

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:

**GENERIC DOCKET TO CONSIDER
MODIFYING NOTICE REQUIREMENTS
FOR RATE CASES**

DOCKET NO. 10-00040

COMMENTS OF THE CONSUMER ADVOCATE

Robert E. Cooper, Jr., Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"), respectfully submits the following comments to the Tennessee Regulatory Authority ("TRA", "Authority") in response to the issues list outlined in TRA Docket No. 10-00040, for the purposes of exploring whether the TRA should modify its notice requirements for rate cases.

- 1. Whether TRA Rule 1220-4-1-.05 should be amended to provide for alternate methods that a public utility can use to provide notice to customers of a proposed rate increase and the hearing addressing that proposed increase.**

The decline in newspaper subscriptions as a result of recent technological advances gives cause to review whether advertising upcoming rate cases in a newspaper is always a sufficient means of providing notice to consumers. It is the Consumer Advocate's opinion that newspaper advertisement alone may be insufficient to provide proper notice to affected consumers in certain cases. In order to ensure such notice is provided, the notice requirements established by TRA Rule 1220-4-1-.05 should be modified to require public notice by means of direct

communication through customer billings in addition to the current requirement of providing newspaper advertisement.

- 2. Whether a public utility should employ a method of direct customer contact, e.g. bill insert, direct mail notification, etc., as a means of providing notice to customers of a proposed rate increase.**

As stated above, the Consumer Advocate is of the opinion that more efficient and effective means of providing notice are available to public utilities. Specifically, the Consumer Advocate believes that direct communication through monthly billings is the most effective means of communication with a given customer base. Notice should be clearly and conspicuously provided on customer billings, whether distributed through direct mailings or through electronic billing statements, and should be provided on each monthly billing statement distributed within 2 months prior to the scheduled hearing. In addition, in those instances where a public utility has available a customer's email address, that public utility should be required to provide additional notice through email.

- 3. Whether there should be different notification requirements for different public utilities based on the type of service provided and the type of locale(s) served.**

In addition to the requirement that all public utilities properly notice impending rate cases through direct communication, the Consumer Advocate is of the opinion that those water and wastewater utilities servicing areas governed by Home Owners Associations ("HOA"), or similar governing bodies, also be required to provide notice of impending rate cases to those relevant HOAs.

- 4. Whether notification by a public utility through newspaper(s) should continue to be the principal means of notice to customers and, if so, whether the days of publication of such notice should be increased beyond one day.**

The Consumer Advocate is of the opinion that notification by a public utility through newspapers should no longer continue to automatically be the principal means of notice to


customers. Rather, direct communication through monthly billings should be the principal means of notification, with secondary notice being provided through newspaper publication for a period of one day as currently required by TRA Rules.

5. Where a public utility's service territory is in a locale that is separate and apart from a significant-sized urban area, whether the public utility should publish notice of a proposed rate increase in a newspaper having general circulation in the locale.

The Consumer Advocate is of the opinion that publishing notice of a proposed rate increase in a newspaper alone, whether of urban or locale circulation, may be insufficient. Public utilities should be required to provide notice of impending rate cases through direct communication coupled with newspaper publication in order to ensure all affected consumers are afforded proper notice. However, when newspaper notice is used, a newspaper in the locale nearest a group of ratepayers should also be used in addition to the nearest urban newspaper.

RESPECTFULLY SUBMITTED,

ROBERT E. COOPER JR., (BPR# 010934)
Attorney General and Reporter


MARY LEIGH WHITE (BPR #026659)
Assistant Attorney General
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
(615) 741-4657

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Comments was served via U.S. Mail or electronic mail upon:

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

James H. Jeffries IV, Esq.
Piedmont Natural Gas
Moore & Van Allen PLLC
100 North Tryon Street, Suite 4700
Charlotte, NC 28202

R. Dales Grimes, Esq.
Tennessee American Water Company
Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, TN 37201

A. Scott Ross, Esq.
Atmos Energy
Neal & Harwell, PLC
One Nashville Place, Suite 2000
150 Fourth Avenue North
Nashville, TN 37219

William C. Bovender, Esq.
Kingsport Power Company
Hunter Smith & Davis LLP
P.O. Box 3740
Kingsport, TN 37664

J.W. Luna, Esq.
Chattanooga Gas Company
Farmer & Luna PLLC
333 Union Street, Suite 300
Nashville, TN 37201

Guy M. Hicks, Esq.
AT&T Tennessee
Suite 2101, 333 Commerce Street
Nashville, TN 37201

This the 19 day of April, 2010.



Mary Leigh White