

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE**

<b>JOINT PETITION OF TENNESSEE-</b>	)	
<b>AMERICAN WATER COMPANY,</b>	)	
<b>AMERICAN WATER WORKS</b>	)	
<b>COMPANY, INC. NEXUS REGULATED</b>	)	<b>DOCKET NO. <u>25-00040</u></b>
<b>UTILITIES, LLC AND TENNESSEE</b>	)	
<b>WATER SERVICE, INC. FOR</b>	)	
<b>AUTHORIZATION OF CHANGE OF</b>	)	
<b>CONTROL, APPROVAL OF THE</b>	)	
<b>AGREEMENT AND PLAN OF MERGER</b>	)	
<b>AND FOR THE ISSUANCE OF A</b>	)	
<b>CERTIFICATE OF CONVENIENCE</b>	)	
<b>AND NECESSITY</b>	)	

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**DIRECT TESTIMONY  
OF  
TIFFANY VAN HORN**

**ON BEHALF OF  
TENNESSEE WATER SERVICE, INC.**

**SPONSORING SELECT APPENDIX A EXHIBITS**

1   **Q.     PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

2   A.     My name is Tiffany Van Horn. I am the President of Tennessee Water Service, Inc.  
3           ("TWS" or "Company"), a subsidiary of Nexus Regulated Utilities, LLC. ("Nexus"). My  
4           business address is #2 N. Wolfscratch Drive, Jasper, GA 30143.

5   **Q.     PLEASE DESCRIBE YOUR DUTIES IN YOUR CURRENT POSITION.**

6   A.     As President, I am responsible for all aspects of the Company's business, culminating in  
7           the ongoing provision of safe drinking water to all of our customers.

8   **Q.     PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL**  
9           **BACKGROUND.**

10  A.     I received my undergraduate degree in Business Administration with a Major in  
11           Accounting from Gonzaga University in Spokane. In 2007, I began working as the Support  
12           Services Manager in Alaska for what is now an affiliate of CRU US, and have held  
13           Management, Director, and Vice President roles prior to serving in my current role as  
14           President. Before 2007, I worked within the oil refining industry and public accounting  
15           industry.

16  **Q.     WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

17  A.     The purpose of my testimony is to support the Joint Petition and 1) describe the water  
18           system and operational history; 2) generally describe the Purchase and Sale Agreement  
19           (the "Stock Purchase Agreement" and Merger Agreement between American Water Works  
20           Company, Inc. ("American Water") and Nexus Regulated Utilities, LLC ("Nexus");  
21           3) explain the benefits of the proposed acquisition; and 4) provide an overview of the  
22           current rates for TWS customers.

1 **Q. WOULD YOU BRIEFLY DESCRIBE THE COMPANY’S WATER OPERATIONS**  
2 **HERE IN TENNESSEE?**

3 A. TWS is a public utility subject to the Commission's jurisdiction, providing water utility  
4 service to approximately 440 customers located in the Chalet Village North system in  
5 Sevier County. We deliver safe and reliable water service to our customers' homes through  
6 the pumping and treatment of ground water via our (2) public water supply wells as well  
7 as via an interconnect with the municipal system of the City of Gatlinburg. In November  
8 2016, Chalet Village suffered extensive damage in the wildfires that swept through the  
9 Great Smoky Mountains (the "Wildfire"). Prior to the Wildfire, the Company served  
10 approximately 564 customers and after the Wildfire, only 25 connections remained active,  
11 representing more than a 95% loss of customer base. The Company only serves one  
12 residential class of customers and as such, all customers are identified as “Residential” in  
13 our billing system and are charged the same rates as set forth in the tariff.

14 **Q. PLEASE PROVIDE THE CURRENT OPERATIONAL STATUS OF THE TWS**  
15 **WATER SYSTEM.**

16 A. Transparency, health, and safety are key priorities in our company’s effort to provide a  
17 high-quality, reliable water supply. TWS continually strives to supply water that meets  
18 and/or exceeds all federal and state water quality regulations. TWS testing in 2024  
19 revealed no contaminants and no violations of drinking water regulations.

