

BUTLER | SNOW

January 20, 2026

VIA ELECTRONIC FILING

Electronically Filed in TPUC Docket Room on
January 20, 2026 at 1:36 p.m.

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

RE: *Petition of Tennessee-American Water Company to Adopt Annual Review Mechanism and ARM Tariff Pursuant to Tenn. Code Ann. § 65-5-103(d)(6), Docket No. 25-00089*

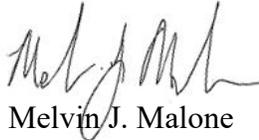
Dear Chairman Jones:

Attached for filing please find *Tennessee-American Water Company's Responses to City of Chattanooga's First Discovery Requests*.

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

Attachments

cc: Bob Lane, TAWC
Shilina Brown, Consumer Advocate Division
Phillip Noblett, City of Chattanooga
Frederick Hitchcock, City of Chattanooga

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

MELVIN J. MALONE
615.651.6705
melvin.malone@butlersnow.com

*T 615.651.6700
F 615.651.6701
www.butlersnow.com*

BUTLER SNOW LLP

99199054.v1

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

IN RE:)	
)	
PETITION OF TENNESSEE-)	
AMERICAN WATER COMPANY TO)	DOCKET NO. 25-00089
ADOPT ANNUAL REVIEW)	
MECHANISM AND ARM TARIFF)	
PURSUANT TO TENN. CODE ANN.)	
§ 65-5-103(d)(6))	

**TENNESSEE-AMERICAN WATER COMPANY’S RESPONSES
TO CITY OF CHATTANOOGA’S FIRST DISCOVERY REQUESTS**

Tennessee-American Water Company (“TAWC”), by and through counsel, hereby submits its Responses to First Discovery Requests propounded by the City of Chattanooga (“COC”).

GENERAL OBJECTIONS

1. TAWC objects to all requests that seek information protected by the attorney-client privilege, the work-product doctrine and/or any other applicable privilege or restriction on disclosure.
2. TAWC objects to the definitions and instructions accompanying the requests to the extent the definitions and instructions contradict, are inconsistent with, or impose any obligations beyond those required by applicable provisions of the Tennessee Rules of Civil Procedure or the rules, regulations, or orders of the Tennessee Public Utility Commission (“TPUC” or “Authority”).
3. The specific responses set forth below are based on information now available to TAWC, and TAWC reserves the right at any time to revise, correct, add to or clarify the objections or responses and supplement the information produced.

4. TAWC objects to each request to the extent that it is unreasonably cumulative or duplicative, speculative, unduly burdensome, irrelevant or seeks information obtainable from some other source that is more convenient, less burdensome or less expensive.

5. TAWC objects to each request to the extent it seeks information outside TAWC's custody or control.

6. TAWC's decision, now or in the future, to provide information or documents notwithstanding the objectionable nature of any of the definitions or instructions, or the requests themselves, should not be construed as: (a) a stipulation that the material is relevant or admissible, (b) a waiver of TAWC's General Objections or the objections asserted in response to specific discovery requests, or (c) an agreement that requests for similar information will be treated in a similar manner.

7. TAWC objects to those requests that seek the identification of "any" or "all" documents or witnesses (or similar language) related to a particular subject matter on the grounds that they are overbroad and unduly burdensome and exceed the scope of permissible discovery.

8. TAWC objects to those requests that constitute a "fishing expedition," seeking information that is not relevant or reasonably calculated to lead to the discovery of admissible evidence and is not limited to this matter.

9. TAWC does not waive any previously submitted objections to the COC's discovery requests.

**TENNESSEE-AMERICAN WATER COMPANY
DOCKET NO. 25-00089
CITY OF CHATTANOOGA FIRST DISCOVERY REQUESTS**

Witness: Bob Lane

1. If an ARM is approved, will TAWC submit in its annual filing schedules identifying the Downstream Areas Served by each Recurring Project and each Investment Project in which TA WC made capital investments? If not, why not?

Response:

No. The Company has proposed what it intends to submit as part of its annual filing schedules in its Petition and pre-filed Direct Testimony (inclusive of exhibits).

As explained by the Company in its Response to the City's Data Request COC 01-009 in the Company's 2025 Rate Case (TPUC Docket No. 24-00032) all projects, in whole or in part, have a "downstream" and "upstream" impact on the entire water system to which they are interconnected. The City's definition of a "Downstream Area Served" fundamentally misconstrues how the Company's water system operates. For example, the City's definition suggests that the Jasper Highlands Rate Area is downstream of the Citico Water Treatment Plant, but in actuality, there is no pipe or conduit that connects the Citico Plant to the Jasper Highlands Rate Area. Furthermore, the City's definition suggests a unidirectional, linear path of water in the system, but in some cases, water may flow in both directions through a pipe, depending on local pressure conditions and supply and demand at a particular point in time.

