

---

TENNESSEE PUBLIC SERVICE COMMISSION NO. 19

TENNESSEE-AMERICAN WATER COMPANY

CHATTANOOGA, TENNESSEE

RATES, RULES, REGULATIONS AND CONDITIONS OF WATER SERVICE

---

ISSUED BY: D. L. Edgemon, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 5/4, 1990  
Docket No. U-89-1538B

---

TABLE OF CONTENTS

RATES

1. Rates and Charges

RULES, REGULATIONS AND CONDITIONS OF WATER SERVICE

1. Rates, Rules and Regulations Govern Rendering of Water Service
2. Definitions
3. Commencement of Water Service
4. Special Applications for Water Service
5. Private Fire Protection Service
6. Installation and Maintenance of Service Lines
7. Services Installed in Advance of Paving
8. Meters
9. Multiple Meter Settings
10. Disputed Bills
11. Adjustment of Bills
12. Meter Testing
13. Deposit to Insure Payment of Bills
14. Terms and Conditions of Billing and Payment
15. Discontinuance of Water Service
16. Reconnection of Water Service After Discontinuance
17. Modification of Facilities at Customers Expense

---

Issued: April 24, 1990  
Issued By: D. L. Edgemon, President  
1101 Broad Street  
Chattanooga, Tennessee

Effective: May 4, 1990

~~Issued in compliance with the Order~~  
of the TPSC  
Commission dated 5/4, 1990  
Docket No. U-89-15388

- 18. Customers Requiring Uninterrupted Supply
- 19. Requirements for Peak Demand Customers
- 20. Requirements for Valves and Other Devices
- 21. Plumbing Regulations and Work
- 22. Cross Connections
- 23. Extension of Distribution Mains
- 24. Public Fire Hydrants
- 25. Interruptions In or Curtailment of Water Supply
- 26. Responsibility of Company
- 27. Ownership of Property
- 28. General

- (I) Increase in rate
- (D) Decrease in rate
- (N) New rate
- (C) Change
- (E) Eliminated

Issued in compliance with the Order of the \_\_\_\_\_  
TRA Commission dated 10/21/96  
\_\_\_\_\_, 19\_\_\_\_, No. 96 000559

---

ISSUED: October 17, 1996

EFFECTIVE DATE: November 1, 1996

BY: R.T. SULLIVAN, VICE PRESIDENT  
1101 Broad Street  
Chattanooga, Tennessee 37401

---

CLASSIFICATION OF SERVICE

RESIDENTIAL

1. Schedule of Rate and Charges Available For:

- (C) a) The General Water Service Tariff is available for public water supply service in all territory served by the Company except that area served by the Lookout Mountain System, Elder Mountain, territory served in Lakeview and other unincorporated areas in Georgia, east of Rossville, Suck Creek and other unincorporated areas of Marion County served by Suck Creek Utility District, and the territory served by Lone Oak Utility District.
- b) The Lookout Mountain Tariff is available for public water supply service in the territory served by the Company's Lookout Mountain High Service Area in the town of Lookout Mountain, Tennessee, Lookout Mountain, Georgia, and Elder Mountain, Tennessee.
- c) The Lakeview Tariff is available for public water supply service in the territory served by the Company in Lakeview and other unincorporated areas of Georgia, east of Rossville as indicated on the Service Area Map: TPSC No. 19 Pages 13 and 14.
- d) The Suck Creek Tariff is available for public water supply service in the territory served by the Company in Suck Creek and other unincorporated areas of Marion County formerly served by Suck Creek Utility District.
- e) The Lone Oak Tariff is available for public water supply service in the territory served by the Lone Oak Utility District.

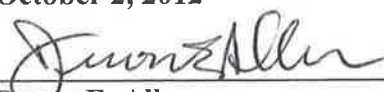
(C) Change in text

---

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
Deron E. Allen  
PRESIDENT

---

1101 Broad Street  
Chattanooga, Tennessee 37401

---

CLASSIFICATION OF SERVICE

COMMERCIAL

1. Schedule of Rate and Charges Available For:

- (C)
- a) The General Water Service Tariff is available for public water supply service in all territory served by the Company except that area served by the Lookout Mountain System, Elder Mountain, territory served in Lakeview and other unincorporated areas in Georgia, east of Rossville, Suck Creek and other unincorporated areas of Marion County served by Suck Creek Utility District, and the territory served by Lone Oak Utility District.
  - b) The Lookout Mountain Tariff is available for public water supply service in the territory served by the Company's Lookout Mountain High Service Area in the town of Lookout Mountain, Tennessee, Lookout Mountain, Georgia, and Elder Mountain, Tennessee.
  - c) The Lakeview Tariff is available for public water supply service in the territory served by the Company in Lakeview and other unincorporated areas of Georgia, east of Rossville as indicated on the Service Area Map: TPSC No. 19 Pages 13 and 14.
  - d) The Suck Creek Tariff is available for public water supply service in the territory served by the Company in Suck Creek and other unincorporated areas of Marion County formerly served by Suck Creek Utility District.
  - e) The Lone Oak Tariff is available for public water supply service in the territory served by the Lone Oak Utility District.

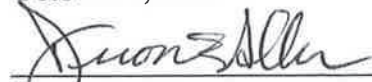
(C) Change in text

---

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
Deron E. Allen  
PRESIDENT

---

1101 Broad Street  
Chattanooga, Tennessee 37401

---

CLASSIFICATION OF SERVICE

INDUSTRIAL

1. Schedule of Rates and Charges Available For:

- a) The General Water Service Tariff is available for public water supply service in all territory served by the Company except that area served by the Lookout Mountain System, Elder Mountain, and territory served in Lakeview and other unincorporated areas in Georgia, east of Rossville.
- b) The Lookout Mountain Tariff is available for public water supply service in the territory served by the Company's Lookout Mountain High Service Area in the town of Lookout Mountain, Tennessee, Lookout Mountain, Georgia, and Elder Mountain, Tennessee.
- c) The Lakeview Tariff is available for public water supply service in the territory served by the Company in Lakeview and other unincorporated areas of Georgia, east of Rossville as indicated on the Service Area Map: TPSC No. 19, Pages 13 and 14.

---

ISSUED: February 4, 2005

EFFECTIVE: March 9, 2005

BY: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER  
1101 Broad Street  
Chattanooga, Tennessee 37401



---

**CLASSIFICATION OF SERVICE**

**OTHER PUBLIC AUTHORITY**

1. **Schedule of Rates and Charges Available For:**

- a) The General Water Service Tariff is available for public water supply service in all territory served by the Company except that area served by the Lookout Mountain System, Elder Mountain, and territory served in Lakeview and other unincorporated areas in Georgia, east of Rossville.
- b) The Lookout Mountain Tariff is available for public water supply service in the territory served by the Company's Lookout Mountain High Service Area in the town of Lookout Mountain, Tennessee, Lookout Mountain, Georgia, and Elder Mountain, Tennessee.
- c) The Lakeview Tariff is available for public water supply service in the territory served by the Company in Lakeview and other unincorporated areas of Georgia, east of Rossville as indicated on the Service Area Map: TPSC No. 19, Pages 13 and 14.

---

ISSUED: February 4, 2005

EFFECTIVE: March 9, 2005

BY: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER  
1101 Broad Street  
Chattanooga, Tennessee 37401



---

CLASSIFICATION OF SERVICE

SALE FOR RESALE

1. Schedule of Rates and Charges Available For:

- a) The General Water Service Tariff is available for public water supply service in all territory served by the Company except that area served by the Lookout Mountain System, Elder Mountain, and territory served in Lakeview and other unincorporated areas in Georgia, east of Rossville.
- b) The Lookout Mountain Tariff is available for public water supply service in the territory served by the Company's Lookout Mountain High Service Area in the town of Lookout Mountain, Tennessee, Lookout Mountain, Georgia, and Elder Mountain, Tennessee.
- c) The Lakeview Tariff is available for public water supply service in the territory served by the Company in Lakeview and other unincorporated areas of Georgia, east of Rossville as indicated on the Service Area Map: TPSC No. 19, Pages 13 and 14.

---

ISSUED: February 4, 2005

EFFECTIVE: March 9, 2005

BY: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER  
1101 Broad Street  
Chattanooga, Tennessee 37401





**CLASSIFICATION OF SERVICE**  
**RESIDENTIAL**

**SERVICE CHARGES:**

**Service Charge Per Month**

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>		<u>Lookout Mountain Tariff</u>		<u>Lakeview Tariff</u>
5/8"	\$ 13.96 (I)		\$ 15.66 (I)		\$ 15.66 (I)
3/4"	23.45 (I)		23.45 (I)		23.45 (I)
1"	39.01 (I)		39.01 (I)		39.00 (I)
1-1/2"	78.05 (I)		78.05 (I)		78.05 (I)
2"	124.88 (I)		124.89 (I)		124.88 (I)
3"	234.52 (I)		234.14 (I)		234.14 (I)
4"	390.25 (I)		390.25 (I)		390.25 (I)
6"	780.50 (I)		780.50 (I)		780.50 (I)
8"	1,248.77 (I)		1,248.77 (I)		1,248.77 (I)

**VOLUMETRIC RATES:**

**Cost per CCF**


<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>		<u>Lookout Mountain Tariff</u>		<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$ 0.2667 (I)		\$ 0.9935 (I)		\$ 0.4910 (I)
4-65	4.2303 (I)		5.4492 (I)		4.6618 (I)
65-500	2.6577 (I)		3.8766 (I)		3.0893 (I)
500-5,000	1.9870 (I)		2.7065 (I)		2.2078 (I)
5,000-15,000	1.5188 (I)		2.2433 (I)		1.7409 (I)
Over 15,000	0.9019 (I)		1.6264 (I)		1.1240 (I)

(I) Increase

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
 Deron E. Allen  
 President

1101 Broad Street  
 Chattanooga, Tennessee 37401

**CLASSIFICATION OF SERVICE**  
**RESIDENTIAL**

**VOLUMETRIC RATES:**

**Cost per 1,000 Gallons**

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0 - 3.0	\$ 0.3566	\$ 1.3282	\$ 0.6564 (C)
3.0 - 48.6	5.6555	7.2850	6.2324 (C)
48.6 - 374	3.5531	5.1826	4.1301 (C)
374 - 3,740	2.6564	3.6183	2.9516
3,740 - 11,200	2.0305	2.9991	2.3274
Over 11,200	1.2057	2.1743	1.5027

**VOLUMETRIC RATES:**

**Cost per 100 Gallons**

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0 - 30	\$ 0.03566	\$ 0.13282	\$ 0.06564 (C)
30 - 486	0.56555	0.72850	0.62324 (C)
486 - 3,740	0.35531	0.51826	0.41301 (C)
3,740 - 37,400	0.26564	0.36183	0.29516
37,400 - 112,000	0.20305	0.29991	0.23274
Over 112,000	0.12057	0.21743	0.15027

(C) Text Change that revises block for each rate

ISSUED: March 1, 2013

EFFECTIVE: March 31, 2013

BY:

  
 Deron E. Allen  
 President

1101 Broad Street  
 Chattanooga, Tennessee 37401

TENNESSEE-AMERICAN WATER COMPANY

TRA No. 19  
Third Revised Sheet No. 4-RSC  
Cancelling  
Second Revision Sheet No. 4-RSC

---

**CLASSIFICATION OF SERVICE**  
**RESIDENTIAL**

For all residential customers of Suck Creek.

**VOLUMETRIC RATES:**

**Cost per 1,000 Gallons**

<u>Monthly Use</u>	<u>Suck Creek General Water Service</u>	
First 1,500 gallons	\$ 30.60	(C)
Next 7,900 gallons	\$ 6.0731 per 1,000 gallons	(C)
All over 9,400 gallons	\$ 4.5551 per 1,000 gallons	(C)

**VOLUMETRIC RATES:**

**Cost per 100 Gallons**

<u>Monthly Use</u>	<u>Suck Creek General Water Service</u>	
First 1,500 gallons	\$ 30.60	(C)
Next 7,900 gallons	\$ 0.60731 per 100 gallons	(C)
All over 9,400 gallons	\$ 0.45551 per 100 gallons	(C)

**VOLUMETRIC RATES:**

**Cost per CCF**

<u>Monthly Use</u>	<u>Suck Creek General Water Service</u>
First 2 CCF	\$30.60
Next 10.667 CCF	\$4.5427 per CCF
Over 12.667 CCF	\$3.4072 per CCF

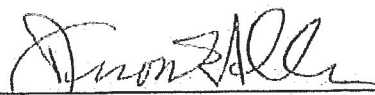
(C) Text Change that revises block for each rate

---

ISSUED: March 1, 2013

EFFECTIVE: March 31, 2013

BY:

  
Deron E. Allen,  
PRESIDENT

---

1101 Broad Street  
Chattanooga, Tennessee 37401

---

**CLASSIFICATION OF SERVICE**  
**RESIDENTIAL**

For all residential customers of Lone Oak.

**VOLUMETRIC RATES:**

**Cost per 1,000 Gallons**

<u>Monthly Use</u>	<u>Lone Oak General Water Service</u>	
First 2,000 gallons	\$42.03	(C)
All over 2,000 gallons	\$7.2655 per 1,000 gallons	(C)

**VOLUMETRIC RATES:**

**Cost per 100 Gallons**

<u>Monthly Use</u>	<u>Lone Oak General Water Service</u>	
First 2,000 gallons	\$42.03	(C)
All over 2,000 gallons	\$0.72655 per 100 gallons	(C)

**VOLUMETRIC RATES:**

**Cost per CCF**

<u>Monthly Use</u>	<u>Lone Oak General Water Service</u>	
First 2.67 CCF	\$42.03	
All over 2.67 CCF	\$5.4346 per CCF	

(C) Text Change that revises block for each rate

---

ISSUED: March 1, 2013

EFFECTIVE: March 31, 2013

BY:

  
Deron E. Allen  
PRESIDENT

---

1101 Broad Street  
Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE

APPLICABILITY

For all residential, commercial, industrial, other public authority, and sale for resale customers in the service area formerly served by the City of Whitwell.

VOLUMETRIC RATES:

<u>Monthly Use</u>	<u>Cost per 1,000 Gallons</u>		
	<u>Whitwell Inside City</u>	<u>Whitwell Outside City</u>	
0 - 2,000 gallons	\$14.45 + \$6.00 = \$20.45	\$17.37 + \$6.00 = \$23.37	(N)
2,000 - 4,000	\$4.80	\$5.87	(N)
4,000 - 6,000	\$4.56	\$5.32	(N)
Over 6,000 gallons	\$4.19	\$4.37	(N)


VOLUMETRIC RATES:

<u>Monthly Use</u>	<u>Cost per 100 Gallons</u>		
	<u>Whitwell Inside City</u>	<u>Whitwell Outside City</u>	
0 - 2,000 gallons	\$14.45 + \$6.00 = \$20.45	\$17.37 + \$6.00 = \$23.37	(N)
2,000 - 4,000 gallons	\$0.480	\$0.587	(N)
4,000 - 6,000 gallons	\$0.456	\$0.532	(N)
Over 6,000 gallons	\$0.419	\$0.437	(N)

(N) New

ISSUED: April 22, 2013

EFFECTIVE: June 17, 2013

BY:   
 Deron E. Allen,  
 PRESIDENT

1101 Broad Street  
 Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE  
COMMERCIAL

SERVICE CHARGES:

Service Charge Per Month

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$ 17.82 (I)	\$ 20.01 (I)	\$ 20.01 (I)
3/4"	29.93 (I)	29.93 (I)	29.93 (I)
1"	49.81 (I)	49.81 (I)	49.81 (I)
1-1/2"	99.66 (I)	99.66 (I)	99.66 (I)
2"	159.44 (I)	159.44 (I)	159.44 (I)
3"	298.98 (I)	298.97 (I)	298.97 (I)
4"	498.31 (I)	498.31 (I)	498.31 (I)
6"	996.64 (I)	996.64 (I)	996.64 (I)
8"	1,594.61 (I)	1,594.61 (I)	1594.61 (I)

VOLUMETRIC RATES:

Cost per CCF


<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$0.2360 (I)	\$0.8769 (I)	\$0.4324 (I)
4-65	3.7365 (I)	4.8128 (I)	4.1179 (I)
65-500	2.3479 (I)	3.4242 (I)	2.7294 (I)
500-5,000	1.7548 (I)	2.3937 (I)	1.9513 (I)
5,000-15,000	1.3408 (I)	1.9827 (I)	1.5381 (I)
Over 15,000	0.7965 (I)	1.4364 (I)	0.9918 (I)

(I) Increase

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
 Deron E. Allen  
 President

1101 Broad Street  
 Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE  
COMMERCIAL

VOLUMETRIC RATES:

Cost per 1,000 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>	
0 - 3.0	\$0.3155	\$1.1723	\$0.5781	(C)
3.0 - 48.6	4.9953	6.4342	5.5052	(C)
48.6 - 374	3.1389	4.5778	3.6489	(C)
374 - 3,740	2.3460	3.2001	2.6087	
3,740 - 11,200	1.7925	2.6507	2.0563	
Over 11,200	1.0648	1.9203	1.3259	

VOLUMETRIC RATES:

Cost per 100 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>	
0 - 30	\$0.03155	\$0.11723	\$0.05781	(C)
30 - 486	0.49953	0.64342	0.55052	(C)
486 - 3,740	0.31389	0.45778	0.36489	(C)
3,740 - 37,400	0.23460	0.32001	0.26087	
37,400 - 112,000	0.17925	0.26507	0.20563	
Over 112,000	0.10648	0.19203	0.13259	

(C) Text change that revises block for each rate

ISSUED: March 1, 2013

EFFECTIVE: March 31, 2013

BY:

  
Deon E. Allen  
President

1101 Broad Street  
Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE  
COMMERCIAL

For all commercial customers of Suck Creek.

VOLUMETRIC RATES:

Cost per 1,000 Gallons

<u>Monthly Use</u>	<u>Suck Creek General Water Service</u>	
First 1,500 gallons	\$39.06	(C)
Next 7,900 gallons	\$5.3533 per 1,000 gallons	(C)
All over 9,400 gallons	\$4.0241 per 1,000 gallons	(C)

VOLUMETRIC RATES:

Cost per 100 Gallons

<u>Monthly Use</u>	<u>Suck Creek General Water Service</u>	
First 1,500 gallons	\$39.06	(C)
Next 7,900 gallons	\$0.53533 per 100 gallons	(C)
All over 9,400 gallons	\$0.40241 per 100 gallons	(C)

VOLUMETRIC RATES:

Cost per CCF


First 2 CCF	\$39.06
Next 10.667 CCF	\$4.0043 per CCF
Over 12.667 CCF	\$3.0100 per CCF

(C)Text Change that revises block for each rate

ISSUED: March 1, 2013

EFFECTIVE: March 31, 2013

BY:

  
Deron E. Allen  
PRESIDENT

1101 Broad Street  
Chattanooga, Tennessee 37401



TENNESSEE-AMERICAN WATER COMPANY  
LONE OAK UTILITY DISTRICT - O & M

TRA No. 19  
Fourth Revised Sheet No. 4C-LO  
Cancelling  
Third Revision of Sheet No. 4C-LO

---

**CLASSIFICATION OF SERVICE**  
**COMMERCIAL**

For all commercial customers of Lone Oak.

**VOLUMETRIC RATES:**

**Cost per 1,000 Gallons**

<u>Monthly Use</u>	<u>Lone Oak General</u> <u>Water Service</u>	
First 2,000 gallons	\$ 53.69	(C)
All over 2,000 gallons	\$ 6.4389 per 1,000 gallons	(C)

**VOLUMETRIC RATES:**

**Cost per 100 Gallons**

<u>Monthly Use</u>	<u>Lone Oak General</u> <u>Water Service</u>	
First 2,000 gallons	\$ 53.69	(C)
All over 2,000 gallons	\$ 0.64389 per 100 gallons	(C)

**VOLUMETRIC RATES:**

**Cost per CCF**

First 2.67 CCF	\$ 53.69
All over 2.67 CCF	\$ 4.8163 per CCF

(C) Text Change that revises block for each rate

ISSUED: March 1, 2013

EFFECTIVE: March 31, 2013

BY:

  
Deon E. Allen  
PRESIDENT

1101 Broad Street  
Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE  
INDUSTRIAL

SERVICE CHARGES:

Service Charge Per Month

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$ 37.16 (I)	\$ 39.94 (I)	\$ 39.94 (I)
3/4"	62.46 (I)	59.82 (I)	59.82 (I)
1"	103.85 (I)	99.51 (I)	99.51 (I)
1-1/2"	207.80 (I)	199.10 (I)	199.10 (I)
2"	332.45 (I)	318.53 (I)	318.53 (I)
3"	623.30 (I)	597.24 (I)	597.24 (I)
4"	1,038.90 (I)	995.43 (I)	995.43 (I)
6"	2,077.79 (I)	1,990.87 (I)	1,990.87 (I)
8"	3,324.43 (I)	3,185.32 (I)	3,185.32 (I)

VOLUMETRIC RATES:

Cost per CCF


<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$ 0.2462 (I)	\$ 0.8798 (I)	\$ 0.4348 (I)
4-65	3.9093 (I)	4.8256 (I)	4.1283 (I)
65-500	2.4569 (I)	3.4330 (I)	2.7356 (I)
500-5,000	1.7352 (I)	2.4001 (I)	1.9552 (I)
5,000-15,000	1.3257 (I)	1.9866 (I)	1.5416 (I)
Over 15,000	0.7886 (I)	1.4403 (I)	0.9953 (I)

(I) Increase

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
 Deron E. Allen  
 President

1101 Broad Street  
 Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE  
INDUSTRIAL

VOLUMETRIC RATES:

Cost per 1,000 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mo untain Tariff</u>	<u>Lakeview T ariff</u>
0 - 3.0	\$ 0.3291	\$ 1.1762	\$ 0.5813 (C)
3.0 - 48.6	5.2263	6.4513	5.5191 (C)
48.6 - 374	3.2846	4.5896	3.6572 (C)
374 - 3,740	2.3198	3.2087	2.6139
3,740 - 11,200	1.7723	2.6559	2.0610
Over 11,200	1.0543	1.9255	1.3306

VOLUMETRIC RATES:

Cost per 100 Gallons

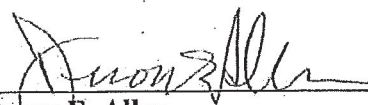
<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0 - 30	\$ 0.03291	\$ 0.11762	\$ 0.05813 (C)
30 - 486	0.52263	0.64513	0.55191 (C)
486 - 3,740	0.32846	0.45896	0.36572 (C)
3,740 - 37,400	0.23198	0.32087	0.26139
37,400 - 112,000	0.17723	0.26559	0.20610
Over 112,000	0.10543	0.19255	0.13306

(C) Text Change that revises block for each rate

ISSUED: March 1, 2013

EFFECTIVE: March 31, 2013

BY:

  
Deon E. Allen  
President

1101 Broad Street  
Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE

OTHER PUBLIC AUTHORITY

SERVICE CHARGES:

Service Charge Per Month

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$ 16.33 (I)	\$ 18.32 (I)	\$ 18.30 (I)
3/4"	27.43 (I)	27.45 (I)	27.43 (I)
1"	45.63 (I)	45.64 (I)	45.68 (I)
1-1/2"	91.30 (I)	91.35 (I)	91.35 (I)
2"	146.07 (I)	146.07 (I)	146.08 (I)
3"	273.88 (I)	273.88 (I)	273.88 (I)
4"	456.48 (I)	456.48 (I)	456.48 (I)
6"	912.97 (I)	912.97 (I)	912.97 (I)
8"	1,460.71 (I)	1,460.71 (I)	1,460.71 (I)

VOLUMETRIC RATES:

Cost per CCF


<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$ 0.2517 (I)	\$ 0.9383 (I)	\$ 0.4623 (I)
4-65	3.9934 (I)	5.1440 (I)	4.4004 (I)
65-500	2.5088 (I)	3.6596 (I)	2.9163 (I)
500-5,000	1.8757 (I)	2.5585 (I)	2.0842 (I)
5,000-15,000	1.4338 (I)	2.1177 (I)	1.6434 (I)
Over 15,000	0.8514 (I)	1.5353 (I)	1.0610 (I)

(I) Increase

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
 Deron E. Allen  
 President

1101 Broad Street  
 Chattanooga, Tennessee 37401

**CLASSIFICATION OF SERVICE**  
**OTHER PUBLIC AUTHORITY**

**VOLUMETRIC RATES:**

**Cost per 1,000 Gallons**

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0 - 3.0	\$ 0.3365	\$1.2544	\$ 0.6180 (C)
3.0 - 48.6	5.3388	6.8770	5.8829 (C)
48.6 - 374	3.3540	4.8925	3.8988 (C)
374 - 3,740	2.5076	3.4205	2.7864
3,740 - 11,200	1.9168	2.8311	2.1971
Over 11,200	1.1382	2.0525	1.4184

**VOLUMETRIC RATES:**

**Cost per 100 Gallons**


<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0 - 30	\$ 0.03365	\$ 0.12544	\$ 0.06180 (C)
30 - 486	0.53388	0.68770	0.58829 (C)
486 - 3,740	0.33540	0.48925	0.38988 (C)
3,740 - 37,400	0.25076	0.34205	0.27864
37,400 - 112,000	0.19168	0.28311	0.21971
Over 112,000	0.11382	0.20525	0.14184

(C) Text Change that revises block for each rate

ISSUED: March 1, 2013

EFFECTIVE: March 31, 2013

BY:

  
 Deron E. Allen  
 President

1101 Broad Street  
 Chattanooga, Tennessee 37401

---

**CLASSIFICATION OF SERVICE**

**APPLICABILITY**

For all residential, commercial, and other public authority customers of Jasper Highlands development in Kimball, TN.