20 The system currently serves approximately 75% of the premises that were present prior to  
21 the Wildfire, and approximately double the active premises at the time of filing the  
22 Company’s last rate case (“2019 case”). Construction activities and re-connections have  
23 continued since the 2019 case with a mix of full-time and seasonal occupancy. Despite the

1 rapid increase in active connections over the past few years, the Company expects re-  
2 connections of premises in the system to continue for the foreseeable future, though a  
3 timing and count of a final “plateau” of customer connections is unknown at this time.

4 **Q. WHAT IS THE 2024 RATE BASE OF THE TWS SYSTEM**

5 A. The 2024 rate base of the TWS system is \$2,010,732.

6 **Q. PLEASE SUMMARIZE THE COMPANY’S CUSTOMER RELATIONS**  
7 **ACTIVITIES SINCE THE 2019 CASE.**

8 A. TWS maintains regular communication with our customers through email, voice reach  
9 phone messaging, social media, and the Tennessee Water Service website. In addition,  
10 several on-site meetings with the TWS management team and the Homeowners  
11 Association Board (“HOA Board”) members and community manager have been held over  
12 the past couple of years. The main goal of our meetings was to focus on enhancing the  
13 relationship with the HOA Board and the community after the Wildfire, creating a dialogue  
14 that allows for open and upfront communication. Topics shared with the HOA Board  
15 included updates on the status of the repairs and restoration activities, any customer issues,  
16 company news and the opportunity for the HOA Board to ask questions of the team.  
17 Our dedicated field team is onsite and available to provide the best possible customer  
18 service to the Chalet Village community. In a recent meeting with the HOA Board, they  
19 gave accolades to our onsite team for providing excellent customer service. Customers  
20 have noted that the frequent interaction and availability to answer any questions has been  
21 a tremendous help and is well received in the community.

1   **Q.     PLEASE EXPLAIN THE PLAN FOR COMMUNICATING WITH CUSTOMERS**  
2       **ABOUT THE PROPOSED TRANSACTION.**

3   A.     I advised both the President and General Manager of the HOA of the proposed transaction  
4       prior to the filing of the Joint Petition. In addition, the current customers of the system will  
5       be notified of this Joint Petition pursuant to the Commission’s existing public notice  
6       requirements as soon as a proposed hearing date is known to the Joint Applicants. The  
7       system customers will be provided, among other things, a summary of any proposed  
8       changes, along with the Commission’s date for the Hearing on the merits. In addition to  
9       the Commission’s existing notice requirements, TAWC or TWS will provide written  
10      notification of the Joint Petition, along with a summary, directly to all customers served by  
11      the system either by direct mail or electronically within thirty (30) days of the submission  
12      of the Joint Petition. Also, TWS. will post notification of the Joint Petition, along with a  
13      summary, on the main page of its website in a prominent position that is readily seen and  
14      accessible within five (5) days of the submission of the Joint Petition.

15   **Q.     WHY HAS TWS JOINED IN THIS PETITION?**

16   A.     TWS, Nexus, American Water, and Tennessee-American Water Company, Inc. (“TAWC”)  
17      have filed this joint petition to seek regulatory approval of the acquisition of TWS by  
18      American Water and a Certificate of Convenience and Necessity (“CCN”) to allow TAWC  
19      to acquire by merger all stock of TWS and take over all operations of TWS in Tennessee.  
20      This Stock Purchase Agreement is attached as **Exhibit C** to the Joint Petition and is  
21      described fully in the Direct Testimony of Mr. Grady Stout.  
22      TWS has joined this petition because it believes that this acquisition is the reflection of an  
23      arms-length negotiation that is in the best interests of the TWS customers.