Because of the way the water system works, impacts can be felt across the system. For example, a main break may affect not only those customers "downstream" of the break but may impact the water service of customers "upstream" of the break. Or, a water line replacement

project in East Ridge will have positive impacts for the entire water system because a new water main is less likely to fail, thus reducing operating expenses associated with leaking water and the direct costs associated with repairing the water main. It may also reduce pumping costs as a result of right sizing the water line based upon the hydraulics within the area. These pumping cost reductions impact the entire system.

Ultimately, providing the information requested in this Discovery Request would be unduly burdensome on the Company, and such information is not available because TAWC does not identify or record the location of Recurring Projects by what is “downstream” of it.

**TENNESSEE-AMERICAN WATER COMPANY
DOCKET NO. 25-00089
CITY OF CHATTANOOGA FIRST DISCOVERY REQUESTS**

Witness: Bob Lane

2. If an ARM is approved, will TAWC submit in its annual filing schedules describing any expenses that related to or benefitted fewer than all Rate Areas and indicating for each such expenditure which Rate Area(s) the expenses related to or benefitted? If not, why not?

Response:

No. The Company has proposed what it intends to submit as part of its annual filing schedule in its Petition and pre-filed Direct Testimony (inclusive of exhibits). The Company does not track which rate areas investments benefit. See response to City DR 1-1 for further explanation regarding how the geographic location of an investment does not determine the sole location of benefit.

**TENNESSEE-AMERICAN WATER COMPANY
DOCKET NO. 25-00089
CITY OF CHATTANOOGA FIRST DISCOVERY REQUESTS**

Witness: Bob Lane

3. If an ARM is approved, will TAWC submit in its annual filing schedules identifying the location(s), by latitude and longitude or by census tract and block number, of each Recurring Project in which TAWC made capital investments? If not, why not?

Response:

No. The Company has proposed what it intends to submit as part of its annual filing schedule in its Petition and pre-filed Direct Testimony (inclusive of exhibits).

The Company does not identify or record the location of Recurring Projects by latitude and longitude or by census tract and block number. *See also* TAWC's Response to the City of Chattanooga's DR-007 in TPUC Docket No. 24-000432 (June 25, 2024).

Further, the Company believes that being required to submit this voluminous amount of information is unnecessarily burdensome and is counter to the intent of the Annual Review Mechanism.

**TENNESSEE-AMERICAN WATER COMPANY
DOCKET NO. 25-00089
CITY OF CHATTANOOGA FIRST DISCOVERY REQUESTS**

Witness: Bob Lane

4. If an ARM is approved, will TAWC submit in its annual filing schedules identifying the location(s), by latitude and longitude or by census tract and block number, of each Investment Project in which TA WC made capital investments? If not, why not?

Response:

No. The Company has proposed what it intends to submit as part of its annual filing schedule in its Petition and pre-filed Direct Testimony (inclusive of exhibits).

The Company does not identify or record the location of Investment Projects by latitude and longitude or by census tract and block number. *See also* TAWC's Response to the City of Chattanooga's DR-008 in TPUC Docket No. 24-00032 (June 25, 2024).

Further, the Company believes that being required to submit this voluminous amount of information is unnecessarily burdensome and is counter to the intent of the Annual Review Mechanism.

**TENNESSEE-AMERICAN WATER COMPANY
DOCKET NO. 25-00089
CITY OF CHATTANOOGA FIRST DISCOVERY REQUESTS**

Witness: Bob Lane

5. For each year since 2012 identify the total of the investments made during that year by TAWC that was not recovered through the Capital Recovery Riders.

Response:

The Company objects to this request on the basis that it is irrelevant to the pending Petition regarding the establishment of an ARM framework filing, as the investments made by TAWC that were not recovered through the Capital Riders were rolled into the Company's authorized rate base and recovered in base rates in its most recent rate case, TPUC Docket No. 24-00032. Subject to and without waiving its objection, the Company responds as follows: the Company notes that the investments referenced in this request were submitted in response to the City's Discovery Request 1-16 in TPUC Docket No. 24-00032. The Company's response was submitted into evidence in that proceeding and considered by the Commission before issuing a final order in Docket No. 24-00032 approving the Company's rate base through the attrition period ending December 31, 2025.

