

STATE OF TENNESSEE

Office of the Attorney General



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October 28, 2025

Dart Kendall
c/o Ms. Tory Lawless, Docket Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37242-0001

Electronically Filed in TPUC Docket
Room on October 28, 2025 at 11:13 a.m.

Re: Tennessee Public Utility Commission, Docket No. 25-00029, *Aqua Green
Utility Inc Petition to Amend Escrow Charge*

Dear Mr. Kendall:

On Friday, October 24, 2025, you sent an email to Monica Smith-Ashford, the Administrative Judge assigned to this Docket. This letter is to address some statements you made in the email.

You stated that “The AG made her demands clear in the hallway after [your] last hearing.” First, I made no “demands,” but stated the Consumer Advocate’s position on your Petition and offered suggestions. I stated that the Petition, as written, is requesting a change in Aqua Green’s rates and as such requires a rate case procedure. However, I suggested that Aqua Green could seek recovery of some of the costs it has expended from its escrow account based on a separate docket with a small wastewater utility. You stated that you only use the escrow account for emergencies. While understanding your position, I said that I would share the language from testimony of Party Staff and the resulting Commission’s order about use of escrow funds. Accordingly, I followed up with your attorney on June 23, 2025, by email. A copy of this email is attached to this correspondence. I never received a response from your attorney to my email. In the discussion in the hallway, I also mentioned the idea of Aqua Green requesting an annual rate review mechanism like another small wastewater utility, Superior Wastewater, that allows for small rate increases each year, if appropriate.

I agree with you on the benefits of having a conversation with Commission Staff, but the vehicle for Staff to participate in a contested case is a request for the assignment of Party Staff. The Commission recently agreed to a request to assign Party Staff in a separate docket on the topic of the use of escrow funds (TPUC Docket No. 25-00023). The inclusion of Party Staff was instrumental in the understanding of both parties about the appropriate and expected use of an

escrow fund. Because of the discussions with Party Staff in TPUC Docket No. 25-00023, the Consumer Advocate did not need to intervene in TPUC Docket No. 25-00051 because an understanding had been reached about the use of escrow funds. The Consumer Advocate would support the assignment of Party Staff to your Docket, and if you would like to move forward with a request for the assignment of Party Staff, please let me know.

The Consumer Advocate thanks you for your time and attention to this request. If you have questions, please contact me at (615) 741-2370 or at karen.stachowski@ag.tn.gov.

Respectfully,



Karen H. Stachowski
Deputy Attorney General

cc: Monic Smith-Ashford, TPUC

Attachment 1

From: [Karen H. Stachowski](#)
To: rhutchison@stites.com
Cc: [Terra N. Allen](#); [Clark Kaml](#)
Subject: TPUC Docket No. 25-00030
Date: Monday, June 23, 2025 2:47:47 PM
Attachments: [image001.png](#)
[image002.png](#)

Ross,

It was good to meet you this morning at the TPUC Conference. Below is an excerpt from Staff Testimony in another utility's Staff-Assisted Rate Case.

Link to Docket Page <https://share.tn.gov/tra/dockets/2400073.htm>

Link to Craig Cox's (TPUC Staff) Testimony <https://share.tn.gov/tra/orders/2024/2400073b.pdf>

The following is from the Direct testimony of TPUC Witness Craig Cox in IRM's rate case 24-00073 regarding the use of Escrow Funds

proposed by Party Staff for routine repair and maintenance expenses is \$211,645. Also of note, Party Staff identified nearly \$17,000 in affiliate test year charges for non-routine

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repair and maintenance expenditures; these charges include expenditures for less routine events, such as pump and vault replacements along with main line breaks. In Party Staff's interpretation of Commission escrow rules, these types of non-routine expenditures would be candidates for escrow fund usage and, consequently, should not be used to build revised base service rates. These affiliate repair and maintenance adjustments are

After sharing this information with your client, feel free to contact me about Mr. Kendall's thoughts about use of the escrow account or if still wants to pursue changes to the escrow account.

Karen

Attachment 1

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