**VOLUMETRIC RATES:**

**Cost per 100 Gallons**

<b><u>Monthly Use</u></b>	<b><u>Jasper Highlands General Water Service</u></b>	
First 2,500 gallons	\$52.15	(N)
Next 2,500 gallons	\$1.31 per 100 gallons	(N)
Next 2,500 gallons	\$1.17 per 100 gallons	(N)
Above 7,500 gallons	\$1.04 per 100 gallons	(N)

(N) Indicates New rate

---

ISSUED: December 29, 2020

EFFECTIVE: December 29, 2020

BY: \_\_\_\_\_



Grant Evitts, President  
109 Wiehl Street  
Chattanooga, Tennessee 37403

**CLASSIFICATION OF SERVICE**  
**SALES FOR RESALE**

**SERVICE CHARGES:**

**Service Charge Per Month**

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$ 14.14 (I)	\$ 15.86 (I)	\$ 15.86 (I)
3/4"	23.76 (I)	23.76 (I)	23.76 (I)
1"	39.52 (I)	39.52 (I)	39.52 (I)
1-1/2"	79.07 (I)	79.07 (I)	79.07 (I)
2"	126.46 (I)	126.46 (I)	126.46 (I)
3"	237.18 (I)	237.18 (I)	237.18 (I)
4"	395.34 (I)	395.34 (I)	395.34 (I)
6"	790.64 (I)	790.64 (I)	790.64 (I)
8"	1,265.00 (I)	1,265.00 (I)	1,265.00 (I)

**VOLUMETRIC RATES:**

**Cost per CCF**

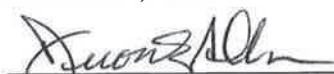
<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$ .2330	\$ .8680	\$ .4290
4-65	3.6960	4.7610	4.0730
65-500	2.3220	3.3870	2.6990
500-5,000	1.7360	2.3680	1.9290
5,000-15,000	1.3270	1.9600	1.5210
Over 15,000	.7880	1.4210	.9820

(I) Increase

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
 Deron E. Allen  
 President

1101 Broad Street  
 Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE  
SALE FOR RESALE

VOLUMETRIC RATES:

Cost per 1,000 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0 - 3.0	\$ .3115	\$1.1604	\$ .5735 (C)
3.0 - 48.6	4.9412	6.3650	5.4452 (C)
48.6 - 374	3.1043	4.5281	3.6083 (C)
374 - 3,740	2.3209	3.1658	2.5789
3,740 - 11,200	1.7741	2.6203	2.0334
Over 11,200	1.0535	1.8997	1.3128

VOLUMETRIC RATES:

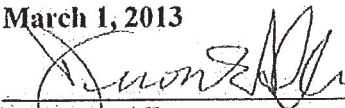
Cost per 100 Gallons

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0 - 30	\$ .03115	\$ .11604	\$ .05735 (C)
30 - 486	.49412	.63650	.54452 (C)
486 - 3,740	.31043	.45281	.36083 (C)
3,740 - 37,400	.23209	.31658	.25789
37,400 - 112,000	.17741	.26203	.20334
Over 112,000	.10535	.18997	.13128

ISSUED: March 1, 2013

EFFECTIVE: March 31, 2013

BY:

  
 Deron E. Allen  
 President

1101 Broad Street  
 Chattanooga, Tennessee 37401



---

**CLASSIFICATION OF SERVICE**  
**SALES FOR RESALE – SPECIAL CONTRACT**

**Schedule of Rates and Charges Available For:**

Other entities that provide retail water service to customers and have contracted to purchase potable water under special contract pricing.

**VOLUMETRIC RATES:**


<u>Monthly Use</u>	<u>Ft.</u> <u>Oglethorpe</u>	<u>Tariff</u>	<u>Cost per CCF</u>  <u>Catoosa</u> <u>County</u> <u>Tariff</u>	<u>Walden's</u> <u>Ridge</u> <u>Utility</u> <u>District</u> <u>Tariff</u>	<u>Signal</u> <u>Mountain</u> <u>Utility</u> <u>District</u> <u>Tariff</u>	
All Usage	\$1.0543	(D)	\$1.2152	(I)	\$1.218	\$1.0344

(D) Decrease  
(I) Increase

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
Deron E. Allen  
President

1101 Broad Street  
Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE

SURCHARGE

For all customer classifications.

- (E) A surcharge will be applied to the customer bill in the amount of \$.62 per month to collect \$275,000 in additional rate case expense which was authorized by the Appellate Court for Docket Number 2008-00039. This surcharge is temporary and will cease once the total is collected, which is anticipated to be six (6) months from the effective date.


(E) Eliminated

---

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
Deron E. Allen  
PRESIDENT

---

1101 Broad Street  
Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE

PUBLIC FIRE SERVICE FOR THE CITY OF RIDGESIDE

Available For:

Public Fire Service in the City of Ridgeside.

Annual Rates, Charges and Conditions of Service

The annual charge for water service furnished to fire hydrants existing on October 20, 1956, attached to its then-existing water mains in the City shall be \$0. This charge shall be due (D) and payable in twelve (12) equal installments, each installment to be due and payable on the 10<sup>th</sup> day of the month, covering service for the preceding month, and if not paid within sixty (60) days thereafter, shall bear interest from said due and payable date at the rate of six percent (6%) per annum.

The City shall have the right to install or cause to be installed, at its own cost and expense, such additional fire hydrants as it may desire on mains within the limits of the city six (6") inches and larger in diameter, size to be determined by the Water Company, in the public highways in the City, and, on such extended mains as may be ordered by the City, and the City shall pay an annual rental on such water main extensions of six (6") inches or larger at the rate of three cents (\$.03) per inch of diameter for each lineal foot of main laid in the extension of such main, provided, however, that the Water Company shall not be required to make any extension of its mains while the City is in arrears on its fire hydrant rental payment.

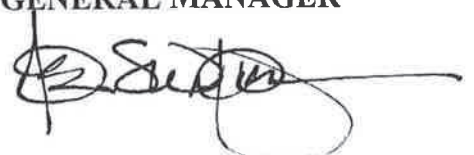
(D) Decrease

---

ISSUED: February 4, 2005

EFFECTIVE: March 9, 2005

BY: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER  
1101 Broad Street  
Chattanooga, Tennessee 37401



The City shall pay for the cost of installing all hydrants and hydrant branches, and upon such installation, the City shall thereafter own, maintain and, where necessary, replace the same. All public fire hydrants existing as of October 20, 1956, now owned by the City shall likewise be maintained by the City and replaced at its own cost and expense.

---

Issued: April 24, 1990

Effective: May 4, 1990

Issued By: D. L. Edgemon, President  
1101 Broad Street  
Chattanooga, Tennessee

---

CLASSIFICATION OF SERVICE

PUBLIC FIRE SERVICE

Available For:

Public Fire Service in the City of Chattanooga, City of East Ridge, City of Red Bank, the Town of Lookout Mountain, Tennessee, and Unincorporated Areas of Hamilton and Marion Counties, Tennessee; and the City of Rossville, the Town of Lookout Mountain, Georgia and the Unincorporated Areas of Walker, Catoosa and Dade Counties, Georgia.

<u>Rates</u>	<u>Rates per Annum – Billed Monthly</u>	
Each Public Fire Hydrant	\$ 0.00	(D)


(D) Decrease

---

ISSUED: February 4, 2005

EFFECTIVE: March 9, 2005

BY: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER  
1101 Broad Street  
Chattanooga, Tennessee 37401



CLASSIFICATION OF SERVICE

PRIVATE FIRE SERVICE

Available For:

Private Fire Service in all territory served by the Company. Private Fire Service is rendered only after approval by the President or Vice President and General Manager of the Company of an "Application for Special Connection," and only in accordance with the terms and conditions as provided therein.

Rates


	<u>Rate per Annum</u>
<b>Private Fire Service Connections:</b>	
1" diameter	\$ 36.80 (I)
1-1/2" diameter	83.01 (I)
2" diameter	147.63 (I)
2-1/2" diameter	225.12 (I)
3" diameter	331.84 (I)
4" diameter	664.53 (I)
6" diameter	1,328.00 (I)
8" diameter	2,658.23 (I)
10" diameter	3,987.64 (I)
12" diameter	5,317.30 (I)
 Private Fire Hydrants other than those supplied by Private Fire Service Connections	 \$1,266.87 (I)

(I) Increase

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
 Deron E. Allen  
 President

1101 Broad Street  
 Chattanooga, Tennessee 37401

GENERAL PROVISIONS APPLICABLE TO ALL WATER SERVICE

- (N) All bills for service are due upon presentation. A late payment charge will be assessed to bills that remain unpaid 15 days after they are first rendered. The effective date of the late payment charge will be stated on the bill. The net amount as shown on the bill shall apply if payment is made on or before the late payment date. Payments made after that date shall be for the gross amount which shall be greater by five percent (5%) than the net billing.

The Water Company will furnish, install and maintain all meters except those required by it to be set on "Fire Service Connections" in accordance with the terms and of "Application for Special Connection" attached thereto.

The Water Company reserves the right subject to the approval of the Tennessee Public Service Commission to make special contracts for water service.

---

Issued: April 24, 1990

Effective: May 4, 1990

Issued By: D. L. Edgemon, President  
1101 Broad Street  
Chattanooga, Tennessee

CLASSIFICATION OF SERVICE

(C) MISCELLANEOUS AND OTHER FEES

Applicable For:

- (C) Applicable to the cities of Chattanooga, East Ridge and Red Bank, Tennessee, the Cities of Rossville, City of Ridgeside, Lookout Mountain, unincorporated Hamilton County, Ft. Oglethorpe and Catoosa County, Georgia.

Availability of Service

- (C) Available for billing and collecting services connected with sewer billing until October 31, 2012, unless the entity enters into a contract for water usage data by that date and then it may extended until December 31, 2012 only for those contracted entities.

Rates

Rates Per Bill .....\$0.405

Activity Fee

- (C) When the Company is requested to turn on and/or set a meter at a location where there is pre-existing Company service, a fee of \$15.00 may be charged to cover the expense involved.

This fee shall not be applied to a landlord when the landlord requests continuation of service in his/her name for his/her rental property during an interim period between permanent tenants.

New Service Fee


- (C) Any applicant for water service at a location at which there is no pre-existing Company service may be charged a fee of \$25.00 to cover the expense of being added to the system. This fee includes the above mentioned activity fee.

(C) Change in Text

ISSUED: May 10, 2012

EFFECTIVE: June 11, 2012

BY:

  
Deron E. Allen  
PRESIDENT

1101 Broad Street  
Chattanooga, Tennessee 37401



CLASSIFICATION OF SERVICE

(N) SEWER BILLING DATA AND SERVICE DISCONNECTION

(N) Available For:

(N) Any private or public entity that provides sewer collection and billing services based on water usage in all territory served by the Company.

(N) Availability of Service

(N) Available for sewer providers that have contracted with the Company to receive water usage data for such entity's own billing purposes. This rate will include only the provision of water usage data. Disconnection of water service requested by the entity for non-payment of sewer billing may be billed to the entity at TAW's approved disconnect/reconnect rate for each disconnection performed. Disconnection may occur even if the customer is current on all water service payments to the Company. Prior to such disconnection request, the sewer entity shall satisfy all notice requirements to the sewer customer.

(N) Rates

(N) Rates Per Meter Read .....\$0.020

(N) Billing

(N) The billing shall be monthly. This rate will be applied at the billing date to the total number of meters read during the month for which usage data is to be provided. Any discontinued water connections during the month will be included in the billed number of meters. The rate will be applied for each meter even if there are multiple meters for a single customer, bill or account.


(N) The number of disconnections during the month at the request of the entity to be billed to the entity will be included in the monthly billing at the approved disconnect/reconnect rate even if customer has not yet been reconnected at the billing date.

(N) New Rate for New Service

ISSUED: May 10, 2012

EFFECTIVE: June 11, 2012

BY:

  
Deron E. Allen  
PRESIDENT

1101 Broad Street  
Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE

DISCONNECTION – RECONNECTION CHARGE

- (C) When it becomes necessary to discontinue water service to any premises because of a violation of the Company's Rules and Regulations on account of non-payment of any bill for water service, a charge of fifteen dollars (\$15.00) may be incurred to cover the expense involved.
- (N) If a customer's water service is discontinued for non-payment of sewer service and such customer is a sewer customer of an entity that has contracted with the Company for disconnection within five (5) days of notification by the sewer entity, a charge of forty-eight dollars (\$48.00) may be made to cover the expense involved.

In the event a customer's water service has been discontinued as described above, and said customer re-establishes services illegally in order to avoid payment of outstanding obligations due the Company, the Company will take steps to de-activate the service line to the customer. In order to re-activate the

- (C) service in such circumstances, a charge of ninety-two dollars (\$92.00) may be incurred to cover the expense of re-activating the service.

RETURNED CHECK CHARGE


When a bad check has been issued to Tennessee American Water Company for payment of any bill for water service, a charge of \$20.00 will be made to cover expenses involved.

- (N) New Text
  - (C) Change in Text
- 

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
Deron E. Allen  
President

---

1101 Broad Street  
Chattanooga, Tennessee 37401

**CLASSIFICATION OF SERVICE**

**SUMMARY OF RIDERS**

**1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Qualified Infrastructure Improvement Program (“QIIP”) Rider, an Economic Development Investment Program Rider (“EDI”), a Safety and Environmental Compliance Program Rider (“SEC”), and Production Costs and Other Pass-Throughs Rider (“PCOP”) will apply to customers in all service areas.

**2. The Percentage of Riders and Reconciliations**

For the Riders defined in the tariffs:

QIIP	24.22%
EDI	1.91%
<u>SEC</u>	<u>9.97%</u>
Subtotal of all Capital Recovery Rider	36.10%
QIIP Annual Reconciliation Percentage	- 0.16% (D)
EDI Annual Reconciliation Percentage	0.90% (I)
<u>SEC Annual Reconciliation Percentage</u>	<u>- 3.52% (D)</u>
Subtotal of all Capital Recovery Riders	- 2.78% (D)
Total of Capital Recovery Riders and Reconciliation Percentages	33.32%
Offset to Capital Recovery Riders for TCJA savings	-4.32%
Offset to Capital Recovery Riders for TCJA Excess ADIT	-0.23%
PCOP	2.13%

(I) Indicates Increase

(D) Indicates Decrease

---

ISSUED: July 21, 2023 EFFECTIVE: August 14, 2023

BY:



Grant A. Evitts  
PRESIDENT

109 Wiehl Street  
Chattanooga, Tennessee 37403

CLASSIFICATION OF SERVICEQUALIFIED INFRASTRUCTURE IMPROVEMENT PROGRAM – RIDER**1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Qualified Infrastructure Improvement Program (“QIIP”) Rider will apply to customers in all service areas.

The above rider will be recomputed annually and be adjusted periodically to incorporate the Annual Reconciliation Factor.

**2. Definitions**

For the purposes of this Rider:

“**Actual QIIP Investment Amount**” means the amount of actual capital investment of the Company for the Qualified Infrastructure Improvement Program and not otherwise included in current base rates. At the time of the Company’s next general rate case proceeding, all prudently incurred Actual QIIP Investment Amounts associated with this Rider shall be included in base rates.

“**Annual Reconciliation Factor**” means an adjustment factor to true-up rates from forecasted costs to the actual costs incurred through application of 1) the Budget-to-Actual Adjustment and 2) the Over-Under Collection Adjustment, and the 3) Earnings Test Adjustment, as adjusted for Interest.

“**Annual Review Period**” means the twelve-month period between the annual adjustments of the QIIP Percentage Rate.

“**Commission**” means the Tennessee Public Utility Commission.

“**Budget-to-Actual Adjustment**” means the adjustment to QIIP for the applicable coming annual period due to the difference between the Forecasted QIIP Investment Amount and the Actual QIIP Investment Amount.

(T) Denotes change in text

ISSUED: October 3, 2017

EFFECTIVE: November 2, 2017

BY:



Valoria V. Armstrong  
PRESIDENT

109 Wiehl Street  
Chattanooga, Tennessee 37403

“**Consumer Advocate**” means the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General.

“**Forecasted QIIP Investment Amount**” means the amount of forecasted capital investment of the Company for the Qualified Infrastructure and Investment Program and not otherwise included in current base rates.

(T) “**Over-Under Collection Adjustment**” means the adjustment to QIIP for the applicable  
(T) coming annual period due to the net amount of over or under collections. This will include  
(T) over-under collections from the annual review period EDI and any remaining balance of the  
(T) over-under collection from the prior reconciliation of the EDI.

“**Relevant Rate Order**” means the final order of the Commission in the most recent rate case of the Company fixing the rates of the Company or the most recent final order of the Commission specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.

### 3. General Description

QIIP allows the Company to recover outside of a rate case its qualifying incremental non-revenue producing plant infrastructure investment. For purposes of this Rider, qualifying QIIP investment includes the following:

*Distribution Infrastructure* – Replacement distribution and transmission mains and valves installed as replacements for existing facilities, reinforcement of existing facilities or otherwise insuring reliability of existing facilities; Hydrants, Services, Meters and Meter Installations – installed as in-kind replacements, reinforcements or insuring reliability of existing facilities; Unreimbursed funds related to capital projects to relocate facilities required by governmental highway projects; Capitalized tank repairs and maintenance that serve to replace, reinforce, or otherwise insure reliability of existing facilities.

*Production and Pumping Infrastructure* – Replacement of water treatment facilities and equipment installed as replacements for existing facilities, reinforcement of existing facilities or otherwise insuring reliability of existing facilities; Raw Water and Finished Water pumping equipment and structures installed as replacements, reinforcements or otherwise insuring reliability of existing facilities.

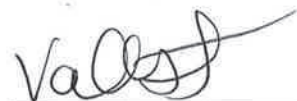
*Other Infrastructure* – Infrastructure designed to utilize alternative fuels.

(T) Denotes change in text

ISSUED: October 3, 2017

EFFECTIVE: November 2, 2017

BY:



Valoria V. Armstrong  
PRESIDENT

109 Wiehl Street  
Chattanooga, Tennessee 37403

QIIP Investment is to be identifiable on the Company's books and segregated into the following general accounts:

- Account 331 – Transmission & Distribution Mains;
- Account 333 – Services;
- Account 334 – Meters & Meter Installations;
- Account 335 – Hydrants;
- Account 320 – Water Treatment Equipment, Non-Media;
- Account 311 – Pumping Equipment;
- Account 303 – Land and Land Rights;
- Account 304 – Structures and Improvements;
- Account 306 – Lake, River and Other Intakes;
- Account 307 – Wells and Springs;
- Account 309 – Supply Mains;
- Account 310 – Power Generation Equipment
- Account 330 – Distribution Reservoirs and Standpipes;
- Account 341 – Transportation Equipment; and
- Account 330003 – Capitalized Tank Painting.

**4. Determination of the Qualified Infrastructure Improvement Program Percentage Rate**

- (A) The QIIP percentage shall be expressed as a percentage carried to two (2) decimal places. The QIIP percentage shall be applied to the total amount billed to each Customer based on the Company's otherwise applicable rates and charges.
- (B) The QIIP percentage shall be calculated on an annual prospective basis as follows:

**FORECASTED** QIIP Investment Amount  
 Less QIIP Plant Retirements (Net of Cost of Removal & Salvage)  
 Less Contributions in Aid of Construction  
 Less Accumulated Depreciation  
Less Accumulated Deferred Income Taxes  
 Net Forecasted QIIP Qualifying Investment

Multiplied by the Pre-Tax ROR set forth in the Relevant Rate Order

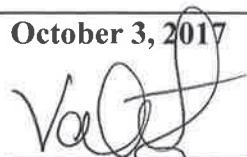
Allowed Forecasted QIIP Pre-Tax Return  
 Plus Depreciation Expense

(T) Denotes change in text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



**Valoria V. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

Plus Property Taxes  
 Plus Franchise Taxes  
 Subtotal Forecasted QIIP Revenue Requirement Before Revenue Tax

Divided by 1 minus the following:  
 Forfeited Discounts Rate  
 Plus Uncollectible Expense Rate  
 Plus Gross Receipts Tax Rate  
 Total Forecasted QIIP Revenue Requirement

Divided by Relevant Rate Order Volumetric & Metered Revenue

QIIP Percentage Rate

Where:

**Accumulated Depreciation** = Accumulated depreciation calculated by debiting for Forecasted QIIP plant removed from service, and crediting for new accumulations using rates approved in the Relevant Rate Order on new investments, less retirements and CIAC.

**Accumulated Deferred Income Taxes** = An average of the forecasted accumulated deferred income taxes related to qualified forecasted QIIP investment at the beginning and end of the year.

**Contributions in Aid of Construction** = Non-investor supplied funds used in the construction of forecasted QIIP infrastructure.

**Depreciation Expense** = Forecasted cumulative qualified QIIP investment net of retirements and CIAC, multiplied by depreciation rates approved in the Relevant Rate Order.

**Forfeited Discount Rate** = Forecasted QIIP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.

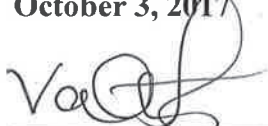
**Franchise Taxes** = Forecasted cumulative qualified QIIP investment multiplied by composite franchise tax rate approved in the Relevant Rate Order.