In the Company's General Rate Case, the Commission reviewed TAWC's rate base, including all investments made during the period in question. The net book value of those investments is now included in base rates. The investments made by TAWC that were not recovered through the Capital Riders were rolled into the Company's authorized rate base and recovered in base rates.

The Capital Recovery Riders only recover a small portion of the total investment of eligible infrastructure investments each year. The full amount of an infrastructure investment is recovered over the entire life of the asset plus the other annualized costs such as taxes and return.

If this question is intended to ask what capital expenditures were not eligible for recovery via the Capital Riders, those are a matter of public record in each of the Capital Rider Reconciliation filings filed each year. Each reconciliation proceeding indicated below, the Company's witness provided a final tally of the Capital Expenditures made in the previous year and identified which, if any, of the three Capital Recovery Riders (QIIP, SEC, or EDI) the investment qualified for. If the amount is blank or says "none" then the investment did not qualify for inclusion in the Capital Rider Recovery calculation.

- 15-00029 - *In Re: Petition of Tennessee-American Water Company for the Reconciliation of the 2015 Capital Riders*
- 16-00022 – *In Re: Petition of Tennessee-American Water Company for the Reconciliation of the 2016 Capital Riders*
- 17-00020 – *In Re: Petition of Tennessee-American Water Company in Support of the Calculation of the 2017 Capital Recovery Riders Reconciliation*
- 18-00022 - *In Re: Petition of Tennessee-American Water Company in Support of the Calculation of the 2018 Capital Recovery Riders Reconciliation*
- 19-00031 – *In Re: Petition of Tennessee-American Water in Support of the Calculation of the 2019 Capital Recovery Riders Reconciliation*
- 20-00028 - *In Re: Petition of Tennessee-American Water Company in Support of the Calculation of the 2020 Capital Recovery Riders Reconciliation*
- 21-00030 - *In Re: Petition of Tennessee-American Water Company in Support of the Calculation of the 2021 Capital Recovery Riders Reconciliation*
- 22-00021 – *In Re: Tennessee-American Water Company Petition in Support of the Calculation of the 2022 Capital Recovery Riders Reconciliation*
- 23-00018 – *In Re: Petition of Tennessee-American Water Company in Support of the Calculation of the 2023 Capital Recovery Riders Reconciliation*
- 24-00011 - *In Re: Petition of Tennessee-American Water Company's 2024 Incremental Capital Recovery Rider Tariff*
- 25-00016 - *In In Re: Petition of Tennessee-American Water Company's 2025 Incremental Capital Recovery Rider Tariff*

**TENNESSEE-AMERICAN WATER COMPANY
DOCKET NO. 25-00089
CITY OF CHATTANOOGA FIRST DISCOVERY REQUESTS**

Witness: Bob Lane

6. For each year since 2012 identify the amount by which the amount recovered in the Capital Recovery Riders for that year equaled, was more than, or was less than the total of the TAWC investment plus the rate of return authorized for TAWC by the Commission.

Response:

The Company objects to this request on the basis that information requested is irrelevant to this Petition to establish an ARM framework filing, as the capital investments and the amounts recovered through the Capital Riders have been reviewed, approved, and rolled into base rates by the Commission in TPUC Docket No. 24-00032. Subject to and without waiving this objection, the Company responds as follows: the Company states that the capital investments and the amounts recovered through the Capital Riders have been reviewed, approved, and rolled into base rates by the Commission in TPUC Docket 24-00032. As such, the Commission has already deemed such investment to be reasonable and prudent, and the information as requested here is simply not relevant in determining the ability of the Company's proposed ARM to provide just and reasonable rates.

Since the Capital Recovery Riders have been in effect, there were no years in which the amount recovered in the Capital Recovery Riders was equal to or more than the amount of TAWC investment in Capital Recovery Rider eligible investment. Please see *TAW_CITYDRI-6_012026_Attachment* to more detail.

TAW_CITYDR1-6_012026_Attachment includes data for the years 2014 through 2022, the years the Capital Recovery Riders were in effect. To date, TAWC has not been authorized any additional revenues under the new ICRR tariff.

Furthermore, the information requested in this request is publicly available in each of the Capital Rider Dockets and the Reconciliation Dockets since that time.

