior Main to the point of connection of the Branch Main. No such supplemental deposit shall be required if a lateral main is being installed and connected to the Prior Main by the Company at its own expense, or by the Company at the request of an applicant for a main extension which does not require a deposit from such applicant.

- 23.7 (a) The Company will extend existing Distribution Mains in dedicated public streets or highways where the ground surface has been conformed to the established grade or sub-grade of the street, without cost to the applicant(s) if the estimated cost of the extension is not greater than forty (40) percent of the company's estimate of revenue to be received the first three (3) years from Bona Fide Prospective Customer(s).
- (b) When an extension with an estimated cost greater than forty (40) percent of the Company's estimate of three (3) years' revenue from Bona Fide Prospective Customer(s) is required or requested, such extension will be made, in dedicated public streets or highways where the ground surface has been conformed to the established grade or sub-grade of the street, under the terms of an Extension Deposit Agreement as hereinafter set forth:

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- (E) (I) The Applicant (hereinafter the Depositor) shall deposit with the Company an amount equal to (i) the estimated cost of the extension, less (ii) a credit equal to forty (40) percent of the Company's estimate of three (3) years' revenue to be received from Bona Fide Prospective Customer(s) whose Premises abut said extension and will be directly connected thereto.
- (E) (II) Upon completion of the extension and compilation of actual costs of the extension, the Depositor(s) shall immediately deposit with the Company, or receive from the Company, if the cost is less than estimated, an amount equal to the difference between the estimated cost and the actual completed cost of the extension.
- (III) Deposits made pursuant to this rule shall be subject to refunds within the period of ten (10) years from the actual date of the deposit as follows:
- (i) Upon completion of the first year's service to Bona Fide Prospective Customer(s) for whom credit was given in establishing the deposit, the Company will refund to the Depositor an amount equal to forty (40) percent of the difference between the first three (3) years' revenue originally estimated by it and the actual revenue received, provided the actual revenue is greater than the estimated revenue. If the actual revenue is less than the estimated revenue, the difference will be used as an off-set against revenues which would otherwise become the basis for refund pursuant to (ii) below.

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- (ii) During the period of ten (10) years from the actual date of deposit, the Company shall at the end of each year refund to the Depositor an amount equal to forty ( 40) percent of the actual annual revenue received for water Service from Customers whose Service Line is directly connected to the main covered by the Extension Deposit Agreement. Such refunds shall be paid annually within forty-five (45) days of each contract year covering refunds owing from Water Service revenues received during the preceding contract year; provided, however, that the first three (3) years' revenue from Bona Fide Prospective Customer(s) for whom credit was given in establishing the deposit shall be excluded from refunds to be paid under this provision (ii).
- (iii) If any Branch Mains are connected to the Prior Main within a period of five (5) years from the date said Prior Mains was installed, the Company shall refund to the Depositor, or to the Depositor and all other parties who may have participated in the cost of the main in questions, their proportionate share of the supplemental deposit required for such a Branch Main connection as provided in Rule 23.7(b) IV hereof.

- IV. When a Distribution Main is installed under an Extension Deposit Agreement and such main passes through undeveloped property where future Branch Mains may be connected thereto, the persons for whom such Branch Mains are installed within a period of five (5) years from the date the Prior Main was installed, shall be required to share proratably in the cost of such Prior Main from its beginning point to the point of connection of the Branch Main. This shall be accomplished by requiring each person for whom such a Branch Main is to be installed to make a supplemental deposit with the Company in an amount equal to their

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proportionate share of the then unrefunded balance of the deposit which was established to secure the installation of such Prior Main to the point of connection of the Branch Main. Such supplemental deposit shall be paid over by the Company, promptly

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After receipt thereof, to the original Depositor and To all others who have made deposits on that portion of the Prior Main. The allocation thereof to such parties shall be in proportion to their respective percentage participations in the unrefunded balance of the deposit relating to the installation of the Prior Main to the point of connection of the Branch Main. No such supplemental deposit shall be required if a lateral main is being installed and connected to the Prior Main by the Company at its own expense, or by the company at the request of an applicant for a main extension which does not require a deposit from such applicant.

- 23.8 The aggregate refunds made by the Company under any Extension Deposit Agreement shall not exceed the total deposit made under such Agreement.
- 23.9 No interest will be paid by the Company on any main extension deposits or on any unrefunded balances.
- 23.10 All mains, Branch Mains and related facilities installed in accordance with this Rule 23 shall be and remain the sole property of the Company.
- 23.11 The Company shall have the right to further extend its mains from and beyond any main extension made under this Rule 23. The Depositor(s) shall not be entitled to any refund from Customers connected to further extensions from the original main extension except for the Branch Main provisions of Rules 23.6 and 23.7.
- 23.12 Before Distribution Mains will be installed in accordance with this Rule 23, the following conditions must specifically be met by the requesting party:
- (a) The road surface shall be brought to the established subgrade, properly compacted; and
  - (b) The Applicant or depositor shall furnish the Company with a

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right-of-way agreement suitable to the Company if such main extension or any part is to be installed in other than dedicated public streets or highways .

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- 23.13 Any main extension agreement made pursuant to this Rule 23 and the right to refund thereunder shall not be assigned by any depositor without the Prior written consent of the Company.
- 23.14 Special contracts, subject to the approval of the Tennessee Public ~~Service Commission~~ Utility Commission, may be entered into by the Company and the party or parties requesting main extensions in those instances where:
- (a) The prospects are that the patronage and demand will not be of such permanency as to warrant the capital expenditure involved, or
  - (b) There are industrial installations requiring extensive utility investment and the demand for Water Service is expected to be slight, irregular or of unknown quantity, or
  - (c) Where extensive plant additions are required before Customers can be attached and/or served, or
  - (d) Other abnormal or extraordinary circumstances are present.

## 24. PUBLIC FIRE HYDRANTS

- 24.1 Public Fire protection Service shall be provided to any Governmental Unit requesting same within the Company's Service

area in accordance with the Company's tariff and the terms and conditions set forth in an agreement between the Company and the requesting party. Public Fire hydrants shall only be installed on Company-owned mains six inches (6") or larger in internal diameter.

- ~~24.2 Except in the City of Ridgeside, all public Fire hydrants shall be furnished, installed and maintained by the Company.~~

- ~~24.3~~ 24.2 The use of Fire hydrants shall be restricted to the taking of water for the extinguishing of Fires and at such times, is under the

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control of authorized representatives of the Fire Department. Water shall not be taken from any fire hydrant for construction purposes, sprinkling streets, flushing trenches, sewers, or gutters or for any other use. unless specifically authorized in writing by the Company.

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- 24.43 Any expense for repairs or damage caused by persons operating Fire hydrants, shall be paid for by such persons.

25. INTERRUPTIONS IN OR CURTAILMENT OF WATER SUPPLY

25.1 Interruptions in Water Supply

The Company reserves the right at any time to shut off the water in the Distribution Mains in case of accident or emergency, or for the purpose of making connections, extensions, improvements, alterations, repairs, changes, or for other proper business or utility reasons, and may restrict the use of water to reserve a sufficient supply in its reservoirs for public fire Service or other emergencies whenever the public welfare may so require in accordance with Rule 25.2.

25.2 Curtailment of Service and/or Usage

- (a) When, in the judgment of the Company, sufficient supplies of water are not available to meet existing and anticipated demands or to preserve and replenish water storage in amounts sufficient to provide fire protection, the Company shall have the right to restrict, limit, curtail or interrupt Water Service to any Customer or Customers. The Company shall not be liable for any damage by reason of any such restriction, limitation, curtailment or interruption.
- (b) During any period of Company imposed restricting or curtailing Water Service, the Company shall not supply new service or additional service to any Customer, except for residential Premises occupied for which application for service has previously been made.
- (c) When feasible, Prior to the application of this rule, the Company shall use its best efforts to inform the public of the emergency nature of its water supply situation and request voluntary curtailment of water usage by all Customers. If, in the judgment of the Company, such voluntary curtailment is not sufficient to protect the

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health and safety of its Customers or to preserve and replenish its reservoir storage for Fire protection, it shall proceed under the provisions of paragraph (d) of this rule.

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- (d) The Company shall endeavor to maintain a supply of water to provide for the sanitary and health requirements of its residential and human needs Customers (hospitals, medical centers, nursing homes, and apartments) and its fire protection service. The Company shall first order curtailment of usage by all Customers for sprinkling, decorative fountains, swimming pools and other similar nonessential usage. Thereafter, the Company shall curtail or limit on a pro rata basis water usage to all Customers whose average daily volume of water purchased during the preceding calendar year exceeded 100,000 gallons for any billing month during such period; provided, the Company reserves the right to order temporary, limitation or interruption of water usage for any Customer without regard to any Priority of Service when in its judgment such temporary, limitation or interruption is necessary to forestall injury to life or property. If any Customer fails to comply with any mandatory restriction, limitation or interruption of Service imposed under this paragraph (d), the Company may discontinue service to such Customer.
- (e) Company notice to Customers may be given by written notice or it may be given orally by any authorized agent of the Company. The notice shall be considered given when actually communicated in the case of oral notice or deposited in the United States Mail, if written.

## 26. RESPONSIBILITY OF COMPANY

- 26.1 The Company will undertake to use reasonable care and diligence to prevent and avoid interruptions and fluctuations in Water Service and to maintain reasonable pressure on the distribution system, but it cannot and does not guarantee to furnish at all times any given quantity for Fire or general purposes or that interruptions or fluctuations in Service will not occur. In the event there occurs any excess or deficiency in the pressure, volume or supply of water for any cause whatsoever, other than willful default or neglect on the part of the Company, the Company shall not in any way or under any circumstances be held

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liable or responsible to any person, firm, corporation or  
Governmental unit for any resulting loss or damage.

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- 26.2 Unless due to willful default or neglect on the part of the Company, the Company shall not be liable for any damages resulting from the breaking of mains or Service Pipes, interruption of the supply of water or cutting off water for necessary repairs or maintenance, or from any other act, omission or event.
- 26.3 The Company shall not be considered an insurer of property or persons. or to have undertaken to extinguish Fire or to protect any persons or property against loss or damage by Fire, or otherwise. The Company agrees only to furnish and provide such supply of water as shall then be available.

## 27. OWNERSHIP OF PROPERTY

- 27.1 Unless otherwise agreed to, all pipe, fittings, equipment, meters or other fixtures installed at the expense of the Company shall at all times be and remain the property of the Company and may at any time during reasonable hours be inspected by the Company and/or removed by it for repairs or replacements, or upon the Discontinuance of Service.

## 28. GENERAL

- 28.1 No electric wires shall be grounded on the mains of the Company or on any Service Pipes or pipes or fixtures of any kind which have a metallic connection with the mains of the Company. The Company assumes no responsibility for continuity of electrical grounding systems.

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APPLICATION FOR PRIVATE FIRE PROTECTION SERVICE

This Application made in triplicate this \_\_\_\_\_ day of \_\_\_\_\_  
19\_\_\_\_, by \_\_\_\_\_ (a corporation  
(APPLICANT)

of the State of \_\_\_\_\_ hereinafter called the  
"Applicant", to the Tennessee-American Water Company (a corporation of the  
State of Tennessee), doing business in the City of Chattanooga hereinafter  
called the "water Company."

The Applicant, upon the terms and conditions hereinafter set forth, hereby  
applies to the Water Company for private Fire protection service consisting of  
the right to connect a \_\_\_\_\_ inch Service pipe to the street main of the  
Water Company on \_\_\_\_\_ Street. between \_\_\_\_\_  
Street and \_\_\_\_\_ Street in the City of \_\_\_\_\_  
and attach to said Service pipe the following fixtures and openings:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All of which fixtures and openings to be located within or upon the premises  
of the applicant abutting the street on which the said main of the Water  
Company is located.

In consideration for which privilege, the Applicant agrees to be bound by  
all the terms and conditions of this application and to pay the Water Company  
for private Fire protection Service at the schedule of rates in effect from  
time to time during the rendition of such Service.

The further terms and conditions upon which this application may be  
accepted by the Water Company are as follows:

FIRST: That the application and the acceptance thereof by the Water  
Company is subject to the Prior approval of the fire department having  
jurisdiction of the premises to be served.

SECOND: That the entire private Fire protection service system on  
Applicant's premises shall be subject to the inspection, test and approval of  
the Water Company, and the Water Company by its representatives, shall have

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the right to enter the premises of the Applicant at any reasonable time for the purpose of making such reasonable inspections as it may deem necessary, and to insure compliance with the terms and conditions of this application

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THIRD: That all pipes and appurtenances shall be constructed and maintained in good condition by and at the expense of the Applicant.

FOURTH: That a fire line meter or detector device approved by both the Water Company and the Fire underwriters, will be required on the service at a location approved by the Water Company. Such meter or device shall be installed and maintained by and at the cost and expense of the Applicant, but subject to the inspection and approval of the Water Company. The by-pass meter only, used with the detector device, shall be furnished, installed and maintained by the Water Company at its cost and expense.

FIFTH: That a gate valve with post indicator controlling the entire supply shall be placed at the curb or property line of the street in which the main is located or at such other point as may be approved by the Water Company, and shall be furnished, installed and maintained by and at the expense of the Applicant, and unless otherwise approved by the Water Company, said valve shall be installed in a valve pit or vault which shall also be furnished, installed and maintained by and at the expense of the Applicant.

SIXTH: That all hydrants and other fixtures connected to the private fire protection Service system shall be kept closed and sealed, and not opened or used except during times of Fire or testing. Upon extinguishment of each Fire or following each test, the Applicant shall immediately close such fixtures and notify the Water Company so that they may be sealed. Whenever a private Fire protection service system is to be tested, the Applicant shall notify the Water Company at least two (2) business days in advance of such proposed test, requesting approval of the method, day and hour on which it is to be made.

SEVENTH: That no anti-freeze or any other substance, not specifically approved by the Environmental Protection Agency as non-detrimental to the public water supply, shall be introduced into sprinkling systems or into any pipe, fixture, appurtenance or other portion of the Applicant's private fire protection Service system.

EIGHTH: That the Applicant understands and agrees that the extent of the rights of the Applicant under this application is to receive, but only at times of Fire on said premises, such supply of water as shall then be available and no other or greater quantity. The Applicant further acknowledges and agrees the Water Company shall not be considered in any way or manner an insurer of property or persons, or to have undertaken to extinguish Fire or to protect any persons or property against loss or damage by fire, or otherwise, and the Water Company shall be free and exempt from any

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and all claims for damages on account of any injury to property or persons

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by reason of Fire, water, failure to supply water or pressure, or for any other cause whatsoever.

NINTH: That this application does not contemplate uses of fixtures other than those herein stated. Any waste of water or use of water through this connection for purposes other than testing or the extinguishment of fire, shall be deemed a violation of the terms and conditions of the Application and of the rules, regulations and conditions of Service of the Water Company.

TENTH: That if private Fire hydrants are included as part of this Application, they shall be painted any color other than that adopted by the Water Company for public Fire hydrants.

ELEVENTH: That the Applicant shall furnish, attach and make a part hereof, three (3) complete sets of drawings showing the pipes, pumps, valves, hydrants, sprinkler systems, hose outlets and connections, standpipes, tanks and other openings and appurtenances contemplated in this application. Such drawings, which shall be stamped "Approved" by the Insurance Services Office or other comparable agency approved by the Water Company, must also show all other water supply systems and pipe lines and appurtenances which are proposed or which may exist on the premises to be served.

TWELFTH: That no pipe, fixtures or appurtenances connected with the private Fire protection Service served by this application shall be connected with any pipe, fixtures, or appurtenances supplied with water from any other source, unless specifically approved in writing by the Company.

THIRTEENTH: That the Applicant agrees to obtain in advance the approval of the Water Company for any change, alteration, addition or deduction contemplated in the pipes, fixtures, openings and appurtenances and uses herein specified. Notwithstanding the approval of the Water Company, Applicant agrees that, except for those facilities which the Water Company has specifically agreed to provide and maintain, Applicant is and will be solely responsible for the design, adequacy, function and maintenance of its private fire protection Service system referred to in this application.

FOURTEENTH: That the Water Company has the right to discontinue or disconnect the Service pipe herein applied for, and to terminate service under this application, after due written notice to the Applicant, for failure to pay any bill when due, for leakage within Applicant's system, for violation of any of the terms and conditions of this Application, or for any violation of its rules, regulations and conditions of Service; and the Water Company also

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has the right to shut off all or any part of its facilities and discontinue  
the service without notice when deemed necessary by the Water Company (1) if a

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condition dangerous or hazardous to life. physical safety or property exists,  
(2) under order by any court, the Public ~~Service Commission~~ Utility Commission or  
other duly  
authorized public authority, (3) if fraudulent or unauthorized use of water by  
Applicant is detected, or if the Water Company's regulating or measuring  
equipment has been tampered with by Applicant.

FIFTEENTH: That upon acceptance of this Application by the Water Company  
and the completion of the installation of the service pipe applied for, this  
Application shall be in full force and effect as a contract and shall continue  
as such until cancelled by written notice given thirty (30) days in advance by  
the Applicant to the Water Company, except as otherwise provided in numbered  
paragraph (14) above.

