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## City of Chattanooga

Randall L. Nelson  
City Attorney

Office of the City Attorney  
801 Broad Street, Suite 400  
Chattanooga, TN 37402  
(423) 757-5338  
Fax: (423) 756-0737

T.R.A. DOCKET ROOM

Michael A. McMahan  
Phillip A. Noblett  
Kenneth O. Fritz  
D. Marty Lasley  
Crystal Freiberg  
Valerie L. Malueg  
Special Counsel

April 16, 2008

### VIA FEDERAL EXPRESS

Chairman Eddie Roberson, Ph.D.  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Re: *Petition of Tennessee American Water Company 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  
Service to its Customers*  
TRA Docket No. 08-0039

Dear Chairman Roberson:

We respectfully enclose for filing are an original and thirteen (13) copies of the City of Chattanooga's Petition to Intervene in the above-styled case, along with this firm's check in the amount of \$25 to satisfy the filing fee.

Also enclosed is a copy of the Petition that we would appreciate being stamped "filed" and returned in the enclosed self-addressed, stamped envelope.

If you have any questions regarding same, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. McMahan", with a long horizontal flourish extending to the right.

MICHAEL A. McMAHAN  
Assistant City Attorney

MAM/mms  
Enclosures

cc: Hon. Ron Jones  
Hon. Sara Kyle  
Hon. Tre Hargett  
Richard Collier, Esq.  
Ms. Sharla Dillon  
Henry M. Walker, Esq.  
R. Dale Grimes, Esq./Ross J. Booher, Esq.  
Robert E. Cooper, Jr./Timothy C. Phillips, Esq./Ryan L. McGehee, Esq.  
David C. Higney, Esq.  
Fredrick L. Hitchcock, Esq./Harold L. North, Jr., Esq.

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE

PETITION OF TENNESSEE AMERICAN	)	
WATER COMPANY TO CHANGE AND	)	
INCREASE CERTAIN RATES AND	)	
CHARGES SO AS TO PERMIT IT TO	)	DOCKET NO. 08-00039
EARN A FAIR AND ADEQUATE	)	
RATE OF RETURN ON ITS PROPERTY	)	
USED AND USEFUL IN FURNISHING	)	
WATER SERVICE TO ITS CUSTOMERS	)	

**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. 08-00039, 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. TAWC was granted 12.2% increase by the TRA as of November 2006;
- c. TAWC's claims of increased operating costs and capital investment must be carefully scrutinized to insure that they are reasonable and necessary;
- d. The TAWC's request for a 21% increase in revenue is excessive;
- e. TAWC's valuation of its capital investments is excessive.

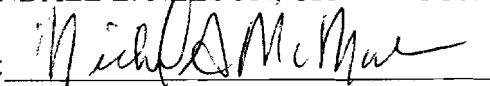
6. Only by intervening and participating in this proceeding can the City of Chattanooga properly protect its interests and the interests of its citizens.

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

Respectfully submitted,

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

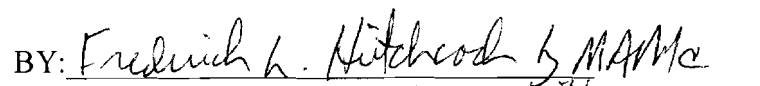
BY:



Michael A. McMahan, BPR #000810  
Valerie L. Malueg, BPR #023763  
Special Counsel  
801 Broad Street, Suite 400  
Chattanooga, TN 37402  
(423) 757-5338

CHAMBLISS, BAHNER & STOPHEL, P.C.

BY:



Harold L. North, Jr., BPR #07022 *with permission*  
Frederick L. Hitchcock, BPR #05960  
1000 Tallan Building  
Two Union Square  
Chattanooga, TN 37402  
(423) 756-3000

**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:

R. Dale Grimes, Esq.  
Ross Booher, Esq.  
BASS, BERRY & SIMS, PLC  
315 Deaderick Street, Suite 2700  
Nashville, TN 37238-3001

Honorable Eddie Roberson, Ph.D. (Chairman)  
Honorable Ron Jones  
Honorable Sara Kyle  
Honorable Tre Hargett  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

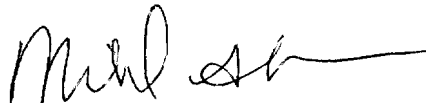
Robert E. Cooper, Jr., Attorney General  
Timothy C. Phillips, Esq.  
Ryan L. McGehee, Esq.  
Office of the Attorney General  
Consumer Advocate & Protection Division  
P.O. Box 20207  
Nashville, TN 37202

Henry M. Walker, Esq.  
BOULT, CUMMINGS, CONNERS &  
BERRY, PLC  
1600 Division Street, Suite 700  
P.O. Box 340025  
Nashville, TN 37203

J. Richard Collier, Esq.  
General Counsel  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

David C. Higney, Esq.  
GRANT, KONVALINKA & HARRISON,  
P.C.  
Ninth Floor, Republic Centre  
633 Chestnut Street  
Chattanooga, TN 37450-0900

This the 16<sup>th</sup> day of April, 2008.

  
\_\_\_\_\_  
MICHAEL A. McMAHAN