



City of Chattanooga

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December 27, 2006

Ms. Sara Kyle, Chairman
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: *Tennessee American Water Company, Docket No. 06-00290.*

Dear Chairman Kyle:

Enclosed for filing is the original and six (6) copies of the Petition to Intervene on behalf of the City of Chattanooga. Please return a stamped filed copy to me in the enclosed self-addressed, stamped envelope.

If you have any questions, please contact me.

Sincerely

Michael A. McMahan
Special Counsel

MAM/add

cc: Mayor Ron Littlefield (via facsimile: 423-757-0005)
Timothy C. Phillips, Esquire, (via facsimile: 615-532-2910)
R. Dale Grimes, Esq. & J. Davidson French (via facsimile: 615-742-6293)
David Higney, Esquire (via facsimile: 423-756-6518)
Mr. Jerry Kettles (via U.S. Mail)
Mr. Richard Collier (via U.S. Mail)

IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE:

TENNESSEE-AMERICAN WATER COMPANY, :
PETITION TO CHANGE AND INCREASE :
CERTAIN RATES AND CHARGES SO AS TO :
PERMIT IT TO EARN A FAIR AND :
ADEQUATE RATE OF RETURN ON ITS :
PROPERTY USED AND USEFUL IN :
FURNISHING WATER SERVICES TO ITS :
CUSTOMERS. :

DOCKET NO. 06-00290

PETITION TO INTERVENE

Comes now the City of Chattanooga, Tennessee, a municipal corporation, by and through counsel, pursuant to Tennessee Code Annotated §65-2-107, and Rule 1220-1-2-.08 of the *Rules of the Tennessee Regulatory Authority, Division of Practice and Procedure*, and petitions to intervene in this docket because the petitioner's legal rights, duties, privileges, immunities or other legal interests may be adversely affected by Tennessee American Water Company's Petition to change and increase certain rates. For cause, the petitioner would show as follows:

1. This is a contested case within the meaning of T.C.A. §65-2-101(2) as it involves the fixing of rates.

2. Tennessee American Water Company ("TAWC") is a Tennessee corporation regulated by the Tennessee Regulatory Authority ("TRA"). TAWC is a public utility and is engaged in providing residential, commercial, industrial and municipal water service, including public and private fire protection service to the City of Chattanooga and surrounding areas.

3. The present docket, Docket No. 06-00290, involves a Petition to change and increase certain rates and charges currently in effect for water service within the City of Chattanooga and to approve certain tariffs filed simultaneously with the Petition.

4. The City of Chattanooga is a proper party to intervene in this case as the City of Chattanooga is a customer of TAWC and the legal rights, duties, privileges, immunities or other legal interests of the City of Chattanooga and its citizens may be determined in these proceedings.

5. In support of this Petition to Intervene, the City of Chattanooga would urge that the TRA should consider several matters, including, but not limited to:

- a. The increased rates will create an economic hardship on businesses and residents of Chattanooga and adversely impact economic development in the city;
- b. The TAWC's request for an 11% equity cost is excessive;
- c. TAWC's valuation of its capital investments is excessive.

6. Only by intervening and participating in this proceeding can the City of Chattanooga properly protect its interests and the interests of its citizens.

WHEREFORE, the petitioner prays the authority to grant its Petition to Intervene.

Respectfully submitted,

CITY OF CHATTANOOGA, TENNESSEE
RANDALL L. NELSON, CITY ATTORNEY

BY: 

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Valerie L. Malueg, BPR #023763
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CERTIFICATE OF SERVICE

This is to certify that the undersigned has this day served a true and correct copy of the foregoing pleading by either hand delivery or by depositing same in the United States mail, postage prepaid, and addressed to the following:

Sarah Kyle, Esq.
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

Richard Collier, Esq.
General Counsel
Tennessee Regulatory Authority
460 James Robertson Parkway
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Mr. Jerry Kettles
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Timothy C. Phillips, Esq.
Assistant Attorney General
Office of the Attorney General
Consumer Advocate & Protection Division
P.O. Box 20207
Nashville, TN 37202

This the 27th day of December, 2006.


MICHAEL A. McMAHAN