SIXTEENTH: The acceptance of this Application by the Water Company must  
be executed by its Manager and President or Vice President before same becomes  
effective.

IN WITNESS WHEREOF, the Applicant has executed this Application as the day  
and year first above written.

WITNESS:

(APPLICANT)

APPROVED this \_\_\_\_ day of -----, 19\_\_

WITNESS:

(CHIEF OF FIRE DEPARTMENT)

IN WITNESS WHEREOF, the Company hereby accepts the foregoing Application  
this \_\_\_\_ day of \_\_\_\_\_, 19\_\_

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## ECONOMIC DEVELOPMENT RIDER RIDER EDR

### **Purpose**

The purpose of this Economic Development Rider is to encourage industrial and commercial development in Tennessee.

### **Availability**

Water service under this rider is only available in conjunction with local, regional, and state governmental economic development activities where incentives have been offered and accepted by a customer who is requesting service, in conjunction with the location of new or expanding facilities, in the Company's service areas.

Water service under this rider is only available to customers otherwise qualified for service under the following Company's service classifications:

- Industrial
- Commercial

Water service under this rider is not available in conjunction with service provided pursuant to any other special contract agreements.

### **Applicability**

This Rider is applicable to a new customer, or the additional separately-metered facilities of an existing customer, who will be served under one or more of the above service classifications and who meet the following criteria:

- 1) The annual load factor of the new customer or additional facilities is reasonably projected to equal or exceed fifty-five percent (55%) during the entire term of application of this rider. The projected annual customer load factor shall be determined using the following relationship: Projected Annual Water Consumption, Expressed as MGD, divided by Maximum Summer Monthly Billing Demand, Expressed as MGD.
- 2) The average annual billing demand on the new customer or additional facilities is projected to be at least 0.5% of the total Company consumption during each contract year under this rider.

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~~TENNESSEE-AMERICAN WATER COMPANY~~

~~TRA No. 19~~

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## ECONOMIC DEVELOPMENT RIDER RIDER EDR (Continued)

3) The customer's new or additional facilities must create new permanent jobs within the facilities qualifying for this rider. The number of jobs created must be 0.1 % of the total population of the service area.

Requests for service under this Rider must be submitted prior to the customer having committed to moving into or expanding within the Company's service territory and shall be accompanied by sufficiently detailed information to enable the Company to determine whether the new customer or additional facilities meet the above criteria.

Services under this Rider shall be evidenced by a contract between the customer and the Company in the general form as that contained in the following sheets, which shall be filed within ten days of execution with the Tennessee ~~Regulatory Authority~~ Public Utility Commission ("TRA") for information purposes.

Customer must notify Company in writing of the date at which customer would like the provisions of this Rider to commence. Such commencement date must be within twelve ( 12) months of the execution of the contract.

This Rider shall only be available if adequate capacity is available to meet the additional load throughout the year.

### Incentive Provisions

#### Amount of Discount

Subject to the provisions below, the discount during the first contract year shall be thirty percent (30%); during the second contract year, twenty-five percent (25%); during the third contract year, twenty percent (20%); during the fourth contract year, fifteen percent (15%); and during the fifth contract year, ten percent (10%). After the end of the fifth contract year, no other discount pursuant to this Rider shall be applied to the customer's bill and the applicability of this Rider and its associated contract to the particular facilities shall cease.

### Calculation

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At the conclusion of the first contract year (i.e., 12 full monthly billing periods after the effective date of the contract), the Company shall review customers annual load factor and calculate an average monthly billing demand. If the customer has demonstrated at least a fifty-five percent (55%) annual load factor and at least an annual consumption level of 0.5% of total consumption for the Company, then a bill credit shall be issued to apply the thirty percent (30%) discount for the first contract year, as set out below.

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## ECONOMIC DEVELOPMENT RIDER RIDER EDR (Continued)

### **Calculation Continued:**

The same review shall be made at the end of each succeeding year during the five-year period and the applicable discount amount applied as a credit for that year if the criteria were met.

If the customer fails to meet the criteria for a particular year, the applicable discount for that one year shall be forfeited by the customer but the contract shall remain in effect and the customer shall remain eligible for the discounts that would be applicable during the remainder of the five-year period.

If the customer fails to meet the criteria in both the first and the second year, or in any two successive years during the five-year period, service to the customer under this Rider shall terminate and the contract for service under the Rider shall be void.

### **Application of the Discount:**

Since the discount is to be calculated at the end of the year after determination that all criteria have been met, the customer will have been billed for the otherwise applicable rate schedule and been charged for the appropriate taxes (e.g., sales and other gross receipts or franchise taxes). To afford the customer the full benefit of the discount (e.g., thirty percent (30%) for the first year) to the amount the customer paid for water service pursuant to the otherwise applicable rate schedule for the previous twelve billing periods, not including taxes. The discount will be given to the customer by that amount being applied as a credit on the next bill, prior to the calculation of taxes. No discount will be applied to items on the bill that are otherwise required to be charged to a customer by statute or rule of the TRA.

### **Revenue Determination:**

The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with the rate schedules. The discount, where applicable, will be determined based on service rendered to customer during the Company's designated and applicable billing periods of each contract year and shall be as follows:

	<b>Discount</b>
First Contract Year	30%
Second Contract Year	25%
Third Contract Year	20%
Fourth Contract Year	15%
Fifth Contract Year	10%

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After the conclusion of the fifth contract year, these discounts shall cease. All other billing, operational and related provisions of the aforementioned shall remain in effect.

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**ECONOMIC DEVELOPMENT RIDER  
RIDER EDR (Continued)**Form of Contract

This Agreement is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between Tennessee-American Water Company and \_\_\_\_\_ (Customer).

WITNESSETH:

Whereas, Company has on file with the State of Tennessee ~~Regulatory Authority~~ Public Utility Commission, a tariff providing for an Economic Development Rider (Rider), and;

Whereas, Customer is a new customer, or has acquired additional separately metered facilities within the Company's service territory; and;

Whereas, Customer has furnished sufficient information to the Company to demonstrate that its new facilities or additional separately metered facilities (Facilities) satisfied the Availability and Applicability provisions of the Rider, and;

Whereas, Customer wishes to take water service from the Company, and the Company agrees to furnish water service to the Customer under this Rider and pursuant to all other applicable tariffs of the Company;

Now, therefore, the Company and Customer agree as follows:

1. Service to the Customer's Facilities shall be pursuant to the Rider, all other applicable tariffs, and the Company's General Rules and Regulations applying to water service, as may be in effect from time to time and approved by the TRA.
2. Customer acknowledges that this Agreement is not assignable voluntarily by Customer, but shall nevertheless inure to the benefit of and be binding upon the Customer's successors by operation of law, so long as the successor continues to meet the criteria of the Rider.
3. Customer will furnish additional information, as requested by the Company, to assure the continued eligibility for service under the Rider.

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**ECONOMIC DEVELOPMENT RIDER  
RIDER EDR (Continued)**

Customer acknowledges that all information provided to the Company for the purpose of determining whether the Customer is eligible for service under the Rider shall be retained by the Company and shall be subject to inspection and disclosure under Chapters 386 and 393, RSMO 1986, as amended from time to time. Should the customer designate any of such information proprietary or confidential, Company shall notify customer of any request for inspection or disclosure, and shall use good faith efforts to secure an agreement or TRA order protecting the proprietary or confidential nature of such information.

5. This Agreement shall be governed in all respects by the laws of the State of Tennessee (regardless of conflict of law provisions), and by the orders, rules and regulations of the TRA as they may exist from time to time. Nothing contained herein shall be construed as divesting, or attempting to divest, the TRA of any right, jurisdiction, power or authority vested in it by law.

In witness whereof, the parties have signed this Agreement as of the date first above written.

Tennessee-American Water Company

\_\_\_\_\_  
Customer

By: \_\_\_\_\_

By: \_\_\_\_\_

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~~1101 Broad Street~~

~~Chattanooga, Tennessee 37401~~

## **Updated Revised Tariff Tennessee American Water - Exhibit-BL-2**

TENNESSEE PUBLIC UTILITY COMMISSION NO. 20

TENNESSEE-AMERICAN WATER COMPANY  
CHATTANOOGA, TENNESSEE

RATES, RULES, REGULATIONS AND CONDITIONS OF WATER SERVICE



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(I) Increase

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109 Wiehl Street

Chattanooga, Tennessee 37403

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**CLASSIFICATION OF SERVICE**

**RESIDENTIAL**

1. Schedule of Rate and Charges Available For:

- a. Rate Zone 1 is available for public water supply service in all territories serviced by the Company except the Jasper Highlands area. (C)  
(C)
- b. Rate Zone 2 is available for public water supply service to the Company's Jasper Highlands area. (C)  
(C)

(C) Change

**CLASSIFICATION OF SERVICE**

**NON-RESIDENTIAL**

1. Schedule of Rate and Charges Available for Commercial, Industrial, Other Public Authority, Sale (C)  
for Resale (non-special contract): (C)
  - a. Rate Zone 1 is available for public water supply service in all territories serviced by the (C)  
Company except the Jasper Highlands area. (C)
  - b. Rate Zone 2 is available for public water supply service to the Company's Jasper Highlands (C)  
area.

(C) Change

**CLASSIFICATION OF SERVICE****RESIDENTIAL & NON-RESIDENTIAL**

**Rate Zone 1** (C)  
**Meter Rate and Volumetric Rate**

**AVAILABILITY** – Residential and Non-Residential (Commercial, Industrial, Other Public Authority, and (C)  
Sale for Resale (Non-Special Contract)) in the following areas: Chattanooga, Lookout Mountain, (C)  
Lakeview, Suck Creek, Whitwell (inside), and Whitwell (outside). (C)

**SERVICE CHARGES:**

<b><u>Service Charge Per Month</u></b>			
	<b><u>Residential</u></b>	<b><u>Non-Residential</u></b>	
<b><u>Meter Size</u></b>	<b><u>Monthly Billing</u></b>	<b><u>Monthly Billing</u></b>	
5/8"	21.50	27.50	(C)
3/4"	32.25	41.00	(C)
1"	53.75	68.50	(C)
1-1/2"	107.50	137.50	(C)
2"	172.00	219.50	(C)
3"	344.00	438.50	(C)
4"	537.50	686.50	(C)
6"	1,075.00	1,372.50	(C)
8"	1,720.00	2,196.50	(C)

**VOLUMETRIC CHARGES:****Cost per 100 Gallons**

**Residential:** All water used for residential service is charged at **\$1.28091 per 100 gallons** after the first (C)  
30hgal. (C)

**Non-Residential:**

<b><u>Monthly Use</u></b>	<b><u>Non-Residential</u></b>	
First 30	0.05969	(C)
Next 456	0.94791	(C)
Next 3,254	0.59574	(C)
Next 33,660	0.42075	(C)
Next 74,600	0.32145	(C)
Over 112,000	0.19122	(C)

(C) Change

**CLASSIFICATION OF SERVICE****RESIDENTIAL & NON-RESIDENTIAL**

**Rate Zone 2** (C)  
**Meter and Volumetric Rate**

**AVAILABILITY** – Residential and Non-Residential (Commercial, and Other Public Authority), in the following rate territories; Jasper Highlands development in Kimball, TN. (C)

**SERVICE CHARGES:****Service Charge Per Month**

<u>Meter Size</u>	<u>Residential &amp; Non-Residential</u>	(C)
	<u>Monthly Billing</u>	
5/8"	52.15	
3/4"	52.15	
1"	52.15	
1-1/2"	52.15	
2"	52.15	
3"	52.15	
4"	52.15	
6"	52.15	
8"	52.15	

**VOLUMETRIC CHARGES:****Cost per 100 Gallons**

**Residential & Non-Residential:** All water used for residential, and non-residential service is charged at \$1.11790 per 100 gallons after the first 25hgal. (C)

(C) Change

**CLASSIFICATION OF SERVICE**

**SALE FOR RESALE SPECIAL CONTRACT**

Schedule of Rates and Charges Available For:

Other entities that provide retail water service to customers and have contracted to purchase potable water under special contract pricing.

**VOLUMETRIC RATES:**

	<b><u>Per 100 Gallons</u></b>	(C)
<b>Contract</b>	<b>Rate (All Monthly Use)</b>	
Ft Oglethorpe Tariff	\$.19830	
Catoosa Count Tariff	\$.22586	
Walker County Tariff	\$.19015	
Signal Mountain Utility District Tariff	\$.19456	

(C) Change

**CLASSIFICATION OF SERVICE**

**PUBLIC FIRE SERVICE**

Available For:

Public Fire Service in all areas served by the Company.

<b><u>Rates</u></b>	<b><u>Rates Per Annum – Billed Monthly</u></b>
Each Public Fire Hydrant	\$0.00

**CLASSIFICATION OF SERVICE****PRIVATE FIRE****Rate Zone 1 and Rate Zone 2**

**AVAILABILITY** – Private Fire Service in all territories served by the Company. Private Fire Service is rendered Only after approval by the Engineering Department of the Company of an “Application for Special Connection” and Only in accordance with the terms and conditions as approved therein. (C)

**SERVICE CHARGES:****Service Charge Per Month**

<b><u>Meter Size</u></b>	<b><u>Monthly</u></b>	<b><u>Quarterly</u></b>	
1”	4.70	14.10	(I)
1-1/2”	10.70	32.10	(I)
2”	19.00	57.00	(I)
2-1/2”	28.90	86.70	(I)
3”	42.60	127.80	(I)
4”	85.50	256.50	(I)
6”	170.75	512.25	(I)
8”	341.65	1,024.95	(I)
10”	512.40	1,537.20	(I)
12	683.30	2,049.90	(I)
Public Hydrants	162.86	488.58	(N)

(C) Change

(I) Increase

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**GENERAL PROVISIONS APPLICABLE TO ALL WATER SERVICE**

All bills for service are due upon presentation. A late payment charge will be assessed to bills that remain unpaid 27 days after they are first rendered. The effective date of the late payment charge will be stated (C) on the bill. The net amounts shown on the bill shall apply if payment is made on or before the late payment date. Payments made after that date shall be for the gross amount which shall be greater by percent (5%) than the net billing.

The Water Company will furnish, install and maintain all meters except those required by it to be set on "Fire Service Connections" in accordance with the terms and of "Application for Special Connections" attached thereto.

The Water Company Reserves the right, subject to the approval of the Tennessee Public Utility Commission to make special contracts for water service. (C)

(C) Change

**CLASSIFICATION OF SERVICE**

**MISCELLANEOUS AND OTHER FEES**

Applicable for:

All areas served by the Company. (C)

**Activation Fee**

When the Company is requested to turn on and/or set a meter at a location where there is pre-existing Company Service, a fee of \$25.00 may be charged to cover the expense involved.

(C)

This fee shall not be applied to a landlord when the landlord requests continuation of service in their name for

Their rental property during an interim period between permanent tenants.

(C)

(C) Change

**CLASSIFICATION OF SERVICE****SEWER BILLING DATA AND SERVICE DISCONNECTION****Available for:**

Any private or public entity that provides sewer collection and billing services based on water usage in all territories served by the Company.

**Availability of Service**

Available for sewer providers that have contracted with the Company to receive water usage data for such entity's own billing purposes. This rate will include only the provision of water usage data.

Disconnection of Water service requested by the entity for non-payment of sewer billing may be billed to the entity at Tennessee-American Water Company ("TAWC") approved disconnection/reconnect rate for each disconnection performed. Disconnections may occur even if the customer is current on all water service payments to the Company. Prior to such disconnection request, the sewer entity shall satisfy all notice requirements to the sewer customer.

**Rates**

Rates Per Meter Read	\$0.020
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**Billing**

The billing shall be monthly. This rate will be applied at the billing date to the total number of meters read during the month for which usage data is to be provided. Any discontinued water connections during the month will be included in the billed number of meters. The rate will be applied for each meter even if there are multiple meters for single customers, bill or account.

The number of disconnections during the month at the request of the entity to be billed to the entity will be included in the monthly billing at the approved disconnect/reconnect rate even if the customer has not yet been reconnected at the billing date.

**CLASSIFICATION OF SERVICE****DISCONNECTION – RECONNECTION CHARGE**

When it becomes necessary to discontinue water service to any premises because of a violation of the Company's Rules and Regulations on account of non-payment of any bill for water service, a charge of thirty (\$30.00) dollars may be incurred to cover the expense involved with disconnecting and reconnecting the service. (C)

If a customer's water service is discontinued for non-payment of sewer service and such customer is a sewer customer of an entity that has contracted with the Company for disconnection within five (5) days of notification by the sewer entity, a charge of forty-eight dollars (\$48.00) may be made to cover the expense involved.

In the event a customer's water service has been discontinued by the Company and said customer re-establishes services illegally, the Company will take steps to de-activate the service line to the customer. In order to re-activate the service in such circumstances, a meter tapering penalty fee and a disconnection-reconnection fee may be incurred to cover the expense of re-activating the service.