- 15-00029 - *In Re: Petition of Tennessee-American Water Company for the Reconciliation of the 2015 Capital Riders*
- 16-00022 – *In Re: Petition of Tennessee-American Water Company for the Reconciliation of the 2016 Capital Riders*
- 17-00020 – *In Re: Petition of Tennessee-American Water Company in Support of the Calculation of the 2017 Capital Recovery Riders Reconciliation*
- 18-00022 - *In Re: Petition of Tennessee-American Water Company in Support of the Calculation of the 2018 Capital Recovery Riders Reconciliation*
- 19-00031 – *In Re: Petition of Tennessee-American Water in Support of the Calculation of the 2019 Capital Recovery Riders Reconciliation*
- 20-00028 - *In Re: Petition of Tennessee-American Water Company in Support of the Calculation of the 2020 Capital Recovery Riders Reconciliation*
- 21-00030 - *In Re: Petition of Tennessee-American Water Company in Support of the Calculation of the 2021 Capital Recovery Riders Reconciliation*
- 22-00021 – *In Re: Tennessee-American Water Company Petition in Support of the Calculation of the 2022 Capital Recovery Riders Reconciliation*
- 23-00018 – *In Re: Petition of Tennessee-American Water Company in Support of the Calculation of the 2023 Capital Recovery Riders Reconciliation*
- 24-00011 - *In Re: Petition of Tennessee-American Water Company's 2024 Incremental Capital Recovery Rider Tariff*
- 25-00016 - *In In Re: Petition of Tennessee-American Water Company's 2025 Incremental Capital Recovery Rider Tariff*

Tennessee American Water Company
Docket No. 25-00089
CoC DR 1-6

<u>Line No.</u>		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1	Annual Capital Expenditures (SCEP)	\$19,060,097	\$20,633,409	\$15,815,605	\$17,614,346	\$19,921,149	\$24,489,399	\$27,796,754	\$24,309,152	\$26,695,272
2	Cumulative Net Rider Eligible Investment(13 mo Avg)	\$3,721,831	\$12,879,073	\$38,338,715	\$50,561,748	\$64,105,148	\$77,259,098	\$101,130,471	\$113,754,499	\$131,266,975
3	Pre Tax Rerun (Debt and Equity on Cumulative Investment)	\$351,876	\$1,217,636	\$3,742,226	\$4,975,675	\$5,318,028	\$5,836,572	\$7,895,029	\$9,613,907	\$11,093,966
4	CCR Investment Plus Return (Line 2 + Line 3)	\$4,073,707	\$14,096,709	\$42,080,941	\$55,537,423	\$69,423,176	\$83,095,670	\$109,025,500	\$123,368,406	\$142,360,941
5	Total Rider Revenue (including Return) on Cumulative Investment	\$494,608	\$1,675,909	\$5,082,564	\$6,824,462	\$7,583,787	\$8,672,781	\$12,145,071	\$14,777,565	\$17,087,465
6	Amount More (Less) than CCR Investment Plus Return (Line 5 - Line 4)	\$ (3,579,099)	\$ (12,420,800)	\$ (36,998,377)	\$ (48,712,961)	\$ (61,839,389)	\$ (74,422,889)	\$ (96,880,429)	\$ (108,590,841)	\$ (125,273,476)
7	Source:	TPUC 15-00029	TPUC 16-00022	TPUC 17-00020	TPUC 18-00022	TPUC 19-00031	TPUC 20-00028	TPUC - 21-00030	TPUC 22-00021	TPUC 23-00018
8	- Capital Rider Reconciliation	Petitioner's Exhibit - Capital Riders Reconciliation LCB	Petitioner's Exhibit - Capital Riders Reconciliation -EKC	Petitioner's Exhibit - Capital Riders Reconciliation -EKC	Petitioner's Exhibit - Capital Riders Reconciliation -EKC	Petitioner's Exhibit - Capital Riders Reconciliation - TNS	Petitioner's Exhibit - Capital Riders Reconciliation - RCL			
9	- SCEP	Petitioner's Exhibit 2014 SCEP Results - BEO	Petitioner's Exhibit 2015 SCEP Results - BEO	Petitioner's Exhibit 2016 SCEP Results - BEO	Petitioner's Exhibit 2017 SCEP Results - BEO	Petitioner's Exhibit 2018 SCEP Results - BEO	Petitioner's Exhibit 2019 SCEP Results - KAS	Petitioner's Exhibit 2020 SCEP Results - KAS	Petitioner's Exhibit 2021 SCEP Results - GS	Petitioner's Exhibit 2022 SCEP Results - GS

**TENNESSEE-AMERICAN WATER COMPANY
DOCKETCASE NO. 25-00089
CITY OF CHATTANOOGA FIRST DISCOVERY REQUESTS**

Witness: Bob Lane

7. Identify the number, by customer class, of TAWC customers in each of TAWC's Rate Areas as of December 31, 2025.

Response:

Please see TAW_CITYDR1-7_012026_Attachment.