(T) Denotes change in text

ISSUED: October 3, 2017

EFFECTIVE: November 2, 2017

BY:



Valoria V. Armstrong  
 PRESIDENT

109 Wiehl Street  
 Chattanooga, Tennessee 37403

**Gross Receipts Tax Rate** = Forecasted QIIP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.

**Property Taxes** = Forecasted cumulative qualified QIIP investment multiplied by composite property tax rate approved in the Relevant Rate Order.

**QIIP Plant Retirements** = Forecasted QIIP plant removed from service net of any associated cost of removal and salvage.

**Forecasted QIIP Investment Amount** = Average forecasted QIIP additions to plant infrastructure as described in Section 3, computed by use of average of 12 end-of-month balances.

**Uncollectible Expense** = Forecasted QIIP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.

**Volumetric & Metered Revenue** = the revenues authorized in the Relevant Rate Order for volumetric water sales, meter charges, and private fire service charges.

- (C) The total amount to be recovered through the QIIP is the QIIP Percentage Rate as adjusted for the Annual Reconciliation Factor Percentage Rate.

#### 5. Determination of the Annual Reconciliation Factor Percentage Rate

- (A) The Annual Reconciliation Factor Percentage shall be expressed as a percentage carried to two (2) decimal places. The Annual Reconciliation Factor Percentage shall be applied to the total amount billed to each Customer based on the Company's otherwise applicable rates and charges.
- (B) The Annual Reconciliation Factor Percentage Rate will be computed as follows:

Budget-to-Actual Adjustment  
Plus Over-Under Collection Adjustment

(T) Denotes change in text

ISSUED: October 3, 2017

EFFECTIVE: November 2, 2017

BY:

  
Valoria V. Armstrong  
PRESIDENT

109 Wiehl Street  
Chattanooga, Tennessee 37403



Plus Earnings Test Adjustment  
Plus Interest  
 Annual Reconciliation Amount

Divided by 9/12 of the Relevant Rate Order Volumetric & Metered Revenue

Annual Reconciliation Factor Percentage Rate

(C) Computation of the Budget-to-Actual Adjustment.

The Budget-to-Actual Adjustment will be computed as follows:

**ACTUAL** QIIP Investment Amount for the Annual Review Period  
 Less QIIP Plant Retirements (Net of Cost of Removal & Salvage)  
 Less Contributions in Aid of Construction  
 Less Accumulated Depreciation  
Less Accumulated Deferred Income Taxes  
 Net Actual QIIP Qualifying Investment

Multiplied by the Pre-Tax ROR set forth in the Relevant Rate Order

Allowed Actual QIIP Pre-Tax Return  
 Plus Depreciation Expense  
 Plus Property Taxes  
Plus Franchise Taxes  
 Subtotal Actual QIIP Revenue Requirement Before Revenue Tax

Divided by 1 minus the following:

Forfeited Discounts Rate  
 Plus Uncollectible Expense Rate  
Plus Gross Receipts Tax Rate  
 Total Actual QIIP Revenue Requirement

Less Total Forecasted QIIP Revenue Requirement

Budget-to-Actual Adjustment

Where:

(T) Denotes change in text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



**Valoria V. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

---

**Accumulated Depreciation** = Accumulated depreciation calculated by debiting for Forecasted QIIP plant removed from service, and crediting for new accumulations using rates approved in the Relevant Rate Order on new investments, less retirements and CIAC

**Accumulated Deferred Income Taxes** = An average of the actual accumulated deferred income taxes related to actual QIIP investment at the beginning and end of the year.

**Contributions in Aid of Construction** = Non-investor supplied funds used in the construction of actual QIIP infrastructure.

**Depreciation Expense** = Actual cumulative qualified QIIP investment net of retirements and CIAC multiplied by depreciation rates approved in the Relevant Rate Order.

**Forfeited Discount Rate** = Actual QIIP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.

**Franchise Taxes** = Actual cumulative qualified QIIP investment multiplied by composite franchise tax rate approved in the Relevant Rate Order.

**Gross Receipts Tax Rate** = Actual QIIP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.

**Property Taxes** = Actual cumulative qualified QIIP investment multiplied by composite property tax rate approved in the Relevant Rate Order.

**QIIP Plant Retirements** = Actual QIIP plant removed from service net of any associated cost of removal and salvage.

**Actual QIIP Investment Amount** = Average actual QIIP additions to plant infrastructure as described in Section 3, computed by use of average of 12 end-of-month balances.

**Uncollectible Expense** = Actual QIIP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.

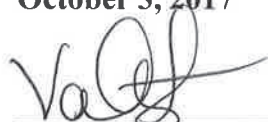
(T) Denotes change in text

---

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



---

**Valoria V. Armstrong**  
**PRESIDENT**

---

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

**Volumetric & Metered Revenue** = the revenues authorized in the Relevant Rate Order for volumetric water sales, meter charges, and private fire service charges.

(D) Computation of the Over-Under Collection Adjustment.

(T) The Company will identify and record the total amount of the QIIP Collected from  
 (T) Customers for the Annual Review Period. The difference between the Total QIIP Collected  
 (T) from Customers and the Total Budgeted QIIP Revenue Requirement shall constitute the  
 Over-Under Collection Adjustment. . This adjustment shall include any remaining Over-  
 Under amount from the prior period reconciliation during the Annual Review Period in  
 addition to the Over-Under collection amount for the EDI during the Annual Review Period.

(E) Computation of the Earnings Test Adjustment.

If the earnings attained by the Company for the Annual Review Period exceed the earnings allowed for the Annual Review Period by applying the overall rate of return authorized in the Relevant Rate Order, then any such earnings difference shall constitute the Earnings Test Adjustment. If the earnings attained by the Company for the Annual Review Period are less than the earnings allowed for the Annual Review Period by applying the overall rate of return authorized in the Relevant Rate Order, then no Earnings Test Adjustment shall be recognized.

Any Earnings Test Adjustment shall be allocated among the Qualified Infrastructure Improvement Program Rider, the Economic Development Investment Rider, and the Safety and Environmental Compliance Rider based on the pro-rata revenues collected under these riders for the Annual Review Period for purposes of computing new rate adjustments.

(F) Computation of Interest.

Interest will be computed as follows:

Budget-to-Actual Adjustment  
 Plus Over-Under Collection Adjustment  
 Plus Earnings Test Adjustment

Total Amount Subject to Interest  
 Interest Rate Multiplied by 50%

Total Interest

(T) Denotes change in text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



**Valoria V. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

---

Where "Interest Rate" equals the prime rate value published in the "Federal Reserve Bulletin" or in the Federal Reserve's "Selected Interest Rates" for the most recent preceding month.

#### 6. New Base Rates

The QIIP rider will be reset at zero upon the establishment of new base rates to customer billings that provide for the prospective recovery of the annual costs that had theretofore been recovered under the QIIP. Thereafter, only the costs of new QIIP eligible plant additions that have not previously been reflected in the Company's rate base, would be reflected in new annual prospective QIIP filings.

#### 7. Annual QIIP Percentage Rate Filing

On or before December 1 of each year, the Company shall submit to the Commission a calculation of the QIIP Percentage Rate for the following calendar year. The Annual QIIP Percentage Rate Filing shall be verified by an officer of the Company. The Annual QIIP Percentage Rate Filing shall include a calculation to adjust revenue to recover costs related to the Forecasted QIIP Investment Amount, with such revenue adjustment applied through the QIIP Percentage Rate. The QIIP Percentage Rate shall become effective on January 1 of each year and be applied as an adjustment to Customers' bills for the remainder of the calendar year.

The Company will include in its Annual QIIP Percentage Rate Filing the following information at a minimum: (a) computation of the QIIP Percentage Rate, including the detailed calculation of each component, (b) a budget of the Forecasted QIIP Investment Amount adopted by the Company's Board of Directors, (c) any related Strategic Capital Expenditures Plans, (d) a statement demonstrating how each projected capital investment comprising the Forecasted QIIP Investment Amount meets the requirements for recovery under this Rider set forth in Section 3, and (e) such other information as the Commission may direct.

The Company will simultaneously copy the Consumer Advocate on its Annual QIIP Percentage Rate Filing.

#### 8. Annual Reconciliation Filing with the Commission

On or before March 1 of each year, the Company shall submit to the Commission a reconciliation of the results of the operation of the QIIP for the previous Annual Review Period. The Annual Reconciliation Filing shall be verified by an officer of the Company. The annual reconciliation shall include a calculation to adjust revenue collected under this QIIP Rider in effect for the prior Annual Review Period to an amount equivalent to the actual level of prudently-incurred QIIP cost for the prior Annual Review Period, with such revenue adjustment applied through the Annual Reconciliation Factor Percentage Rate. The Annual Reconciliation Factor Percentage Rate shall become effective on

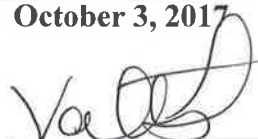
(T) Denotes change in text

---

ISSUED: **October 3, 2017**

EFFECTIVE: **November 2, 2017**

BY:



**Valoria V. Armstrong**  
**PRESIDENT**

---

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

April 1 of each year and be applied as an adjustment to Customers' bills for the remainder of the calendar year.

The Company will include in its Annual Reconciliation Filing the following information at a minimum: (a) a schedule of all journal entries made related to this Rider for the Annual Review Period, including any related general ledger support, (b) actual billing determinants by month as used in the computation of the Total QIIP Collected from Customers for the Annual Review Period, (c) capitalization policy effective for the Annual Review Period, (d) computation of the Annual Reconciliation Factor Percentage Rate, including the detailed calculation of each component, (e) a schedule of any proposed prior period adjustments, (f) an affirmative statement of whether the Company is aware of any changes in market conditions or other factors that may affect whether the Rider is still in the public interest, including the identification of such factors if they exist, (g) the cumulative amount of QIIP collected from customers under this Rider, and (h) such other information as the Commission may direct.

The Company will simultaneously copy the Consumer Advocate on its Annual Reconciliation Filing.

**9. Notice Requirements**

The Company will file revised tariffs for Commission approval upon 30 days' notice to implement a decrement or an increment each January 1 and April 1. Along with the tariff filing, the Company will include a copy of the computation of the new rate adjustment. The Company will simultaneously copy the Consumer Advocate on this filing.

**10. Public Interest Review**

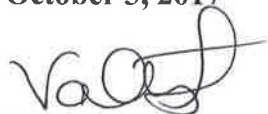
Nothing herein shall be construed to eliminate or otherwise restrict the opportunity of the Consumer Advocate or any other interested party from seeking a review of this Rider, as permitted by law and the rules and regulations of the Commission, for a reconsideration of whether it remains in the public interest.

(T) Denotes change in text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



**Valoria V. Armstrong  
 PRESIDENT**

**109 Wiehl Street  
 Chattanooga, Tennessee 37403**

---

**CLASSIFICATION OF SERVICE****ECONOMIC DEVELOPMENT INVESTMENT PROGRAM – RIDER****1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Economic Development Investment Program (“EDI”) Rider will apply to customers in all service areas.

The above rider will be recomputed annually and be adjusted periodically to incorporate the Annual Reconciliation Factor.

**2. Definitions**

For the purposes of this Rider:

“**Actual EDI Investment Amount**” means the amount of actual capital investment and associated operating expenses of the Company for the Economic Development Investment Program and not otherwise included in current base rates. At the time of the Company’s next general rate case proceeding, all prudently incurred Actual EDI Investment Amounts associated with this Rider shall be included in base rates.

“**Annual Reconciliation Factor**” means an adjustment factor to true-up rates from forecasted costs to the actual costs incurred through application of 1) the Budget-to-Actual Adjustment and 2) the Over-Under Collection Adjustment, and the 3) Earnings Test Adjustment, as adjusted for Interest.

“**Annual Review Period**” means the twelve-month period between the annual adjustments of the EDI Percentage Rate. For the first year beyond the attrition year of the base rate case, this review period may be shorter or longer than a twelve-month period to cover expenditures between the attrition year and the start of the subsequent calendar year.

“**Commission**” means the Tennessee Public Utility Commission.

“**Budget-to-Actual Adjustment**” means the adjustment to EDI for the applicable coming annual period due to the difference between the Forecasted EDI Investment and Expense Amount and the Actual EDI Investment and Expense Amount.

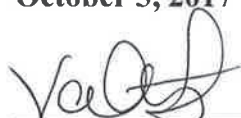
(T) Denotes Change in text

---

ISSUED: **October 3, 2017**

EFFECTIVE: **November 2, 2017**

BY:



---

**Valoria V. Armstrong**  
**PRESIDENT**

---

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

“**Consumer Advocate**” means the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General.

“**Forecasted EDI Investment Amount**” means the amount of forecasted capital investment of the Company for the Economic Development Investment Program and not otherwise included in current base rates.

(T) “**Over-Under Collection Adjustment**” means the adjustment to EDI for the applicable coming annual period due to the net amount of over or under collections. This will include over-under collections from the annual review period EDI and any remaining balance of the over-under collection from the prior reconciliation of the EDI.

“**Relevant Rate Order**” means the final order of the Commission in the most recent rate case of the Company fixing the rates of the Company or the most recent final order of the Commission specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.

### 3. General Description

EDI allows the Company to recover outside of a rate case its qualifying incremental non-revenue producing plant infrastructure investment and expenses. For purposes of this Rider, qualifying EDI investment includes the following:

*Distribution, Production, and Other Infrastructure* – Distribution, production, and other infrastructure that may be identified as being for the purpose of economic development.

*Economic Development Expenses* – Operational expenses that are specifically to support economic development and economic development investment utility plant.

EDI Investment is to be identifiable on the Company’s books and segregated into the following general accounts:

Account 331 – Transmission & Distribution Mains;  
Account 333 – Services;  
Account 334 – Meters & Meter Installations;  
Account 335 – Hydrants;  
Account 320 – Water Treatment Equipment, Non-Media;  
Account 311 – Pumping Equipment;  
Account 303 – Land and Land Rights;  
Account 304 – Structures and Improvements;

(T) Denotes Change in text

ISSUED: October 3, 2017

EFFECTIVE: November 2, 2017

BY:



Valoria V. Armstrong  
PRESIDENT

109 Wiehl Street  
Chattanooga, Tennessee 37403

Account 306 – Lake, River and Other Intakes;  
 Account 307 – Wells and Springs;  
 Account 309 – Supply Mains;  
 Account 310 – Power Generation Equipment;  
 Account 330 – Distribution Reservoirs and Standpipes; and  
 Account 330003 – Capitalized Tank Painting.

**4. Determination of the Economic Development Investment Program Percentage Rate**

- (A) The EDI percentage shall be expressed as a percentage carried to two (2) decimal places. The EDI percentage shall be applied to the total amount billed to each Customer based on the Company’s otherwise applicable rates and charges.
- (B) The EDI percentage shall be calculated on an annual prospective basis as follows:

**FORECASTED EDI Investment Amount**  
 Less EDI Plant Retirements (Net of Cost of Removal & Salvage)  
 Less Contributions in Aid of Construction  
 Less Accumulated Depreciation  
Less Accumulated Deferred Income Taxes  
 Net Forecasted EDI Qualifying Investment

Multiplied by the Pre-Tax ROR set forth in the Relevant Rate Order

Allowed Forecasted EDI Pre-Tax Return  
 Plus Depreciation Expense  
 Plus Property Taxes  
 Plus Franchise Taxes  
Plus Economic Development Operational Expenses  
 Subtotal Forecasted EDI Revenue Requirement Before Revenue Tax


Divided by 1 minus the following:  
 Forfeited Discounts Rate  
 Plus Uncollectible Expense Rate  
Plus Gross Receipts Tax Rate  
 Total Forecasted EDI Revenue Requirement

(T) Denotes Change in text

**ISSUED: October 3, 2017**

**EFFECTIVE: November 2, 2017**

**BY:**



**Valoria V. Armstrong  
PRESIDENT**

**109 Wiehl Street  
Chattanooga, Tennessee 37403**



---

Divided by Relevant Rate Order Volumetric & Metered Revenue

EDI Percentage Rate

Where:

**Accumulated Depreciation** = Accumulated depreciation calculated by debiting for Forecasted EDI plant removed from service, and crediting for new accumulations using rates approved in the Relevant Rate Order on new investments, less retirements and CIAC.

**Accumulated Deferred Income Taxes** = An average of the forecasted accumulated deferred income taxes related to qualified forecasted EDI investment at the beginning and end of the year.

**Contributions in Aid of Construction** = Non-investor supplied funds used in the construction of forecasted EDI infrastructure.

**Depreciation Expense** = Forecasted cumulative qualified EDI investment net of retirements and CIAC, multiplied by depreciation rates approved in the Relevant Rate Order.

**Forfeited Discount Rate** = Forecasted EDI Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.

**Franchise Taxes** = Forecasted cumulative qualified EDI investment multiplied by composite franchise tax rate approved in the Relevant Rate Order.

**Gross Receipts Tax Rate** = Forecasted EDI Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.

**Property Taxes** = Forecasted cumulative qualified EDI investment multiplied by composite property tax rate approved in the Relevant Rate Order.

**EDI Plant Retirements** = Forecasted EDI plant removed from service net of any associated cost of removal and salvage.

(T) Denotes Change in text

---

ISSUED: October 3, 2017

EFFECTIVE: November 2, 2017

BY:



---

Valoria V. Armstrong  
PRESIDENT

---

109 Wiehl Street  
Chattanooga, Tennessee 37403

**Forecasted EDI Investment Amount** = Average forecasted EDI additions to plant infrastructure as described in Section 3, computed by use of average of 12 end-of-month balances.

**Economic Development Expenses** = the incremental operational expenses that are specifically to support economic development or economic development utility plant.

**Uncollectible Expense** = Forecasted EDI Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.

**Volumetric & Metered Revenue** = the revenues authorized in the Relevant Rate Order for volumetric water sales, meter charges, and private fire service charges.

- (C) The total amount to be recovered through the EDI is the EDI Percentage Rate as adjusted for the Annual Reconciliation Factor Percentage Rate.

**5. Determination of the Annual Reconciliation Factor Percentage Rate**

- (A) The Annual Reconciliation Factor Percentage shall be expressed as a percentage carried to two (2) decimal places. The Annual Reconciliation Factor Percentage shall be applied to the total amount billed to each Customer based on the Company’s otherwise applicable rates and charges.

- (B) The Annual Reconciliation Factor Percentage Rate will be computed as follows:

Budget-to-Actual Adjustment  
 Plus Over-Under Collection Adjustment  
 Plus Earnings Test Adjustment  
Plus Interest  
 Annual Reconciliation Amount

Divided by 9/12 of the Relevant Rate Order Volumetric & Metered Revenue

Annual Reconciliation Factor Percentage Rate


- (C) Computation of the Budget-to-Actual Adjustment.

(T) Denotes Change in text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**

  
 Valoria V. Armstrong  
 PRESIDENT

109 Wiehl Street  
 Chattanooga, Tennessee 37403

The Budget-to-Actual Adjustment will be computed as follows:

**ACTUAL** EDI Investment Amount for the Annual Review Period  
 Less EDI Plant Retirements (Net of Cost of Removal & Salvage)  
 Less Contributions in Aid of Construction  
 Less Accumulated Depreciation  
Less Accumulated Deferred Income Taxes  
 Net Actual EDI Qualifying Investment

Multiplied by the Pre-Tax ROR set forth in the Relevant Rate Order

Allowed Actual EDI Pre-Tax Return  
 Plus Depreciation Expense  
 Plus Property Taxes  
 Plus Franchise Taxes  
Plus Economic Development Operational Expenses  
 Subtotal Actual EDI Revenue Requirement Before Revenue Tax

Divided by 1 minus the following:

Forfeited Discounts Rate  
 Plus Uncollectible Expense Rate  
Plus Gross Receipts Tax Rate  
 Total Actual EDI Revenue Requirement

Less Total Forecasted EDI Revenue Requirement

Budget-to-Actual Adjustment

Where:

**Accumulated Depreciation** = Accumulated depreciation calculated by debiting for Forecasted EDI plant removed from service, and crediting for new accumulations using rates approved in the Relevant Rate Order on new investments, less retirements and CIAC

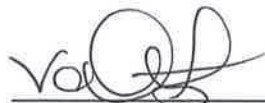
**Accumulated Deferred Income Taxes** = An average of the actual accumulated deferred income taxes related to actual EDI investment at the beginning and end of the year.

(T) Denotes Change in text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



**Valoria V. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

**Contributions in Aid of Construction** = Non-investor supplied funds used in the construction of actual EDI infrastructure.

**Depreciation Expense** = Actual cumulative qualified EDI investment net of retirements and CIAC multiplied by depreciation rates approved in the Relevant Rate Order.

**Forfeited Discount Rate** = Actual EDI Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.

**Franchise Taxes** = Actual cumulative qualified EDI investment multiplied by composite franchise tax rate approved in the Relevant Rate Order.

**Gross Receipts Tax Rate** = Actual EDI Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.

**Property Taxes** = Actual cumulative qualified EDI investment multiplied by composite property tax rate approved in the Relevant Rate Order.

**EDI Plant Retirements** = Actual EDI plant removed from service net of any associated cost of removal and salvage.

**Actual EDI Investment Amount** = Average actual EDI additions to plant infrastructure as described in Section 3, computed by use of average of 12 end-of-month balances.

**Economic Development Expenses** = the incremental operational expenses that are specifically to support economic development or economic development utility plant.

**Uncollectible Expense** = Actual EDI Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.

**Volumetric & Metered Revenue** = the revenues authorized in the Relevant Rate Order for volumetric water sales, meter charges, and private fire service charges.

(T) Denotes Change in text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



**Valoria V. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

(D) Computation of the Over-Under Collection Adjustment.

The Company will identify and record the total amount of the EDI Collected from Customers for the Annual Review Period. The difference between the Total EDI Collected from Customers and the Total Budgeted EDI Revenue Requirement shall constitute the Over-Under Collection Adjustment. This adjustment shall include any remaining Over-Under amount from the prior period reconciliation during the Annual Review Period in addition to the Over-Under collection amount for the EDI during the Annual Review Period.

(T)  
(T)  
(T)

(E) Computation of the Earnings Test Adjustment.

If the earnings attained by the Company for the Annual Review Period exceed the earnings allowed for the Annual Review Period by applying the overall rate of return authorized in the Relevant Rate Order, then any such earnings difference shall constitute the Earnings Test Adjustment. If the earnings attained by the Company for the Annual Review Period are less than the earnings allowed for the Annual Review Period by applying the overall rate of return authorized in the Relevant Rate Order, then no Earnings Test Adjustment shall be recognized.

Any Earnings Test Adjustment shall be allocated among the Qualified Infrastructure Improvement Program Rider, the Economic Development Investment Rider, and the Safety and Environmental Compliance Rider based on the pro-rata revenues collected under these riders for the Annual Review Period for purposes of computing new rate adjustments.

(F) Computation of Interest.

Interest will be computed as follows:

Budget-to-Actual Adjustment  
Plus Over-Under Collection Adjustment  
Plus Earnings Test Adjustment

Total Amount Subject to Interest  
Interest Rate Multiplied by 50%

Total Interest

Where "Interest Rate" equals the prime rate value published in the "Federal Reserve Bulletin" or in the Federal Reserve's "Selected Interest Rates" for the most recent preceding month.