If a customer requests reconnection after hours, there will be an additional \$40.00 charge applied in addition to the standard reconnection fee. (N)

**METER TAMPERING PENALTY FEE**

Any customer who removes or relocates, or cause or permit the removal or relocation of a meter by their agent once it has been installed by the Company, may be subject to a meter tampering penalty fee of two hundred and fifty dollars (\$250.00) (N)

**RETURNED CHECK CHARGE**

When a payment is returned for non-sufficient funds, a charge of \$20.00 will be made to cover the expense involved.

(C) Change  
(N) New Charge  
(C) Change in Text

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**CLASSIFICATION OF SERVICE****SUMMARY OF RIDERS****1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, Incremental Capital Recovery Rider (“ICR”), and Production Costs and Other Pass-Throughs Rider (“PCOP”) will apply to customers in all approved service areas. (C)

**2. The Percentage of Riders, Reconciliation and Offsets**

For the Riders defined in the tariffs:

Incremental Capital Recovery Rider	0.00%	(D)
Rate Reconciliation Rate (expires December 31, 2023	0.00%	(D)
PCOP	0.00%	(D)

(C) Change  
(D) Decrease

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**CLASSIFICATION OF SERVICE****INCREMENTAL CAPITAL RIDERS****1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, and Incremental Capital Rider (“ICR”) will apply to customers in all Approved Service Areas.

The above rider will be completed and reconciled annually within a single filing.

**2. Definitions**

For the purposes of this Rider:

“**Annual Filing Date**” shall be the date the Company will make its annual calculation of the ICR Percentage Rate for the following twelve-month period. The Annual Filing Date shall be no later than March 1 of each year.

“**Approved Service Areas**” means service areas authorized by the Commission to have the Incremental Capital Rider charges applied.

“**Commission**” means the Tennessee Public Utility Commission.

“**Consumer Advocate**” means the Consumer Advocate Unit in the Financial Division of the Office of the Attorney General.

“**Return on Equity (ROE) Test**” means the return on equity test that shall be used to determine any limitation that shall apply to the recovery of the ICR.

“**Eligible Rate Base**” means the amount of the Incremental Capital Rider eligible rate base not otherwise included in current base rates.

“**New matter**” 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 Incremental Capital Rider filing for which there is no explicit prior determination by the Commission regarding the Company.

“**Relevant Rate Order**” is defined as the methodologies approved and adopted by the Commission in Docket Nos. 12-00049, 13-00130, 19-00103, any subsequent general rate case, the most recent final order of the Commission specifically prescribing or fixing the factors and procedures to be used in the application of this Rider, or as modified following a determination of a New Matter (defined in part 2).

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### 3. General Description

(A) The ICR allows the Company to recover outside of a base rate case its qualifying incremental non-revenue producing plant infrastructure investment costs, with such recovery limited to the lower of the ICRRR necessary to allow the Company to earn its authorized return on equity, or its actual incremental ICRRR.

(C)

(B) Investments eligible for recovery under the ICR are subject to the same requirements initially adopted in TRA Docket No. 13-00130 for the Qualified Infrastructure Improvement Program (“QIIP”), Economic Development Investment (“EDI”), and Safety and Environmental Compliance (“SEC”) Riders.

(C) General Description QIIP: QIIP allows the Company to recover outside of a rate case its qualifying incremental non-revenue producing plant infrastructure investment. For purposes of this Rider, qualifying QUP investment includes the following:

- *Distribution Infrastructure* -Replacement distribution and transmission mains and valves installed as replacements for existing facilities, reinforcement of existing facilities or otherwise, insuring reliability of existing facilities; Hydrant, Services, Meters and Meter Installations - installed as in-kind replacements, reinforcements or insuring reliability of existing facilities; Unreimbursed funds related to capital projects to relocate facilities required by governmental highway projects; Capitalized tank repairs and maintenance that serve to replace, reinforce, or otherwise insure reliability of existing facilities.
- *Production and Pumping Infrastructure* -Replacement of water treatment facilities and equipment installed as replacements for existing facilities, reinforcement of existing facilities or otherwise insuring reliability of existing facilities; Raw Water and Finished Water pumping equipment and structures installed as replacements, reinforcements or otherwise insuring reliability of existing facilities.
- Other Infrastructure – Infrastructure designed to utilize alternative fuels.

- QIIP Investment is to be identifiable on the Company's books and segregated into the following general accounts.

Account 331	-	Transmission;
Account 333	-	Services;
Account 334	-	Meters & Meter Installations
Account 335	-	Hydrants;
Account 320	-	Water Treatment Equipment, Non-Media;
Account 311	-	Pumping Equipment;
Account 303	-	Land and Land Rights;
Account 304	-	Structures and Improvements;
Account 306	-	Lake, River and Other Intakes;
Account 307	-	Wells and Springs;
Account 309	-	Supply Mains;
Account 310	-	Power Generation Equipment
Account 330	-	Distribution Reservoirs and Standpipes;
Account 341	-	Transportation Equipment; and
Account 3300003	-	Capitalized Tank Painting.

(D) EDI allows the Company to recover outside of a rate case its qualifying incremental non-revenue producing plant infrastructure and expenses. For purposes of this Rider, qualifying EDI investment includes the following:

- *Distribution, Production, and Other Infrastructure - Distribution, production, and other infrastructure that may be identified as being for the purpose of economic development.*
- *Economic Development Expenses - Operational expenses that are specifically to support economic development and economic development investment utility plant.*
- EDI Investment is to be identifiable on the Company's books and segregated into the following general accounts.

Account 331	-	Transmission & Distribution Mains;
Account 333	-	Services;
Account 334	-	Meters & Meter Installations;
Account 335	-	Hydrants;
Account 320	-	Water Treatment Equipment, Non-Media;
Account 311	-	Pumping Equipment;
Account 303	-	Land and Land Rights;
Account 304	-	Structures and Improvements;
Account 306	-	Lake, River and Other Intakes;
Account 307	-	Wells and Springs;
Account 309	-	Supply Mains;
Account 310	-	Power Generation Equipment
Account 330	-	Distribution Reservoirs and Standpipes; and
Account 3300003	-	Capitalized Tank Painting.



(E) SEC allows the Company to recover outside of a rate case its qualifying incremental non-revenue producing plant infrastructure investment and expenses. For purposes of this Rider, qualifying SEC investment includes the following:

- Distribution and Production infrastructure - Distribution, production, and other infrastructure that may be identified as being for the purpose of safety and environmental compliance.
- Safety and Environmental Expenses – Operational expenses similar to other expenses authorized in previous rate cases that are specifically new expenses for safety and environmental compliance or to support safety and environmental compliance utility plant.
- SEC Investment is to be identifiable on the Company's books and segregated into the following general accounts.

Account 331	-	Transmission & Distribution Mains;
Account 333	-	Services;
Account 335	-	Meters & Meter Installations;
Account 320	-	Hydrants;
Account 311	-	Water Treatment Equipment, Non-Media;
Account 303	-	Pumping Equipment;
Account 304	-	Land and Land Rights;
Account 306	-	Structures and Improvements;
Account 307	-	Lake, River and Other Intakes;
Account 309	-	Wells and Springs;
Account 310	-	Supply Mains;
Account 330	-	Power Generation Equipment
Account 3300003	-	Distribution Reservoirs and Standpipes; and

(F) Investments eligible for recovery under the ICR are subject to the conditions established by Commission Order in TPUC Docket No. 19-00103

(G) An annual return on equity test will determine any limitation that shall apply to the recovery of the ICRRR.

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**4. Computation of the Return on Equity Test**

Recovery of the ICRRR shall be subject to the following limitations:

- a. If an *earnings deficiency* exists and it is greater than the ICRRR, there would be no ICRRR recovery limitation.
- b. If an *earnings deficiency* exists and it is less than the ICRRR, the ICRRR would be limited to The amount of the earnings deficiency.
- c. If an *earnings surplus* exists in the test period, there will be no ICRRR for that single year.

An earnings deficiency exists if the as-adjusted Earned Return on Equity during the Annual Review Period is less than the last Authorized Return on Equity. An earnings surplus exists if the as-adjusted Earned Return on Equity during the Annual Review Period is greater than the Authorized Return on Equity. The Earned Return on Equity may include the impact of any New Matter, as appropriate.

The Return on Equity Test shall be calculated for the Annual Review Period as follows:

**Calculation of Return on Equity Test  
For the Twelve Months Ending December 31, XXXX**

Line No.	
1	20xx ICRRR
2	<b>Calculation of Adjusted Net Income</b>
3	Book Net Income \$
4	Adjustment to Book Income:
5	Deduct Deferred Depreciation Property Tax, and Debt Carrying Costs
6	Carrying Costs
7	Deduct New ICRRR Revenue Collections
8	Add Adjustment to reflect effective federal
9	Add Income tax rate (debt assigned to parent)
10	Add Incentive Compensation
11	Add Lobbying Expenses
12	Add Lobbying - Salary
13	Add Deferral of Operating Costs - Main Break
14	Add Excess Production Costs > 15% Adjustment
15	Add Amortization of prior years' deferred Depreciation, Property Tax, and Debt Carrying Costs.
16	Reserved for Adjustment to Book Income
17	Adjustment to Net Income (Lines 5 thru 15) \$
18	Adjusted Net Income (Line 3+16) \$

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18		
19	<b>Calculation of Equity</b>	
20	TAWC 13-Month Avg Rate Base	\$
21	Less: 13-Month Avg Debt:	
22	Long-Term Debt	
23	Short-Term Debt	
24	Equity Financed Rate Base (Line 19 Less 21 and 22)	\$
25	Earned Return on Equity (Line 17/23)	%
26	Less: Authorized Return on Equity	10.75%
27	Excess Return on Equity (Line 24 less Line 25)	%
28	Multiplied by Equity Balance (Line 26 * Line 23)	\$
29	Tax Gross-up Factor	
30	Revenue Excess – Subtotal (Line 27 * Line 28)	\$
31	Multiplied by: Reciprocal Factor - Revenue Taxes at 3.19%	
	Revenue Excess/(Deficiency)	\$

Where

**“Adjusted Net Income”** means TAWC’s Book Net Income adjusted to include items historically used to adjust operating income, for which a precedent has been set or an Order received from the Commission to exclude specific expenses or revenues. Book Net Income should be adjusted to include deferred depreciation, property taxes and debt carrying costs as an expense on a net of tax basis in the period in which the expenses were deferred. Once amortization begins on these deferred expenses, they are not to be included as adjustments in subsequent Earnings Test Calculations. An adjustment should be made for any over or under collection from prior period IRC.

**“Authorized Return on Equity”** means TAWC’s most recent authorized return on equity as ordered by the Commission in the last rate case or Relevant Rate Order.

**“Book Net Income”** means TAWC’s unadjusted net income for the Annual Review Period per its general ledger. Book Net Income shall include Allowance for Funds Used During Construction and interest on customer deposits.

**“Long Term Debt”** means TAWC’s long-term debt as reported in the PSC-3.06 monthly reports submitted to the Commission, subject to a determination as to the reasonableness of such balances for inclusion in the Return on Equity calculation.

**“Short Term Debt”** means TAWC’s short-term debt as reported in the PSC-3.06 monthly reports Commission, subject to a determination as to the reasonableness of such balances for inclusion in the return on Equity calculation.

**“Reciprocal Factor”** means the gross up of the effective rate of the revenue tax rate, which includes the uncollectible expense rate and forfeited discounts rate from the Relevant Rate Order, the current gross receipts tax, rate, and any applicable Tennessee River Authority fees.

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**“TAWC 13-Month Avg Rate Base”** means TAWC’s thirteen-month average rate base for December of the prior period through December of the Annual Review Period.

**“Tax Gross-Up Factor”** means the gross up of the effective tax rate of the current state and federal tax rates.

**1. Determination of the ICR**

(A) The ICR percentage shall be expressed as a percentage carried to two (2) decimal places. The ICR percentage shall be applied to the total amount billed to each Customer based on the Company’s otherwise applicable rates and charges.

(B) The ICR percentage shall be calculated for the Annual Review Period as follows:

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**Calculation of Return on Equity Test  
For the Twelve Months Ending December 31, XXXX**

Line No.	Description	Source	
<b>Section A: Return Determining Capital Ride Rate Base</b>			
1	TAWC 13-Month Average Rate Base		\$
2	Eligible Capital Rider Rate Base		
3	Plus:		
4	Authorized Rate Base	Rate Order 24-000XX	
5	Acquisition Rate Base		
6	Eligible Capital Rider Rate Base Plus	Line 2 + Line 4 + Line 5	\$
7	Lower of the Rate Base Calculation	Lower of Line 1 or Line 6	\$
8	Eligible Rate Base	Line 7 Less Lines 4 and 5	\$
9	Less: Previously Recovered CR Rate Base		0.00
10	Incremental CR Investment	Line 8 Less Line 9	\$
11	Pre-Tax Return	Rate Order 24-000XX	
12	Pre-Tax Revenue Deficiency on ICR Investment	Lines 10 * 11	\$
13	Lag Weighted Return Factor - Pre-Tax	Regulatory Lag Factor	1.1056
14	Return on Rate Base Revenue Deficiency w/Regulatory Lag	Line 12 * Line 13	\$
<b>Section B: Depreciation</b>			
<b>Determining Depreciation Expense</b>			
15	TAWC Depreciation Expense	PSC--3.06	\$
16	Minus:		
17	Authorized Depreciation Expense	Rate Order 24-000XX	
18	Acquisition Depreciation Expense		
19	Legacy CRR Depreciation Recovery		
20	Incremental Depreciation Expense Cap (Depreciation expense unrecovered in either base rates or capital rider)	Line 15 Less Lines 17, 18, 19	\$
21	Incremental CR Depreciation Expense		
22	Lower of the Depr Expense on Incremental CR Expenditures or Unrecovered Depreciation Expense	Lower of Line 20 or 21	\$
23	Lag Weighted Return Factor - Pre-Tax	Regulatory Lag Factor	1.1056
24	ICRRR Depreciation Expense w/ Regulatory Lag	Line 22 * 23	\$

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**Section C: Property and Franchise Tax Expense****Determining Property & Franchise Tax**

25	TAWC Property Tax	PSC--3.06	\$
26	TAWC Franchise Tax		
27	Minus:		
28	Authorized Property & Franchise Tax	Rate Order 24-000XX	
29	Acquisition Property Tax		
30	Acquisition Franchise Tax		
31	Legacy CR Property Tax Recovery		
32	Incremental Property & Franchise Tax (Unrecovered in either base rates or capital rider)	Line 25 + Line 26 Less Lines 28, 29, 30, 31	\$
33	Incremental Property and Franchise Taxes	Property & Franchise Tax Calc	\$
34	Eligible Capital Rider Franchise Tax		
35	Lower of Unrecovered Actual or CR Property & Franchise Tax	Lower of Line 32 or 33	\$
36	Lag Weighted Return Factor - Pre-Tax	Regulatory Lag Factor	1.1056
37	ICRRR Property and Franchise Tax w/Regulatory Lag	Line 35 * 36	\$
38	Total ICRRR Revenue Requirement	Lines 14 + 24 + 37	\$
39	CRR Revenue Deficiency	Line 38	\$
40	Revenue Taxes Reciprocal Factor		
41	Revenue with Revenue Taxes		\$
42	Over/(Under) Collection from Prior Period		
43	<b>After Tax ICRRR</b>		\$

Where:

**“Acquisition Rate Base, Depreciation and Taxes”** means inclusion of net rate base based upon the book value of the acquired system, depreciation and taxes associated with a new service area not previously included in TAWC’s Relevant Rate Order’s authorized rate base, depreciation expense, or taxes.

**“Authorized Depreciation Expense”** means the depreciation expense authorized in the Relevant Rate Order.

**“Authorized Rate Base”** means the rate base authorized in the Relevant Rate Order.

**“Authorized Property & Franchise Tax”** means the property and franchise tax authorized in the Relevant Rate Order.

**“Eligible Capital Rider Rate Base”** means the rate base from all Legacy Capital Rider investments from the QIIP, EDI, and SEC riders through the Annual Review Period.

**“Incremental CR Depreciation Expense”** means the calculation of depreciation expense on the eligible

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Incremental Capital Rider investment.

**“Incremental Property and Franchise Taxes”** means the difference between the Legacy Capital Rider property and franchise taxes calculation and the current calculation of property and franchise taxes, which includes all eligible capital investment for the Annual Review Period.

**“Lag Weighted Return Factor”** means the computed lag on each ICRRR component from the mid-point of the study period through the mid-point of the collection period, assumed to be 17 months. The lag is applied to the Pre-tax Return adopted in the Relevant Rate Order. The lag period could be adjusted based on procedural schedules, effective dates, and/or other circumstances.

**“Over/(Under) Collection from Prior Period”** means the difference between actual revenues collected through the ICR from the prior Annual Review Period, compared with the actual ICRRR authorized by the Commission during the prior Annual Review Period.

**“Pre-Tax Return”** means the rate of return on investment before taxes as approved in the Relevant Rate Order.

**“Revenue Taxes Reciprocal Factor”** means the gross up of the effective rate of the revenue tax rate, which includes the uncollectible expense rate and forfeited discounts rate from the relevant rate order, the current gross receipts tax rate, and any applicable Tennessee River Authority fees.

**“TAWC Property Tax”** means TAWC’s property tax expense as reported in the PSC-3.06 monthly report submitted to the Commission.