Tennessee American Water Company
Docket No. 25-00089
CoC DR 1-7

(A) Rate Area	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K) = Sum of
										(B) - (J)
	Customer Class →									
	Commercial	Industrial	Other Public Authorities	Private Fire Service	Private Fire Service - Metered	Private Fire Service - Non-Residential	Public Fire Service	Residential	Sales for Resale	Total
(1) Chattanooga	8,385	110	869	-	-	-	-	68,229	-	77,593
(2) Chattanooga- Catoosa Utility Authority	-	-	-	-	-	-	-	-	1	1
(3) Chattanooga- Com	-	-	-	-	-	1	-	-	-	1
(4) Chattanooga- Fort Olgethorpe	-	-	-	-	-	-	-	-	1	1
(5) Chattanooga- Lakeview	146	-	6	-	-	-	-	2,799	-	2,951
(6) Chattanooga- Lookout Mountain	100	-	26	-	-	-	-	2,084	-	2,210
(7) Chattanooga- Private Fire Service	1	-	1	10	-	1,671	-	-	-	1,683
(8) Chattanooga- Private Hydrant	-	-	-	-	-	2	-	-	-	2
(9) Chattanooga- Signal Mountain	-	-	-	-	-	-	-	-	1	1
(10) Subtotal: Chattanooga	8,632	110	902	10	-	1,674	-	73,112	3	84,443
(11) Private Fire	8	-	1	10	5	1,273	1	-	-	1,298
(12) Jasper Highlands	14	-	2	-	-	1	-	515	-	532
(13) Suck Creek	5	-	-	-	-	-	-	244	-	249
(14) Walker City Water	-	-	-	-	-	-	-	-	1	1
(15) Whitewell - Inside City	52	-	8	-	-	-	-	724	-	784
(16) Whitewell - Outside City	54	-	13	-	-	-	-	2,130	-	2,197
(17) Subtotal: Whitewell	106	-	21	-	-	-	-	2,854	-	2,981
(18) Grand Total	8,765	110	926	20	5	2,948	1	76,725	4	89,504

**TENNESSEE-AMERICAN WATER COMPANY
DOCKET NO. 25-00089
CITY OF CHATTANOOGA FIRST DISCOVERY REQUESTS**

Witness: Bob Lane

8. Please provide the net book income and the return on equity produced by that net book income for each fiscal period addressed in a TAWC Capital Recovery Riders filing since 2014.

Response:

Please see <TAW_CITYDR1-8_012026_Attachment>.

Tennessee American Water Company

Docket No. 25-00089

CoC DR 1-8

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net Income	5,686,107	6,537,955	8,436,960	8,048,258	8,799,560	10,096,481	8,786,790	11,809,656	12,988,440	13,717,971	15,324,475
Ending Equity	64,915,555	68,660,946	78,935,074	85,551,825	90,546,321	93,759,005	95,270,496	112,747,376	136,209,193	152,749,511	169,310,185
ROE	8.76%	9.52%	10.69%	9.41%	9.72%	10.77%	9.22%	10.47%	9.54%	8.98%	9.05%

*Financials based on Commission Annual Report filings 2014-2024

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

IN RE:)
)
PETITION OF TENNESSEE-)
AMERICAN WATER COMPANY TO)
ADOPT ANNUAL REVIEW)
MECHANISM AND ARM TARIFF)
PURSUANT TO TENN. CODE ANN.)
§ 65-5-103(d)(6))

DOCKET NO. 25-00089

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 16th day of January, 2026.



Notary Public

My Commission expires: 2/28/28



CERTIFICATE OF SERVICE

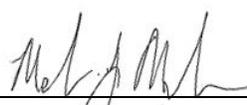
I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

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

Phillip Noblett, Esq.
City of Chattanooga
300 City Hall Annex
East 11th Street
Chattanooga, TN 37403
noblett@chattanooga.gov

Frederick L. Hitchcock
Cecilia Y. Garrett
Chambliss, Bahner & Stophel, P.C.
Suite 1700, Liberty Tower
605 Chestnut Street
Chattanooga, TN 37450
rhitchcock@chamblisslaw.com
cgarrett@chamblisslaw.com

This the 20th day of January 2026.



Melvin Malone