(T) Denotes Change in text

ISSUED: October 3, 2017

EFFECTIVE: November 2, 2017

BY:



Valoria V. Armstrong  
PRESIDENT

109 Wiehl Street  
Chattanooga, Tennessee 37403

**6. New Base Rates**

The EDI rider will be reset at zero upon the establishment of new base rates to customer billings that provide for the prospective recovery of the annual costs that had theretofore been recovered under the EDI. Thereafter, only the costs of new EDI eligible plant additions that have not previously been reflected in the Company's rate base, would be reflected in new annual prospective EDI filings.

**7. Annual EDI Percentage Rate Filing**

On or before December 1 of each year, the Company shall submit to the Commission a calculation of the EDI Percentage Rate for the following calendar year. The Annual EDI Percentage Rate Filing shall be verified by an officer of the Company. The Annual EDI Percentage Rate Filing shall include a calculation to adjust revenue to recover costs related to the Forecasted EDI Investment Amount, with such revenue adjustment applied through the EDI Percentage Rate. The EDI Percentage Rate shall become effective on January 1 of each year and be applied as an adjustment to Customers' bills for the remainder of the calendar year.

The Company will include in its Annual EDI Percentage Rate Filing the following information at a minimum: (a) computation of the EDI Percentage Rate, including the detailed calculation of each component, (b) a budget of the Forecasted EDI Investment Amount and Forecasted Economic Development Operational Expenses adopted by the Company's Board of Directors, (c) any related Strategic Capital Expenditures Plans, (d) statements demonstrating how each projected capital investment comprising the Forecasted EDI Investment Amount and each projected operational expense comprising the Forecasted Economic Development Operational Expenses meet the requirements for recovery under this Rider set forth in Section 3, and (e) such other information as the Commission may direct.

The Company will simultaneously copy the Consumer Advocate on its Annual EDI Percentage Rate Filing.

**8. Annual Reconciliation Filing with the Commission**

On or before March 1 of each year, the Company shall submit to the Commission a reconciliation of the results of the operation of the EDI for the previous Annual Review Period. The Annual Reconciliation Filing shall be verified by an officer of the Company. The annual reconciliation shall include a calculation to adjust revenue collected under this EDI Rider in effect for the prior Annual Review Period to an amount equivalent to the actual level of prudently-incurred EDI cost for the prior Annual Review Period, with such revenue adjustment applied through the Annual Reconciliation Factor Percentage Rate. The Annual Reconciliation Factor Percentage Rate shall become effective on

(T) Denotes Change in text

**ISSUED: October 3, 2017**

**EFFECTIVE: November 2, 2017**

**BY:**



**Valoria V. Armstrong  
PRESIDENT**

**109 Wiehl Street  
Chattanooga, Tennessee 37403**

April 1 of each year and be applied as an adjustment to Customers' bills for the remainder of the calendar year.

The Company will include in its Annual Reconciliation Filing the following information at a minimum: (a) a schedule of all journal entries made related to this Rider for the Annual Review Period, including any related general ledger support, (b) actual billing determinants by month as used in the computation of the Total EDI Collected from Customers for the Annual Review Period, (c) capitalization policy effective for the Annual Review Period, (d) computation of the Annual Reconciliation Factor Percentage Rate, including the detailed calculation of each component, (e) schedules of the Actual EDI Investment Amount and Actual Economic Development Operational Expenses, including related general ledger support, (f) a schedule of any proposed prior period adjustments, (g) an affirmative statement of whether the Company is aware of any changes in market conditions or other factors that may affect whether the Rider is still in the public interest, including the identification of such factors if they exist, (h) the cumulative amount of EDI collected from customers under this Rider, and (i) such other information as the Commission may direct.

The Company will simultaneously copy the Consumer Advocate on its Annual Reconciliation Filing.

#### **9. Notice Requirements**

The Company will file revised tariffs for Commission approval upon 30 days' notice to implement a decrement or an increment each January 1 and April 1. Along with the tariff filing, the Company will include a copy of the computation of the new rate adjustment. The Company will simultaneously copy the Consumer Advocate on this filing.

#### **10. Public Interest Review**

Nothing herein shall be construed to eliminate or otherwise restrict the opportunity of the Consumer Advocate or any other interested party from seeking a review of this Rider, as permitted by law and the rules and regulations of the Commission, for a reconsideration of whether it remains in the public interest.

(T) Denotes Change in text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



**Valoria V. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

**CLASSIFICATION OF SERVICE**

**SAFETY AND ENVIRONMENTAL COMPLIANCE – RIDER**

**1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Safety and Environmental Compliance Program (“SEC”) Rider will apply to customers in all service areas.

The above rider will be recomputed annually and be adjusted periodically to incorporate the Annual Reconciliation Factor.

**2. Definitions**

For the purposes of this Rider:

“**Actual SEC Investment Amount**” means the amount of actual capital investment and associated operating expenses of the Company for the Safety and Environmental Compliance Program and not otherwise included in current base rates. At the time of the Company’s next general rate case proceeding, all prudently incurred Actual SEC Investment Amounts associated with this Rider shall be included in base rates.

“**Annual Reconciliation Factor**” means an adjustment factor to true-up rates from forecasted costs to the actual costs incurred through application of 1) the Budget-to-Actual Adjustment and 2) the Over-Under Collection Adjustment, and the 3) Earnings Test Adjustment, as adjusted for Interest.

“**Annual Review Period**” means the twelve-month period between the annual adjustments of the SEC Percentage Rate. For the first year beyond the attrition year of the base rate case, this review period may be shorter or longer than a twelve-month period to cover expenditures between the attrition year and the start of the subsequent calendar year.

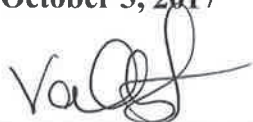
“**Commission**” means the Tennessee Public Utility Commission.

(T) Denotes Change in Text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



**Valoria V. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**



**“Budget-to-Actual Adjustment”** means the adjustment to SEC for the applicable coming annual period due to the difference between the Forecasted SEC Investment and Expense Amount and the Actual SEC Investment and Expense Amount.

**“Consumer Advocate”** means the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General.

**“Forecasted SEC Investment Amount”** means the amount of forecasted capital investment of the Company for the Safety and Environmental Compliance Program and not otherwise included in current base rates.

(T) **“Over-Under Collection Adjustment”** means the adjustment to SEC for the applicable coming annual period due to the net amount of over or under collections. . This will include  
 (T) over-under collections from the annual review period EDI and any remaining balance of the  
 (T) over-under collection from the prior reconciliation of the EDI.

**“Relevant Rate Order”** means the final order of the Commission in the most recent rate case of the Company fixing the rates of the Company or the most recent final order of the Commission specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.

**3. General Description**

SEC allows the Company to recover outside of a rate case its qualifying incremental non-revenue producing plant infrastructure investment and expenses. For purposes of this Rider, qualifying SEC investment includes the following:

*Distribution and Production Infrastructure* – Distribution, production, and other infrastructure that may be identified as being for the purpose of safety and environmental compliance.

*Safety and Environmental Expenses* – Operational expenses similar to other expenses authorized in previous rate cases that are specifically new expenses for safety and environmental compliance or to support safety and environmental compliance utility plant.

SEC Investment is to be identifiable on the Company’s books and segregated into the following general accounts:

- Account 331 – Transmission & Distribution Mains;
- Account 333 – Services;
- Account 334 – Meters & Meter Installations;

(T) Denotes Change in Text

**ISSUED: October 3, 2017**

**EFFECTIVE: November 2, 2017**

**BY:**



**Valoria V. Armstrong  
 PRESIDENT**

**109 Wiehl Street  
 Chattanooga, Tennessee 37403**

- Account 335 – Hydrants;
- Account 320 – Water Treatment Equipment, Non-Media;
- Account 311 – Pumping Equipment;
- Account 303 – Land and Land Rights;
- Account 304 – Structures and Improvements;
- Account 306 – Lake, River and Other Intakes;
- Account 307 – Wells and Springs;
- Account 309 – Supply Mains;
- Account 310 – Power Generation Equipment
- Account 330 – Distribution Reservoirs and Standpipes; and
- Account 330003 – Capitalized Tank Painting.

**4. Determination of the Safety and Environmental Compliance Program Percentage Rate**

- (A) The SEC percentage shall be expressed as a percentage carried to two (2) decimal places. The SEC percentage shall be applied to the total amount billed to each Customer based on the Company’s otherwise applicable rates and charges.
- (B) The SEC percentage shall be calculated on an annual prospective basis as follows:

**FORECASTED SEC Investment Amount**  
 Less SEC Plant Retirements (Net of Cost of Removal & Salvage)  
 Less Contributions in Aid of Construction  
 Less Accumulated Depreciation  
Less Accumulated Deferred Income Taxes  
 Net Forecasted SEC Qualifying Investment

Multiplied by the Pre-Tax ROR set forth in the Relevant Rate Order

Allowed Forecasted SEC Pre-Tax Return  
 Plus Depreciation Expense  
 Plus Property Taxes  
 Plus Franchise Taxes  
Plus Safety and Environmental Compliance Operational Expenses  
 Subtotal Forecasted SEC Revenue Requirement Before Revenue Tax

Divided by 1 minus the following:

(T) Denotes Change in Text

**ISSUED: October 3, 2017**

**EFFECTIVE: November 2, 2017**

**BY:**

  
**Valoria V. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

Forfeited Discounts Rate  
 Plus Uncollectible Expense Rate  
Plus Gross Receipts Tax Rate  
 Total Forecasted SEC Revenue Requirement

Divided by Relevant Rate Order Volumetric & Metered Revenue

SEC Percentage Rate

Where:

**Accumulated Depreciation** = Accumulated depreciation calculated by debiting for Forecasted SEC plant removed from service, and crediting for new accumulations using rates approved in the Relevant Rate Order on new investments, less retirements and CIAC.

**Accumulated Deferred Income Taxes** = An average of the forecasted accumulated deferred income taxes related to qualified forecasted SEC investment at the beginning and end of the year.

**Contributions in Aid of Construction** = Non-investor supplied funds used in the construction of forecasted SEC infrastructure.

**Depreciation Expense** = Forecasted cumulative qualified SEC investment net of retirements and CIAC, multiplied by depreciation rates approved in the Relevant Rate Order.

**Forfeited Discount Rate** = Forecasted SEC Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.

**Franchise Taxes** = Forecasted cumulative qualified SEC investment multiplied by composite franchise tax rate approved in the Relevant Rate Order.

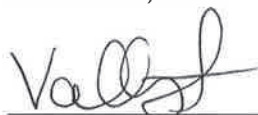
**Gross Receipts Tax Rate** = Forecasted SEC Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.

(T) Denotes Change in Text

ISSUED: October 3, 2017

EFFECTIVE: November 2, 2017

BY:



Valoria V. Armstrong  
 PRESIDENT

109 Wiehl Street  
 Chattanooga, Tennessee 37403

**Property Taxes** = Forecasted cumulative qualified SEC investment multiplied by composite property tax rate approved in the Relevant Rate Order.

**SEC Plant Retirements** = Forecasted SEC plant removed from service net of any associated cost of removal and salvage.

**Forecasted SEC Investment Amount** = Average forecasted SEC additions to plant infrastructure as described in Section 3, computed by use of average of 12 end-of-month balances.

**Safety and Environmental Compliance Expenses** = the incremental operational expenses similar to other expenses authorized in previous rate cases that are specifically for safety and environmental compliance or to support safety and environmental compliance utility plant.

**Uncollectible Expense** = Forecasted SEC Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.

**Volumetric & Metered Revenue** = the revenues authorized in the Relevant Rate Order for volumetric water sales, meter charges, and private fire service charges.

- (C) The total amount to be recovered through the SEC is the SEC Percentage Rate as adjusted for the Annual Reconciliation Factor Percentage Rate.

##### **5. Determination of the Annual Reconciliation Factor Percentage Rate**

- (A) The Annual Reconciliation Factor Percentage shall be expressed as a percentage carried to two (2) decimal places. The Annual Reconciliation Factor Percentage shall be applied to the total amount billed to each Customer based on the Company's otherwise applicable rates and charges.
- (B) The Annual Reconciliation Factor Percentage Rate will be computed as follows:

Budget-to-Actual Adjustment  
Plus Over-Under Collection Adjustment

(T) Denotes Change in Text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



**Valoria V. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

---

Plus Earnings Test Adjustment  
Plus Interest  
 Annual Reconciliation Amount

Divided by 9/12 of the Relevant Rate Order Volumetric & Metered Revenue

Annual Reconciliation Factor Percentage Rate

(C) Computation of the Budget-to-Actual Adjustment.

The Budget-to-Actual Adjustment will be computed as follows:

**ACTUAL** SEC Investment Amount for the Annual Review Period  
 Less SEC Plant Retirements (Net of Cost of Removal & Salvage)  
 Less Contributions in Aid of Construction  
 Less Accumulated Depreciation  
Less Accumulated Deferred Income Taxes  
 Net Actual SEC Qualifying Investment

Multiplied by the Pre-Tax ROR set forth in the Relevant Rate Order

Allowed Actual SEC Pre-Tax Return  
 Plus Depreciation Expense  
 Plus Property Taxes  
 Plus Franchise Taxes  
Plus Safety and Environmental Compliance Operational Expenses  
 Subtotal Actual SEC Revenue Requirement Before Revenue Tax

Divided by 1 minus the following:

Forfeited Discounts Rate  
 Plus Uncollectible Expense Rate  
Plus Gross Receipts Tax Rate  
 Total Actual SEC Revenue Requirement

Less Total Forecasted SEC Revenue Requirement


Budget-to-Actual Adjustment

(T) Denotes Change in Text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**

  
 Valoria V. Armstrong  
 PRESIDENT

109 Wiehl Street  
 Chattanooga, Tennessee 37403

Where:

**Accumulated Depreciation** = Accumulated depreciation calculated by debiting for Forecasted SEC plant removed from service, and crediting for new accumulations using rates approved in the Relevant Rate Order on new investments, less retirements and CIAC

**Accumulated Deferred Income Taxes** = An average of the actual accumulated deferred income taxes related to actual SEC investment at the beginning and end of the year.

**Contributions in Aid of Construction** = Non-investor supplied funds used in the construction of actual SEC infrastructure.

**Depreciation Expense** = Actual cumulative qualified SEC investment net of retirements and CIAC multiplied by depreciation rates approved in the Relevant Rate Order.

**Forfeited Discount Rate** = Actual SEC Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.

**Franchise Taxes** = Actual cumulative qualified SEC investment multiplied by composite franchise tax rate approved in the Relevant Rate Order.

**Gross Receipts Tax Rate** = Actual SEC Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.

**Property Taxes** = Actual cumulative qualified SEC investment multiplied by composite property tax rate approved in the Relevant Rate Order.

**SEC Plant Retirements** = Actual SEC plant removed from service net of any associated cost of removal and salvage.

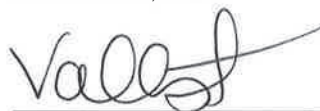
**Actual SEC Investment Amount** = Average actual SEC additions to plant infrastructure as described in Section 3, computed by use of average of 12 end-of-month balances.

(T) Denotes Change in Text

ISSUED: October 3, 2017

EFFECTIVE: November 2, 2017

BY:



Valoria V. Armstrong  
PRESIDENT

109 Wiehl Street  
Chattanooga, Tennessee 37403

**Safety and Environmental Compliance Expenses** = the incremental operational expenses similar to other expenses authorized in previous rate cases that are specifically for safety and environmental compliance or to support safety and environmental compliance utility plant.

**Uncollectible Expense** = Actual SEC Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.

**Volumetric & Metered Revenue** = the revenues authorized in the Relevant Rate Order for volumetric water sales, meter charges, and private fire service charges.

(D) Computation of the Over-Under Collection Adjustment.

(T) The Company will identify and record the total amount of the SEC Collected from Customers for the Annual Review Period. The difference between the Total SEC Collected from Customers and the Total Budgeted SEC Revenue Requirement shall constitute the Over-Under Collection Adjustment. This adjustment shall include any remaining Over-Under amount from the prior period reconciliation during the Annual Review Period in addition to the Over-Under collection amount for the EDI during the Annual Review Period.

(E) Computation of the Earnings Test Adjustment.

If the earnings attained by the Company for the Annual Review Period exceed the earnings allowed for the Annual Review Period by applying the overall rate of return authorized in the Relevant Rate Order, then any such earnings difference shall constitute the Earnings Test Adjustment. If the earnings attained by the Company for the Annual Review Period are less than the earnings allowed for the Annual Review Period by applying the overall rate of return authorized in the Relevant Rate Order, then no Earnings Test Adjustment shall be recognized.

Any Earnings Test Adjustment shall be allocated among the Qualified Infrastructure Improvement Program Rider, the Economic Development Investment Rider, and the Safety and Environmental Compliance Rider based on the pro-rata revenues collected under these riders for the Annual Review Period for purposes of computing new rate adjustments.

(F) Computation of Interest.

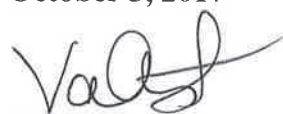
Interest will be computed as follows:

(T) Denotes Change in Text

ISSUED: October 3, 2017

EFFECTIVE: November 2, 2017

BY:



Valoria V. Armstrong  
 PRESIDENT

109 Wiehl Street  
 Chattanooga, Tennessee 37403

Budget-to-Actual Adjustment  
 Plus Over-Under Collection Adjustment  
 Plus Earnings Test Adjustment

Total Amount Subject to Interest  
 Interest Rate Multiplied by 50%

Total Interest

Where "Interest Rate" equals the prime rate value published in the "Federal Reserve Bulletin" or in the Federal Reserve's "Selected Interest Rates" for the most recent preceding month.

**6. New Base Rates**

The SEC rider will be reset at zero upon the establishment of new base rates to customer billings that provide for the prospective recovery of the annual costs that had theretofore been recovered under the SEC. Thereafter, only the costs of new SEC eligible plant additions that have not previously been reflected in the Company's rate base, would be reflected in new annual prospective SEC filings.

**7. Annual SEC Percentage Rate Filing**

On or before December 1 of each year, the Company shall submit to the Commission a calculation of the SEC Percentage Rate for the following calendar year. The Annual SEC Percentage Rate Filing shall be verified by an officer of the Company. The Annual SEC Percentage Rate Filing shall include a calculation to adjust revenue to recover costs related to the Forecasted SEC Investment Amount, with such revenue adjustment applied through the SEC Percentage Rate. The SEC Percentage Rate shall become effective on January 1 of each year and be applied as an adjustment to Customers' bills for the remainder of the calendar year.

The Company will include in its Annual SEC Percentage Rate Filing the following information at a minimum: (a) computation of the SEC Percentage Rate, including the detailed calculation of each component, (b) a budget of the Forecasted SEC Investment Amount and Forecasted Safety and Environmental Compliance Operational Expenses adopted by the Company's Board of Directors, (c) any related Strategic Capital Expenditures Plans, (d) statements demonstrating how each projected capital investment comprising the Forecasted SEC Investment Amount and each projected operational expense comprising the Forecasted Safety and Environmental Compliance Operational Expenses meet the requirements for recovery under this Rider set forth in Section 3, and (e) such other information as the Commission may direct.

(T) Denotes Change in Text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



**Valoria V. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**



---

The Company will simultaneously copy the Consumer Advocate on its Annual SEC Percentage Rate Filing.

### **8. Annual Reconciliation Filing with the Commission**

On or before March 1 of each year, the Company shall submit to the Commission a reconciliation of the results of the operation of the SEC for the previous Annual Review Period. The Annual Reconciliation Filing shall be verified by an officer of the Company. The annual reconciliation shall include a calculation to adjust revenue collected under this SEC Rider in effect for the prior Annual Review Period to an amount equivalent to the actual level of prudently-incurred SEC cost for the prior Annual Review Period, with such revenue adjustment applied through the Annual Reconciliation Factor Percentage Rate. The Annual Reconciliation Factor Percentage Rate shall become effective on April 1 of each year and be applied as an adjustment to Customers' bills for the remainder of the calendar year.

The Company will include in its Annual Reconciliation Filing the following information at a minimum: (a) a schedule of all journal entries made related to this Rider for the Annual Review Period, including any related general ledger support, (b) actual billing determinants by month as used in the computation of the Total SEC Collected from Customers for the Annual Review Period, (c) capitalization policy effective for the Annual Review Period, (d) computation of the Annual Reconciliation Factor Percentage Rate, including the detailed calculation of each component, (e) schedules of the Actual SEC Investment Amount and Actual Safety and Environmental Compliance Operational Expenses, including related general ledger support, (f) a schedule of any proposed prior period adjustments, (g) an affirmative statement of whether the Company is aware of any changes in market conditions or other factors that may affect whether the Rider is still in the public interest, including the identification of such factors if they exist, (h) the cumulative amount of SEC collected from customers under this Rider, and (i) such other information as the Commission may direct.

The Company will simultaneously copy the Consumer Advocate on its Annual Reconciliation Filing.

### **9. Notice Requirements**

The Company will file revised tariffs for Commission approval upon 30 days' notice to implement a decrement or an increment each January 1 and April 1. Along with the tariff filing, the Company will include a copy of the computation of the new rate adjustment. The Company will simultaneously copy the Consumer Advocate on this filing.

### **10. Public Interest Review**

(T) Denotes Change in Text

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



**Valoria V. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

---

Nothing herein shall be construed to eliminate or otherwise restrict the opportunity of the Consumer Advocate or any other interested party from seeking a review of this Rider, as permitted by law and the rules and regulations of the Commission, for a reconsideration of whether it remains in the public interest.

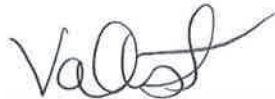
(T) Denotes Change in Text

---

**ISSUED:** October 3, 2017

**EFFECTIVE:** November 2, 2017

**BY:**



---

**Valoria V. Armstrong**  
**PRESIDENT**

---

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

CLASSIFICATION OF SERVICEPRODUCTION COSTS AND OTHER PASS-THROUGHS ("PCOP") RIDER**1. Applicability**

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Production Cost and Other Pass-Through ("PCOP") Rider will apply to customers in all service areas.

The above rider will be recomputed annually and will be adjusted to incorporate the Over-Under Collection Adjustment.

**2. Definitions**

For the purposes of this Rider:

**"Adjusted Review Period PCOP Costs"** means the Review Period PCOP Costs net of the Over- Under Collection Adjustment.

(T) **"Commission"** means the Tennessee Public Utility Commission

(T) **"Base Period PCOP Costs"** means the amount of annual expenses of the Company for purchased power expenses, purchased chemical expenses, purchased water expenses, wheeling charges, waste disposal expenses and TPUC inspection fees reflected in the Relevant Rate Order.

**"Consumer Advocate"** means the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General.

**"Over-Under Collection Adjustment"** means the adjustment to the PCOP Percentage Rate applicable to the coming Review Period for the net amount of over or under collections for the prior Review Period, as adjusted for Interest.

(T) **"Relevant Rate Order"** means the final order of the Commission in the most recent rate case of the Company fixing the rates of the Company or the most recent final order of the Commission specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.

(T) Denotes Text Change

ISSUED: **October 3, 2017**

EFFECTIVE: **November 2, 2017**

BY:



**Valoria A. Armstrong**  
PRESIDENT

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

“Review Period” means the twelve month period on which the Review Period PCOP Costs are calculated.

(T) “Review Period PCOP Costs” means the amount of actual annual expenses of the Company for purchased power expenses, purchased chemical expenses, purchased water expenses, wheeling charges, waste disposal expenses, and TPUC inspection fees, as adjusted for the  
 (T) Commission’s water loss policies.