**“TAWC Depreciation Expense”** means TAWC’s depreciation expense as reported in PSC-3.06 monthly report submitted to the Commission.

**“TAWC 13-Month Average Rate Base”** means TAWC’s total thirteen-month average rate base for December of the prior period through December of the test period.

## 6. New Matters

If New Matters arise, the Company, TPUC Staff, and the Consumer Advocate will endeavor to reach a resolved treatment, or if necessary, will seek a ruling from the Commission.

## 7. New Base Rates

The ICR will be reset to zero upon the establishment of new Commission-authorized base rates and charges to customer billings that provide for the prospective recovery of the annual costs that had theretofore been recovered under the ICR. Thereafter, only the costs of new ICR eligible plant additions that have not previously been reflected in the Company’s Eligible Rate Base would be reflected in new annual ICR filings.

(C)

Issued: May 1, 2024

Effective: May 31, 2024

Issued by: Grant A. Evitts, President  
109 Wiehl Street  
Chattanooga, Tennessee 37403

## 8. Annual ICR Percentage Rate Filing

On or before March 1 of each year, the Company shall submit to the Commission a calculation of the ICR Percentage Rate for the following twelve-month period. The Annual ICR Percentage Rate Filing shall be verified by an officer of the Company. The Annual ICR Percentage Rate Filing shall include a calculation to adjust revenue to recover costs related to the Historical ICR Investment Amount, with such revenue adjustment applied through the ICR Percentage Rate. The interim ICR Percentage Rate shall become effective on April 1 of each year and be applied as an adjustment to Customers' bills for the next twelve months. Rates will be effective on the same day each year and implemented as interim rates until an order is received from the Commission. A true-up of interim rates for over or under collection would be done if the Commission Order differs from the rates that were implemented.

The Company will include in its Annual ICR Percentage Rate Filing the following information at a minimum: (a) computation of the ICR Percentage Rate, including the detailed calculation of each component and (b) such other information as the Commission may direct.

The Company will simultaneously copy the Consumer Advocate on its Annual ICR Percentage Rate Filing.

## 9. Computation of the Over-Under Collection Adjustment

The Company will identify and record the total amount of the ICR collected from customers for the prior Annual Review Period. The total amount collected will be based on twelve months of actual collection from January through December. The difference between the Total ICR Collected from Customers and the Total ICRRR authorized by the Commission from the prior Annual Review Period shall constitute the Over-Under Collection Adjustment. The true-up for February and March actuals versus estimates shall be made in the subsequent ICR filing as part of the Over-Under Collection Adjustment. The Over-Under Collection Adjustment shall be included in the current Annual Review Period's ICRRR calculation as identified on Line 43 of the ICR calculation above.

The Over-Under Collection Adjustment shall include any necessary adjustments for over-under collection due to interim rates differing from the Commission Ordered rates from the prior Annual Review Period.

The Company will include in its computation of the Over-Under Collection Adjustment the following information at a minimum: (a) a schedule of all journal entries made related to the ICR for the annual review period, including any related general ledger support, (b) actual billing determinants by month as used in the computation of the total ICR collected from customers for the prior annual review period, (c) computation of the annual over-under collection amount, including the detailed calculation of each component, (d) the cumulative amount of ICR mounts collected from customers under this Rider and (e) such other information as the Commission may direct.

Issued: May 1, 2024  
Issued by: Grant A. Evitts, President  
109 Wiehl Street  
Chattanooga, Tennessee 37403

Effective: May 31, 2024



**10. Notice Requirements**

The Company will file revised tariffs for Commission approval upon 30 days' notice to implement a decrement or increment each April 1. Along with the tariff filing, the Company will include a copy of the computation of the new rate adjustment. The Company will simultaneously copy the Consumer Advocate on this filing.

**11. Public Interest Review**

Nothing herein shall be construed to eliminate or otherwise restrict the opportunity of the Consumer Advocate or any other interested party from seeking a review of this Rider, as permitted by law and the rules and regulations of the Commission, for a reconsideration of whether it remains in the public interest.

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**CLASSIFICATION OF SERVICE****PRODUCTION COSTS AND OTHER PASS-THROUGHS ("PCOP") RIDER****1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Production Cost and Other Pass-Through ("PCOP") Rider will apply to customers in all service areas.

The above rider will be recomputed annually and will be adjusted to incorporate the Over-Under Collection Adjustment.

**2. Definitions**

For the purposes of this Rider:

**"Adjusted Review Period PCOP Costs"** means the Review Period PCOP Costs net of the Over-Under Collection Adjustment.

**"Commission"** means the Tennessee Public Utility Commission

(T) **"Base Period PCOP Costs"** means the amount of annual expenses of the Company for Purchased power expenses, purchased chemical expenses, purchased water expenses, wheeling charges, waste disposal expenses, regulatory expense amortization, pension expense, other postretirement employee benefits expense, and TPUC inspection fees reflected in the Relevant Rate Order.

**"Consumer Advocate"** means the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General.

**"Over-Under Collection Adjustment"** means the adjustment to the PCOP Percentage Rate applicable to the coming Review Period for the net amount of over or under collections for the prior Review Period, as adjusted for Interest.

**"Relevant Rate Order"** means the final order of the Commission in the most recent rate case of the Company fixing the rates of the Company or the most recent final order of the Commission Specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.

(T) Denotes Change in Text

**"Review Period"** means the twelve month period on which the Review Period PCOP Costs are calculated.

- (T) **"Review Period PCOP Costs"** means the amount of actual annual expenses of the Company for purchased power expenses, purchased chemical expenses, purchased water expenses, wheeling charges, waste disposal expenses, regulatory expense amortization, pension expenses, other postretirement employee benefits expenses, and TPUC inspection fees, as adjusted for the Commission's water loss policies.

### **3. General Description**

- (T) PCOP allows the Company to recover outside of a rate case its incremental cost for purchased power expenses, purchased chemical expenses, purchased water expenses, wheeling charges, waste disposal expenses, regulatory expense amortization, pension expenses, other postretirement employee benefits expenses, and TPUC inspection fees, as adjusted for the Commission's water loss policies.

Review Period PCOP Costs are to be separately identifiable on the Company's books and segregated into the following general accounts:

- (T) Accounts 510000000 - 510999999 - Purchased Water Expense;
- Accounts 51510000 - 51599999 - Purchased Power Expense;
- Accounts 51800000 - 51899999 - Purchased Chemical Expense;
- Accounts 51110000 - 51115000 - Waste Disposal Expense;
- (T) Account 56610000 – Regulatory Exp Amortization
- (T) Account 50610000 – Pension Expense
- (T) Account 50610100 – Pension Capitalized Credits
- (T) Account 71810000 – Other Non-service Pension Benefit Cost
- (T) Account 50610000 -- Pension Expense
- (T) 50610100 – Pension Capitalized Credits
- (T) 71810000 – Other Non-service Pension Benefit Cost, and
- Account 68545000- TPUC Inspection Fee.

### **4. Determination of the Annual Production Cost and Other Pass-Throughs Percentage**

- (A) The PCOP Percentage Rate shall be expressed as a percentage carried to two (2) decimal places. The PCOP Percentage Rate shall be applied to the total amount billed to each Customer based on the Company's otherwise applicable rates and charges.
- (B) The PCOP Percentage Rate shall be calculated on an annual historical basis as follows:
- Base Period PCOP Costs from the Relevant Rate Order
  - Divided by Relevant Rate Order Sales Volume in 100 Gallons
  - Base Period PCOP Costs per 100 Gallons
  - Review Period PCOP Costs Subject to Commission's Water Loss Policies
  - Plus Over-Under Collection Adjustment
  - Review Period PCOP Costs Adjusted for Over-Under Collections

(T) Denotes Change in Text

Divided by Relevant Rate Order Sales Volume in 100 Gallons  
Adjusted Review Period PCOP Costs per 100 Gallons

Incremental Change in PCOP Costs per 100 Gallons  
Multiplied by Relevant Rate Order Sales Volumes in 100 Gallons  
PCOP Net Deferred Cost  
Less Forfeited Discount Rate  
Plus Uncollectible Expense Rate  
Plus Gross Receipts Tax Rate  
Total Deferred PCOP Costs  
Divided by Relevant Rate Order Water Sales Revenue  
PCOP Percentage Rate

Where:

**Forfeited Discount Rate**= PCOP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.

**Gross Receipts Tax Rate** = PCOP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.

**Uncollectible Expense** = PCOP Revenue Requirement before gross receipts taxes, Uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.

(C) The total amount to be recovered through the PCOP is the PCOP Percentage Rate.

## 5. Computation of the Over-Under Collection Adjustment

The Company will identify and record the total amount of the PCOP Collected from Customers under this Rider for the Review Period. The difference between the Total PCOP Collected from Customers for the Review Period and the Total Deferred PCOP Costs authorized for the Review

(T) Denotes Change in Text

Period as determined in Section 4, as adjusted for Interest, shall constitute the Over-Under Collection Adjustment.

(A) The Over-Under Collection Adjustment shall be computed as follows:

Total PCOP Costs Collected from Customers for the Review Period  
Less Total Deferred PCOP Costs Authorized for the Review Period  
Subtotal of Over-Under Collection Adjustment  
Plus Interest Adjustment  
Total Over-Under Collection Adjustment

(B) Computation of Interest Adjustment.

Interest will be computed as follows:

Subtotal of Over-Under Collection Adjustment  
Multiplied by (Interest Rate Multiplied by 50%) Interest Adjustment

Where "Interest Rate" equals the prime rate value published in the "Federal Reserve Bulletin" or in the Federal Reserve's "Selected Interest Rates" for the most recent preceding month.

## **6. New Base Rates**

The PCOP rider will be reset at zero upon the establishment of new base rates to customer billings that provide for the prospective recovery of the annual costs that had theretofore been recovered under the PCOP rider. Thereafter, only the costs of new PCOP incremental costs that have not previously been reflected in the Company's base rates would be reflected in new annual prospective PCOP filings.

## **7. Annual Filing: with the Commission**

(T) Denotes Change in Text

Within 45 days of the end of the most recently authorized Attrition Year set forth in the Relevant Rate Order, and every twelve months subsequent to the end of that Attrition Year, the Company shall submit to the Commission an annual filing calculating the PCOP Percentage Rate. The annual filing shall be verified by an officer of the Company. The PCOP Percentage Rate shall become effective 30 days after the annual filing is submitted to the Commission and shall be applied as an adjustment to Customers' bills for the twelve month period following the effective date of the PCOP Percentage Rate. The Company shall file one single adjustment each year to include both the new percentage rate based on the annual production expenses and the reconciliation of the Over-Under Collections Adjustment.

The Company will include in its annual filing the following information at a minimum: (a) a schedule of all Review Period PCOP Costs, including any related general ledger support, (b) actual billing determinants by month as used in the computation of the PCOP Collected from Customers, (c) computation of the PCOP Percentage Rate, including the detailed calculation of each component, (d) a schedule of any proposed prior period adjustments, (e) an affirmative statement of whether the Company is aware of any changes in market conditions or other factors that may affect whether the Rider is still in the public interest, including the identification of such factors if they exist, (f) the cumulative amount of PCOP Costs collected from customers under this Rider, and (g) such other information as the Commission may direct.

The Company will simultaneously copy the Consumer Advocate on this annual filing.

#### **8. Notice Requirements**

The Company will file revised tariffs for Commission approval upon 30 days' notice to implement a decrement or an increment to the PCOP Percentage Rate. Along with the tariff filing, the Company will include a copy of the computation of the new PCOP Percentage Rate. The Company will simultaneously copy the Consumer Advocate on this tariff filing.

#### **9. Public Interest Review**

Nothing herein shall be construed to eliminate or otherwise restrict the opportunity of the Consumer Advocate or any other interested party from seeking a review of this Rider, as permitted by law and the rules and regulations of the Commission, for a reconsideration of whether it remains in the public interest.

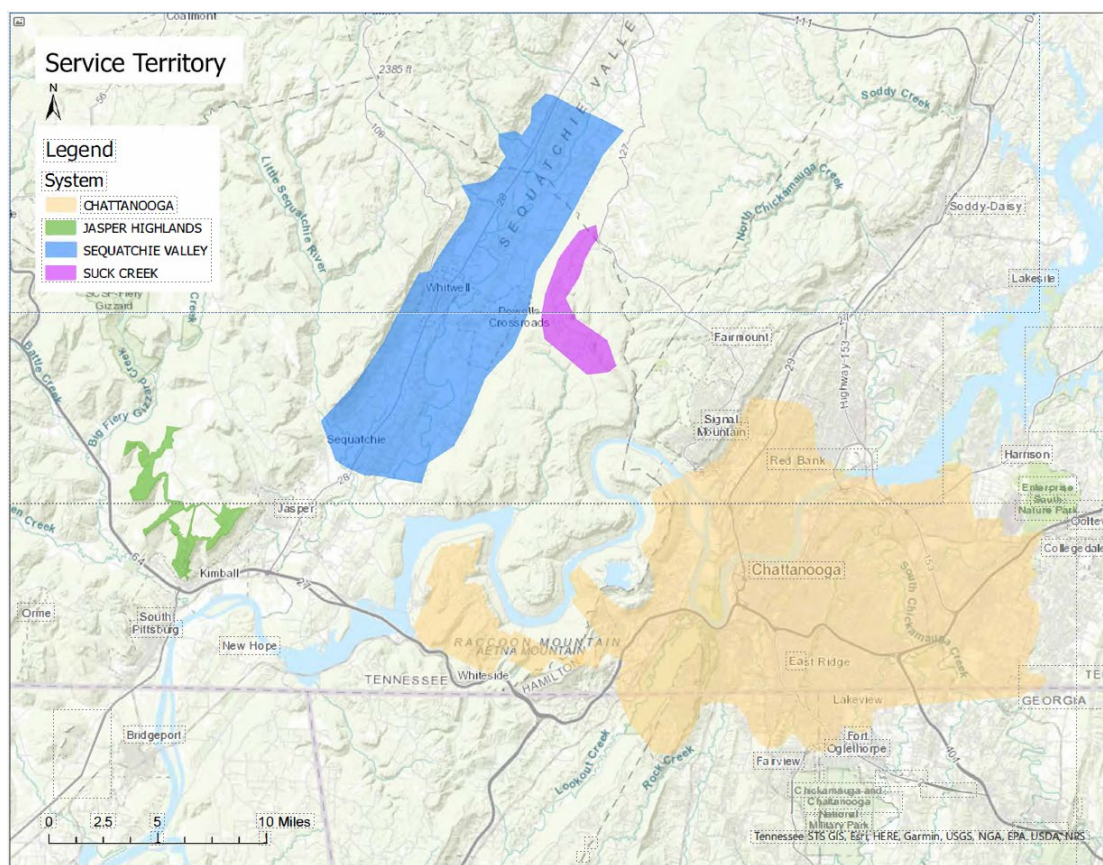
(T) Denotes Change in Text

**EXHIBIT 1**  
**TO**  
**OPERATIONS AND MAINTENANCE AGREEMENT**

**Legal Description and Map of Suck Creek Water System**

**Legal Description:**

Beginning on the North bank of the Tennessee River where Shoal Creek enters the River in Hamilton County, Tennessee; thence extending along the right bank looking downstream, to Ritchie Hollow in Marion County; thence west across Walden's Ridge to Mullens Creek; thence North along Mullens Creek to Shelton Creek; thence northwest along Shelton Creek to the Cumberland Escarpment at Ditch Gap; thence northeast along the Escarpment to the Marion-Sequatchie County Line; thence southeast along the Marion-Sequatchie County Line to the junction of the Marion-Sequatchie-Hamilton County Line; thence south along the Marion-Hamilton County Line to a point one half mile from the Bank of the Tennessee River at "The Suck"; thence southeast to the southwest corner of the Town of Signal Mountain, Tennessee; thence along the south boundary of the Town of Signal Mountain to Shoal Creek; thence southwest along Shoal Creek to the north bank of the Tennessee River at the point of beginning.



## RULES, REGULATIONS AND CONDITIONS OF WATER SERVICE

## 1. RATES, RULES AND REGULATIONS GOVERN RENDERING OF WATER SERVICE

- 1.1 A copy of all Rates, Rules, Regulations and Conditions of **Water** Service is on file with the Tennessee Public Utility Commission and may be inspected by the public in the office of the Company.
- 1.2 All Water Services furnished by the Company shall be subject to these Rates, Rules, Regulations and Conditions of Water Service, and are made a part of all applications or contracts (both oral and written) for service (except when modified by special contract approved by the Tennessee Public Utility Commission). They are subject to revision, change, modification or cancellation by the Company, subject to the approval of the Tennessee Public Utility Commission, or by the Commission through utility industry orders. The failure of the Company to enforce any of the terms of these Rates, Rules, Regulations and Conditions of Water Service shall not diminish or sacrifice its right to do so.
- 1.3 Upon request by an Applicant or Customer, the Company shall supply, without charge, a copy of applicable rate schedules.