1   **Q.    ARE YOU SPONSORING ANY EXHIBITS:**

2    A.    Yes. Below is a list of the exhibits attached to the Joint Petition that I am sponsoring:

3               Appendix A, Exhibit (D)      TWS Current Tariff

4               Appendix A, Exhibit (B)      TWS System Map

5   **Q.    WHY DOES TWS BELIEVE THIS ACQUISITION PROVIDES BENEFITS TO**  
6   **THE CURRENT TWS CUSTOMERS?**

7    A.    TWS has spent considerable time assisting the Chalet Village community in the aftermath  
8           of the 2016 Wildfires in Gatlinburg. It has worked closely with the HOA Board to ensure  
9           the community is cared for, including modifying its rate structure in the 2024 ARM Petition  
10          filing to reflect historic billing practices that TWS customers requested. The first benefit  
11          that will come from this acquisition is the continuation of the high level of customer service  
12          that TWS has established.

13   **Q.    WHAT OTHER BENEFITS WILL TWS CUSTOMERS RECEIVE AS A RESULT**  
14   **OF THIS ACQUISITION?**

15   A.    The TWS system currently operates alone in Tennessee. By joining the established  
16          presence of American Water in Tennessee, TWS customers will benefit by enjoying larger  
17          economies of scale and access to the resources and expertise of the American Water  
18          organization. Mr. Stout more fully describes the organizational benefits and expertise of  
19          American Water in his Direct Testimony.

1 **Q. WILL THE PROPOSED ACQUISITION BY TAWC SERVE THE PUBLIC**  
2 **INTEREST?**

3 A. Yes. I believe that this acquisition is in the best interests of TWS customers, and I believe  
4 that TAWC will continue to provide the high level of customer service that TWS has  
5 established and the our customers have grown to expect.

6 **Q. HOW WILL TWS CUSTOMERS BE DIRECTLY AFFECTED BY THIS**  
7 **ACQUISITION?**

8 A. It is my understanding that TWS customers will not experience any significant changes as  
9 a result of this acquisition. TAWC is proposing to adopt the rates, financials, and rate base  
10 of TWS. TAWC is also proposing to continue using a contractor to operate the TWS  
11 system, consistent with TWS' current practice, and to keep TWS as separate and apart from  
12 TAWC's existing system for purposes of accounting and ratemaking. Because of this,  
13 TWS customers should not experience any change in rates or service as a result of the  
14 acquisition.

15 **Q. PLEASE DESCRIBE THE CURRENT RATE STRUCTURE FOR TWS.**

16 A. After the 2019 rate case, in 2023, TWS petitioned the Commission to authorize the use of  
17 an Annual Review Mechanism ("ARM") pursuant to Tenn. Code Ann. §65-5-  
18 103(d)(6). TWS entered into a Settlement Agreement with the Consumer Advocate  
19 Division of the Office of the Tennessee Attorney General ("Consumer Advocate"), and the  
20 Settlement Agreement was approved by the Commission. The Settlement Agreement  
21 included changes to the TWS tariff that incorporated the agreed-upon ARM  
22 Methodologies, which provide the structure and process for TWS to present its Historic  
23 Period and Attrition Period revenue requirements, along with any other pertinent

1 information and support for the annual mechanism filing. The Settlement Agreement also  
2 included several provisions and limitations on TWS's annual filings, such as providing no  
3 rate increase for the first two filings, a 15% threshold for non-revenue water, and a \$15,000  
4 limitation on annual filing costs.

5 **Q. HOW HAVE TWS' RATES CHANGED SINCE THE COMMISSION APPROVED**  
6 **THE TWS ARM.**

7 A. Last year, the Company filed its first ARM filing (Dkt 24-00028), in which the rates were  
8 ultimately lowered due to a revenue sufficiency of \$8,732. This year, the Company filed  
9 to open a docket and extend the time to file its Petition for approval of its 2025 annual rate  
10 review (Dkt 25-00031). TWS' petition will be filed contemporaneously with this Joint  
11 Petition. In conformance with the Settlement Agreement, TWS is proposing in its current  
12 ARM filing that there be no change in rates.

13 **Q. ARE YOU FAMILIAR THE DIRECT TESTIMONY OF GRADY STOUT THAT IS**  
14 **BEING FILED IN THIS JOINT PETITION?**

15 A. Yes, I have reviewed the testimony of Grady Stout, and I agree with the purpose and  
16 information presented therein.