**3. General Description**

(T) PCOP allows the Company to recover outside of a rate case its incremental cost for purchased power expenses, purchased chemical expenses, purchased water expenses, wheeling charges, waste disposal expenses and TPUC inspection fees, as adjusted for the Commission’s water loss policies.

(T) Review Period PCOP Costs are to be separately identifiable on the Company’s books and segregated into the following general accounts:

- Accounts 51000000 - 51099999 – Purchased Water Expense;
- Accounts 51510000 - 51599999 – Purchased Power Expense;
- Accounts 51800000 - 51899999 – Purchased Chemical Expense;
- Accounts 51110000 - 51115000 – Waste Disposal Expense; and
- (T) Account 68545000 – TPUC Inspection Fee.

**4. Determination of the Annual Production Cost and Other Pass-Throughs Percentage**

(A) The PCOP Percentage Rate shall be expressed as a percentage carried to two (2) decimal places. The PCOP Percentage Rate shall be applied to the total amount billed to each Customer based on the Company’s otherwise applicable rates and charges.

(B) The PCOP Percentage Rate shall be calculated on an annual historical basis as follows:

$$\frac{\text{Base Period PCOP Costs from the Relevant Rate Order}}{\text{Divided by Relevant Rate Order Sales Volume in 100 Gallons}} = \text{Base Period PCOP Costs per 100 Gallons}$$

(T) Review Period PCOP Costs Subject to Commission’s Water Loss Policies  
Plus Over-Under Collection Adjustment  
 Review Period PCOP Costs Adjusted for Over-Under Collections

(T) Denotes Text Change

ISSUED: **October 3, 2017**

EFFECTIVE: **November 2, 2017**

BY:



**Valoria A. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

Divided by Relevant Rate Order Sales Volume in 100 Gallons  
 Adjusted Review Period PCOP Costs per 100 Gallons

Incremental Change in PCOP Costs per 100 Gallons  
Multiplied by Relevant Rate Order Sales Volumes in 100 Gallons

PCOP Net Deferred Cost  
 Less Forfeited Discount Rate  
 Plus Uncollectible Expense Rate  
Plus Gross Receipts Tax Rate

Total Deferred PCOP Costs

Divided by Relevant Rate Order Water Sales Revenue  
PCOP Percentage Rate

Where:

**Forfeited Discount Rate** = PCOP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite forfeited discount factor approved in the Relevant Rate Order.

**Gross Receipts Tax Rate** = PCOP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite gross receipts tax rate approved in the Relevant Rate Order.

**Uncollectible Expense** = PCOP Revenue Requirement before gross receipts taxes, uncollectible expense and forfeited discounts multiplied by composite uncollectible factor approved in the Relevant Rate Order.

(C) The total amount to be recovered through the PCOP is the PCOP Percentage Rate.

**5. Computation of the Over-Under Collection Adjustment**

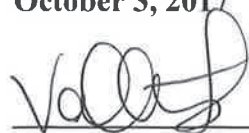
The Company will identify and record the total amount of the PCOP Collected from Customers under this Rider for the Review Period. The difference between the Total PCOP Collected from Customers for the Review Period and the Total Deferred PCOP Costs authorized for the Review

(T) Denotes Text Change

ISSUED: **October 3, 2017**

EFFECTIVE: **November 2, 2017**

BY:



**Valoria A. Armstrong**  
**PRESIDENT**

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

---

Period as determined in Section 4, as adjusted for Interest, shall constitute the Over-Under Collection Adjustment.

(A) The Over-Under Collection Adjustment shall be computed as follows:

Total PCOP Costs Collected from Customers for the Review Period  
Less Total Deferred PCOP Costs Authorized for the Review Period  
Subtotal of Over-Under Collection Adjustment  
Plus Interest Adjustment  
Total Over-Under Collection Adjustment

(B) Computation of Interest Adjustment.

Interest will be computed as follows:

Subtotal of Over-Under Collection Adjustment  
Multiplied by (Interest Rate Multiplied by 50%) Interest Adjustment

Where "Interest Rate" equals the prime rate value published in the "Federal Reserve Bulletin" or in the Federal Reserve's "Selected Interest Rates" for the most recent preceding month.

## 6. New Base Rates

The PCOP rider will be reset at zero upon the establishment of new base rates to customer billings that provide for the prospective recovery of the annual costs that had theretofore been recovered under the PCOP rider. Thereafter, only the costs of new PCOP incremental costs that have not previously been reflected in the Company's base rates would be reflected in new annual prospective PCOP filings.

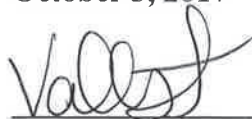
## 7. Annual Filing with the Commission

(T) Denotes Text Change

ISSUED: **October 3, 2017**

EFFECTIVE: **November 2, 2017**

BY:



**Valoria A. Armstrong**  
PRESIDENT

**109 Wiehl Street**  
**Chattanooga, Tennessee 37403**

(T)

(T) Within 45 days of the end of the most recently authorized Attrition Year set forth in the Relevant Rate Order, and every twelve months subsequent to the end of that Attrition Year, the Company shall submit to the Commission an annual filing calculating the PCOP Percentage Rate. The annual filing shall be verified by an officer of the Company. The PCOP Percentage Rate shall become effective 30 days after the annual filing is submitted to the Commission and shall be applied as an adjustment to Customers' bills for the twelve month period following the effective date of the PCOP Percentage Rate. The Company shall file one single adjustment each year to include both the new percentage rate based on the annual production expenses and the reconciliation of the Over-Under Collections Adjustment.

(T) Denotes New Text

(T) The Company will include in its annual filing the following information at a minimum: (a) a schedule of all Review Period PCOP Costs, including any related general ledger support, (b) actual billing determinants by month as used in the computation of the PCOP Collected from Customers, (c) computation of the PCOP Percentage Rate, including the detailed calculation of each component, (d) a schedule of any proposed prior period adjustments, (e) an affirmative statement of whether the Company is aware of any changes in market conditions or other factors that may affect whether the Rider is still in the public interest, including the identification of such factors if they exist, (f) the cumulative amount of PCOP Costs collected from customers under this Rider, and (g) such other information as the Commission may direct.

The Company will simultaneously copy the Consumer Advocate on this annual filing.

**8. Notice Requirements**

(T) The Company will file revised tariffs for Commission approval upon 30 days' notice to implement a decrement or an increment to the PCOP Percentage Rate. Along with the tariff filing, the Company will include a copy of the computation of the new PCOP Percentage Rate. The Company will simultaneously copy the Consumer Advocate on this tariff filing.

**9. Public Interest Review**

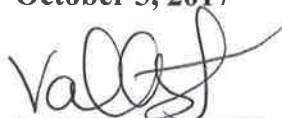
(T) Nothing herein shall be construed to eliminate or otherwise restrict the opportunity of the Consumer Advocate or any other interested party from seeking a review of this Rider, as permitted by law and the rules and regulations of the Commission, for a reconsideration of whether it remains in the public interest.

(T) Denotes Text Change

**ISSUED: October 3, 2017**

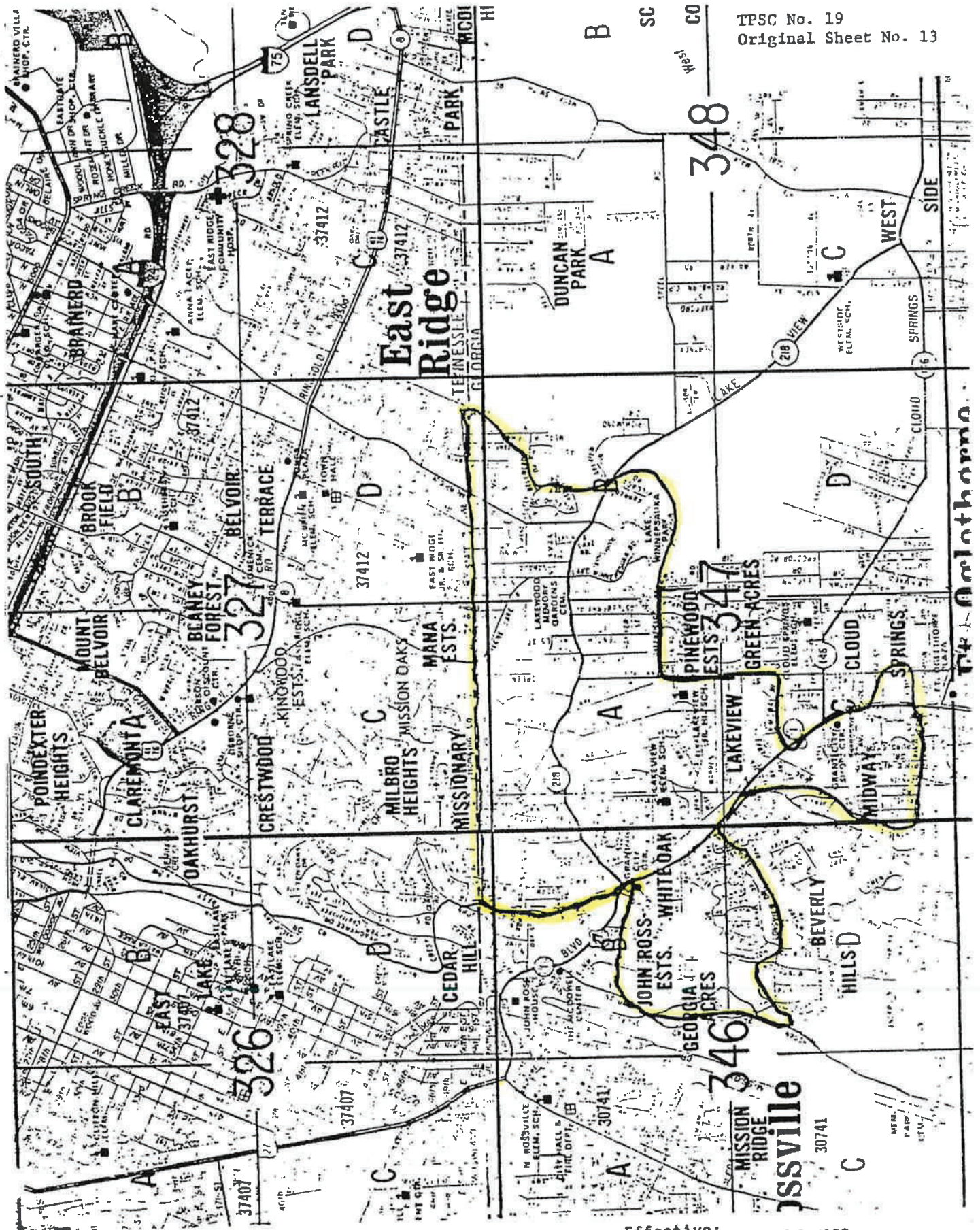
**EFFECTIVE: November 2, 2017**

**BY:**



**Valoria A. Armstrong  
PRESIDENT**

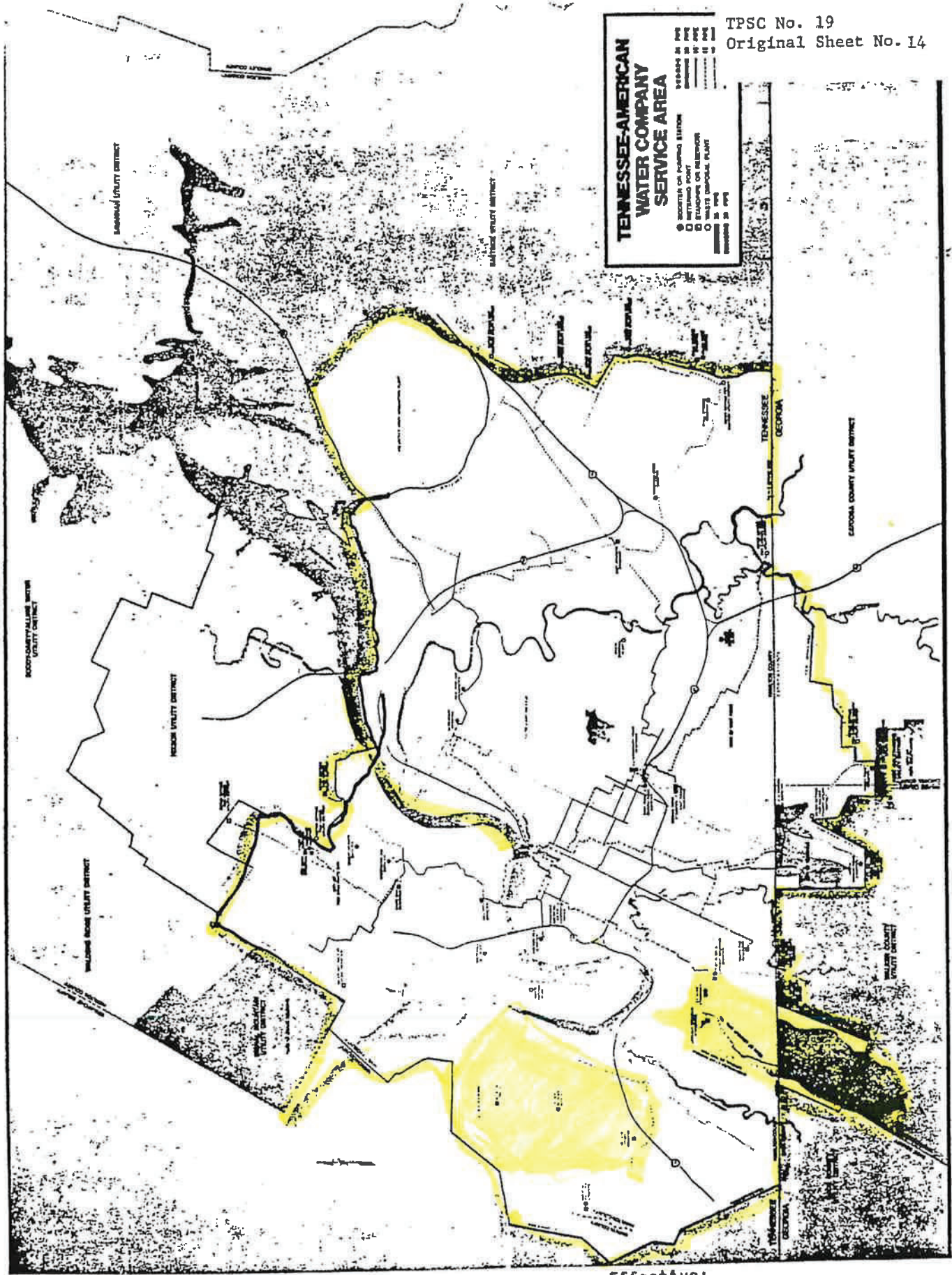
**109 Wiehl Street  
Chattanooga, Tennessee 37403**



Issued: March 18, 1988  
 Issued By: E. W. Limbach, President  
 1101 Broad Street  
 Chattanooga, Tennessee

Effective: MAR 23 1988  
 Issued in compliance with the Order  
 of the TPSC  
 Commission dated 3/17 1988  
 11-27-7534





Issued: March 18, 1988  
 Issued By: E. W. Limbach, President  
 1101 Broad Street  
 Chattanooga, Tennessee

Effective: MAR 23 1988  
 issued in compliance with the Order  
 of the TPSC  
 Commission dated 3/17, 1988

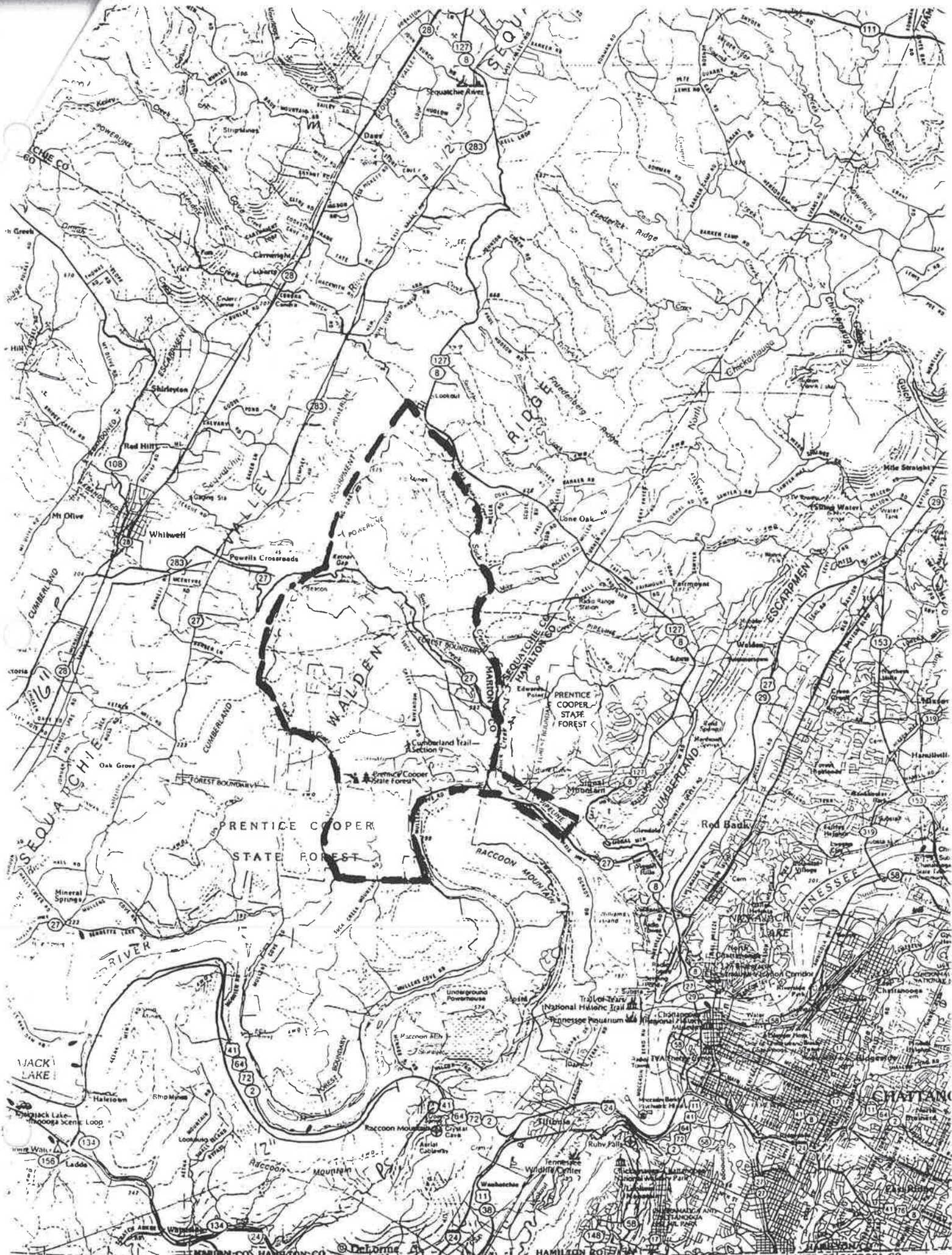
**EXHIBIT 1**  
**TO**  
**OPERATIONS AND MAINTENANCE AGREEMENT**

**Legal Description and Map of Suck Creek Water System**

**Legal Description:**

Beginning on the North bank of the Tennessee River where Shoal Creek enters the River in Hamilton County, Tennessee; thence extending along the right bank looking downstream, to Ritchie Hollow in Marion County; thence west across Walden's Ridge to Mullens Creek; thence North along Mullens Creek to Shelton Creek; thence northwest along Shelton Creek to the Cumberland Escarpment at Ditch Gap; thence northeast along the Escarpment to the Marion-Sequatchie County Line; thence southeast along the Marion-Sequatchie County Line to the junction of the Marion-Sequatchie-Hamilton County Line; thence south along the Marion-Hamilton County Line to a point one half mile from the Bank of the Tennessee River at "The Suck"; thence southeast to the southwest corner of the Town of Signal Mountain, Tennessee; thence along the south boundary of the Town of Signal Mountain to Shoal Creek; thence southwest along Shoal Creek to the north bank of the Tennessee River at the point of beginning.

**Map:** Attached.



© DeLorme

HAMILTON CO. TENNESSEE

SCALE 1:250,000

---

RULES, REGULATIONS AND CONDITIONS OF WATER SERVICE1. RATES, RULES AND REGULATIONS GOVERN RENDERING OF WATER SERVICE

- 1.1 A copy of all Rates, Rules, Regulations and Conditions of Water Service is on file with the Tennessee Public Service Commission and may be inspected by the public in the office of the Company.
- 1.2 All Water Service furnished by the Company shall be subject to these Rates, Rules, Regulations and Conditions of Water Service, and are made a part of all applications or contracts (both oral and written) for service (except when modified by special contract approved by the Tennessee Public Service Commission). They are subject to revision, change, modification or cancellation by the Company, subject to the approval of the Tennessee Public Service Commission, or by the Commission through utility industry orders. The failure of the Company to enforce any of the terms of these Rates, Rules, Regulations and Conditions of Water Service shall not diminish or sacrifice its right to do so.
- 1.3 Upon request by an Applicant or Customer, the Company shall supply, without charge, a copy of applicable rate schedules.

2. DEFINITIONS

- (a) An "Applicant" is any person, firm, corporation or Governmental Unit making application for Water Service.
- (b) A "Battery Setting of Meters" is a system of pipe, valves and fittings designed to accommodate two or more meters.
- (c) A "Combination Service" means a Service Pipe which is used to provide both General Water Service and Private Fire Protection Service.
- (d) The "Commission" is the Tennessee Public Service Commission and "Commission Rule" means any rules or regulations duly adopted by the Commission and applicable to water utilities under the Commission's jurisdiction.
- (e) The "Company" is the Tennessee-American Water Company acting through its Officers, Manager or other duly authorized employees or agents.

Issued: March 18, 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Effective: MAR 23 1988

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

- 
- (f) "Company Service Pipe" means the portion of the General Water Service Pipe, extending from the Distribution Main to and including the curb cock, or the outlet connection of the meter setting when installed at or near the curb or property line at the cost and expense of the Company.
- (g) A "Customer" is any person, firm, corporation or Governmental Unit taking Water Service from the Company.
- (h) "Residential Customer" means a person taking Water Service exclusively for personal use at a single family residence.
- (i) "Customer's Service Pipe" means the portion of General Water Service Pipe from the end of the Company's Service Pipe to the Customer's place of consumption, installed at the cost and expense of the Customer.
- (j) "Distribution Main" means water pipe owned, operated, or maintained by the Company and used for the purpose of distribution of water, and to which Service Lines are connected.
- (k) "General Water Service" means the provision or use of Water Service for any purpose other than fire extinguishment.
- (l) A "Governmental Unit" is any municipality or other political subdivision or agency of a state or the federal government.
- (m) A "Hidden Leak" is a leak occurring on the Customer's property not obviously detectable by sight or sound.
- (n) A "Premises" is:
- I. A single structure owned or leased by a Customer and used as one residence or place of business; or
  - II. A combination of structures owned or leased by a Customer, which is located on a single site, and such Customer constructs, operates and maintains on the site a secondary distribution system. Such site may be composed of one or more connecting or adjacent parcels of land, not separated by public streets or highways; or
  - III. Each unit or a multiple unit building wherein each unit is under separate ownership or lease; or
- 

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, TennesseeIssued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

- 
- IV. Each unit of a multiple unit building wherein the Customer's Service Pipe for each unit is connected to a separate Company Service Pipe; or
- V. A building owned or leased by a Customer, having two or more apartments, residences, offices, or suites of offices; or
- VI. A trailer park, area or site in which space is rented or leased for the parking and occupancy of trailers or mobile homes.
- (o) A "Private Fire Protection Service" is a Service Line for a single Customer and Premises to which fixtures are attached and water may be taken only for the extinguishment of fire or for the testing of such fixtures.
- (p) "Service Pipe" or "Service Line" is the pipe between the Distribution Main and the Customer's place of consumption, and includes all pipe, fittings, valves and other necessary fixtures.
- (q) A "Temporary Service Connection" is a service line with necessary fittings, valves and fixtures, including meter, which is installed for the temporary use of water on a site abutting a Distribution Main.
- (r) "Termination of Service" is disconnection of Water Service at Customer request.
- (s) "Discontinuance of Service" is disconnection of Water Service not at Customer request.
- (t) "Water Service" is the supply of water and accompanying services in which the company is engaged in behalf of the Customer.
- (u) A "Depositor" is any person, firm, corporation or Governmental Unit making a deposit with the Company under an agreement providing for the construction of a main extension and related facilities in accordance with the Extension of Distribution Mains rule herein.