## 2. DEFINITIONS

- (a) An "Applicant" is any person, firm, corporation or Governmental Unit making application for **Water** Service.
- (b) A Battery Setting of Meters" is a system of pipe, valves and fittings designed to accommodate two or more meters.
- (c) A "Combination Service" means a Service Pipe which is used to provide both General Water Service and Private Fire Protection Service.
- (d) The "Commission" is the Tennessee Public Utility Commission and commission Rule 11 means any rules or- regulations duly adopted by the Commission and applicable to water utilities under the Commission's jurisdiction.
- (e) The "company" is the Tennessee-American **Water** Company acting through its Officers, Manager or other duly authorized employees or agents.



- (f) “Company Service Pipe” means the portion of the General Water Service Pipe, extending from the distribution Main to and including the curb cock, or the outlet connection of the meter setting when installed at or near the curb or property line at the cost and expense of the Company.
- (g) A “Customer” is any person, firm, corporation or Governmental Unit taking Water Service from the Company.
- (h) “Residential Customer” means a person taking Water Service exclusively for personal use at a single family residence.
- (i) “Customer's Service Pipe” means the portion of General Water Service Pipe from the end of the Company's service Pipe to the customer's place of consumption, installed at the cost and expense of the Customer.
- (j) “Distribution Main” means water pipe owned, operated, or maintained by the Company and used for the purpose of distribution of water. and to which Service Lines are connected.
- (k) “General Water Service” means the provision or use of Water Service for any purpose other than fire extinguishment.
- (l) A “Governmental Unit” is any municipality or other political subdivision or agency of a state or the federal government.
- (m) A “Hidden Leak” is a leak occurring on the Customer’s property not obviously detectable by sight or sound.
- (n) A “Premises” is:
  - I. A single structure owned or leased by a customer and used as one residence or place of business; or
  - II. A combination of structures owned or leased by a Customer, which is located on a single site, and such Customer constructs, operates and maintains on the site a secondary distribution system. Such site may be composed of one or more connecting or adjacent parcels of land, not separated by public streets or highways; or
  - III. Each unit or a multiple unit building wherein each unit is under separate ownership or lease; or

- IV. Each unit of a multiple unit building wherein the Customer's Service Pipe for each unit is connected to a separate Company Service Pipe; or
  - V. A building owned or leased by a customer. having two or more apartments, residences, offices, or suites of offices; or
  - VI. A trailer park, area or site in which space is rented or leased for the parking and occupancy of trailers or mobile homes.
- 
- (o) A "private Fire Protection Service" is a Service Line for a single Customer and Premises to which fixtures are attached and water may be taken only for the extinguishment of fire or for the testing of such fixtures.
  - (p) "Service Pipe" or "Service Line" is the pipe between the Distribution Main and the Customer's place of consumption, and includes all pipe, fittings, valves and other necessary fixtures.
  - (q) A "Temporary Service Connection" is a service line with necessary fittings, valves and fixtures including meter, which is installed for the temporary use of water on a site abutting a Distribution Main.
  - (r) "Termination of Service" is disconnection of Water service at Customer request.
  - (s) "Discontinuance of Service" is disconnection of Water Service not at Customer request.
  - (t) "Water Service" is the supply of water and accompanying services in which the company is engaged in behalf of the Customer.
  - (u) A "Depositor" is any person, firm, corporation or Governmental Unit making a deposit with the Company under an agreement providing for the construction of a main extension and related facilities in accordance with the Extension of Distribution Mains rule herein.

### 3. COMMENCEMENT OF WATER SERVICE

#### 3.1 GENERAL

- (a) A prospective Customer shall not connect or reconnect service, nor employ any person to do so, without authorization by the Company.
- (b) The Company shall not be under any duty to permit connection or to supply Water Service to any Customer whose Premises does not abut on a Distribution Main.
- (c) Requests by Governmental Units for public fire protection service will be governed by these rules.
- (d) All persons, firms, corporations, or Governmental Units desiring Water Service must make application to the Company in a manner prescribed by the Company, setting forth all purposes for which water will be used.
- (e) Applications for Water Service, when accepted by the Company, shall cover only the Premises and uses applied for.
- (f) The Customer, in accepting conditions for Water Service, is responsible for all Water Service furnished until the Customer notifies the Company to terminate the service for its account or until the Company has accepted a new Water Service application for the Premises.
- (g) Any change in the identity of a Customer will require new application, and the Company may, after notice, discontinue Water Service until such new application has been made and accepted.

### 4. SPECIAL APPLICATIONS FOR WATER SERVICE

- 4.1 Water Service for the following purposes must be specially applied for, and the special terms and conditions applicable must be agreed to in writing by the Applicant:
  - (a) Multi-unit housing and housing developments

- (b) Water Service to multiple Premises under common ownership located on a single site undivided by public streets, and requiring service to each individual Premises through a secondary distribution system not owned or operated by the Company.
  - (c) Private Fire Protection Service.
  - (d) Construction or temporary purposes.
  - (e) Shopping centers.
  - (f) Trailers and trailer courts.
  - (g) Water for resale.
- 4.2 If a Company Service Pipe installation is made for construction or temporary service, the Applicant shall -reimburse the Company for the cost of such installation and its removal.
- 4.3 In an emergency, the Company may authorize temporary Water Service in any manner appropriate to the circumstances and consistent with sound engineering practice and will charge, during the period of emergency, the minimum charge prescribed in the Company's rate schedules for the size of meter through which the Customer would normally receive Water Service.

## 5. PRIVATE FIRE PROTECTION SERVICE

- 5.1 Private Fire Protection Service for the purpose of supplying water for the extinguishment of fire shall be installed after approval in writing by the Company and is subject to the terms and conditions contained in the Application for Private fire Protection Service. A copy is on file in the Company's office. All applications shall be submitted for written approval of the Chief of the Fire Department having jurisdiction and such approval shall offer the opinion that the public fire protection will not be adversely affected by the proposed connection.
- 5.2 Application for Private Fire Protection Service will not be approved unless there is suitable water volume and pressure available in the Distribution Main abutting the Premises to be supplied.

- 5.3 The Applicant shall furnish, as part of the application, complete sets of drawings approved by the Insurance Services' Office or comparable agency approved by the Company showing the pipes, valves, hydrants, tanks, openings and fixtures including detail of backflow device and type and detail of pit or riser room contemplated. Such drawings must also show any other water supply system and pipe lines and fixtures existing on the Premises.
- 5.4 The Company reserves the right to determine the size and location of any new connections made to its distribution Mains for Private fire Protection Service including the materials and installation specifications for the connection. The customer shall be responsible for the full and total cost and installation of the Private Fire Service. The physical connection to the Company's distribution main shall only be made by an authorized employee or agent of the Company. The customer shall install its own isolation valve as near the property line as practical. Upon inspection and approval of the installation of the Private Fire Service, the Company shall own and maintain the portion of the Private Fire Service from the Company's distribution Mains to the Customer's property line, and the Customer shall own, operate, and maintain the remainder of the Private Fire Service unless specifically excluded.
- 5.5 Once in operation, the customer must obtain, in advance, the approval of the Company for any change, alteration or addition in the fixtures, openings and uses specified in the application.
- 5.6 The extent of the rights of the Private Fire Protection Service Customer is to receive at times of fire such supply of water as shall then be available from the Company's Distribution Main. The Company shall not be considered in any manner an insurer of property or persons, or to have undertaken to extinguish fire or to protect any Customer, persons or property against loss or damage by fire or otherwise. The Company shall be free and exempt from any and all liability on account of any injury to property or persons by reason of fire, water, failure to supply water pressure, or for any other cause whatsoever.
- 5.7 No pipe or fixtures connected with a Private fire Protection Service served by the Company shall be connected with pipes or fixtures supplied with water from any other source, unless specifically approved in writing by the Company. Rule 22.3 shall apply.
- 5.8 Unless otherwise provided in a written agreement between the Applicant and the Company, Service Lines for Private fire Protection service shall be distinct and separate from the General Water Service Line. A Private Fire Protection Service connection is furnished for the sole purpose of supplying water for the extinguishment of fires, and the use of water from such a connection for any other purpose, other than testing, is absolutely forbidden.

- 5.9 Where one Service Pipe is used for both General Water Service and Private Fire Protection Service, separate charges may be made for each type of use, in accordance with the applicable tariff, the charge for Private fire Protection Service being based on the size of the Service Pipe supplying the Premises and that the General Water Service being based on the consumption through, and the size of, the meter or meters installed. The responsibility for installation and maintenance of such a Combination Service Pipe shall be the same as that provided for Private Fire Protection Service.
- 5.10 Private Fire Protection Service shall be furnished through a line monitored by an approved bypass detector device which shall be furnished and installed by the Customer at his cost and expense. The bypass detector device shall be located at a point approved by the Company. The bypass detector device will be maintained at the cost and expense of the Customer, subject to the inspection and approval of the Company. The bypass meter as used with the bypass detector device shall be furnished, installed, and maintained by the Company at its cost and expense.
- 5.11 The rates for Private Fire Protection Service include only the water used for the extinguishment of fires and necessary for the testing of fire protection facilities on the Premises. Unauthorized use of water for purposes other than those specified will subject the Customer, after notice, to discontinuance of Private Fire Protection Service. A fire service line indicating continuous unauthorized use in excess of 10,000 gallons per month, for a period of three or more consecutive months, may be billed based upon the size of the service and total estimated consumption for the period consistent with the Company's general service rate schedule and such billing can continue until such time as the unauthorized use ends, the service is converted to general water service, or the service is terminated by the Company for unauthorized use, non-payment, or other termination under this tariff
- 5.12 The introduction of anti-freeze or any other substance not specifically approved by the Environmental Protection Agency as non-detrimental to the public water supply is not permitted in sprinkling systems or any other part of Applicant's Private fire Protection Service system without explicit written permission from the Company.
- 5.13 The Customer's Private Fire Protection Service system shall be subject to the inspection, test and approval of the Company before the service is made effective, and afterwards as deemed necessary or appropriate by the Company. The Customer shall be solely responsible for the design, adequacy, function and maintenance of its Private Fire Protection Service System.

- 5.14 Hydrants and other fixtures connected with a Private Fire Protection System may be sealed by the Company, and such seals may not be broken except in case of fire or as specially permitted by the Company for testing or other approved purposes. The customer shall immediately notify the Company of the breaking of any such seal.
- 5.15 Whenever a Private fire Protection Service System is proposed to be tested, the Customer shall notify the Company at least two (2) business days in advance of such proposed test. The Company may elect to have an inspector present during the test.
- 5.16 Private fire hydrants may be painted any color other than that adopted by the Company for public fire hydrants.
- 5.17 A gate valve with post indicator controlling the entire supply shall be placed at the curb or property line of the street in which the main is located or at such other point as may be approved by the Company or local authority having jurisdiction, and shall be furnished, installed and maintained by and at the expense of the customer. Unless otherwise approved by the Company, the valve shall be installed in a valve pit or vault also furnished, installed and maintained by and at the expense of the customer.

## 6. INSTALLATION AND MAINTENANCE OF SERVICE LINES

- 6.1 Where Company Distribution Mains are *or* may be installed, the Company will install the Company Service Pipe provided the Service Pipe is required for General Water Service to Premises abutting such mains.
- 6.2 Service Pipes for construction or temporary service shall be installed and removed at the Customer's expense.
- 6.3 A Customer Service Pipe shall not extend from *one* dwelling, building, structure or parcel of real estate to another dwelling, building, structure or parcel of real estate across a public street or across a property line unless the property line crossed is located within a building complex described in Rule 2(n)(II).

- 6.4 The Company will make all connections to its Distribution Mains and will specify the size, kind, quality and location of all materials used in the Service Line.
- 6.5 The Company Service Pipe shall be furnished, installed and maintained only by the Company and shall remain under its sole control and jurisdiction.
- 6.6 Service Pipes for Private Fire Protection Service from the distribution Main to the curb or property line shall be installed and maintained in accordance with Rule 5.
- 6.7 The Customer's Service Pipe shall be installed and maintained by the Customer, free from leaks and other defects, at their own expense and risk, and for failure to do so, Water Service may be discontinued. The Customer's Service Pipe shall be installed in accordance with applicable governmental regulations and Company specifications below the frost line on firm and continuous earth so as to give unyielding and permanent support.
- 6.8 For new Service Lines, the Customer shall install their Service Pipe to the curb or property line at a point approved by the Company, after which the Company will install its Service Line from the Distribution Main to the Customer's Service Line.
- 6.9 Where the Company's Service Pipe is already installed to the curb or property line, the Customer shall connect with the Company Service Pipe as installed.
- 6.10 The customer shall make all changes in the Customer's Service Pipe required on account of changes of grade or other causes.
- 6.11 No fixture shall be attached to, or any branch made in, the Service Pipe between the meter and the Distribution Main, other than by authorized employees of the Company.
- 6.12 There shall be no more than one Service Pipe supplying a single Premise, unless otherwise approved by the Company.
- 6.13 If a Customer, occupant, owner, or any of their agents should damage Company property, repairs shall be made only by the Company, but at the Customer's expense.



- 6.14 The Customer shall install and properly maintain on thei Service Pipe a shutoff valve approved by the Company. It shall be in an accessible location, protected from freezing and adequate to shut off and drain all plumbing. Further, where a Customer's Service Pipe is branched or arranged to supply more than one building, additional valves shall be installed in such manner that Service to one of the buildings may be shut off without shutting off service to other buildings. A drawing showing the layout of branched Customer Service Pipes and valves may be required to be submitted and approved by the Company prior to installation of the Customer Service Pipe and valves.
- 6.15 A customer Service Pipe which is irregularly located because there was not a distribution Main abutting the Premises at the time the Customer Service Pipe was installed, shall be required at the customer's expense, to be relocated and connected to the Distribution Main abutting the Premises when replacement becomes necessary.

## 7. SERVICES INSTALLED IN ADVANCE OF PAVING

- 7.1 Owners of lots required to install Service Pipes from the Distribution Main to the curb or property line in advance of street or highway paving, may be required to pay the Company the cost of installing such Service Pipes. The Company will install such Pipes and will refund such cost, without interest, to the depositing party when Water Service is connected to such lots.

## 8. METERS

- 8.1 Water shall be supplied to all Customers by meter measurement only, excepting sales of water to tank trucks of known capacity and those Customers receiving public fire Protection Service and Private Fire Protection Service. The Company shall have the right to place a meter on any Service Pipe and charge for Water Service by meter measurement.
- 8.2 All meters, except fire Service line meters, shall be furnished, installed, maintained, tested, repaired, removed and replaced only by the Company and shall remain its property. In case of damage to any meter by reason of any act, neglect or omission on the part of the Customer (such damages occasioned by fire, hot water, accident or misuse), the Customer shall reimburse the Company for the cost of repairing or replacing the meter.

- 8.3 The Company reserves the right to determine the kind, size and type of meter that shall be placed on any Service Pipe.
- 8.4 Meters may be located either in an outdoor meter box or vault, or inside the Customer's building or structure, at the option of the Company.
- 8.5 If the meter or Battery Setting of Meters is to be installed inside, it shall be located in a clean, dry, safe place not subject to wide temperature variations so that the meter may easily be examined, read or removed. The Customer shall, at their expense, provide suitable pipe connections and shut-off valves, one each at the inlet and outlet sides of the meter or Battery Setting of Meters, and other appropriate fittings designed by the Company.
- 8.6 If the meter or Battery Setting of Meters is to be installed in a meter box or vault, it shall be located in a convenient and readily accessible location at or near the street right-of-way line. Meter boxes or vaults for settings for single meters and Battery Settings of Meters shall be furnished, installed and maintained by the Company. The Company shall at its expense, provide suitable pipe connection and shut--off valves, and such other fittings as may be designated by the Company. Upon a request by the Customer before the original installation is made, the meter box or vault will be located at the point requested, if feasible under proper utility standards. The meter box or vault may be constructed to protect the meter from freezing and damage by vehicular traffic, and its location and design shall prevent, as far as possible, the inflow of surface water.
- 8.7 Separate Premises shall be separately metered and billed, and only one Premise shall be supplied through one meter or Battery Setting of Meters.
- 8.8 The Company reserves the right to put seals and locks on all meters or meter couplings.
- 8.9 No Customer shall remove or cause or permit the removal of a meter by their agents once it has been installed by the Company, and any change in location of the meter desired by the Customer shall first be approved by the Company in writing, but shall be made by the Company at the Customer's expense. Violation of this tariff provision may result in the customer being charged a meter tampering penalty fee in accordance with the tariff.

- 8.10** If a Customer requests an additional self-serving meter or meters for their Premises (i.e. lawn sprinkling or swimming pool), the Company will make the requested installation at the expense of the Customer and billing will occur as provided in Rule 9.
- 8.11** The Company may at any time, remove the meter for routine tests, repair, or replacement.
- 8.12** Meters may register in either U.S. gallons or cubic feet. Meter readings in units or hundred cubic feet may be converted to units of hundred gallons for billing purposes if the existing schedule of charges is stated in gallon units. The factor used for making a conversion is
- (C) one cubic foot as being equivalent to seven and forty-eight hundredths (7.48) U.S. gallons.

