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Tennessee American Water Submits 2019 Infrastructure Projects for Approval to TPUC

Savings from Federal Tax Cuts and Jobs Act to Offset Increase

Chattanooga, Tenn. (November 19, 2018) –Tennessee American Water announced today that it has submitted its 2019 list of capital infrastructure projects and associated costs to the Tennessee Public Utility Commission (TPUC). The capital plan is submitted annually to TPUC for approval. Tennessee American Water has proposed that the project costs be offset by income tax savings resulting from the Tax Cuts and Jobs Act, which would result in passing these savings on to Tennessee American Water customers.

“Our investments are focused on making sure we continue to deliver safe, clean, reliable and affordable water that meets our community’s needs,” said Tennessee American Water President Val Armstrong.

“According to the [latest report card issued by the American Society of Civil Engineers](#), our state’s drinking water systems received a “C” grade,” added Armstrong. “The report indicates that the state of Tennessee needs to spend \$2.7 billion over the next 20 years to maintain the drinking water infrastructure.

“Tennessee American Water’s proactive capital plan replaces assets that have reached the end of their useful lives and saves money in the long run by strengthening our water systems and protecting public health.”

Infrastructure capital projects planned for 2019 total over \$20 million and include construction of a new basin to replace an existing basin constructed in 1892. The replacement will allow Tennessee American Water to clean the water more quickly and efficiently. Capital projects also include a new facility, scheduled for completion in 2019, which will enhance the company’s disinfection treatment process.

The filing will be effective January 1, 2019, and would represent a 4.57 percent increase to all water charges. However, Tennessee American Water is proposing that additional savings from the 2017 Tax Cuts and Jobs Act be used to offset the increase so customers would see no change from their current bill. The Capital Recovery Riders and Tax Cuts and Jobs Act savings would appear on customer bills as the line item “Capital Recovery Riders,” subject to TPUC approval.

Tennessee American Water remains committed to continuing investments to improve the water systems for its customers.

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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 375,000 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 7,100 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to over 14 million people in 45 states and Ontario, Canada. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. More information can be found by visiting www.tennesseeamwater.com.

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