---

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

3. COMMENCEMENT OF WATER SERVICE

3.1 GENERAL

- (a) A prospective Customer shall not connect or reconnect service, nor employ any person to do so, without authorization by the Company.
- (b) The Company shall not be under any duty to permit connection or to supply Water Service to any Customer whose Premises does not abut on a Distribution Main.
- (c) Requests by Governmental Units for public fire protection service will be governed by these rules.
- (d) All persons, firms, corporations, or Governmental Units desiring Water Service must make application to the Company in a form prescribed by the Company, setting forth all purposes for which water will be used.
- (e) Applications for Water Service, when accepted by the Company, shall cover only the Premises and uses applied for.
- (f) The Customer, in accepting conditions for Water Service, is responsible for all Water Service furnished until the Customer notifies the Company to terminate the service for his account or until the Company has accepted a new Water Service application for the Premises.
- (g) Any change in the identity of a Customer will require new application, and the Company may, after notice, discontinue Water Service until such new application has been made and accepted.

4. SPECIAL APPLICATIONS FOR WATER SERVICE

- 4.1 Water Service for the following purposes must be specially applied for, and the special terms and conditions applicable must be agreed to in writing by the Applicant:
- (a) Condominiums, cooperative apartments and housing developments.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

- 
- (b) Water Service to multiple Premises under common ownership located on a single site undivided by public streets, and requiring service to each individual Premises through a secondary distribution system not owned or operated by the Company.
  - (c) Private Fire Protection Service.
  - (d) Construction or temporary purposes.
  - (e) Shopping centers.
  - (f) Trailers and trailer courts.
  - (g) Water for resale.
- 4.2 If a Company Service Pipe installation is made for construction or temporary service, the Applicant shall reimburse the Company for the cost of such installation and its removal.
- 4.3 In an emergency, the Company may authorize temporary Water Service in any manner appropriate to the circumstances and consistent with sound engineering practice and will charge, during the period of emergency, the minimum charge prescribed in the Company's rate schedules for the size of meter through which the Customer would normally receive Water Service.

#### 5. PRIVATE FIRE PROTECTION SERVICE

- 5.1 Private Fire Protection Service for the purpose of supplying water for the extinguishment of fire shall be installed after approval in writing by the Company and is subject to the terms and conditions contained in the Application for Private Fire Protection Service. A copy is on file in the Company's office. All applications shall be submitted for written approval of the Chief of the Fire Department having jurisdiction and such approval shall offer the opinion that the public fire protection will not be adversely affected by the proposed connection.
- 5.2 Application for Private Fire Protection Service will not be approved unless there is suitable water volume and pressure available in the Distribution Main abutting the Premises to be supplied.

---

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. 0-87-7534



- 5.3 The Applicant shall furnish, as part of the application, three complete sets of drawings approved by the Insurance Services' Office or comparable agency approved by the Company showing the pipes, valves, hydrants, tanks, openings and fixtures contemplated. Such drawings must also show any other water supply system and pipe lines and fixtures existing on the Premises.
- 5.4 The Company determines the size and location of any new connections made to its Distribution Mains for Private Fire Protection Service, and will, at the cost and expense of the Customer, install and maintain the connection to its Distribution Main. The Customer shall install and maintain the Service Pipe from the Distribution Main to the property line.
- 5.5 Once in operation, the Customer must obtain, in advance, the approval of the Company for any change, alteration or addition in the fixtures, openings and uses specified in the application.
- 5.6 The extent of the rights of the Private Fire Protection Service Customer is to receive at times of fire such supply of water as shall then be available from the Company's Distribution Main. The Company shall not be considered in any manner an insurer of property or persons, or to have undertaken to extinguish fire or to protect any Customer, persons or property against loss or damage by fire or otherwise. The Company shall be free and exempt from any and all liability on account of any injury to property or persons by reason of fire, water, failure to supply water pressure, or for any other cause whatsoever.
- 5.7 No pipe or fixtures connected with a Private Fire Protection Service served by the Company shall be connected with pipes or fixtures supplied with water from any other source, unless specifically approved in writing by the Company.
- 5.8 Unless otherwise provided in a written agreement between the Applicant and the Company, Service Lines for Private Fire Protection service shall be distinct and separate from the General Water Service Line. A Private Fire Protection Service connection is furnished for the sole purpose of supplying water for the extinguishment of fires, and the use of water from such a connection for any other purpose, other than testing, is absolutely forbidden.

---

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

- 5.9 Where one Service Pipe is used for both General Water Service and Private Fire Protection Service, separate charges will be made for each type of use, in accordance with the applicable tariff, the charge for Private Fire Protection Service being based on the size of the Service Pipe supplying the Premises and that the General Water Service being based on the consumption through, and the size of, the meter or meters installed. The responsibility for installation and maintenance of such a Combination Service pipe shall be the same as that provided for Private Fire Protection Service.
- 5.10 Private Fire Protection Service shall be furnished through a line guarded by an approved fire line meter or detector device which shall be furnished and installed by the Customer at his cost and expense. The fire line meter or detector device shall be located at a point approved by the Company. The fire line meter or detector device will be maintained at the cost and expense of the Customer, subject to the inspection and approval of the Company. The by-pass meter only, used with the detector device, shall be furnished, installed and maintained by the Company at its cost and expense.
- 5.11 The rates for Private Fire Protection Service include only the water used for the extinguishment of fires and necessary for the testing of fire protection facilities on the Premises. Unauthorized use of water for purposes other than those specified will subject the Customer, after notice, to discontinuance of Private Fire Protection Service.
- 5.12 The introduction of anti-freeze or any other substance not specifically approved by the Environmental Protection Agency as non-detrimental to the public water supply is not permitted in sprinkling systems or any other part of Applicant's Private Fire Protection Service system.
- 5.13 The Customer's Private Fire Protection Service system shall be subject to the inspection, test and approval of the Company before the service is made effective, and afterwards as deemed necessary or appropriate by the Company. The Customer shall be solely responsible for the design, adequacy, function and maintenance of its Private Fire Protection Service System.

---

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. 11-87-7534

- 5.14 Hydrants and other fixtures connected with a Private Fire Protection System may be sealed by the Company, and such seals may not be broken except in case of fire or as specially permitted by the Company for testing or other approved purposes. The Customer shall immediately notify the Company of the breaking of any such seal.
- 5.15 Whenever a Private Fire Protection Service System is proposed to be tested, the Customer shall notify the Company at least two (2) business days in advance of such proposed test. The Company may elect to have an inspector present during the test.
- 5.16 Private fire hydrants may be painted any color other than that adopted by the Company for public fire hydrants.
- 5.17 A gate valve with post indicator controlling the entire supply shall be placed at the curb or property line of the street in which the main is located or at such other point as may be approved by the Company, and shall be furnished, installed and maintained by and at the expense of the Customer. Unless otherwise approved by the Company, the valve shall be installed in a valve pit or vault also furnished, installed and maintained by and at the expense of the Customer.

#### 6. INSTALLATION AND MAINTENANCE OF SERVICE LINES

- 6.1 Where Company Distribution Mains are or may be installed, the Company will install the Company Service Pipe provided the Service Pipe is required for General Water Service to Premises abutting such mains.
- 6.2 Service Pipes for construction or temporary service shall be installed and removed at the Customer's expense.
- 6.3 A Customer Service Pipe shall not extend from one dwelling, building, structure or parcel of real estate to another dwelling, building, structure or parcel of real estate across a public street or across a property line unless the property line crossed is located within a building complex described in Rule 2(n)(II).

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Ticket No. 41-87-7534

- 
- 6.4 The Company will make all connections to its Distribution Mains and will specify the size, kind, quality and location of all materials used in the Service Line.
- 6.5 The Company Service Pipe shall be furnished, installed and maintained only by the Company and shall remain under its sole control and jurisdiction.
- 6.6 Service Pipes for Private Fire Protection Service from the Distribution Main to the curb or property line shall be installed and maintained in accordance with Rule 5.
- 6.7 The Customer's Service Pipe shall be installed and maintained by the Customer, free from leaks and other defects, at his own expense and risk, and for failure to do so, Water Service may be discontinued. The Customer's Service Pipe shall be installed in accordance with applicable governmental regulations and Company specifications below the frost line on firm and continuous earth so as to give unyielding and permanent support.
- 6.8 For new Service Lines, the Customer shall install his Service Pipe to the curb or property line at a point approved by the Company, after which the Company will install its Service Line from the Distribution Main to the Customer's Service Line.
- 6.9 Where the Company's Service Pipe is already installed to the curb or property line, the Customer shall connect with the Company Service Pipe as installed.
- 6.10 The Customer shall make all changes in the Customer's Service Pipe required on account of changes of grade or other causes.
- 6.11 No fixture shall be attached to, or any branch made in, the Service Pipe between the meter and the Distribution Main, other than by authorized employees of the Company.
- 6.12 There shall be no more than one Service Pipe supplying a single Premises, unless otherwise approved by the Company.
- 6.13 If a Customer, occupant, owner, or any of his agents should damage Company property, repairs shall be made only by the Company, but at the Customer's expense.

---

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No U-87-7534

6.14 The Customer shall install and properly maintain on his Service Pipe a stop and waste valve approved by the Company. It shall be in an accessible location, protected from freezing and adequate to shut off and drain all plumbing. Further, where a Customer's Service Pipe is branched or arranged to supply more than one building, additional valves shall be installed in such manner that service to one of the buildings may be shut off without shutting off service to other buildings. A drawing showing the layout of branched Customer Service Pipes and valves shall be submitted to and approved by the Company prior to installation of the Customer Service Pipe and valves.

6.15 A Customer Service Pipe which is irregularly located because there was not a Distribution Main abutting the Premises at the time the Customer Service Pipe was installed, shall, at the Customer's expense, be relocated and connected to the Distribution Main abutting the Premises when replacement becomes necessary.

#### 7. SERVICES INSTALLED IN ADVANCE OF PAVING

7.1 Owners of lots required to install Service Pipes from the Distribution Main to the curb or property line in advance of street or highway paving, shall pay the Company the cost of installing such Service Pipes. The Company will install such pipes and will refund such cost, without interest, to the depositing party when Water Service is commenced to such lots.

#### 8. METERS

8.1 Water shall be supplied to all Customers by meter measurement only, excepting sales of water to tank trucks of known capacity and those Customers receiving public fire protection service and Private Fire Protection Service. The Company shall have the right to place a meter on any Service Pipe and charge for Water Service by meter measurement.

8.2 All meters, except fire service line meters, shall be furnished, installed, maintained, tested, repaired, removed and replaced only by the Company and shall remain its property. In case of damage to any meter by reason of any act, neglect or omission on the part of the Customer (such damages occasioned by fire, hot water, accident or misuse), the Customer shall reimburse the Company for the cost of repairing or replacing the meter.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Jacket No. 2-87-7534

- 8.3 The Company reserves the right to determine the kind, size and type of meter that shall be placed on any Service Pipe.
- 8.4 Meters may be located either in an outdoor meter box or vault, or inside the Customer's building or structure, at the option of the Company.
- 8.5 If the meter or Battery Setting of Meters is to be installed inside, it shall be located in a clean, dry, safe place not subject to wide temperature variations so that the meter may easily be examined, read or removed. The Customer shall, at his expense, provide suitable pipe connections and shut-off valves, one each at the inlet and outlet sides of the meter or Battery Setting of Meters, and other appropriate fittings designed by the Company.
- 8.6 If the meter or Battery Setting of Meters is to be installed in a meter box or vault, it shall be located in a convenient and readily accessible location at or near the street right-of-way line. Meter boxes or vaults for settings for single meters and Battery Settings of Meters shall be furnished, installed and maintained by the Company. The Company shall at its expense, provide suitable pipe connection and shut-off valves, and such other fittings as may be designated by the Company. Upon a request by the Customer before the original installation is made, the meter box or vault will be located at the point requested, if feasible under proper utility standards. The meter box or vault may be constructed to protect the meter from freezing and damage by vehicular traffic, and its location and design shall prevent, as far as possible, the inflow of surface water.
- 8.7 Separate Premises shall be separately metered and billed, and only one Premise shall be supplied through one meter or Battery Setting of Meters.
- 8.8 The Company reserves the right to put seals on all meters or meter couplings.
- 8.9 No Customer shall remove or cause or permit the removal of a meter by his agents once it has been installed by the Company, and any change in location of the meter desired by the Customer shall first be approved by the Company in writing, but shall be made by the Company at the Customer's expense.

---

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

---

8.10 If a Customer requests an additional self-serving meter or meters for his Premises (i.e. lawn sprinkling or swimming pool), the Company will make the requested installation at the expense of the Customer and billing will occur as provided in Rule 9.

8.11 The Company may at any time, remove the meter for routine tests, repair, or replacement.

8.12 Meters may register in either U.S. gallons or cubic feet. Meter readings in units of hundred cubic feet may be converted to units of thousand gallons for billing purposes if the existing schedule of charges is stated in gallon units. The factor used for making a conversion from hundred cubic feet to thousand gallons shall be based on the use of one cubic foot as being equivalent to seven and forty-eight hundredths (7.48) U.S. gallons.

**9. MULTIPLE METER SETTINGS**

9.1 When more than one meter setting is installed at a Customer's Premises because of conditions warranted and determined by the Customer, each meter setting shall be treated separately as if it belonged to a separate Customer, and the registrations of such meters will not be combined.

9.2 When more than one meter setting is installed on a Customer's Premises because of conditions warranted and determined by the Company, the registration of all such meters shall be combined and the minimum charge shall be the sum of the individual minimum charges for all such meters.

**10. DISPUTED BILLS**

10.1 When a Customer disputes a bill, the Company will not terminate service for nonpayment so long as the Customer (i) pays the undisputed portion of the bill, (ii) pays all future bills by the due date, and (iii) enters into bona fide discussions with the Company to settle the dispute.


(C) Change

---

ISSUED: October 2, 2012

EFFECTIVE: November 1, 2012

BY:

  
Deron E. Allen  
President

---

1101 Broad Street  
Chattanooga, Tennessee 37401

- 10.2 In instances where the Customer and Company cannot agree as to what portion of a bill is undisputed, it shall be sufficient that the Customer pay an amount equal to his average bill for the twelve (12) months immediately preceding the disputed bill. In those cases where the Customer shall pay an amount equal to 1/12 of the estimated annual cost of service.
- 10.3 If the Company and the Customer arrive at a mutually satisfactory settlement of a disputed bill, the Company may enter into a settlement agreement providing for payment of the outstanding balance in installments over a reasonable period of time. Such an agreement shall be limited to the bill in dispute or the delinquent account.
- 10.4 A settlement agreement may be in writing and signed by the Customer or his representative and an authorized representative of the Company. A settlement reached by telephone may be confirmed by the Company in writing and mailed to the Customer, with instructions to sign a confirming copy and return it to the Company.
- 10.5 The Company shall not be required to enter into concurrent settlement agreements relating to the same Water Service account.
- 10.6 The Company shall not be required to enter into a subsequent agreement with a Customer who defaults upon the terms and conditions of a previous agreement entered into within the previous twelve (12) months.
- 10.7 If the Customer fails to comply with the terms and conditions of a settlement agreement, the Company may discontinue Water Service without further notice to the Customer.
- 10.8 If agreement cannot be reached on settlement of the dispute, the Customer may register his dispute with the Commission.

#### 11. ADJUSTMENT OF BILLS

- 11.1 Water Service bills which are incorrect due to meter or billing errors shall be adjusted in accordance with Commission Rules and to the known date of error or one (1) year, whichever is shorter.

Issued: March 18, 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Effective: MAR 23 1988

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. W-87-7534



- 11.2 Adjustment for Hidden Leaks (as defined on page 14, item (M)) may be given as follows:

Adjustment for Hidden Leaks will be 50 percent of the charge for wasted water estimated from the beginning date of the leak to the date of repair, which period shall not exceed two regular reading periods unless extended by missed scheduled meter reading. Wastage will be considered as the excess consumption over normal usage, obtained by reference to the Customer's consumption record. If there is no consumption record, the average consumption for the previous calendar year for the appropriate Customer classification will be used as the normal consumption. An adjustment will be given only after the Customer has corrected the condition and verification has been presented to the Company that proper repairs have been made. Adjustments for Hidden Leaks will be limited to (1) one per Customer, per year, or (2) the adjustment amount set forth above unless occurring under unusual or extenuating circumstances.

## 12. METER TESTING

12.1 The Company will make a test of the accuracy of registration of a meter upon written request by a Customer. The Customer will be required to bear the full cost of any subsequent test of his meter if requested at less than eighteen (18) months after the preceding test, and accuracy of the meter is found to be in compliance with rules of the Commission. The results of such tests will be reported to the customer in writing within ten (10) days after the test is complete or the customer shall be given the opportunity of being present at such requested tests.

12.2 Upon written application and payment of the required fee to the Commission by any Customer, a test will be made of the Customer's meter under the supervision of a representative of the Commission in accordance with rules of the Commission.

## 13. DEPOSIT TO INSURE PAYMENT OF BILLS

13.1 The Company will not require a cash deposit as a condition of new Water Service unless the Customer has a prior Water Service account which remains unpaid with the Company. Water Service is considered new if the Customer has not been a Customer of the Company within the last 12 months.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

- 13.2 The Company will not require a cash deposit as a condition of continued Water Service unless the Water Service of a Customer has been discontinued for nonpayment.
- 13.3 A cash deposit will be required under the following terms and conditions:
- (a) A deposit will be required as a condition of new Water Service if the Applicant has a prior outstanding account. Such deposit shall not exceed an amount equal to two (2) times the estimated monthly bill for Water Service at the Customer's Premises. The Company may also require payment of the prior outstanding account, if due and owing to the Company, as a condition of new Water Service.
  - (b) A deposit will be required as a condition of continued Water Service if the Customer's service has been discontinued for nonpayment. Such deposit shall not exceed an amount equal to two (2) times the actual or estimated monthly bill for Water Service at the Customer's Premises. The Company may also require payment of the prior outstanding account as a condition of continued Water Service.
  - (c) Interest at the rate of 6% per annum, or at such other percentage per annum established by the Commission shall be payable on all deposits. Interest shall be paid upon the return of the deposit; however, a refund made within three (3) months from the date of deposit shall bear no interest.
  - (d) Deposits shall not earn interest after the date full payment is made to the Customer by mail or personal delivery, or after the date Water Service is terminated.
  - (e) Upon termination of Water Service, the deposit, with any accrued interest, shall be credited to the final bill and any balance returned promptly to the Customer. A change of Customer's address within the Company's service area will not be considered Termination of Service.
  - (f) The deposit and accrued interest shall be refunded by the Company upon satisfactory payment by the Customer of all proper charges for Water Service for twelve (12) successive months. Payment is satisfactory if made prior to issuance of a notice of discontinuation of Water Service for nonpayment of an account.

Issued: March 18, 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Effective: for service rendered  
on and after

MAR 23 1988

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

13.4 For each deposit, the Company will provide a written receipt and maintain a record showing (1) the name of the Customer, (2) the current address of the Customer so long as he maintains an active account with the Company in his name, (3) the amount of the deposit, (4) the date the deposit was made, and (5) a record of each transaction affecting the deposit. If a Customer requests a refund of his deposit, but is unable to locate his receipt, and the Company's record reflects that the deposit was made and the Customer is entitled to the refund, the Company will make the refund based on a written statement from the Customer reciting that he made a deposit and requests the refund.

13.5 Any deposit remaining unclaimed for the applicable statutory period after the Company has made diligent efforts to locate the Customer shall be presumed abandoned and, after making any lawful deductions, will be treated in accordance with the provisions of the applicable unclaimed property laws.

#### 14. TERMS AND CONDITIONS OF BILLING AND PAYMENT

14.1 All water sold shall be on the basis of meter measurement. Meters shall be scheduled to be read at not greater than quarterly intervals. The Company shall have the option to issue interim estimated monthly bills to Customers whose meters are read bi-monthly. Estimated bills shall not be less than a minimum bill as prescribed in the Company's current tariffs.

14.2 Private Fire Protection Service charges shall be payable quarterly in advance.

14.3 Public Fire Protection Service charges will be payable monthly in arrears.

14.4 Special charges shall be payable on demand.

14.5 All bills for Water Service are due on or before the due date printed on the bills, and considered delinquent if not paid by such date. The due date will be at least twelve (12) days after the postmarked date of the bill, if mailed, or the date of delivery if delivered by other means.

14.6 All bills will be sent to the address entered in the application unless the Company is otherwise notified by the Customer.

Issued: March 18, 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Effective: MAR 23 1988

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. 12-87-7534

- 14.7 Customers are responsible for furnishing the Company with their correct addresses. Failure to receive bills will not release Customer from payment obligations.
- 14.8 The use of water by the same Customer at different Premises or localities will not be combined for billing.
- 14.9 The Company may estimate the bill of any Customer for good cause, including, but not limited to: request of Customer; inclement weather; labor or union disputes; inaccessibility of a Customer's meter; other circumstances beyond the control of the Company or its agents and employees; and, a billing period with a varying meter reading schedule; or the Company may render an estimated bill when a meter is found to be not registering. In such cases, the Company shall estimate the charge for the water used by averaging the amount registered over a similar period preceding or subsequent to the period of nonregistration or for corresponding period in previous years, adjusting for any changes in the Customer's usage.
- 14.10 The Company may include charges for special services with charges for Water Service on the same bill if such charges are identified.

## 15. DISCONTINUANCE OF WATER SERVICE

### 15.1 Upon Customer's Request

- (a) The Customer shall notify the Company at least three (3) days in advance of the desired termination day and shall remain responsible for payment of all service until service is terminated pursuant to such request. The Company shall terminate service within three (3) working days of the requested termination date. The Customer shall not be liable for any service rendered to such address or location after the expiration of these three (3) days.