## **9. MULTIPLE METER SETTINGS**

- 9.1** When more than one meter setting is installed at a Customer's Premises because of conditions warranted and determined by the Customer, each meter setting shall be treated separately as if it belonged to a separate Customer, and the registrations of such meters will not be combined.
- 9.2** When more than one meter setting is installed on a Customer's Premises because of conditions warranted and determined by the Company, the registration of all such meters shall be combined and the minimum charge shall be the sum of the individual minimum charges for all such meters.

## **10. DISPUTED BILLS**

- 10.1** When a Customer disputes a bill, the Company will not terminate service for nonpayment so long as the Customer (i) pays the undisputed portion of the bill, (ii) pays all future bills by the due date, and (iii) enters *into* bona fide discussions with the Company to settle the dispute.

(C) Change

- 10.2 In instances where the Customer and Company cannot agree as to what portion of a bill is undisputed, it shall be sufficient that the Customer pay an amount equal to their average bill for the twelve (12) months immediately preceding the disputed bill. In those cases where the Customer shall pay an amount equal to 1/12 of the estimated • annual cost of service.
- 10.3 If the Company and the Customer arrive at a mutually satisfactory settlement of a disputed bill, the Company may enter into a settlement agreement providing for payment of the outstanding balance in installments over a reasonable period of time. Such an agreement shall be limited to the bill in dispute or the delinquent account.
- 10.4 A settlement agreement may be in writing and signed by the Customer or their representative and an authorized representative of the Company. A settlement reached by telephone may be confirmed by the Company in writing and mailed to the Customer, with instructions to sign a confirming copy and return it to the Company.
- 10.5 The Company shall not be required to enter into concurrent settlement agreements relating to the same Water Service account.
- 10.6 The Company shall not be required to enter into a subsequent agreement with a Customer who defaults upon the terms and conditions of a previous agreement entered into within the previous twelve (12) months.
- 10.7 If the Customer fails to comply with the terms and conditions of a settlement agreement, the Company may discontinue Water Service without further notice to the Customer.
- 10.8 If agreement cannot be reached on settlement of the dispute, the Customer may register their dispute with the Commission.

## 11. ADJUSTMENT OF BILLS

- 11.1 Water Service bills which are incorrect due to meter or billing errors shall be adjusted in accordance with Commission Rules and to the known date of error or one (1) year, whichever is shorter.

- 11.2 Adjustment for Hidden Leaks (as defined on page 14. item (M)) may be given as follows:

Adjustment for Hidden Leaks will be 50 percent of the charge for wasted water estimated from the beginning date of the leak to the date of repair, which period shall not exceed two regular reading periods unless extended by missed scheduled meter reading. Wastage will be considered as the excess consumption over normal usage, obtained by reference to the Customer's consumption record. If there is no consumption record, the average consumption for the previous calendar year for the appropriate Customer classification will be used as the normal consumption. An adjustment will be given only after the Customer has corrected the condition and verification has been presented to the Company or that proper repairs have been made. Adjustments for Hidden Leaks will be limited to (1) one per Customer, per year, or (2) the adjustment amount set forth above unless occurring under unusual or extenuating circumstances.

## 12. METER TESTING

- 12.1 The Company will make a test of the accuracy of registration of a meter upon written request by a Customer. The Customer will be required to bear the full cost of any subsequent test of their meter if requested at less than eighteen (18) months after the preceding test, and accuracy of the meter is found to be in compliance with rules of the Commission. The results of such tests will be reported to the customer in writing within ten (10) days after the test is complete or the customer shall be given the opportunity of being present at such requested tests.

## 13. DEPOSIT TO INSURE PAYMENT OF BILLS

- 13.1 The Company will not require a cash deposit as a condition of new Water Service unless the Customer has a prior Water Service account which remains unpaid with the Company. Water Service is considered new if the Customer has not been a Customer of the Company within the last 12 months.

- 13.2 The Company will not require a cash deposit as a condition of continued Water Service unless the Water service of a Customer has been discontinued for nonpayment.
- 13.3 A cash deposit will be required under the following terms and conditions:
- (a) A deposit will be required as a condition of new Water Service if the Applicant has a prior outstanding account. such deposit shall not exceed an amount equal to two (2) times the estimated monthly bill for Water Service at the Customer's Premises. The Company may also require payment of the prior outstanding account, if due and owing to the Company, as a condition of new Water Service.
  - (b) A deposit will be required as a condition of continued Water Service if the Customer's service has been discontinued for nonpayment. Such deposit shall not exceed an amount equal to two (2) times the actual or estimated monthly bill for Water Service at the Customer's Premises. The Company may also require payment of the prior outstanding account as a condition of continued Water Service.
  - (c) Interest at the rate of 6% per annum, or at such other percentage per annum established by the Commission shall be payable on all deposits. Interest shall be paid upon the return of the deposit; however, a refund made within three (3) months from the date of deposit shall bear no interest.
  - (d) Deposits shall not earn interest after the date full payment is made to the Customer by mail or personal delivery, or after the date Water Service is terminated.
  - (e) Upon termination of Water Service, the deposit, with any accrued interest, shall be credited to the final bill and any balance returned promptly to the Customer. A change of customer's address within the Company's service area will not be considered Termination of Service.
  - (f) The deposit and accrued interest shall be refunded by the Company upon satisfactory payment by the Customer of all proper charges for Water Service for twelve (12) successive months. Payment is satisfactory if made Prior to issuance of a notice of discontinuation of Water Service for nonpayment of an account.

- 13.4 For each deposit, the Company will provide a written receipt and maintain a record showing (1) the name of the Customer, (2) the current address of the Customer so long as he maintains an active account with the Company in their name, (3) the amount of the deposit, (4) the date the deposit was made, and (5) a record of each transaction affecting the deposit. If a Customer requests a refund of their deposit, but is unable to locate their receipt, and the Company's record reflects that the deposit was made and the Customer is entitled to the refund, the Company will make the refund based on a written statement from the Customer reciting that he made a deposit and requests the refund.
- 13.5 Any deposit remaining unclaimed for the applicable statutory period after the Company has made diligent efforts to locate the Customer shall be presumed abandoned and, after making any lawful deductions, will be treated in accordance with the provisions of the applicable unclaimed property laws.

#### 14. TERMS AND CONDITIONS OF BILLING AND PAYMENT

- 14.1 All water sold shall be on the basis of meter measurement. Meters shall be scheduled to be read at not greater than quarterly intervals. The Company shall have the option to issue interim estimated monthly bills to Customers whose meters are read bi-monthly. Estimated bills shall not be less than a minimum bill as prescribed in the Company's current tariffs.
- 14.2 Private Fire Protection Service charges shall be payable quarterly in advance.
- 14.3 Special charges shall be payable on demand.
- 14.4 All bills for Water Service are due on or before the due date printed on the bills, and considered delinquent if not paid by such date. The due date will be at least twelve (12) days after the postmarked date of the bill, if mailed, or the date of delivery if delivered by other means.
- 14.5 All bills will be sent to the address entered in the application unless the Company is otherwise notified by the Customer.

- 14.6 Customers are responsible for furnishing the Company with their correct addresses. Failure to receive bills will not release Customer from payment obligations.
- 14.7 The use of water by the same Customer at different Premises or localities will not be combined for billing.
- 14.8 The Company may estimate the bill of any Customer for good cause, including, but not limited to: request of Customer; inclement weather; labor or union disputes; inaccessibility of a Customer's meter; other circumstances beyond the control of the Company or its agents and employees; and, a billing period with a varying meter reading schedule; or the Company may render an estimated bill when a meter is found to be not registering. In such cases, the Company shall estimate the charge for the water used by averaging the amount registered over a similar period preceding or subsequent to the period of nonregistration or for corresponding period in previous years, adjusting for any changes in the Customer's usage.
- 14.9 The Company may include charges for special services with charges for Water Service on the same bill if such charges are identified.

## 15. DISCONTINUANCE OF WATER SERVICE

### 15.1 Upon Customer's Request

- (a) The Customer shall notify the Company at least three (3) days in advance of the desired termination day and shall remain responsible for payment of all service until service is terminated pursuant to such request. The Company shall terminate service within three (3) working days of the requested termination date. The Customer shall not be liable for any service rendered to such address or location after the expiration of these three (3) days.

### 15.2 Without Customer's Request

- (a) The Company may disconnect service without request by the Customer and without prior notice only:
- I. If a condition dangerous or hazardous to life, physical safety or property exists; or



- II. Upon order by any court, the Commission or other duly authorized public authority; or
  - III. If fraudulent or unauthorized use of water is detected and the Company has reasonable grounds to believe the affected Customer is responsible for such use; or
  - IV. If the company's regulating or measuring equipment has been tampered with and the Company has reasonable grounds to believe that the affected Customer is responsible for such tampering; or
  - V. If a Customer violates the terms of a settlement agreement described in Rule 10, Disputed Bills.
- (b) The Company may discontinue Private Fire Protection Service immediately after written notice to such Customer and the appropriate Fire Department for leakage within such Private Fire Protection Service system and until such leaks are repaired.
- (c) In all other instances, the Company, upon providing the Customer with seven (7) days Prior written notice, may disconnect Water Service for any of the following reasons:
- I. The Customer fails to repair any leak in the Customer Service Pipe or other plumbing fixtures.
  - II. The Customer vacates the Premises or fails to pay their water bills or other charges related to their Water Service installations or facilities in accordance with these rules and the Company's rate schedules, or otherwise violates any of these rules.
  - III. Nonpayment of a Water Service bill based on estimated consumption after the estimated meter reading has been verified.
  - IV. The Customer fails to provide free and non-hazardous access to the Premises and meter so that the Company's representatives may make meter readings and necessary inspections and maintain, replace or remove the meter, or fails to maintain Customer-owned meter settings, including pits and vaults.

- V. The Customer installs a new Service Pipe and other fixtures or alters or removes an existing Service Pipe or other fixtures, including the meter, without the Company's consent.
- VI. The Customer fails to remedy a condition or use on their Premises which, in the Company's engineering judgment, endangers the Company's distribution system.
- VII. Misrepresentation of identity of Applicant for the purpose of obtaining Water Service.
- VIII. A Customer selling or providing water to other Premises not specifically included in the accepted application.
- IX. Where two or more Premises are supplied through a single Service Pipe, any violation of the Rates, Rules, Regulations and Conditions of Water Service of the Company shall be deemed a violation as to all, and the Company may enforce compliance with these rules and regulations by discontinuing Service. Such action, however, will not be taken until the customer not in violation has been given reasonable notice to acquire a separate Company Service Pipe.
- X. The Customer fails to pay for any sewer Service charge and discontinuance of Water Service is duly authorized by the appropriate Governmental Unit.
- XI. A Customer occupies a Premises already receiving Water Service without making application and fails to pay for Water Service used Prior to the Company accepting such Customer's application.

### 15.3 Prohibited Disconnection

- (a) Except as otherwise provided in subsection 15.1 and 15.2, the Company shall postpone disconnection of residential service for thirty (30) days if, Prior to the disconnect date specified in the disconnect notice, the Customer provides the Company a medical statement from a licensed physician or public health official stating that disconnection would be a serious and immediate threat to the health or safety of a designated person in the household of the Customer.

- (b) The Company may not disconnect Service to the customer:
  - I. Upon failure to pay for goods or services not approved by the Commission.
  - II. Upon failure to pay for concurrent Water Service received at a separate Premises. However, if Water Service is discontinued or terminated at the separate Premises, any unpaid balance may be transferred to the other account on the next regular billing.
  - III. Upon failure to pay for a different class of Water Service received at the same or different locations: or
  - IV. Upon failure to pay for Water Service provided in the name of another Customer.
- (c) If a Customer proceeds with a complaint before the Commission pursuant to Commission Rules and complies with Rule 10, Disputed Bills.

#### 15.4 Notice and procedure for Involuntary Disconnection

- (a) Except as otherwise provided in Section 15.2(a) and (b), service to any Customer shall not be disconnected for a violation of any rule or regulation of the Company or for the nonpayment of a bill, except after seven (7) days prior written notice to such Customer.
- (b) The Company may discontinue Water Service to a customer on the date specified in the notice of discontinuation. or within a reasonable time thereafter, only between the hours of 8:00 a.m. and 4:00 p.m.
- (c) Water Service shall not be discontinued on a day. or a day immediately preceding a day, when the Services of the Company are not available to the general public for the purpose of reconnecting discontinued Water Service.

#### 16. RECONNECTION OF WATER SERVICE AFTER DISCONTINUANCE

- 16.1 When service has been discontinued because of violations of the Rates, Rules, Regulations and Conditions of Water Service or because

of nonpayment, a reconnection charge will be made as set forth in the schedule of the rates and charges of the Company.

16.2 The Company will reconnect Service within the one (1) working day after it is requested provided:

- (a) The conditions, circumstances or practices which caused the disconnection have been corrected;
- (b) Satisfactory settlement of all delinquent charges owed the Company by the Customer authorized by these rules has been made; and
- (c) A responsible person is present in the Premises to see that all water outlets are closed to prevent damage from escaping water.

16.3 No Customer whose Water Service has been discontinued by the Company shall re-establish Service or cause Service to be re-established except by the Company.

17. MODIFICATION OF FACILITIES AT CUSTOMER'S EXPENSE

17.1 If a Customer requests for their convenience, or by their actions requires, that the Company's facilities be relocated or modified, compatible with water utility construction practices, the Company will require reimbursement for the full cost of performing such service.

17.2 Where such changes become necessary due to altered or additional use on the Customer's part, such as the causing of pressure fluctuations which affect service to other Customers or damage to the Company's system, the Customer shall bear the cost of such changes in the facilities in question.

18. CUSTOMERS REQUIRING UNINTERRUPTED SUPPLY

18.1 The Company will endeavor to give reasonable Water Service, however, customers are cautioned to provide sufficient storage of water where an absolutely uninterrupted supply at uniform pressure must be assured, such as for steam boilers, hot water systems, gas engines, Fire Service, etc.

- 18.2 Customers installing fixtures or devices taking a supply of water directly from the Service Pipe, dependent upon the working pressure of the distribution system, will do so at their own risk. The Company will not be responsible for any accidents or damages to which such fixtures or devices are subject.

19. REQUIREMENTS FOR PEAK DEMAND CUSTOMER

- 19.1 Customer usages requiring a large quantity of water within a short period of time will not be permitted except through intercepting or intermediate storage tanks, unless approved by the Company in writing. Customer Service Pipes or Private Fire Protection Service connections shall not be connected to the suction side of pumps, unless approved by the Company in writing.
- 19.2 The inlet connection for tanks attached directly or indirectly to the Customer's Service Pipes or Private Fire Protection Service connections shall discharge at a point no less than three (3) times the diameter of the inlet Pipe above the overflow of such tanks. Such connections must be approved by the Company in writing.

20. REQUIREMENTS FOR VALVES AND OTHER DEVICES

- 20.1 Check valves. relief valves. flush valves and vacuum breakers required or recommended by this rule must be installed and maintained by, and at the cost and expense of the Customer.
- 20.2 Check and relief valves will be required for Customers having boilers. hot water heaters (heating systems) connected directly or indirectly with the Distribution Mains of the Company. The check valve must be in the supply Pipe to any heating system and a relief valve between the check valve and heating system.
- 20.3 As a precaution against collapse of boilers. a vacuum valve should be installed in the steam line in case the water supply is interrupted.
- 20.4 The Company h not responsible for accidents or damages resulting from imperfect action or failure of check, relief or vacuum valves or failure of the Customer to provide necessary safety devices.
- 20.5 Any Customer desiring or requiring a pressure reducing device for Water Service to their Premises shall install and maintain such device at their cost and expense.

## 21. PLUMBING REGULATIONS AND WORK

- 21.1 All plumbing work shall be done in accordance with the plumbing code of the Governmental Unit or units applicable in the Company's service area and/or regulations adopted by any duly constituted board or commission having Jurisdiction.
- 21.2 All plumbing work connected to the Company's Distribution Mains shall be submitted for Company inspection before being covered.
- 21.3 If the Company determines plumbing work to be defective, though not necessarily in direct violation of these rules and regulations, the Company may insist it be corrected before Water Service is initiated.
- 21.4 Except where the plumbing is a simple extension or additional fixture on a service in use, the plumber shall turn off the water after completion testing.
- 21.5 No plumber, or any other person, shall initiate Water Service without permission from the Company.
- 21.6 No plumber, or any other person, shall connect to the Company's Distribution Main or to any Service Pipe or extend Pipe to any Premises for the purpose of securing a supply of water until application has been made and accepted by the Company as provided in these Rates, Rules, Regulations and Conditions of Water Service.

## 22. CROSS CONNECTIONS

- 22.1 A cross-connection is any physical connection whereby the Company's public water supply is connected with any other water supply, whether public or private, either inside or outside of any building or buildings, in such manner that a flow of water into the Company's public water supply is possible either through the manipulation of valves or because of ineffective check or back-pressure valves, or because of any other arrangement.
- 22.2 By-pass arrangements, Jumper connections, removable sections, swivel or change-over devices, and other temporary or permanent devices through which, or because of which, backflow can occur, are considered to be cross-connections.

