

March 14, 2017

Daphne Kirksey, External Affairs Manager
daphne.kirksey@amwater.com
o: 423.771.4750
c: 423.413.8419

Tennessee American Water Receives Approval from the Tennessee Regulatory Authority for 2017 Infrastructure Surcharge

Covers Projects to Improve Community Water System

Chattanooga, Tenn. (March 14, 2017) – The Tennessee Regulatory Authority (TRA) has approved the infrastructure surcharge for 2017 Tennessee American Water projects that improve the community's water system. The surcharge is used to recover the costs associated with renewing and replacing pipes, meeting ever-stringent Environmental Protection Agency (EPA) requirements and supporting local economic projects like putting in new pipes for job-creating business sites.

"Our investments are focused on making sure that water is always there when we need it – for our homes, businesses, public health and firefighting protection," said Tennessee American Water President, Valoria Armstrong. "We are committed to high standards in water quality and reliability of service to our customers."

Infrastructure capital projects planned for 2017 total almost \$16 million. The largest capital infrastructure project in 2017 is \$2 million of a total \$2.5 million project to install a third water pipe across the river for customers in north Chattanooga, Red Bank and Signal Mountain. In April 2016, the larger of the two existing pipes across the river experienced a large break which took approximately three weeks to repair. The third pipe will assure redundancy and resiliency of water service for these customers. In addition, Tennessee American Water plans to invest approximately \$2.9 million to replace aging water mains in the community.

[Tennessee's 2016 Report Card on Infrastructure](#) published by the American Society of Civil Engineers grades the State's Drinking Water Systems as a "C". The report indicates that Tennessee needs to spend \$2.7 billion over the next 20 years to keep up with drinking water infrastructure needs.

The approved surcharge is a 3.57 percent increase applied to all water charges and appears as the "Capital Recovery Riders" line item on a customer's bill. It is effective beginning March 14. This represents a \$0.77 monthly increase on the average City of Chattanooga residential customer bill and allows Tennessee American Water to ensure continued steady investment in local water systems while reducing the possibility of large rate increases.

###

ABOUT TENNESSEE AMERICAN WATER

Tennessee American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water services to approximately 390,000 people in Tennessee and northern Georgia. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly-traded water and wastewater utility company. The company employs more than 6,700 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found by visiting www.tennesseamwater.com.

Connect with us: [Facebook.com/tnamwater](https://www.facebook.com/tnamwater) • Twitter @tnamwater