

# BUTLER | SNOW

May 6, 2025

**VIA ELECTRONIC FILING**

Electronically Filed in TPUC Docket  
Room on May 6, 2025 at 1:48 p.m.

David Foster, Director  
Utilities Division  
c/o Ectory Lawless, Docket Room Manager  
Tennessee Public Utility Commission  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243  
[TPUC.DocketRoom@tn.gov](mailto:TPUC.DocketRoom@tn.gov)

**RE: *Petition of Tennessee-American Water Company Regarding The 2025 Production Costs and Other Pass-Throughs Rider, TPUC Docket No. 25-00002***

Dear Mr. Foster:

Attached for filing please find *Tennessee-American Water Company's Response to Commission Staff's Second Data Request* dated April 29, 2025, in the above-captioned matter.

As required, copies of this filing will be mailed to your office. 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

Attachments

cc: Bob Lane, TAWC  
Karen H. Stachowski, Consumer Advocate Unit  
Vance Broemel, Consumer Advocate Unit  
Shilina Brown, Consumer Advocate Unit

*Neuhoff Building  
1320 Adams Street, Suite 1400  
Nashville, TN 37208*

**MELVIN J. MALONE**  
615.651.6705  
C 615.948.7801  
[melvin.malone@butlersnow.com](mailto:melvin.malone@butlersnow.com)

*T 615.651.6700  
F 615.651.6701  
[www.butlersnow.com](http://www.butlersnow.com)*

BUTLER SNOW LLP

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**TENNESSEE-AMERICAN WATER COMPANY  
DOCKET NO. 25-00002  
SECOND DATA REQUEST OF THE  
TENNESSEE PUBLIC UTILITY COMMISSION STAFF**

**Responsible Witness:** Robert Lane

**Question:**

1. Confirm that the PCOP Rider surcharge was reset to zero in the same billing cycle as the new base rates authorized by Docket 24-00032 became effective. If so, confirm that customers are not currently being billed a PCOP surcharge amount on their monthly bills. If not, state the current PCOP Rider surcharge being billed to customers. Please explain.

**Response:**

Confirmed: The PCOP Rider surcharge was reset to zero in the same billing cycle as the new base rates authorized by Docket 24-00032 became effective. The PCOP Rider was set to zero effective January 21, 2025. Therefore, customers are not currently being billed a PCOP surcharge amount on their monthly bills.

**TENNESSEE-AMERICAN WATER COMPANY  
DOCKET NO. 25-00002  
SECOND DATA REQUEST OF THE  
TENNESSEE PUBLIC UTILITY COMMISSION STAFF**

**Responsible Witness:** Robert Lane

**Question:**

2. Confirm that the Order Setting Rates issued in Docket 24-00032 established a new baseline for PCOP expenses, and that the prospective PCOP Rider surcharge will be filed to collect any over-recovery or under-recovery of baseline PCOP expenses for the period January 1, 2026, through December 31, 2026. Please explain.

**Response:**

Confirmed. The Order Setting Rates issued in Docket 24-00032 established a new baseline for PCOP expenses and the PCOP surcharges to be filed to collect any over-recovery or under-recovery of baseline PCOP expenses.

In 2026 the Company would, under the existing tariff, file a PCOP in January of 2026 to address any over recovery or under recovery of PCOP expenses for the period December 1, 2024 to November 30, 2025. This will likely require that the authorized levels of PCOP expenses be prorated between the expenses authorized in Docket 12-00049 and those authorized in Docket 24-00032 to account for the fact the authorized expenses in December 2024 were those authorized in Docket 12-00049 while the remaining 11 months of the period the authorized amounts from Docket 24-00032 should be used to calculate the under or over recovery of costs. When the Company files its PCOP in 2027 to recover its PCOP eligible costs for the period December 1, 2025 through November 30, 2026, the calculation of the over or under recovery of PCOP costs would be entirely based on those authorized in Docket 24-00032.

**TENNESSEE-AMERICAN WATER COMPANY  
DOCKET NO. 25-00002  
SECOND DATA REQUEST OF THE  
TENNESSEE PUBLIC UTILITY COMMISSION STAFF**

**Responsible Witness:** Robert Lane

**Question:**

3. How do you propose to recover any authorized under-recovery of PCOP expenses through the period ended November 30, 2024? Please explain.

**Response:**

There are two types of under recovery at issue in TPUC Docket No. 25-00002 for the period ended November 30, 2024.

First, there is the recovery of the difference between actual PCOP eligible costs and the PCOP Eligible Costs authorized in TPUC 12-00049. This calculation can be found in Exhibit TAW\_EXH\_RCL\_1 REVISED Support Workpaper. This calculation represents how we proposed to recover these expenses.

Second, there is the under recovery in the amount of \$436,223, which reflects the difference between the amount authorized by the Commission in TPUC Docket No. 24-00002 and the amount of revenue actually collected via the PCOP Surcharge during that authorized period December 1, 2023 through November 30, 2024. See TAW\_EXH\_RCL\_1 REVISED. This calculation represents how we proposed to recover this under recovery of authorized revenues.

**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:

<u>Incremental Capital Recovery Rider</u>	0.00%
PCOP	3.85%(D)

(D) Indicates Decrease

(I) Indicates Increase

ISSUED: April 22, 2025

EFFECTIVE: May 29, 2025

BY:

  
Grant A. Evitts  
PRESIDENT

109 Wiehl Street  
Chattanooga, Tennessee 37403

**TENNESSEE-AMERICAN WATER COMPANY  
DOCKET NO. 25-00002  
SECOND DATA REQUEST OF THE  
TENNESSEE PUBLIC UTILITY COMMISSION STAFF**

**Responsible Witness:** Robert Lane

**Question:**

4. File a proposed tariff in this docket to true-up the PCOP expenses through November 30, 2024.

**Response:**

See PETITIONER REVISED EXHIBIT PROPOSED PCOP TARIFF attached to the Rebuttal Testimony of TAWC Witness Robert C. Lane and attached here for ease of reference.

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION  
NASHVILLE, TENNESSEE

PETITION OF TENNESSEE-  
AMERICAN WATER COMPANY )  
REGARDING THE 2025 PRODUCTION )  
COSTS AND OTHER PASS- )  
THROUGHS RIDER )


DOCKET NO. 25-00002

VERIFICATION

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, verifies that the data requests and discovery responses are accurate to the best of my knowledge.

  
ROBERT C. LANE

Sworn to and subscribed before me  
this 5<sup>th</sup> day of May, 2025.

  
Notary Public

My Commission expires: 2-28-28



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:

Vance L. Broemel, Esq.  
Managing Attorney  
Office of the Tennessee Attorney General  
Consumer Advocate Division  
P.O. Box 20207  
Nashville, TN 37202-0207  
[Vance.Broemel@ag.tn.gov](mailto:Vance.Broemel@ag.tn.gov)

Karen H. Stachowski, Esq.  
Deputy Attorney General  
Office of the Tennessee Attorney General  
Consumer Advocate Division  
P.O. Box 20207  
Nashville, TN 37202-0207  
[Karen.Stachowski@ag.tn.gov](mailto:Karen.Stachowski@ag.tn.gov)

Shilina Brown, Esq.  
Senior Assistant Attorney General  
Office of the Tennessee Attorney General  
Consumer Advocate Division  
P.O. Box 20207  
Nashville, TN 37202-0207  
[Shilina.Brown@ag.tn.gov](mailto:Shilina.Brown@ag.tn.gov)

This the 6<sup>th</sup> day of May 2025.

  
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Melvin J. Malone