- 22.3 No cross-connection will be permitted unless an acceptable form of protection against contamination by backflow into the water distribution system is provided. An acceptable form of protection is one which meets the approval of the Tennessee Department of Public Health, or any successor agency or organization, and the local regulating health agency. The required protective device or system shall be provided and installed by the customer and maintained by h\m in good working condition at their own cost and expense and shall be subject to the inspection. test and approval of the Company before being placed in service, and at such times thereafter as may be deemed necessary by the Company.
- 22.4 Any cross-connection in violation of this rule shall immediately be removed or corrected in a manner acceptable to the Tennessee Department of Public Health, or any successor agency or organization. and the local regulation health authority, and the Company. failure to do so may result in discontinuance of Water Service.
- 22.5 The Customer's Service Pipe and all connections and fixtures attached on a Customer's Private Fire Protection Service system shall be subject to the inspection of the Company to determine compliance with its cross-connection rule before water will be turned on, and all Premises receiving a supply of water and all Service Pipes, meters and fixtures, including any and all fixtures within the Premises, shall a t all reasonable hours be subject to inspection by any duly authorized employee(s) of the Company.

### 23. EXTENSION OF DISTRIBUTION MAINS

- 23.1 The Company will extend its Distribution Mains and related facilities from the end of existing mains under the terms and conditions of this rule, unless otherwise approved by the Commission.
- 23.2 The Company, upon written request, from an Applicant(s) in an established neighborhood, shall extend mains and connect Customer(s) in accordance with Rule 23.4. All other requests for Service requiring main extensions shall be subject to either Rule 23.6 or Rule 23.7 at the option of the Applicant(s). Rule 23.4 is for main installations necessary to serve existing Premises owned or occupied by the Applicant(s) to be served. Rules 23.6 and 23.7 are for main installations necessary to serve new subdivisions or developments involving speculation or the prospect of new Customers.

- 23.3 (a) Upon application for an extension of a Distribution Main, the Company will determine the necessary size, location and characteristics of the main and related facilities and make an estimate of the cost. Such estimate shall include all pipe, valves, fittings and other fixtures and materials and all other costs such as labor, permits, etc., including the Company's expense for supervision, engineering, insurance, tools, equipment, accounting, and overhead.
- (E)
- (b) Main extensions under Rule 23.4 shall terminate at a point perpendicular to the center of the Customer's residence fronting on the street in which the extension is to be made.
- (c) Main extensions under either Rule 23.6 or Rule 23.7 shall terminate at a point equidistant from the side property lines of the last lot or parcel for which facilities for Water Service are to be provided.
- (d) The size of pipe for extensions shall be eight-inch (8") unless a larger or smaller pipe, as determined by the Company, is reasonably necessary to serve the requirements of the proposed Customer(s), including fire protection service. If, for the Company's future extension plans it proposes to install a pipe larger than that which is reasonably necessary to meet the applicants' service requirements, the Company will pay the additional cost of such larger pipe.
- 23.4 Upon receipt of a signed application for permanent Water Service which shall commence upon completion of the Company's main extension, an extension shall be provided as follows:
- (a) Where the length of extension required does not exceed 100 feet for each applicant to be served, the Company will install the required amount of mains at no cost to the applicant(s) provided, the Company has on file a written application for Service from each applicant to be served.

(E) Eliminate Text



- (b) If the length of main required to provide service to each applicant or group of applicants exceeds 100 feet per applicant, such extension will be made only if the applicant(s) shall contract with the Company for such extension and deposit in a manner mutually agreed to in writing between the applicant(s) hereinafter called Depositor (s) and the Company, the total estimated cost of the extension less a credit equal to the amount produced by multiplying the estimated unit cost per foot of main by 100 and by then multiplying that result by the number of applicants.
  - (c) If within a ten (10) year period beginning with the date the main extension is completed, service is provided directly from said extension to any Premises which has not previously received water service from the Company, the Company will refund to the Depositor(s) an amount equal to the actual completed cost of 100 feet of main installed under the contract. In no event shall the aggregate refund made to any Depositor(s) exceed the amount of that Depositor's original deposit. No refunds shall be required to be made by the Company until the number of Customers actually connecting to the extension equals the number of applicants used in computing the deposit required for the extension.
  - (d) When more than one Depositor is involved, the amount of the advance deposit may be divided equally among the Depositors, unless otherwise agreed to by the Depositors.
  - (E) (e) Should the actual cost of the extension be less than the estimated cost, the Company will refund the difference as soon as the actual cost has been ascertained. Should the actual cost of the extension exceed the estimated cost, the Company may require the original Depositor(s) to pay for the additional cost. The final cost of the extension shall be reflected in a supplemental memorandum to the original extension and deposit agreement.
- 23.5 For the purposes of main extensions Rules 23.6 and 23. 7 and all agreements entered into by the company for the extension of water mains in accordance with this Rule 23.5, the following definitions shall apply:

(E) Eliminate Text

- (a) Bona Fide Prospective Customer - Any owner or lessee who is or will be the occupant of a developed Premises having a curb line abutting on that part of a street or public highway in which there is, or is to be, located a Distribution Main of the Company, and who shall have filed with the Company a signed application for permanent Water Service to begin immediately after installation of a Service Line to such Premises.
  - (b) Prior Main - A Distribution Main not a Branch Main installed under an Extension Deposit Agreement for the purpose of serving a new development having one or more Bona Fide Prospective Customers.
  - (c) Branch Main - A lateral Distribution Main installed under an Extension Deposit Agreement for the purpose of serving one or more Bona Fide Prospective Customers whose Premises are located in an area not contiguous to a street in which water mains have been installed under unexpired prior Extension Deposit Agreements.
  - (d) Unit Cost Per Foot of Main -An amount, to be determined by the Company as soon as possible after installation of the requested main, consisting of the Company's average completed cost per foot of all mains installed pursuant to the specific Extension Deposit Agreement. For the purposes of determining the initial deposit to be made by the applicant(s), the Company will estimate the Unit Cost Per Foot of Main in accordance with Rule 23.3.
- 23.6 (a) The Company will extend existing Distribution Mains in dedicated public streets or highways where the ground surface has been conformed to the established grade or sub-grade of the street, a distance of one hundred (100) feet for each Bona Fide Prospective Customer making application for Water Service therefrom. Such extension will be made without cost to the applicant(s) for service, except for such connection charge, if any, as may be applicable to such customer.
- (b) When an extension greater than one hundred (100) feet in length for each Bona Fide Prospective Customer is required or requested, such extension will be made, in dedicated public streets or highways where the ground surface has been conformed to the established grade or sub-grade of the street, under the terms of an Extension Deposit Agreement as hereinafter set forth:

(C) Change

- (I) The applicant (hereinafter the Depositor) shall deposit with the Company an amount equal to (i) the estimated number of feet or pipe to be installed multiplied by the estimated Unit Cost Per Foot of Main, plus the estimated cost of other facilities (excluding fire hydrants, hydrant laterals, service lines and meters), which the Company shall have determined are necessary to render adequate service, less (ii) a credit equal to the amount produced by multiplying the results of such computation by the number of Bona Fide Prospective Customers whose Premises abut said extension and will be directly connected thereto.
- (E)
- (II) Upon completion of the extension and compilation of actual costs, should the actual completed Unit Cost Per Foot of Main and/or the actual number of feet of pipe installed be more, or less, than the original estimate, the Depositor shall immediately deposit with the Company, or receive from the Company, an amount equal to the difference between the estimated footage multiplied by the estimated Unit Cost Per Foot of Main and the actual footage multiplied by the completed Unit Cost Per Foot of Main.
- (E)
- (III) Deposits made pursuant to this rule shall be subject to refunds within the period of ten (10) years from the actual date of deposit as follows:
- (i) For each additional bona fide Customer for whom a Service Line has been made to the extension in question, the Company shall refund to the Depositor an amount equal to the completed Unit Cost Per Foot of Main used in calculating the final deposit multiplied by one hundred (100); and
- (E)
- (ii) If any Branch Mains are connected to the Prior Main within a period of five (5) years from the date said Prior Main was installed, the Company shall refund to the Depositor, or to the Depositor and all other parties who may have participated in the cost of the main in question, their proportionate share of the supplemental deposit required for such a Branch Main connection as provided in Rule 23.6 (b) IV hereof.

(E) Eliminate Text

(IV) When a Distribution Main is installed under an Extension Deposit Agreement and such main passes through undeveloped property where future Branch Mains may be connected thereto, the persons for whom such Branch Mains are installed within a period of five (5) years from the date the Prior Main was installed shall be required to share proratably in the cost of such Prior Main from its beginning point to the point of connection of the Branch Main. This shall be accomplished by requiring each person for whom such a Branch Main is to be installed to make a supplemental deposit with the Company in an amount equal to their proportionate share of the then un-refunded balance of the deposit which was established to secure the installation of such Prior Main to the point of connection of the Branch Main. Such supplemental deposit shall be paid over by the Company, promptly after receipt thereof, to the original Depositor and to all others who have made deposits on that portion of the Prior Main. The allocation thereof to such parties shall be in proportion to their respective percentage participations in the un-refunded balance of the deposit relating to the installation of the Prior Main to the point of connection of the Branch Main. No such supplemental deposit shall be required if a lateral main is being installed and connected to the Prior Main by the Company at its own expense, or by the Company at the request of an applicant for a main extension which does not require a deposit from such applicant.

- 23.7 (a) The Company will extend existing Distribution Mains in dedicated public streets or highways where the ground surface has been conformed to the established grade or sub-grade of the street, without cost to the applicant(s) if the estimated cost of the extension is not greater than forty (40) percent of the company's estimate of revenue to be received the first three (3) years from Bona Fide Prospective Customer(s).
- (b) When an extension with an estimated cost greater than forty (40) percent of the Company's estimate of three (3) years' revenue from Bona Fide Prospective Customer(s) is required or requested, such extension will be made, in dedicated public streets or highways where the ground surface has been conformed to the established grade or sub-grade of the street, under the terms of an Extension Deposit Agreement as hereinafter set forth:

(C) Change

- (E) (I) The Applicant (hereinafter the Depositor) shall deposit with the Company an amount equal to (i) the estimated cost of the extension, less (ii) a credit equal to forty (40) percent of the Company's estimate of three (3) years' revenue to be received from Bona Fide Prospective Customer(s) whose Premises abut said extension and will be directly connected thereto.
- (E) (II) Upon completion of the extension and compilation of actual costs of the extension, the Depositor(s) shall immediately deposit with the Company, or receive from the Company, if the cost is less than estimated, an amount equal to the difference between the estimated cost and the actual completed cost of the extension.
- (III) Deposits made pursuant to this rule shall be subject to refunds within the period of ten (10) years from the actual date of the deposit as follows:
- (i) Upon completion of the first year's service to Bona Fide Prospective Customer(s) for whom credit was given in establishing the deposit, the Company will refund to the Depositor an amount equal to forty (40) percent of the difference between the first three (3) years' revenue originally estimated by it and the actual revenue received, provided the actual revenue is greater than the estimated revenue. If the actual revenue is less than the estimated revenue, the difference will be used as an off-set against revenues which would otherwise become the basis for refund pursuant to (ii) below.

(E) Eliminate Text

- (ii) During the period of ten (10) years from the actual date of deposit, the Company shall at the end of each year refund to the Depositor an amount equal to forty ( 40) percent of the actual annual revenue received for water Service from Customers whose Service Line is directly connected to the main covered by the Extension Deposit Agreement. Such refunds shall be paid annually within forty-five (45) days of each contract year covering refunds owing from Water Service revenues received during the preceding contract year; provided, however. that the first three (3) years' revenue from Bona Fide Prospective Customer(s) for whom credit was given in establishing the deposit shall be excluded from refunds to be paid under this provision (ii).
- (iii) If any Branch Ma\ns are connected to the Prior Main within a period of five (5) years from the date said Prior Mains was installed, the Company shall refund to the Depositor. or to the Depositor and all other parties who may have participated in the cost of the main in questions, their proportionate share of the supplemental deposit required for such a Branch Main connection as provided in Rule 23.7(b) IV hereof.

IV. When a Distribution Main is installed under an Extension Deposit Agreement and such main passes through undeveloped property where future Branch Mains may be connected thereto, the persons for whom such Branch Mains are installed within a period of five (5) years from the date the Prior Main was installed. shall be required to share proratably in the cost of such Prior Main from its beginning point to the point of connection of the Branch Main. This shall be accomplished by requiring each person for whom such a Branch Main is to be installed to make a supplemental deposit with the Company in an amount equal to their proportionate share of the then unrefunded balance of the deposit which was established to secure the installation of such Prior Main to the point of connection of the Branch Main. Such supplemental deposit shall be paid over by the Company, promptly

After receipt thereof, to the original Depositor and To all others who have made deposits on that portion of the Prior Main. The allocation thereof to such parties shall be in proportion to their respective percentage participations in the unrefunded balance of the deposit relating to the installation of the Prior Main to the point of connection of the Branch Main. No such supplemental deposit shall be required if a lateral main is being installed and connected to the Prior Main by the Company at its own expense, or by the company at the request of an applicant for a main extension which does not require a deposit from such applicant.

- 23.8 The aggregate refunds made by the Company under any Extension Deposit Agreement shall not exceed the total deposit made under such Agreement.
- 23.9 No interest will be paid by the Company on any main extension deposits or on any unrefunded balances.
- 23.10 All mains, Branch Mains and related facilities installed in accordance with this Rule 23 shall be and remain the sole property of the Company.
- 23.11 The Company shall have the right to further extend its mains from and beyond any main extension made under this Rule 23. The Depositor(s) shall not be entitled to any refund from Customers connected to further extensions from the original main extension except for the Branch Main provisions of Rules 23.6 and 23.7.
- 23.12 Before Distribution Mains will be installed in accordance with this Rule 23, the following conditions must specifically be met by the requesting party:
- (a) The road surface shall be brought to the established subgrade, properly compacted; and
  - (b) The Applicant or depositor shall furnish the Company with a right-of-way agreement suitable to the Company if such main extension or any part is to be installed in other than dedicated public streets or highways .

- 23.13 Any main extension agreement made pursuant to this Rule 23 and the right to refund thereunder shall not be assigned by any depositor without the Prior written consent of the Company.
- 23.14 Special contracts, subject to the approval of the Tennessee Public Utility Commission, may be entered into by the Company and the party or parties requesting main extensions in those instances where:
- (a) The prospects are that the patronage and demand will not be of such permanency as to warrant the capital expenditure involved, or
  - (b) There are industrial installations requiring extensive utility investment and the demand for Water Service is expected to be slight, irregular or of unknown quantity, or
  - (c) Where extensive plant additions are required before Customers can be attached and/or served, or
  - (d) Other abnormal or extraordinary circumstances are present.

24. PUBLIC FIRE HYDRANTS

- 24.1 Public Fire protection Service shall be provided to any Governmental Unit requesting same within the Company's Service area in accordance with the Company's tariff and the terms and conditions set forth in an agreement between the Company and the requesting party. Public Fire hydrants shall only be installed on Company-owned mains six inches (6") or larger in internal diameter.
- 24.2 The use of Fire hydrants shall be restricted to the taking of water for the extinguishing of Fires and at such times, is under the control of authorized representatives of the Fire Department. Water shall not be taken from any fire hydrant for construction purposes, sprinkling streets, flushing trenches, sewers, or gutters or for any other use. unless specifically authorized in writing by the Company.



- 24.3 Any expense for repairs or damage caused by persons operating Fire hydrants, shall be paid for by such persons.

25. INTERRUPTIONS IN OR CURTAILMENT OF WATER SUPPLY

25.1 Interruptions in Water Supply

The Company reserves the right at any time to shut off the water in the Distribution Mains in case of accident or emergency, or for the purpose of making connections, extensions, improvements, alterations, repairs, changes, or for other proper business or utility reasons, and may restrict the use of water to reserve a sufficient supply in its reservoirs for public fire Service or other emergencies whenever the public welfare may so require in accordance with Rule 25.2.

25.2 Curtailment of Service and/or Usage

- (a) When, in the judgment of the Company, sufficient supplies of water are not available to meet existing and anticipated demands or to preserve and replenish water storage in amounts sufficient to provide fire protection, the Company shall have the right to restrict, limit, curtail or interrupt Water Service to any Customer or Customers. The Company shall not be liable for any damage by reason of any such restriction, limitation, curtailment or interruption.
- (b) During any period of Company imposed restricting or curtailing Water Service, the Company shall not supply new service or additional service to any Customer, except for residential Premises occupied for which application for service has previously been made.
- (c) When feasible, Prior to the application of this rule, the Company shall use its best efforts to inform the public of the emergency nature of its water supply situation and request voluntary curtailment of water usage by all Customers. If, in the judgment of the Company, such voluntary curtailment is not sufficient to protect the health and safety of its Customers or to preserve and replenish its reservoir storage for Fire protection, it shall proceed under the provisions of paragraph (d) of this rule.