### 15.2 Without Customer's Request

- (a) The Company may disconnect service without request by the Customer and without prior notice only:
- I. If a condition dangerous or hazardous to life, physical safety or property exists; or

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

- 
- II. Upon order by any court, the Commission or other duly authorized public authority; or
- III. If fraudulent or unauthorized use of water is detected and the Company has reasonable grounds to believe the affected Customer is responsible for such use; or
- IV. If the Company's regulating or measuring equipment has been tampered with and the Company has reasonable grounds to believe that the affected Customer is responsible for such tampering; or
- V. If a Customer violates the terms of a settlement agreement described in Rule 10, Disputed Bills.
- (b) The Company may discontinue Private Fire Protection Service immediately after written notice to such Customer and the appropriate Fire Department for leakage within such Private Fire Protection Service system and until such leaks are repaired.
- (c) In all other instances, the Company, upon providing the Customer with seven (7) days prior written notice, may disconnect Water Service for any of the following reasons:
- I. The Customer fails to repair any leak in the Customer Service Pipe or other plumbing fixtures.
- II. The Customer vacates the Premises or fails to pay his water bills or other charges related to his Water Service installations or facilities in accordance with these rules and the Company's rate schedules, or otherwise violates any of these rules.
- III. Nonpayment of a Water Service bill based on estimated consumption after the estimated meter reading has been verified.
- IV. The Customer fails to provide free and non-hazardous access to the Premises and meter so that the Company's representatives may make meter readings and necessary inspections and maintain, replace or remove the meter, or fails to maintain Customer-owned meter settings, including pits and vaults.

---

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. 0-87-7534

- \* V. The Customer installs a new Service Pipe and other fixtures or alters or removes an existing Service Pipe or other fixtures, including the meter, without the Company's consent.
- VI. The Customer fails to remedy a condition or use on his Premises which, in the Company's engineering judgment, endangers the Company's distribution system.
- VII. Misrepresentation of identity of Applicant for the purpose of obtaining Water Service.
- VIII. A Customer selling or providing water to other Premises not specifically included in the accepted application.
- IX. Where two or more Premises are supplied through a single Service Pipe, any violation of the Rates, Rules, Regulations and Conditions of Water Service of the Company shall be deemed a violation as to all, and the Company may enforce compliance with these rules and regulations by discontinuing service. Such action, however, will not be taken until the Customer not in violation has been given reasonable notice to acquire a separate Company Service Pipe.
- X. The Customer fails to pay for any sewer service charge and discontinuance of Water Service is duly authorized by the appropriate Governmental Unit.
- XI. A Customer occupies a Premises already receiving Water Service without making application and fails to pay for Water Service used prior to the Company accepting such Customer's application.

### 15.3 Prohibited Disconnection

- (a) Except as otherwise provided in subsection 15.1 and 15.2, the Company shall postpone disconnection of residential service for twenty (20) days if, prior to the disconnect date specified in the disconnect notice, the Customer provides the Company a medical statement from a licensed physician or public health official stating that disconnection would be a serious and immediate threat to the health or safety of a designated person in the household of the Customer.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17 1988  
Docket No. U-87-7534

- (b) The Company may not disconnect service to the Customer:
- I. Upon failure to pay for goods or services not approved by the Commission.
  - II. Upon failure to pay for concurrent Water Service received at a separate Premises. However, if Water Service is discontinued or terminated at the separate Premises, any unpaid balance may be transferred to the other account on the next regular billing.
  - III. Upon failure to pay for a different class of Water Service received at the same or different locations; or
  - IV. Upon failure to pay for Water Service provided in the name of another Customer.
- (c) If a Customer proceeds with a complaint before the Commission pursuant to Commission Rules and complies with Rule 10, Disputed Bills.

#### 15.4 Notice and Procedure for Involuntary Disconnection

- (a) Except as otherwise provided in Section 15.2(a) and (b), service to any Customer shall not be disconnected for a violation of any rule or regulation of the Company or for the nonpayment of a bill, except after seven (7) days prior written notice to such Customer.
- (b) The Company may discontinue Water Service to a Customer on the date specified in the notice of discontinuation, or within a reasonable time thereafter, only between the hours of 8:00 a.m. and 4:00 p.m.
- (c) Water Service shall not be discontinued on a day, or a day immediately preceding a day, when the services of the Company are not available to the general public for the purpose of reconnecting discontinued Water Service.

#### 16. RECONNECTION OF WATER SERVICE AFTER DISCONTINUANCE

- 16.1 When service has been discontinued because of violations of the Rates, Rules, Regulations and Conditions of Water Service or because

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

of nonpayment, a reconnection charge will be made as set forth in the schedule of the rates and charges of the Company.

16.2 The Company will reconnect service within the one (1) working day after it is requested provided:

- (a) The conditions, circumstances or practices which caused the disconnection have been corrected;
- (b) Satisfactory settlement of all delinquent charges owed the Company by the Customer and any deposit authorized by these rules has been made; and
- (c) A responsible person is present in the Premises to see that all water outlets are closed to prevent damage from escaping water.

16.3 No Customer whose Water Service has been discontinued by the Company shall re-establish service or cause service to be re-established except by the Company.

#### 17. MODIFICATION OF FACILITIES AT CUSTOMER'S EXPENSE

17.1 If a Customer requests for his convenience, or by his actions requires, that the Company's facilities be relocated or modified, compatible with water utility construction practices, the Company will require reimbursement for the full cost of performing such service.

17.2 Where such changes become necessary due to altered or additional use on the Customer's part, such as the causing of pressure fluctuations which affect service to other Customers or damage to the Company's system, the Customer shall bear the cost of such changes in the facilities in question.

#### 18. CUSTOMERS REQUIRING UNINTERRUPTED SUPPLY

18.1 The Company will endeavor to give reasonable Water Service, however, customers are cautioned to provide sufficient storage of water where an absolutely uninterrupted supply at uniform pressure must be assured, such as for steam boilers, hot water systems, gas engines, fire service, etc.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534



18.2 Customers installing fixtures or devices taking a supply of water directly from the Service Pipe, dependent upon the working pressure of the distribution system, will do so at their own risk. The Company will not be responsible for any accidents or damages to which such fixtures or devices are subject.

19. REQUIREMENTS FOR PEAK DEMAND CUSTOMERS

19.1 Customer usages requiring a large quantity of water within a short period of time will not be permitted except through intercepting or intermediate storage tanks, unless approved by the Company in writing. Customer Service Pipes or Private Fire Protection Service connections shall not be connected to the suction side of pumps, unless approved by the Company in writing.

19.2 The inlet connection for tanks attached directly or indirectly to the Customer's Service Pipes or Private Fire Protection Service connections shall discharge at a point no less than three (3) times the diameter of the inlet pipe above the overflow of such tanks. Such connections must be approved by the Company in writing.

20. REQUIREMENTS FOR VALVES AND OTHER DEVICES

20.1 Check valves, relief valves, flush valves and vacuum breakers required or recommended by this rule must be installed and maintained by, and at the cost and expense of the Customer.

20.2 Check and relief valves will be required for Customers having boilers, hot water heaters (heating systems) connected directly or indirectly with the Distribution Mains of the Company. The check valve must be in the supply pipe to any heating system and a relief valve between the check valve and heating system.

20.3 As a precaution against collapse of boilers, a vacuum valve should be installed in the steam line in case the water supply is interrupted.

20.4 The Company is not responsible for accidents or damages resulting from imperfect action or failure of check, relief or vacuum valves or failure of the Customer to provide necessary safety devices.

20.5 Any Customer desiring or requiring a pressure reducing device for Water Service to his Premises shall install and maintain such device at his cost and expense.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. 11-87-7534

---

**21. PLUMBING REGULATIONS AND WORK**

- 21.1 All plumbing work shall be done in accordance with the plumbing code of the Governmental Unit or units applicable in the Company's service area and/or regulations adopted by any duly constituted board or commission having jurisdiction.
- 21.2 All plumbing work connected to the Company's Distribution Mains shall be submitted for Company inspection before being covered.
- 21.3 If the Company determines plumbing work to be defective, though not necessarily in direct violation of these rules and regulations, the Company may insist it be corrected before Water Service is initiated.
- 21.4 Except where the plumbing is a simple extension or additional fixture on a service in use, the plumber shall turn off the water after completion testing.
- 21.5 No plumber, or any other person, shall initiate Water Service without permission from the Company.
- 21.6 No plumber, or any other person, shall connect to the Company's Distribution Main or to any Service Pipe or extend pipe to any Premises for the purpose of securing a supply of water until application has been made and accepted by the Company as provided in these Rates, Rules, Regulations and Conditions of Water Service.

**22. CROSS CONNECTIONS**

- 22.1 A cross-connection is any physical connection whereby the Company's public water supply is connected with any other water supply, whether public or private, either inside or outside of any building or buildings, in such manner that a flow of water into the Company's public water supply is possible either through the manipulation of valves or because of ineffective check or back-pressure valves, or because of any other arrangement.
- 22.2 By-pass arrangements, jumper connections, removable sections, swivel or change-over devices, and other temporary or permanent devices through which, or because of which, backflow can occur, are considered to be cross-connections.

---

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, TennesseeIssued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

22.3 No cross-connection will be permitted unless an acceptable form of protection against contamination by backflow into the water distribution system is provided. An acceptable form of protection is one which meets the approval of the Tennessee Department of Public Health, or any successor agency or organization, and the local regulating health agency. The required protective device or system shall be provided and installed by the Customer and maintained by him in good working condition at his own cost and expense and shall be subject to the inspection, test and approval of the Company before being placed in service, and at such times thereafter as may be deemed necessary by the Company.

22.4 Any cross-connection in violation of this rule shall immediately be removed or corrected in a manner acceptable to the Tennessee Department of Public Health, or any successor agency or organization, and the local regulation health authority, and the Company. Failure to do so may result in discontinuance of Water Service.

22.5 The Customer's Service Pipe and all connections and fixtures attached on a Customer's Private Fire Protection Service system shall be subject to the inspection of the Company to determine compliance with its cross-connection rule before water will be turned on, and all Premises receiving a supply of water and all Service Pipes, meters and fixtures, including any and all fixtures within the Premises, shall at all reasonable hours be subject to inspection by any duly authorized employee(s) of the Company.

### 23. EXTENSION OF DISTRIBUTION MAINS

23.1 The Company will extend its Distribution Mains and related facilities from the end of existing mains under the terms and conditions of this rule, unless otherwise approved by the Commission.

23.2 The Company, upon written request, from an applicant(s) in an established neighborhood, shall extend mains and connect Customer(s) in accordance with Rule 23.4. All other requests for service requiring main extensions shall be subject to either Rule 23.6 or Rule 23.7 at the option of the applicant(s). Rule 23.4 is for main installations necessary to serve existing Premises owned or occupied by the applicant(s) to be served. Rules 23.6 and 23.7 are for main installations necessary to serve new subdivisions or developments involving speculation or the prospect of new Customers.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. 4-87-7534

TENNESSEE-AMERICAN WATER COMPANY

TRA No. 19  
Second Revised Sheet No. 39  
Cancelling First Revised Sheet No. 39

- 23.3 (a) Upon application for an extension of a Distribution Main, the Company will determine the necessary size, location and characteristics of the main and related facilities and make an estimate of the cost. Such estimate shall include all pipe, valves, fittings and other fixtures and materials and all other costs such as labor, permits, etc., including the Company's expense for supervision, engineering, insurance, tools, equipment, accounting, and overhead.
- (E)
- (b) Main extensions under Rule 23.4 shall terminate at a point perpendicular to the center of the Customer's residence fronting on the street in which the extension is to be made.
- (c) Main extensions under either Rule 23.6 or Rule 23.7 shall terminate at a point equidistant from the side property lines of the last lot or parcel for which facilities for Water Service are to be provided.
- (d) The size of pipe for extensions shall be eight-inch (8") unless a larger or smaller pipe, as determined by the Company, is reasonably necessary to serve the requirements of the proposed Customer(s), including fire protection service. If, for the Company's future extension plans it proposes to install a pipe larger than that which is reasonably necessary to meet the applicants' service requirements, the Company will pay the additional cost of such larger pipe.
- 23.4 Upon receipt of a signed application for permanent Water Service which shall commence upon completion of the Company's main extension, an extension shall be provided as follows:
- (a) Where the length of extension required does not exceed 100 feet for each applicant to be served, the Company will install the required amount of mains at no cost to the applicant(s) provided, the Company has on file a written application for Service from each applicant to be served.

(E) Eliminate Text

ISSUED: September 16, 1997

EFFECTIVE DATE: January 1, 1997

ISSUED BY: R. J. Gallo  
1101 Broad Street  
Chattanooga, Tennessee 37401

Issued in compliance with the Order  
of the TRA  
Commission dated \_\_\_\_\_, 19\_\_\_\_  
Docket No. 97-370

TENNESSEE-AMERICAN WATER COMPANY

TRA No. 19  
Second Revised Sheet No. 40  
Cancelling First Revised Sheet No. 40

---

- (b) If the length of main required to provide service to each applicant or group of applicants exceeds 100 feet per applicant, such extension will be made only if the applicant(s) shall contract with the Company for such extension and deposit in a manner mutually agreed to in writing between the applicant(s) hereinafter called Depositor (s) and the Company, the total estimated cost of the extension less a credit equal to the amount produced by multiplying the estimated unit cost per foot of main by 100 and by then multiplying that result by the number of applicants.
- (c) If within a ten (10) year period beginning with the date the main extension is completed, service is provided directly from said extension to any Premises which has not previously received water service from the Company, the Company will refund to the Depositor(s) an amount equal to the actual completed cost of 100 feet of main installed under the contract. In no event shall the aggregate refund made to any Depositor(s) exceed the amount of that Depositor's original deposit. No refunds shall be required to be made by the Company until the number of Customers actually connecting to the extension equals the number of applicants used in computing the deposit required for the extension.
- (E) (d) When more than one Depositor is involved, the amount of the advance deposit may be divided equally among the Depositors, unless otherwise agreed to by the Depositors.
- (E) (e) Should the actual cost of the extension be less than the estimated cost, the Company will refund the difference as soon as the actual cost has been ascertained. Should the actual cost of the extension exceed the estimated cost, the Company may require the original Depositor(s) to pay for the additional cost. The final cost of the extension shall be reflected in a supplemental memorandum to the original extension and deposit agreement.
- (E) 23.5 For the purposes of main extensions Rules 23.6 and 23. 7 and all agreements entered into by the company for the extension of water mains in accordance with this Rule 23.5, the following definitions shall apply:

(E) Eliminate Text

---

ISSUED: September 16, 1997

EFFECTIVE DATE: January 1, 1997

ISSUED BY: R. J. Gallo  
1101 Broad Street  
Chattanooga, Tennessee 37401

Issued in compliance with the Order  
of the TRA  
Commission dated           , 19    
Docket No. 97-370

TENNESSEE-AMERICAN WATER COMPANY

TRA No. 19  
First Revised Sheet No. 41  
Cancelling Original Sheet No. 41

- (a) Bona Fide Prospective Customer - Any owner or lessee who is or will be the occupant of a developed Premises having a curb line abutting on that part of a street or public highway in which there is, or is to be, located a Distribution Main of the Company, and who shall have filed with the Company a signed application for permanent Water Service to begin immediately after installation of a Service Line to such Premises.
- (b) Prior Main - A Distribution Main not a Branch Main installed under an Extension Deposit Agreement for the purpose of serving a new development having one or more Bona Fide Prospective Customers.
- (c) Branch Main - A lateral Distribution Main installed under an Extension Deposit Agreement for the purpose of serving one or more Bona Fide Prospective Customers whose Premises are located in an area not contiguous to a street in which water mains have been installed under unexpired prior Extension Deposit Agreements.
- (d) Unit Cost Per Foot of Main - An amount, to be determined by the Company as soon as possible after installation of the requested main, consisting of the Company's average completed cost per foot of all mains installed pursuant to the specific Extension Deposit Agreement. For the purposes of determining the initial deposit to be made by the applicant(s), the Company will estimate the Unit Cost Per Foot of Main in accordance with Rule 23.3.
- 23.6 (a) The Company will extend existing Distribution Mains in dedicated public streets or highways where the ground surface has been conformed to the established grade or sub-grade of the street, a distance of forth-five (45) feet for each Bona Fide Prospective Customer making application for Water Service therefrom. Such extension will be made without cost to the applicant(s) for service, except for such connection charge, if any, as may be applicable to such customer.
- (b) When an extension greater than forty-five (45) feet in length for each Bona Fide Prospective Customer is required or requested, such extension will be made, in dedicated public streets or highways where the ground surface has been conformed to the established grade or sub-grade of the street, under the terms of an Extension Deposit Agreement as hereinafter set forth:

Issued in compliance with the Order of the \_\_\_\_\_  
TRA Commission dated \_\_\_\_\_  
10/31 19 96 No. 96-000989

(C) Change

ISSUED: October 31, 1996

EFFECTIVE DATE: June 13, 1996

ISSUED BY: R. J. Gallo  
1101 Broad Street  
Chattanooga, Tennessee 37401

TENNESSEE-AMERICAN WATER COMPANY

TRA No. 19  
Second Revised Sheet No. 42  
Cancelling First Revised Sheet No. 42

- (E) (I) The applicant (hereinafter the Depositor) shall deposit with the Company an amount equal to (i) the estimated number of feet or pipe to be installed multiplied by the estimated Unit Cost Per Foot of Main, plus the estimated cost of other facilities (excluding fire hydrants, hydrant laterals, service lines and meters), which the Company shall have determined are necessary to render adequate service, less (ii) a credit equal to the amount produced by multiplying the results of such computation by the number of Bona Fide Prospective Customers whose Premises abut said extension and will be directly connected thereto.
- (E) (II) Upon completion of the extension and compilation of actual costs, should the actual completed Unit Cost Per Foot of Main and/or the actual number of feet of pipe installed be more, or less, than the original estimate, the Depositor shall immediately deposit with the Company, or receive from the Company, an amount equal to the difference between the estimated footage multiplied by the estimated Unit Cost Per Foot of Main and the actual footage multiplied by the completed Unit Cost Per Foot of Main.
- (E) (III) Deposits made pursuant to this rule shall be subject to refunds within the period of ten (10) years from the actual date of deposit as follows:
- (E) (i) For each additional bona fide Customer for whom a Service Line has been made to the extension in question, the Company shall refund to the Depositor an amount equal to the completed Unit Cost Per Foot of Main used in calculating the final deposit multiplied by forty-five (45); and
- (E) (ii) If any Branch Mains are connected to the Prior Main within a period of five (5) years from the date said Prior Main was installed, the Company shall refund to the Depositor, or to the Depositor and all other parties who may have participated in the cost of the main in question, his or their proportionate share of the supplemental deposit required for such a Branch Main connection as provided in Rule 23.6 (b) IV hereof.

(E) Eliminate Text

ISSUED: September 16, 1997

EFFECTIVE DATE: January 1, 1997

ISSUED BY: R. J. Gallo  
1101 Broad Street  
Chattanooga, Tennessee 37401

Issued in compliance with the Order  
of the TRA  
Commission dated 9-17-97, 1997  
Docket No. 97-370

TENNESSEE-AMERICAN WATER COMPANY

TRA No. 19  
First Revised Sheet No. 43  
Cancelling Original Sheet No. 43

(IV) When a Distribution Main is installed under an Extension Deposit Agreement and such main passes through undeveloped property where future Branch Mains may be connected thereto, the persons for whom such Branch Mains are installed within a period of five (5) years from the date the Prior Main was installed shall be required to share proratably in the cost of such Prior Main from its beginning point to the point of connection of the Branch Main. This shall be accomplished by requiring each person for whom such a Branch Main is to be installed to make a supplemental deposit with the Company in an amount equal to his proportionate share of the then un-refunded balance of the deposit which was established to secure the installation of such Prior Main to the point of connection of the Branch Main. Such supplemental deposit shall be paid over by the Company, promptly after receipt thereof, to the original Depositor and to all others who have made deposits on that portion of the Prior Main. The allocation thereof to such parties shall be in proportion to their respective percentage participations in the un-refunded balance of the deposit relating to the installation of the Prior Main to the point of connection of the Branch Main. No such supplemental deposit shall be required if a lateral main is being installed and connected to the Prior Main by the Company at its own expense, or by the Company at the request of an applicant for a main extension which does not require a deposit from such applicant.

23.7 (a) The Company will extend existing Distribution Mains in dedicated public streets or highways where the ground surface has been conformed to the established grade or sub-grade of the street, without cost to the applicant(s) if the estimated cost of the extension is not greater than forty (40) percent of the company's estimate of revenue to be received the first three (3) years from Bona Fide Prospective Customer(s).

(b) When an extension with an estimated cost greater than forty (40) percent of the Company's estimate of three (3) years' revenue from Bona Fide Prospective Customer(s) is required or requested, such extension will be made, in dedicated public streets or highways where the ground surface has been conformed to the established grade or sub-grade of the street, under the terms of an Extension Deposit Agreement as hereinafter set forth:

Issued in compliance with the Order of the \_\_\_\_\_  
TRA Commission dated \_\_\_\_\_  
10/31, 19 96 No. 96-000759

(C) Change

ISSUED: October 31, 1996

EFFECTIVE DATE: June 13, 1996

ISSUED BY: R. J. Gallo  
1101 Broad Street  
Chattanooga, Tennessee 37401



TENNESSEE-AMERICAN WATER COMPANY

TRA No. 19

Second Revised Sheet No. 44

Cancelling First Revised Sheet No. 44

---

- (E) (I) The Applicant (hereinafter the Depositor) shall deposit with the Company an amount equal to (i) the estimated cost of the extension, less (ii) a credit equal to forty (40) percent of the Company's estimate of three (3) years' revenue to be received from Bona Fide Prospective Customer(s) whose Premises abut said extension and will be directly connected thereto.
- (E) (II) Upon completion of the extension and compilation of actual costs of the extension, the Depositor(s) shall immediately deposit with the Company, or receive from the Company, if the cost is less than estimated, an amount equal to the difference between the estimated cost and the actual completed cost of the extension.
- (III) Deposits made pursuant to this rule shall be subject to refunds within the period of ten (10) years from the actual date of the deposit as follows:
- (i) Upon completion of the first year's service to Bona Fide Prospective Customer(s) for whom credit was given in establishing the deposit, the Company will refund to the Depositor an amount equal to forty (40) percent of the difference between the first three (3) years' revenue originally estimated by it and the actual revenue received, provided the actual revenue is greater than the estimated revenue. If the actual revenue is less than the estimated revenue, the difference will be used as an off-set against revenues which would otherwise become the basis for refund pursuant to (ii) below.

(E) Eliminate Text

---

ISSUED: September 16, 1997

EFFECTIVE DATE: January 1, 1997

ISSUED BY: R. J. Gallo  
1101 Broad Street  
Chattanooga, Tennessee 37401

Issued in compliance with the Order  
of the TRA  
Commission dated \_\_\_\_\_, 19\_\_\_\_  
Docket No. 97-370

(11) During the period of ten (10) years from the actual date of deposit, the Company shall at the end of each year refund to the Depositor an amount equal to forty (40) percent of the actual annual revenue received for water Service from Customers whose Service Line is directly connected to the main covered by the Extension Deposit Agreement. Such refunds shall be paid annually within forty-five (45) days of each contract year covering refunds owing from Water Service revenues received during the preceding contract year; provided, however, that the first three (3) years' revenue from Bona Fide Prospective Customer(s) for whom credit was given in establishing the deposit shall be excluded from refunds to be paid under this provision (11).

(11) If any Branch Mains are connected to the Prior Main within a period of five (5) years from the date said Prior Mains was installed, the Company shall refund to the Depositor, or to the Depositor and all other parties who may have participated in the cost of the main in questions, his or their proportionate share of the supplemental deposit required for such a Branch Main connection as provided in Rule 23.7(b) IV hereof.

