

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 1, 2008

IN RE:)	
)	
PETITION OF HC SEWAGE TREATMENT, LLC)	DOCKET NO.
FOR APPROVAL OF ADJUSTMENT OF ITS RATES)	08-00126
AND CHARGES)	

ORDER GRANTING PETITION TO INTERVENE AND SUSPENDING TARIFF

This matter initially came before Chairman Tre Hargett, Director Sara Kyle and Director Mary W. Freeman, of the Tennessee Regulatory Authority (“Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on September 22, 2008. During that Authority Conference, the voting panel voted unanimously to convene a contested case proceeding and to appoint General Counsel or his designee to serve as Hearing Officer for the purpose of preparing this matter for a hearing before the panel, including hearing preliminary matters, suspending the tariff and setting a procedural schedule to completion.¹

PETITION

On July 18, 2008, HC Sewage Treatment, LLC (“HC Sewage” or the “Company”) filed its *Petition* requesting approval by the Authority for “an adjustment of its rates and charges for wastewater services for the purpose of obtaining a general increase in its rates to its customers.”² In the *Petition*, the Company asserts that “HC Sewage’s existing rates are not adequate to permit it an opportunity to recover its reasonable operating costs and to earn a fair and reasonable rate

¹ See, *Order Convening a Contested Case and Appointing a Hearing Officer* (September 29, 2008).

² *Petition*, p. 1 (July 18, 2008).

of return on its investment.”³ Furthermore, “[i]n order for HC Sewage to maintain its facilities, provide services in accordance with the reasonable requirements of its customers and the requirements of the TRA, attract capital within reasonable terms and to produce a reasonable rate of return on its invested capital, HC Sewage must be granted a general increase in its rates.”⁴

PETITION TO INTERVENE

On September 19, 2008, the Consumer Advocate and Protection Division of the Office of the Attorney General (“Consumer Advocate”) filed a *Petition to Intervene* in this docket. The Consumer Advocate petitions to intervene, pursuant to Tenn. Code Ann. § 65-4-118(c)(2)(A), “on behalf of the public interest because the Consumer Advocate wants to ensure that the proposed increases are justified.”⁵ The Consumer Advocate states that it can adequately protect the interests of consumers only by participating in this proceeding.⁶ No party or person has filed an objection to or opposed the Consumer Advocate’s intervention request.

Tenn. Code Ann. § 4-5-310(a) sets forth the following criteria for granting petitions to intervene:

- (a) The administrative judge or hearing officer shall grant one (1) or more petitions for intervention if;
 - (1) The petition is submitted in writing to the administrative judge or hearing officer, with copies mailed to all parties named in the notice of the hearing, at least seven (7) days before the hearing;
 - (2) The petition states facts demonstrating that the petitioner’s legal rights, duties, privileges, immunities or other legal interest may be determined in the proceeding or that the petitioner qualifies as an intervenor under any provision of the law; and
 - (3) The administrative judge or hearing officer determines that the interests of justice and the orderly and prompt conduct of the proceedings

³ *Id.* at p. 2, ¶ 5.

⁴ *Id.*

⁵ *Petition to Intervene*, p. 1 (September 19, 2008).

⁶ *Id.* at p. 2, ¶ 7.

shall not be impaired by allowing the intervention.

Under TRA Rule 1220-1-2-.06, any party opposing a motion in a contested case must file and serve a response to the motion within seven days of service of the motion.

The Hearing Officer finds that the legal rights and interests of Tennessee consumers may be determined in this proceeding and that the Consumer Advocate's petition is timely and its intervention will not impair the orderly and prompt conduct of these proceedings. For these reasons and applying the standards set forth in Tenn. Code Ann. § 4-5-310(a), the Hearing Officer grants the Consumer Advocate's *Petition to Intervene*.

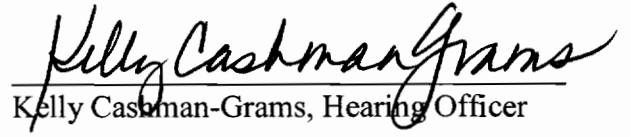
SUSPENSION OF TARIFF

On September 5, 2008, HC Sewage filed a revised tariff with an effective date of October 6, 2008. Tenn. Code Ann. § 65-5-103 permits the Authority to suspend any increase, change, or alteration initially for a period of three months from the proposed effective date of the increase, change, or alteration. Because the hearing and determination of HC Sewage's proposed increase, change or alteration in its tariff cannot be completed by the proposed effective date of the tariff, the Hearing Officer hereby suspends the effective date of the revised for a period of three months from the proposed effective date through **January 6, 2009**.

IT IS THEREFORE ORDERED THAT:

1. The Consumer Advocate and Protection Division of the Office of the Attorney General is hereby granted leave to intervene and receive copies of any notices, orders or other documents herein.

2. The effective date of the revised tariff filed with the Tennessee Regulatory Authority on September 5, 2008 is hereby suspended for a period of three months from the proposed effective date or through **January 6, 2009**.


Kelly Cashman-Grams, Hearing Officer