- (d) The Company shall endeavor to maintain a supply of water to provide for the sanitary and health requirements of its residential and human needs Customers (hospitals, medical centers, nursing homes, and apartments) and its fire protection service. The Company shall first order curtailment of usage by all Customers for sprinkling, decorative fountains, swimming pools and other similar nonessential usage. Thereafter, the Company shall curtail or limit on a pro rata basis water usage to all Customers whose average daily volume of water purchased during the preceding calendar year exceeded 100,000 gallons for any billing month during such period; provided, the Company reserves the right to order temporary, limitation or interruption of water usage for any Customer without regard to any Priority of Service when in its judgment such temporary, limitation or interruption is necessary to forestall injury to life or property. If any Customer fails to comply with any mandatory restriction, limitation or interruption of Service imposed under this paragraph (d), the Company may discontinue service to such Customer.
- (e) Company notice to Customers may be given by written notice or it may be given orally by any authorized agent of the Company. The notice shall be considered given when actually communicated in the case of oral notice or deposited in the United States Mail, if written.

## 26. RESPONSIBILITY OF COMPANY

- 26.1 The Company will undertake to use reasonable care and diligence to prevent and avoid interruptions and fluctuations in Water Service and to maintain reasonable pressure on the distribution system, but it cannot and does not guarantee to furnish at all times any given quantity for Fire or general purposes or that interruptions or fluctuations in Service will not occur. In the event there occurs any excess or deficiency in the pressure, volume or supply of water for any cause whatsoever, other than willful default or neglect on the part of the Company, the Company shall not in any way or under any circumstances be held liable or responsible to any person, firm, corporation or Governmental unit for any resulting loss or damage.

- 26.2 Unless due to willful default or neglect on the part of the Company, the Company shall not be liable for any damages resulting from the breaking of mains or Service Pipes, interruption of the supply of water or cutting off water for necessary repairs or maintenance, or from any other act, omission or event.
- 26.3 The Company shall not be considered an insurer of property or persons. or to have undertaken to extinguish Fire or to protect any persons or property against loss or damage by Fire, or otherwise. The Company agrees only to furnish and provide such supply of water as shall then be available.

27. OWNERSHIP OF PROPERTY

- 27.1 Unless otherwise agreed to, all pipe, fittings, equipment, meters or other fixtures installed at the expense of the Company shall at all times be and remain the property of the Company and may at any time during reasonable hours be inspected by the Company and/or removed by it for repairs or replacements, or upon the Discontinuance of Service.

28. GENERAL

- 28.1 No electric wires shall be grounded on the mains of the Company or on any Service Pipes or pipes or fixtures of any kind which have a metallic connection with the mains of the Company. The Company assumes no responsibility for continuity of electrical grounding systems.

APPLICATION FOR PRIVATE FIRE PROTECTION SERVICE

This Application made in triplicate this \_\_\_\_\_ day of \_\_\_\_\_  
19\_\_\_\_, by \_\_\_\_\_ (a corporation  
(APPLICANT)

of the State of \_\_\_\_\_ hereinafter called the  
"Applicant", to the Tennessee-American Water Company (a corporation of the  
State of Tennessee), doing business in the City of Chattanooga hereinafter  
called the "water Company."

The Applicant, upon the terms and conditions hereinafter set forth, hereby  
applies to the Water Company for private Fire protection service consisting of  
the right to connect a \_\_\_\_\_ inch Service pipe to the street main of the  
Water Company on \_\_\_\_\_ Street. between \_\_\_\_\_  
Street and \_\_\_\_\_ Street in the City of \_\_\_\_\_  
and attach to said Service pipe the following fixtures and openings:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All of which fixtures and openings to be located within or upon the premises  
of the applicant abutting the street on which the said main of the Water  
Company is located.

In consideration for which privilege, the Applicant agrees to be bound by  
all the terms and conditions of this application and to pay the Water Company  
for private Fire protection Service at the schedule of rates in effect from  
time to time during the rendition of such Service.

The further terms and conditions upon which this application may be  
accepted by the Water Company are as follows:

FIRST: That the application and the acceptance thereof by the Water  
Company is subject to the Prior approval of the fire department having  
jurisdiction of the premises to be served.

SECOND: That the entire private Fire protection service system on  
Applicant's premises shall be subject to the inspection, test and approval of  
the Water Company, and the Water Company by its representatives, shall have  
the right to enter the premises of the Applicant at any reasonable time for  
the purpose of making such reasonable inspections as it may deem necessary,  
and to insure compliance with the terms and conditions of this application

THIRD: That all pipes and appurtenances shall be constructed and maintained in good condition by and at the expense of the Applicant.

FOURTH: That a fire line meter or detector device approved by both the Water Company and the Fire underwriters, will be required on the service at a location approved by the Water Company. Such meter or device shall be installed and maintained by and at the cost and expense of the Applicant, but subject to the inspection and approval of the Water Company. The by-pass meter only, used with the detector device, shall be furnished, installed and maintained by the Water Company at its cost and expense.

FIFTH: That a gate valve with post indicator controlling the entire supply shall be placed at the curb or property line of the street in which the main is located or at such other point as may be approved by the Water Company, and shall be furnished, installed and maintained by and at the expense of the Applicant, and unless otherwise approved by the Water Company, said valve shall be installed in a valve pit or vault which shall also be furnished, installed and maintained by and at the expense of the Applicant.

SIXTH: That all hydrants and other fixtures connected to the private fire protection Service system shall be kept closed and sealed, and not opened or used except during times of Fire or testing. Upon extinguishment of each Fire or following each test, the Applicant shall immediately close such fixtures and notify the Water Company so that they may be sealed. Whenever a private Fire protection service system is to be tested, the Applicant shall notify the Water Company at least two (2) business days in advance of such proposed test, requesting approval of the method, day and hour on which it is to be made.

SEVENTH: That no anti-freeze or any other substance, not specifically approved by the Environmental Protection Agency as non-detrimental to the public water supply, shall be introduced into sprinkling systems or into any pipe, fixture, appurtenance or other portion of the Applicant's private fire protection Service system.

EIGHTH: That the Applicant understands and agrees that the extent of the rights of the Applicant under this application is to receive, but only at times of Fire on said premises, such supply of water as shall then be available and no other or greater quantity. The Applicant further acknowledges and agrees the Water Company shall not be considered in any way or manner an insurer of property or persons, or to have undertaken to extinguish Fire or to protect any persons or property against loss or damage by fire, or otherwise, and the Water Company shall be free and exempt from any and all claims for damages on account of any injury to property or persons

by reason of Fire, water, failure to supply water or pressure, or for any other cause whatsoever.

NINTH: That this application does not contemplate uses of fixtures other than those herein stated. Any waste of water or use of water through this connection for purposes other than testing or the extinguishment of fire, shall be deemed a violation of the terms and conditions of the Application and of the rules, regulations and conditions of Service of the Water Company.

TENTH: That if private Fire hydrants are included as part of this Application, they shall be painted any color other than that adopted by the Water Company for public Fire hydrants.

ELEVENTH: That the Applicant shall furnish, attach and make a part hereof, three (3) complete sets of drawings showing the pipes, pumps, valves, hydrants, sprinkler systems, hose outlets and connections, standpipes, tanks and other openings and appurtenances contemplated in this application. Such drawings, which shall be stamped "Approved" by the Insurance Services Office or other comparable agency approved by the Water Company, must also show all other water supply systems and pipe lines and appurtenances which are proposed or which may exist on the premises to be served.

TWELFTH: That no pipe, fixtures or appurtenances connected with the private Fire protection Service served by this application shall be connected with any pipe, fixtures. or appurtenances supplied with water from any other source, unless specifically approved in writing by the Company.

THIRTEENTH: That the Applicant agrees to obtain in advance the approval of the Water Company for any change, alteration, addition or deduction contemplated in the pipes, fixtures, openings and appurtenances and uses herein specified. Notwithstanding the approval of the Water Company, Applicant agrees that, except for those facilities which the Water Company has specifically agreed to provide and maintain, Applicant is and will be solely responsible for the design, adequacy, function and maintenance of its private fire protection Service system referred to in this application.

FOURTEENTH: That the Water Company has the right to discontinue or disconnect the Service pipe herein applied for, and to terminate service under this application, after due written notice to the Applicant, for failure to pay any bill when due, for leakage within Applicant's system, for violation of any of the terms and conditions of this Application, or for any violation of its rules, regulations and conditions of Service; and the Water Company also has the right to shut off all or any part of its facilities and discontinue the service without notice when deemed necessary by the Water Company (1) if a

condition dangerous or hazardous to life, physical safety or property exists, (2) under order by any court, the Public Utility Commission or other duly authorized public authority, (3) if fraudulent or unauthorized use of water by Applicant is detected, or if the Water Company's regulating or measuring equipment has been tampered with by Applicant.

FIFTEENTH: That upon acceptance of this Application by the Water Company and the completion of the installation of the service pipe applied for, this Application shall be in full force and effect as a contract and shall continue as such until cancelled by written notice given thirty (30) days in advance by the Applicant to the Water Company, except as otherwise provided in numbered paragraph (14) above.

SIXTEENTH: The acceptance of this Application by the Water Company must be executed by its Manager and President or Vice President before same becomes effective.

IN WITNESS WHEREOF, the Applicant has executed this Application as the day and year first above written.

WITNESS:

(APPLICANT)

APPROVED this \_\_\_\_ day of -----, 19\_\_

WITNESS:

(CHIEF OF FIRE DEPARTMENT)

IN WITNESS WHEREOF, the Company hereby accepts the foregoing Application this \_\_\_\_ day of \_\_\_\_\_, 19\_\_

**ECONOMIC DEVELOPMENT RIDER  
RIDER EDR****Purpose**

The purpose of this Economic Development Rider is to encourage industrial and commercial development in Tennessee.

**Availability**

Water service under this rider is only available in conjunction with local, regional, and state governmental economic development activities where incentives have been offered and accepted by a customer who is requesting service, in conjunction with the location of new or expanding facilities, in the Company's service areas.

Water service under this rider is only available to customers otherwise qualified for service under the following Company's service classifications:

- Industrial
- Commercial

Water service under this rider is not available in conjunction with service provided pursuant to any other special contract agreements.

**Applicability**

This Rider is applicable to a new customer, or the additional separately-metered facilities of an existing customer, who will be served under one or more of the above service classifications and who meet the following criteria:

- 1) The annual load factor of the new customer or additional facilities is reasonably projected to equal or exceed fifty-five percent (55%) during the entire term of application of this rider. The projected annual customer load factor shall be determined using the following relationship: Projected Annual Water Consumption, Expressed as MGD, divided by Maximum Summer Monthly Billing Demand, Expressed as MGD.
- 2) The average annual billing demand on the new customer or additional facilities is projected to be at least 0.5% of the total Company consumption during each contract year under this rider.



**ECONOMIC DEVELOPMENT RIDER  
RIDER EDR (Continued)**

3) The customer's new or additional facilities must create new permanent jobs within the facilities qualifying for this rider. The number of jobs created must be 0.1 % of the total population of the service area.

Requests for service under this Rider must be submitted prior to the customer having committed to moving into or expanding within the Company's service territory and shall be accompanied by sufficiently detailed information to enable the Company to determine whether the new customer or additional facilities meet the above criteria.

Services under this Rider shall be evidenced by a contract between the customer and the Company in the general form as that contained in the following sheets, which shall be filed within ten days of execution with the Tennessee Public Utility Commission ("TRA") for information purposes.

Customer must notify Company in writing of the date at which customer would like the provisions of this Rider to commence. Such commencement date must be within twelve (12) months of the execution of the contract.

This Rider shall only be available if adequate capacity is available to meet the additional load throughout the year.

**Incentive Provisions****Amount of Discount**

Subject to the provisions below, the discount during the first contract year shall be thirty percent (30%); during the second contract year, twenty-five percent (25%); during the third contract year, twenty percent (20%); during the fourth contract year, fifteen percent (15%); and during the fifth contract year, ten percent (10%). After the end of the fifth contract year, no other discount pursuant to this Rider shall be applied to the customer's bill and the applicability of this Rider and its associated contract to the particular facilities shall cease.

**Calculation**

At the conclusion of the first contract year (i.e., 12 full monthly billing periods after the effective date of the contract), the Company shall review customer's annual load factor and calculate an average monthly billing demand. If the customer has demonstrated at least a fifty-five percent (55%) annual load factor and at least an annual consumption level of 0.5% of total consumption for the Company, then a bill credit shall be issued to apply the thirty percent (30%) discount for the first contract year, as set out below.

**ECONOMIC DEVELOPMENT RIDER  
RIDER EDR (Continued)****Calculation Continued:**

The same review shall be made at the end of each succeeding year during the five-year period and the applicable discount amount applied as a credit for that year if the criteria were met.

If the customer fails to meet the criteria for a particular year, the applicable discount for that one year shall be forfeited by the customer but the contract shall remain in effect and the customer shall remain eligible for the discounts that would be applicable during the remainder of the five-year period.

If the customer fails to meet the criteria in both the first and the second year, or in any two successive years during the five-year period, service to the customer under this Rider shall terminate and the contract for service under the Rider shall be void.

**Application of the Discount:**

Since the discount is to be calculated at the end of the year after determination that all criteria have been met, the customer will have been billed for the otherwise applicable rate schedule and been charged for the appropriate taxes (e.g., sales and other gross receipts or franchise taxes). To afford the customer the full benefit of the discount (e.g., thirty percent (30%) for the first year) to the amount the customer paid for water service pursuant to the otherwise applicable rate schedule for the previous twelve billing periods, not including taxes. The discount will be given to the customer by that amount being applied as a credit on the next bill, prior to the calculation of taxes. No discount will be applied to items on the bill that are otherwise required to be charged to a customer by statute or rule of the TRA.

**Revenue Determination:**

The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with the rate schedules. The discount, where applicable, will be determined based on service rendered to customer during the Company's designated and applicable billing periods of each contract year and shall be as follows:

	<b>Discount</b>
First Contract Year	30%
Second Contract Year	25%
Third Contract Year	20%
Fourth Contract Year	15%
Fifth Contract Year	10%

After the conclusion of the fifth contract year, these discounts shall cease. All other billing, operational and related provisions of the aforementioned shall remain in effect.

**ECONOMIC DEVELOPMENT RIDER  
RIDER EDR (Continued)**Form of Contract

This Agreement is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between Tennessee-American Water Company and \_\_\_\_\_ (Customer).

**WITNESSETH:**

Whereas, Company has on file with the State of Tennessee Public Utility Commission, a tariff providing for an Economic Development Rider (Rider), and;

Whereas, Customer is a new customer, or has acquired additional separately metered facilities within the Company's service territory; and;

Whereas, Customer has furnished sufficient information to the Company to demonstrate that its new facilities or additional separately metered facilities (Facilities) satisfied the Availability and Applicability provisions of the Rider, and;

Whereas, Customer wishes to take water service from the Company, and the Company agrees to furnish water service to the Customer under this Rider and pursuant to all other applicable tariffs of the Company;

Now, therefore, the Company and Customer agree as follows:

1. Service to the Customer's Facilities shall be pursuant to the Rider, all other applicable tariffs, and the Company's General Rules and Regulations applying to water service, as may be in effect from time to time and approved by the TRA.
2. Customer acknowledges that this Agreement is not assignable voluntarily by Customer, but shall nevertheless inure to the benefit of and be binding upon the Customer's successors by operation of law, so long as the successor continues to meet the criteria of the Rider.
3. Customer will furnish additional information, as requested by the Company, to assure the continued eligibility for service under the Rider.

**ECONOMIC DEVELOPMENT RIDER  
RIDER EDR (Continued)**

Customer acknowledges that all information provided to the Company for the purpose of determining whether the Customer is eligible for service under the Rider shall be retained by the Company and shall be subject to inspection and disclosure under Chapters 386 and 393, RSMO 1986, as amended from time to time. Should the customer designate any of such information proprietary or confidential, Company shall notify customer of any request for inspection or disclosure, and shall use good faith efforts to secure an agreement or TRA order protecting the proprietary or confidential nature of such information.

5. This Agreement shall be governed in all respects by the laws of the State of Tennessee (regardless of conflict of law provisions), and by the orders, rules and regulations of the TRA as they may exist from time to time. Nothing contained herein shall be construed as divesting, or attempting to divest, the TRA of any right, jurisdiction, power or authority vested in it by law.

In witness whereof, the parties have signed this Agreement as of the date first above written.

Tennessee-American Water Company

\_\_\_\_\_  
Customer

By: \_\_\_\_\_

By: \_\_\_\_\_

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

**PETITION OF TENNESSEE-  
AMERICAN WATER COMPANY TO  
CHANGE AND INCREASE CERTAIN  
RATES AND CHARGES**

)  
)  
)  
)

**DOCKET NO. 24-** \_\_\_\_\_

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**VERIFICATION**

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STATE OF Tennessee )  
 )  
COUNTY OF Hamilton )

I, ROBERT C. LANE, being duly sworn, state that I am authorized to testify on behalf of Tennessee-American Water Company in the above-referenced docket, that if present before the Commission and duly sworn, my testimony would be as set forth in my pre-filed testimony in this matter, and that my testimony herein is true and correct to the best of my knowledge, information, and belief.

\_\_\_\_\_  
ROBERT C. LANE

Sworn to and subscribed before me  
this 25<sup>th</sup> day of April, 2024.

\_\_\_\_\_  
Notary Public

My Commission Expires: 2-28-28