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 A. Yes, it does. However, I reserve the right to update or amend this testimony upon receipt  
19 of additional data or other information that may become available.



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NASHVILLE, TENNESSEE**

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AMERICAN WATER COMPANY,  
AMERICAN WATER WORKS COMPANY,  
INC., NEXUS REGULATED UTILITIES,  
LLC, AND TENNESSEE WATER  
SERVICE, INC. FOR AUTHORIZATION  
OF CHANGE OF CONTROL, APPROVAL  
OF THE AGREEMENT AND PLAN OF  
MERGER AND FOR THE ISSUANCE OF A  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY**

**DOCKET NO. 25-00** \_\_\_\_\_

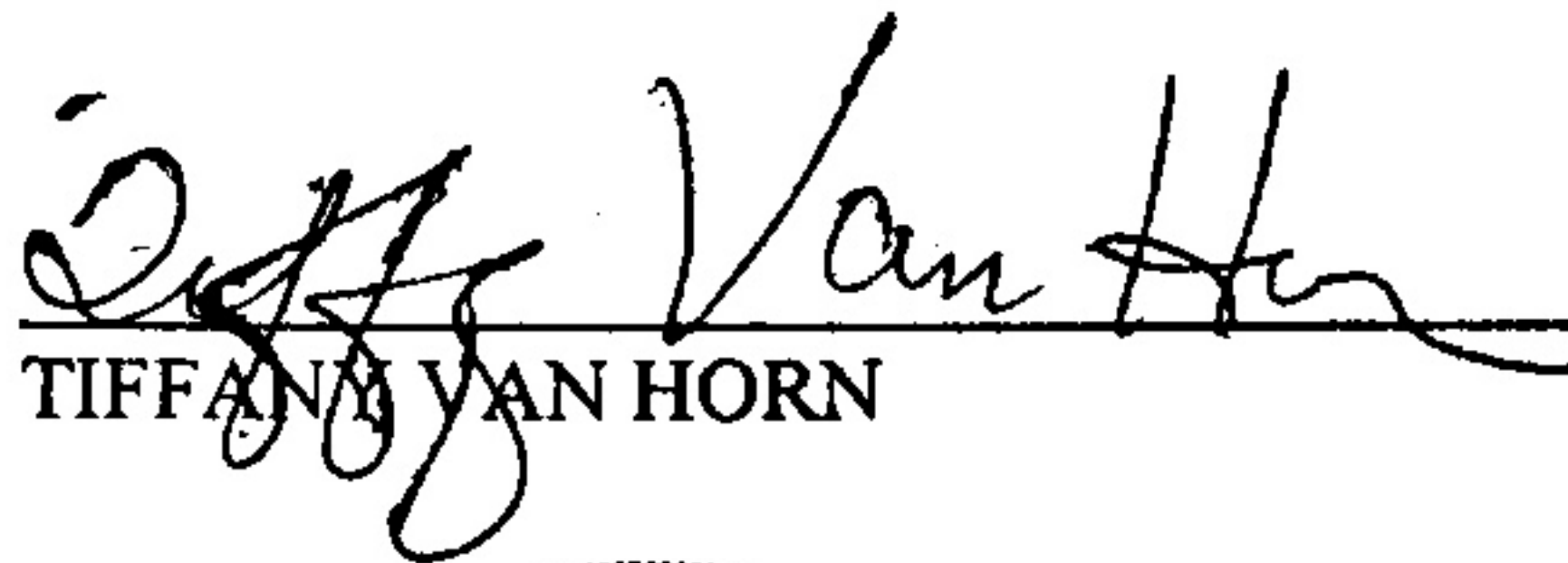
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**VERIFICATION**


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**STATE OF** Georgia )  
**COUNTY OF** Paulding )

I, TIFFANY VAN HORN, being duly sworn, state that I am authorized to testify on behalf of Tennessee Water Service, Inc., 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.

  
\_\_\_\_\_  
TIFFANY VAN HORN

Sworn to and subscribed before me  
this 29 day of May, 2025.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: April 3, 2027

