

08-00039

From: "Kelly Allen" <kjallen5@gmail.com>
To: <tre.hargett@state.tn.us>
Date: 8/8/2008 4:00 PM
Subject: Against Water Rate Increase

Dear Mr. Hargett,

I am writing in regards to the Tennessee American Water Company's proposed rate hike in Chattanooga Tennessee. I live in Chattanooga and while I don't mind paying for improvements and I realize everyone needs to turn a profit, I was appalled to read this statement in American Water's 1st Quarter report.

"Operating revenues increased 8.2 percent to \$506.8 million, compared to \$468.5 million in the prior year period. The rise in operating revenues was due primarily to rate increases."

and

"In the first three months of 2008, state regulators authorized the company to increase annual revenues from general rate cases by \$26.0 million, assuming constant sales volumes. In the same period, the company filed rate applications in the states of New Jersey, California, Virginia, Tennessee and Missouri, requesting approximately \$231.1 million in increased annualized revenues, assuming constant sales volumes. The extent to which these rate increase requests will be granted by the applicable regulatory agencies will vary. As of March 31, 2008, the company was awaiting final orders for one general rate case that was filed in 2006, requesting \$7.0 million in total additional annual revenues, and five general cases that were filed in 2007, requesting \$58.2 million in total additional annual revenues."

http://findarticles.com/p/articles/mi_m0EIN/is_2008_May_13/ai_n25411768/print?tag=artBody;col1

I have also read that American Water is trying to raise rates in other cities as much as 60%! I hope that the TRA will set a high standard of proof and insist that TAWC show what improvements it will make with this money and what improvements were made with the last increase. Yearly rate increases simply tie up money and your valuable time. I ask you not to approve yearly increases for TAWC. The above statements make it clear that while the rest of us are finding ways to cut our cost of living and sacrificing to pay our bills, this company is simply raising rates to make more money, not cost cutting or searching for ways to be more cost efficient.

Thank you in advance for supporting the residents of Hamilton County.

Sincerely,
Kelly Allen