

November 17, 2025

**VIA ELECTRONIC FILING**

Hon. David Jones, Chairman  
c/o Ectory Lawless, Docket 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)

Electronically Filed in TPUC Docket Room  
on November 17, 2025 at 11:18 a.m.

**RE: *Joint Petition of Tennessee-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. 25-00040***

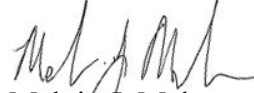
Dear Chairman Jones:

Attached for filing please find *Tennessee-American Water Company's Supplemental Testimony of Robert C. Lane* in the above-captioned matter.

As required, copies 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

Attachment

cc: Bob Lane, TAWC  
Joe Connor, Baker Donelson  
Shilina B. Brown, Consumer Advocate Division  
Victoria B. Glover, Consumer Advocate Division

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BUTLER SNOW LLP

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

**DOCKET NO. 25-00040**

**SUPPLEMENTAL TESTIMONY**

**OF**

**ROBERT LANE**

**ON**

**JOINT PETITION OF TENNESSEE-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 AGREEMENT AND PLAN OF MERGER AND FOR  
ISSUANCE OF A CERTIFICATE OF CONVENIENCE AND NECESSITY**

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

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

4   **Q.    WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

5   A.    The Consumer Advocate Division of the Office of the Tennessee Attorney General  
6       (“Consumer Advocate” or “CAD”), Tennessee Water Service, Inc. (“TWS”), and  
7       Tennessee-American Water Company (the “Company” or “TAWC”) have had several  
8       cooperative discussions since the conclusion of both the discovery and pre-filed testimony  
9       phases of this proceeding. The fruitful discussions among the parties have resulted in  
10      resolution of all of the contested issues in Docket No. 25-00040. I am testifying in support  
11      of the resolution and settlement among the parties of the contested issues pending in this  
12      proceeding.

13 **Q.    ARE YOU SPONSORING ANY EXHIBITS ACCOMPANYING THIS**  
14 **SUPPLEMENTAL TESTIMONY?**

15 A.    No.

16 **Q.    CAN YOU OUTLINE THE RESOLUTION AND SETTLEMENT REACHED**  
17 **BETWEEN TAWC AND THE CAD?**

18 A.    Yes. With the exception of the following enumerated items, which I will address with more  
19      specificity in this Supplemental Testimony, the parties agree on all other issues as laid out  
20      in the Petition, Direct Testimony of Grady Strout and the Company’s Rebuttal Testimony.

- 21           1. Transaction Costs  
22           2. Due Diligence Costs  
23           3. A Rate Base Offset  
24           4. Depreciation Rates  
25           5. Applicability of Riders  
26

1 **Q. PLEASE DESCRIBE THE TERMS AGREED TO BY THE PARTIES FOR EACH**  
2 **OF THE ISSUES LISTED ABOVE.**

3 A. The terms agreed to by the parties for each issue are as follows:

4 **Transaction Costs**

5 All transaction costs, incurred in this proceeding, other than the legal costs directly incurred  
6 by TAWC to obtain TPUC approval, shall be excluded from recovery in future revenue  
7 requirement determinations. The Company shall be permitted to defer legal costs incurred  
8 in processing this application before TPUC. TAWC reserves its right to request recovery  
9 of these costs, and the CAD reserves the right to allow or object to the recovery of these  
10 costs in future dockets. The resolution in this docket will have no precedential effect and  
11 will not be relied on in any future dockets by either party.

12 **Due Diligence Costs**

13 TAWC shall not seek recovery of due diligence costs in this matter or in any future docket  
14 related to this issue in this docket. The resolution of this issue in this docket will have no  
15 precedential effect and will not be relied on in any future proceedings by either party.

16 **Transition Costs**

17 TAWC has further agreed to resolve the transition costs issue in the same manner as the  
18 resolution of the due diligence costs. Specifically, TAWC will not pursue transition costs  
19 recovery related to this acquisition in this matter or future proceedings. Future transition or  
20 acquisition costs may be addressed in later dockets, and the resolution in this docket will  
21 have no precedential effect on the recoverability of future transitions costs incurred in other  
22 transactions and will not be relied on in any future dockets by either party.

1           **Rate Base Offset**

2           TAWC agrees to a rate base offset for TWS in the amount of \$176,942. TAWC shall track  
3           and amortize this rate base offset over a period of forty-eight (48) years, for rate making  
4           purposes, commencing on the effective date of the close of this acquisition. This rate base  
5           offset would be reduced over the next 48 years by an equal amount during this 48-year  
6           period until it equals zero. The resolution in this docket will have no precedential effect on  
7           similar issues and will not be relied on in any future dockets by either party.

8           **Depreciation Rates**

9           The Parties agree to adoption of the TAWC depreciation rates, with two requirements: a)  
10          following the closing of the transaction, TAWC provide the CAD with a reconciliation  
11          showing the TWS's plant and accumulated depreciation balances by TWS account and the  
12          identification of the corresponding TAWC plant account to which the TWS plant balance  
13          would be recorded; b) TAWC will not conduct, or incur costs for a depreciation study for  
14          a five-year period following closing. This approach also satisfies TAWC's stated objective  
15          of avoiding a depreciation study.

16          **Riders**

17          The Parties agree that that any existing or later Commission-approved alternative cost  
18          recovery mechanisms will be applicable to TWS customers. As TAWC and the CAD  
19          agreed in TPUC Docket No. 25-00016 that the Company would not submit an alternative  
20          cost recovery mechanism filing in 2026, the parties agree that the earliest that any rate  
21          change pursuant to such mechanisms could be effective to TWS customers is August 1,  
22          2027.

1   **Q.     DOES YOUR SUPPLEMENTAL TESTIMONY REPRESENT THE RESOLUTION**  
2           **AND AGREEMENT BETWEEN THE CAD AND THE COMPANY TO RESOLVE**  
3           **ALL THE CONTESTED ISSUES PENDING IN TPUC DOCKET NO. 25-00040?**

4   A.    Yes.

5   **Q.     WERE ANY RESOLUTIONS AMONG THE PARTIES OF SOME OTHER ISSUES**  
6           **PREVIOUSLY SET FORTH IN YOUR REBUTTAL TESTIMONY?**

7   A.    Yes. In my rebuttal testimony, I set forth the resolution by the parties of the Acquisition  
8           Adjustment issue (p. 7), the Fees and Charges issue (p. 21), and the Notice issue (p. 21).

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

10 A.    Yes.

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

**JOINT PETITION OF TENNESSEE- )  
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. 25-00040**

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**VERIFICATION**

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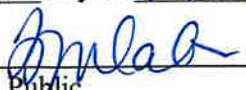
STATE OF Tennessee )  
 )  
COUNTY OF Hamilton )

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 17<sup>th</sup> day of November, 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:

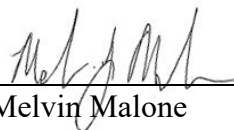
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*Attorneys for Tennessee Water Service, Inc.  
and Nexus Regulated Utilities, LLC*

This the 17<sup>th</sup> day of November 2025.

  
\_\_\_\_\_  
Melvin Malone