IV. When a Distribution Main is installed under an Extension Deposit Agreement and such main passes through undeveloped property where future Branch Mains may be connected thereto, the persons for whom such Branch Mains are installed within a period of five (5) years from the date the Prior Main was installed, shall be required to share proratably in the cost of such Prior Main from its beginning point to the point of connection of the Branch Main. This shall be accomplished by requiring each person for whom such a Branch Main is to be installed to make a supplemental deposit with the Company in an amount equal to his proportionate share of the then unrefunded balance of the deposit which was established to secure the installation of such Prior Main to the point of connection of the Branch Main. Such supplemental deposit shall be paid over by the Company, promptly

Issued: March 18, 1988  
Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Effective: MAR 18 1988

Issued in compliance with the Order  
of the TPSC  
Commission dated 10-21, 1987  
Docket No. U-87-7525

after receipt thereof, to the original Depositor and to all others who have made deposits on that portion of the Prior Main. The allocation thereof to such parties shall be in proportion to their respective percentage participations in the unrefunded balance of the deposit relating to the installation of the Prior Main to the point of connection of the Branch Main. No such supplemental deposit shall be required if a lateral main is being installed and connected to the Prior Main by the Company at its own expense, or by the Company at the request of an applicant for a main extension which does not require a deposit from such applicant.

- 23.8 The aggregate refunds made by the Company under any Extension Deposit Agreement shall not exceed the total deposit made under such Agreement.
- 23.9 No interest will be paid by the Company on any main extension deposits or on any unrefunded balances.
- 23.10 All mains, Branch Mains and related facilities installed in accordance with this Rule 23 shall be and remain the sole property of the Company.
- 23.11 The Company shall have the right to further extend its mains from and beyond any main extension made under this Rule 23. The Depositor(s) shall not be entitled to any refund from Customers connected to further extensions from the original main extension except for the Branch Main provisions of Rules 23.6 and 23.7.
- 23.12 Before Distribution Mains will be installed in accordance with this Rule 23, the following conditions must specifically be met by the requesting party:
- (a) The road surface shall be brought to the established subgrade, properly compacted; and
  - (b) The Applicant or Depositor shall furnish the Company with a right-of-way agreement suitable to the Company if such main extension or any part is to be installed in other than dedicated public streets or highways.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. D-87-7534

23.13 Any main extension agreement made pursuant to this Rule 23 and the right to refund thereunder shall not be assigned by any Depositor without the prior written consent of the Company.

23.14 Special contracts, subject to the approval of the Tennessee Public Service Commission, may be entered into by the Company and the party or parties requesting main extensions in those instances where:

(a) The prospects are that the patronage and demand will not be of such permanency as to warrant the capital expenditure involved, or

(b) There are industrial installations requiring extensive utility investment and the demand for Water Service is expected to be slight, irregular or of unknown quantity, or

(c) Where extensive plant additions are required before Customers can be attached and/or served, or

(d) Other abnormal or extraordinary circumstances are present.

#### 24. PUBLIC FIRE HYDRANTS

24.1 Public fire protection service shall be provided to any Governmental Unit requesting same within the Company's service

area in accordance with the Company's tariff and the terms and conditions set forth in an agreement between the Company and the requesting party. Public fire hydrants shall only be installed on Company-owned mains six inches (6") or larger in internal diameter.

24.2 Except in the City of Ridgeside, all public fire hydrants shall be furnished, installed and maintained by the Company.

24.3 The use of fire hydrants shall be restricted to the taking of water for the extinguishing of fires and at such times, is under the control of authorized representatives of the Fire Department. Water shall not be taken from any fire hydrant for construction purposes, sprinkling streets, flushing trenches, sewers, or gutters or for any other use, unless specifically authorized in writing by the Company.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17 1988  
ocket No. U-87-7534

24.4 Any expense for repairs or damage caused by persons operating fire hydrants, shall be paid for by such persons.

25. INTERRUPTIONS IN OR CURTAILMENT OF WATER SUPPLY

25.1 Interruptions in Water Supply

The Company reserves the right at any time to shut off the water in the Distribution Mains in case of accident or emergency, or for the purpose of making connections, extensions, improvements, alterations, repairs, changes, or for other proper business or utility reasons, and may restrict the use of water to reserve a sufficient supply in its reservoirs for public fire service or other emergencies whenever the public welfare may so require in accordance with Rule 25.2.

25.2 Curtailmnt of Service and/or Usage

- (a) When, in the judgment of the Company, sufficient supplies of water are not available to meet existing and anticipated demands or to preserve and replenish water storage in amounts sufficient to provide fire protection, the Company shall have the right to restrict, limit, curtail or interrupt Water Service to any Customer or Customers. The Company shall not be liable for any damage by reason of any such restriction, limitation, curtailment or interruption.
- (b) During any period of Company imposed restricting or curtailing Water Service, the Company shall not supply new service or additional service to any Customer, except for residential Premises occupied for which application for service has previously been made.
- (c) When feasible, prior to the application of this rule, the Company shall use its best efforts to inform the public of the emergency nature of its water supply situation and request voluntary curtailment of water usage by all Customers. If, in the judgment of the Company, such voluntary curtailment is not sufficient to protect the health and safety of its Customers or to preserve and replenish its reservoir storage for fire protection, it shall proceed under the provisions of paragraph (d) of this rule.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commissioner 3/17, 19 88  
Docket # 2-87-7534

(d) The Company shall endeavor to maintain a supply of water to provide for the sanitary and health requirements of its residential and human needs Customers (hospitals, medical centers, nursing homes, and apartments) and its fire protection service. The Company shall first order curtailment of usage by all Customers for sprinkling, decorative fountains, swimming pools and other similar nonessential usage. Thereafter, the Company shall curtail or limit on a pro rata basis water usage to all Customers whose average daily volume of water purchased during the preceding calendar year exceeded 100,000 gallons for any billing month during such period; provided, the Company reserves the right to order temporary, limitation or interruption of water usage for any Customer without regard to any priority of service when in its judgment such temporary, limitation or interruption is necessary to forestall injury to life or property. If any Customer fails to comply with any mandatory restriction, limitation or interruption of service imposed under this paragraph (d), the Company may discontinue service to such Customer.

(e) Company notice to Customers may be given by written notice or it may be given orally by any authorized agent of the Company. The notice shall be considered given when actually communicated in the case of oral notice or deposited in the United States Mail, if written.

26. RESPONSIBILITY OF COMPANY

26.1 The Company will undertake to use reasonable care and diligence to prevent and avoid interruptions and fluctuations in Water Service and to maintain reasonable pressure on the distribution system, but it cannot and does not guarantee to furnish at all times any given quantity for fire or general purposes or that interruptions or fluctuations in service will not occur. In the event there occurs any excess or deficiency in the pressure, volume or supply of water for any cause whatsoever, other than willful default or neglect on the part of the Company, the Company shall not in any way or under any circumstances be held liable or responsible to any person, firm, corporation or Governmental Unit for any resulting loss or damage.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. D-87-7534

26.2 Unless due to willful default or neglect on the part of the Company, the Company shall not be liable for any damages resulting from the breaking of mains or Service Pipes, interruption of the supply of water or cutting off water for necessary repairs or maintenance, or from any other act, omission or event.

26.3 The Company shall not be considered an insurer of property or persons, or to have undertaken to extinguish fire or to protect any persons or property against loss or damage by fire, or otherwise. The Company agrees only to furnish and provide such supply of water as shall then be available.

27. OWNERSHIP OF PROPERTY

27.1 Unless otherwise agreed to, all pipe, fittings, equipment, meters or other fixtures installed at the expense of the Company shall at all times be and remain the property of the Company and may at any time during reasonable hours be inspected by the Company and/or removed by it for repairs or replacements, or upon the Discontinuance of Service.

28. GENERAL

28.1 No electric wires shall be grounded on the mains of the Company or on any Service Pipes or pipes or fixtures of any kind which have a metallic connection with the mains of the Company. The Company assumes no responsibility for continuity of electrical grounding systems.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

APPLICATION FOR PRIVATE FIRE PROTECTION SERVICE

This Application made in triplicate this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_ (a corporation) (APPLICANT)

of the State of \_\_\_\_\_ hereinafter called the "Applicant", to the Tennessee-American Water Company (a corporation of the State of Tennessee), doing business in the City of Chattanooga hereinafter called the "Water Company."

The Applicant, upon the terms and conditions hereinafter set forth, hereby applies to the Water Company for private fire protection service consisting of the right to connect a \_\_\_\_\_ inch service pipe to the street main of the Water Company on \_\_\_\_\_ Street, between \_\_\_\_\_ Street and \_\_\_\_\_ Street in the City of \_\_\_\_\_ and attach to said service pipe the following fixtures and openings:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All of which fixtures and openings to be located within or upon the premises of the applicant abutting the street on which the said main of the Water Company is located.

In consideration for which privilege, the Applicant agrees to be bound by all the terms and conditions of this application and to pay the Water Company for private fire protection service at the schedule of rates in effect from time to time during the rendition of such service.

The further terms and conditions upon which this application may be accepted by the Water Company are as follows:

FIRST: That this application and the acceptance thereof by the Water Company is subject to the prior approval of the fire department having jurisdiction of the premises to be served.

SECOND: That the entire private fire protection service system on Applicant's premises shall be subject to the inspection, test and approval of the Water Company, and the Water Company by its representatives, shall have the right to enter the premises of the Applicant at any reasonable time for the purpose of making such reasonable inspections as it may deem necessary, and to insure compliance with the terms and conditions of this application.

Issued: March 18, 1988

Effective:

MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17 19 88  
Docket No. 0-87-7534



THIRD: That all pipes and appurtenances shall be constructed and maintained in good condition by and at the expense of the Applicant.

FOURTH: That a fire line meter or detector device approved by both the Water Company and the fire underwriters, will be required on the service at a location approved by the Water Company. Such meter or device shall be installed and maintained by and at the cost and expense of the Applicant, but subject to the inspection and approval of the Water Company. The by-pass meter only, used with the detector device, shall be furnished, installed and maintained by the Water Company at its cost and expense.

FIFTH: That a gate valve with post indicator controlling the entire supply shall be placed at the curb or property line of the street in which the main is located or at such other point as may be approved by the Water Company, and shall be furnished, installed and maintained by and at the expense of the Applicant, and unless otherwise approved by the Water Company, said valve shall be installed in a valve pit or vault which shall also be furnished, installed and maintained by and at the expense of the Applicant.

SIXTH: That all hydrants and other fixtures connected to the private fire protection service system shall be kept closed and sealed, and not opened or used except during times of fire or testing. Upon extinguishment of each fire or following each test, the Applicant shall immediately close such fixtures and notify the Water Company so that they may be sealed. Whenever a private fire protection service system is to be tested, the Applicant shall notify the Water Company at least two (2) business days in advance of such proposed test, requesting approval of the method, day and hour on which it is to be made.

SEVENTH: That no anti-freeze or any other substance, not specifically approved by the Environmental Protection Agency as non-detrimental to the public water supply, shall be introduced into sprinkling systems or into any pipe, fixture, appurtenance or other portion of the Applicant's private fire protection service system.

EIGHTH: That the Applicant understands and agrees that the extent of the rights of the Applicant under this application is to receive, but only at times of fire on said premises, such supply of water as shall then be available and no other or greater quantity. The Applicant further acknowledges and agrees the Water Company shall not be considered in any way or manner an insurer of property or persons, or to have undertaken to extinguish fire or to protect any persons or property against loss or damage by fire, or otherwise, and the Water Company shall be free and exempt from any and all claims for damages on account of any injury to property or persons.

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
L. Case No. U-87-7534

by reason of fire, water, failure to supply water or pressure, or for any other cause whatsoever.

NINTH: That this application does not contemplate uses of fixtures other than those herein stated. Any waste of water or use of water through this connection for purposes other than testing or the extinguishment of fire, shall be deemed a violation of the terms and conditions of this Application and of the rules, regulations and conditions of service of the Water Company.

TENTH: That if private fire hydrants are included as part of this Application, they shall be painted any color other than that adopted by the Water Company for public fire hydrants.

ELEVENTH: That the Applicant shall furnish, attach and make a part hereof, three (3) complete sets of drawings showing the pipes, pumps, valves, hydrants, sprinkler systems, hose outlets and connections, standpipes, tanks and other openings and appurtenances contemplated in this application. Such drawings, which shall be stamped "Approved" by the Insurance Services Office or other comparable agency approved by the Water Company, must also show all other water supply systems and pipe lines and appurtenances which are proposed or which may exist on the premises to be served.

TWELFTH: That no pipe, fixtures or appurtenances connected with the private fire protection service served by this application shall be connected with any pipe, fixtures, or appurtenances supplied with water from any other source, unless specifically approved in writing by the Company.

THIRTEENTH: That the Applicant agrees to obtain in advance the approval of the Water Company for any change, alteration, addition or deduction contemplated in the pipes, fixtures, openings and appurtenances and uses herein specified. Notwithstanding the approval of the Water Company, Applicant agrees that, except for those facilities which the Water Company has specifically agreed to provide and maintain, Applicant is and will be solely responsible for the design, adequacy, function and maintenance of its private fire protection service system referred to in this application.

FOURTEENTH: That the Water Company has the right to discontinue or disconnect the service pipe herein applied for, and to terminate service under this application, after due written notice to the Applicant, for failure to pay any bill when due, for leakage within Applicant's system, for violation of any of the terms and conditions of this Application, or for any violation of its rules, regulations and conditions of service; and the Water Company also has the right to shut off all or any part of its facilities and discontinue the service without notice when deemed necessary by the Water Company (1) if a

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Docket No. U-87-7534

condition dangerous or hazardous to life, physical safety or property exists, (2) under order by any court, the Public Service Commission or other duly authorized public authority, (3) if fraudulent or unauthorized use of water by Applicant is detected, or if the Water Company's regulating or measuring equipment has been tampered with by Applicant.

FIFTEENTH: That upon acceptance of this Application by the Water Company and the completion of the installation of the service pipe applied for, this Application shall be in full force and effect as a contract and shall continue as such until cancelled by written notice given thirty (30) days in advance by the Applicant to the Water Company, except as otherwise provided in numbered paragraph (14) above.

SIXTEENTH: The acceptance of this Application by the Water Company must be executed by its Manager and President or Vice President before same becomes effective.

IN WITNESS WHEREOF, the Applicant has executed this Application as the day and year first above written.

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_  
(APPLICANT)

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

WITNESS:

\_\_\_\_\_  
(CHIEF OF FIRE DEPARTMENT)

IN WITNESS WHEREOF, the Company hereby accepts the foregoing Application this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

WITNESS:

\_\_\_\_\_  
TENNESSEE-AMERICAN WATER COMPANY  
(MANAGER)

WITNESS:

\_\_\_\_\_  
(PRESIDENT OR VICE PRESIDENT)

Issued: March 18, 1988

Effective: MAR 23 1988

Issued By: E. W. Limbach, President  
1101 Broad Street  
Chattanooga, Tennessee

Issued in compliance with the Order  
of the TPSC  
Commission dated 3/17, 1988  
Jacket No U-87-7534

---

**ECONOMIC DEVELOPMENT RIDER  
RIDER EDR**

---

**Purpose**

The purpose of this Economic Development Rider is to encourage industrial and commercial development in Tennessee.

**Availability**

Water service under this rider is only available in conjunction with local, regional, and state governmental economic development activities where incentives have been offered and accepted by a customer who is requesting service, in conjunction with the location of new or expanding facilities, in the Company's service areas.

Water service under this rider is only available to customers otherwise qualified for service under the following Company's service classifications:

- Industrial
- Commercial

Water service under this rider is not available in conjunction with service provided pursuant to any other special contract agreements.

**Applicability**

This Rider is applicable to a new customer, or the additional separately-metered facilities of an existing customer, who will be served under one or more of the above service classifications and who meet the following criteria:

- 1) The annual load factor of the new customer or additional facilities is reasonably projected to equal or exceed fifty-five percent (55%) during the entire term of application of this rider. The projected annual customer load factor shall be determined using the following relationship: Projected Annual Water Consumption, Expressed as MGD, divided by Maximum Summer Monthly Billing Demand, Expressed as MGD.
- 2) The average annual billing demand on the new customer or additional facilities is projected to be at least 0.5% of the total Company consumption during each contract year under this rider.

---

Issued: October 16, 2000  
Issued By: W. F. L'Ecuyer, President  
1101 Broad Street  
Chattanooga, Tennessee 37401

Effective: ~~November 15, 2000~~  
December 15, 2000

---

**ECONOMIC DEVELOPMENT RIDER  
RIDER EDR (Continued)**

3) The customer's new or additional facilities must create new permanent jobs within the facilities qualifying for this rider. The number of jobs created must be 0.1% of the total population of the service area.

Requests for service under this Rider must be submitted prior to the customer having committed to moving into or expanding within the Company's service territory and shall be accompanied by sufficiently detailed information to enable the Company to determine whether the new customer or additional facilities meet the above criteria.

Services under this Rider shall be evidenced by a contract between the customer and the Company in the general form as that contained in the following sheets, which shall be filed within ten days of execution with the Tennessee Regulatory Authority ("TRA") for information purposes.

Customer must notify Company in writing of the date at which customer would like the provisions of this Rider to commence. Such commencement date must be within twelve (12) months of the execution of the contract.

This Rider shall only be available if adequate capacity is available to meet the additional load throughout the year.

**Incentive Provisions****Amount of Discount**

Subject to the provisions below, the discount during the first contract year shall be thirty percent (30%); during the second contract year, twenty-five percent (25%); during the third contract year, twenty percent (20%); during the fourth contract year, fifteen percent (15%); and during the fifth contract year, ten percent (10%). After the end of the fifth contract year, no other discount pursuant to this Rider shall be applied to the customer's bill and the applicability of this Rider and its associated contract to the particular facilities shall cease.

**Calculation**

At the conclusion of the first contract year (i.e., 12 full monthly billing periods after the effective date of the contract), the Company shall review customer's annual load factor and calculate an average monthly billing demand. If the customer has demonstrated at least a fifty-five percent (55%) annual load factor and at least an annual consumption level of 0.5% of total consumption for the Company, then a bill credit shall be issued to apply the thirty percent (30%) discount for the first contract year, as set out below.

---

Issued: October 16, 2000  
Issued By: W. F. L'Ecuyer, President  
1101 Broad Street  
Chattanooga, Tennessee 37401

---

Effective: November 15, 2000  
December 15, 2000

**ECONOMIC DEVELOPMENT RIDER  
RIDER EDR (Continued)**

**Calculation Continued:**

The same review shall be made at the end of each succeeding year during the five-year period and the applicable discount amount applied as a credit for that year if the criteria were met.

If the customer fails to meet the criteria for a particular year, the applicable discount for that one year shall be forfeited by the customer but the contract shall remain in effect and the customer shall remain eligible for the discounts that would be applicable during the remainder of the five-year period.

If the customer fails to meet the criteria in both the first and the second year, or in any two successive years during the five-year period, service to the customer under this Rider shall terminate and the contract for service under the Rider shall be void.

**Application of the Discount:**

Since the discount is to be calculated at the end of the year after determination that all criteria have been met, the customer will have been billed for the otherwise applicable rate schedule and been charged for the appropriate taxes (e.g., sales and other gross receipts or franchise taxes). To afford the customer the full benefit of the discount (e.g., thirty percent (30%) for the first year) to the amount the customer paid for water service pursuant to the otherwise applicable rate schedule for the previous twelve billing periods, not including taxes. The discount will be given to the customer by that amount being applied as a credit on the next bill, prior to the calculation of taxes. No discount will be applied to items on the bill that are otherwise required to be charged to a customer by statute or rule of the TRA.

**Revenue Determination:**

The pre-tax revenues under this Rider shall be determined by reducing otherwise applicable charges, associated with the rate schedules. The discount, where applicable, will be determined based on service rendered to customer during the Company's designated and applicable billing periods of each contract year and shall be as follows:

	<b>Discount</b>
First Contract Year	30%
Second Contract Year	25%
Third Contract Year	20%
Fourth Contract Year	15%
Fifth Contract Year	10%

After the conclusion of the fifth contract year, these discounts shall cease. All other billing, operational and related provisions of the aforementioned shall remain in effect.

Issued: October 16, 2000  
Issued By: W. F. L'Ecuyer, President  
1101 Broad Street  
Chattanooga, Tennessee 37401

Effective: November 15, 2000  
December 15, 2000

REC'D TH  
REGULATORY AUTH.  
OCT 16 AM 10:14  
EXECUTIVE SECRETARY

REGULATORY AUTHORITY  
OCT 16 10 14  
OFFICE OF THE  
EXECUTIVE SECRETARY

**ECONOMIC DEVELOPMENT RIDER**  
**RIDER EDR (Continued)**

Form of Contract

This Agreement is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between Tennessee-American Water Company and \_\_\_\_\_ (Customer).

WITNESSETH:

Whereas, Company has on file with the State of Tennessee Regulatory Authority, a tariff providing for an Economic Development Rider (Rider), and;

Whereas, Customer is a new customer, or has acquired additional separately metered facilities within the Company's service territory; and;

Whereas, Customer has furnished sufficient information to the Company to demonstrate that its new facilities or additional separately metered facilities (Facilities) satisfied the Availability and Applicability provisions of the Rider, and;

Whereas, Customer wishes to take water service from the Company, and the Company agrees to furnish water service to the Customer under this Rider and pursuant to all other applicable tariffs of the Company;

Now, therefore, the Company and Customer agree as follows:

1. Service to the Customer's Facilities shall be pursuant to the Rider, all other applicable tariffs, and the Company's General Rules and Regulations applying to water service, as may be in effect from time to time and approved by the TRA.
2. Customer acknowledges that this Agreement is not assignable voluntarily by Customer, but shall nevertheless inure to the benefit of and be binding upon the Customer's successors by operation of law, so long as the successor continues to meet the criteria of the Rider.
3. Customer will furnish additional information, as requested by the Company, to assure the continued eligibility for service under the Rider.

Issued: October 16, 2000  
Issued By: W. F. L'Ecuyer, President  
1101 Broad Street  
Chattanooga, Tennessee 37401

Effective: ~~November 15, 2000~~  
December 15, 2000

REC'D TO  
REGULATORY AUTH.  
OCT 16 4 18 PM 10 14  
OFFICE OF THE  
EXECUTIVE DIRECTOR

**ECONOMIC DEVELOPMENT RIDER  
RIDER EDR (Continued)**

Customer acknowledges that all information provided to the Company for the purpose of determining whether the Customer is eligible for service under the Rider shall be retained by the Company and shall be subject to inspection and disclosure under Chapters 386 and 393, RSMO 1986, as amended from time to time. Should the customer designate any of such information proprietary or confidential, Company shall notify customer of any request for inspection or disclosure, and shall use good faith efforts to secure an agreement or TRA order protecting the proprietary or confidential nature of such information.

- 5. This Agreement shall be governed in all respects by the laws of the State of Tennessee (regardless of conflict of law provisions), and by the orders, rules and regulations of the TRA as they may exist from time to time. Nothing contained herein shall be construed as divesting, or attempting to divest, the TRA of any right, jurisdiction, power or authority vested in it by law.

In witness whereof, the parties have signed this Agreement as of the date first above written.

Tennessee-American Water Company

\_\_\_\_\_ Customer

By: \_\_\_\_\_

By: \_\_\_\_\_

Issued: October 16, 2000  
Issued By: W. F. L'Ecuyer, President  
1101 Broad Street  
Chattanooga, Tennessee 37401

Effective: ~~November 15, 2000~~  
December 15, 2000