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May 6, 2024

VIA ELECTRONIC FILING

Hon. Herbert H. Hilliard, Chairman
c/o Ectory Lawless, Docket Room Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
TPUC.DocketRoom@tn.gov

Electronically Filed in TPUC Docket
Room on May 6, 2024 at 2:22 p.m.

RE: *Petition of Tennessee-American Water Company to Modify Tariff, Change and Increase Charges, Fees, and Rates, and for Approval of a General Rate Increase, TPUC Docket No. 24-00032*

Dear Chairman Hilliard:

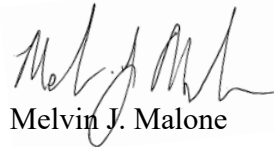
Attached for filing is a substitute page 11 to the *Pre-Filed Direct Testimony of Grant Allen Evitts*, which was filed on May 1, 2024, in the above-captioned matter.

For ease of reference, the correction to the *Pre-Filed Direct Testimony of Grant Allen Evitts* is as follows: on substitute page 11, line 7, the amount is changed from \$4.24 to \$4.98. With this correction on substitute page 11, the corrected sentence on page 11 now reads: "For residential customers currently served under the Chattanooga rate specifically, the average monthly bill will be impacted by \$4.98."

As required, the original plus four (4) hard copies will follow. Should you have any questions concerning this filing, or require additional information, please do not hesitate to contact me.

Very truly yours,

BUTLER SNOW LLP



Melvin J. Malone

clw

Attachment

cc: Bob Lane, TAWC
Shilina Brown, Consumer Advocate Division
Victoria Glover, Consumer Advocate Division

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1 typical² residential customer using 125 gallons of water per day would pay \$381 per year
2 for water. Put another way, under the Company's proposed rates and rate design, an annual
3 bill for a typical residential customer of \$381 equates to about \$1.04 per day. Therefore,
4 for about \$1.04 per day an average residential customer has all the water he or she and their
5 family need to drink, cook, wash, and maintain their general health and well-being. For
6 residential customers currently served under the Chattanooga rate specifically, the average
7 monthly bill will be impacted by \$4.98.

8 **Q. HAS THE COMPANY PERFORMED AN ANALYSIS OF THE AFFORDABILITY**
9 **OF ITS SERVICE UNDER THE PROPOSED RATES?**

10 A. Yes. Company Witness Charles Rea has conducted a detailed analysis of the affordability
11 of our historical and proposed rates and relates the median household income for customers
12 in our service territory to our water bills over time. Even with the rate increases necessitated
13 by our capital program, Mr. Rea's analysis demonstrates that our water service, overall,
14 remains affordable under the Company's proposed rates. His testimony compares historical
15 average monthly water bills to monthly household income for TAWC customers from 2012
16 through 2023, both in absolute terms and in terms of bill to income ("BTI") ratios. Mr. Rea
17 then analyzed the Company's proposed bills in this case and estimated median household
18 income ("MHI") for our residential customers during the attrition year. His analysis shows
19 that BTI Ratios for the residential customer base have consistently been in the 0.55% to
20 0.65% of MHI range from 2012 to 2023 and are expected to be 0.63% under the Company's

² A typical residential customer is a customer who will take service under the Company's Rate Zone 1. Company witness Brooks' Direct Testimony provides further details related to the Company's proposed rate design for residential customers.


CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

Shilina B. Brown, Esq.
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This the 6th day of May 2024.



Melvin J. Malone