

## **LEGAL NOTICE OF HEARING**

### **Tennessee Public Utility Commission Docket No. 19-00105**

Tennessee American Water Company (“TAWC” or “Company”) filed its annual Capital Recovery Riders Petition with the Tennessee Public Utility Commission (the “Commission”) in Docket No. 19-00105 on November 15, 2019, seeking approval of certain expenditures under the Qualified Infrastructure Improvement Program (“QIIP”), the Economic Development Investment Program (“EDI”) and the Safety and Environmental Compliance Program (“SEC”) for the upcoming year, 2020.

The Capital Recovery Riders are authorized alternative regulatory methods and mechanisms that permit TAWC to recover certain costs without a full-blown general rate case, as long as specific criteria are satisfied, including, but not limited to, the Commission finding that such alternative methods and mechanisms are in the public interest. A further explanation of the Capital Recovery Riders is available through the Commission in both TPUC Docket Nos. 13-00130 and 19-00105. Below is a summation of the Capital Recovery Riders that will be reviewed in the upcoming hearing in Docket No. 19-00105.

#### **2019 APPROVED SURCHARGES**

Qualified Infrastructure Improvement Program Rider	11.65%
Economic Development Investment Program Rider	.65%
<u>Safety and Environmental Compliance Program Rider</u>	<u>6.88%</u>
Subtotal of Capital Recovery Riders	19.18%

Total of Capital Recovery Riders Percentages	19.18%
--	--------

## **2020 PROPOSED SURCHARGES**

Qualified Infrastructure Improvement Program Rider	14.28%
Economic Development Investment Program Rider	1.14%
<u>Safety and Environmental Compliance Program Rider</u>	<u>8.79%</u>
Subtotal of Capital Recovery Riders	24.21%

Total of Capital Recovery Riders Percentages	24.21%
Offset to Capital Recovery Riders for Tax Cuts and Jobs Act ("TCJA") Savings	-6.62%

If the surcharge changes proposed by TAWC are approved by the Commission, including the customer credit or offset resulting from the federal corporate income tax expense reduction, there will not be a change in rates, as the rates were permitted to be implemented on January 1, 2020, pursuant to Commission regulations. When the rates became effective on January 1, 2020, a typical residential customer living in the City of Chattanooga, and using an average of 4,154 gallons per month, experienced an increase in their bill of about \$1.09 per month, or \$13.08 per year. The TCJA offset resulted in the same customer experiencing a decrease in their bill of approximately \$1.43 per month, or \$17.16 per year. If the Commission lowers or disallows the rates that were implemented on January 1, 2020, after the hearing on May 11, 2020, a determination of applicable refunds or credits to customers, with interest, would also be made back to January 1, 2020.

Notice is hereby given that a hearing in this matter will be held by the Commission on May 11, 2020 at 9:00 a.m. Central Standard Time via WebEx videoconferencing or teleconferencing platforms. Members of the public may participate in the hearing by dialing 1+(415) 655-0003 U.S. Toll // 1+(213) 306-3065 U.S. Toll // 1+ (720) 650-7664 U.S. Toll // 1+(617) 355-0704 U.S. Toll (the additional phone lines are provided for use if all circuits are busy). The Access Code will be available on the Commission's website (tn.gov/tpuc) on May 8, 2020. Due to the COVID-19 pandemic, there will not be an in-person hearing at the Tennessee Public Utility Commission, in the Andrew Jackson Building, 500 Deaderick Street, Hearing Room G.201, Nashville, Tennessee.

The Petition, and supporting documentation, is on file with the Commission in TPUC Docket No. 19-00105 at <http://share.tn.gov/tra/dockets/1900105.htm> and is open to public inspection and review via the Commission's website. A complete copy of the Petition, including the proposed tariff and surcharge changes and the reasons for them, is also on file with the Commission in Docket No. 19-00105 in the Andrew Jackson Building, 500 Deaderick Street, Nashville, Tennessee. The Commission may be closed due to the COVID-19 pandemic. The Commission may be reached at 1-800-342-8359. The Petition, and supporting documentation,

including the proposed tariff and surcharge changes and the reasons for them, is also available for public inspection and review at the offices of TAWC at 109 Wiehl Street, Chattanooga, TN 37406.