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October 6, 2010

Via E-Mail and USPS

filed electronically in docket office on 10/06/10

Chairman Mary Freeman c/o Ms. Sharla Dillon Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243

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

Docket No. 10-00189

Dear Chairman Freeman:

Enclosed please find an original and five (5) copies of the Petition of the City of Chattanooga to Intervene. I would appreciate you stamping the extra copy of this document as "filed," and returning it to me in the enclosed, self-addressed and stamped envelope.

With best regards, I am

Sincerely yours,

Frederick I). Hitchcock

FLH:kwr Enclosures

cc: Mr

Mr. J. Richard Collier (w/enc.)

Mr. Michael A. McMahan (w/enc.)

Ms. Valerie L. Maleug (w/encl.)

Mr. Vance L. Broemel (w/encl.)

Mr. T. Jay Warner (w/encl.)

Mr. Ryan L. McGehee (w/encl.)

Mr. R. Dale Grimes (w/encl.)

Mr. David C. Higney (w/encl.)

Mr. Henry M. Walker (w/encl.)

BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

IN RE:)	
)	
PETITION OF TENNESSEE AMERICAN)	
WATER COMPANY TO CHANGE AND)	
INCREASE CERTAIN RATES AND)	Docket No. 10-00189
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)	

PETITION OF THE CITY OF CHATTANOOGA 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. 10-00189, 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. Moreover, the City seeks to protect the interests of its citizens, 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's claims of increased operating costs and capital investment must be carefully scrutinized to insure that they are reasonable and necessary;
 - (c) The TAWC's request for an upward adjustment of \$9,984,463, or 27.66%, in the rates it charges to customers 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,

OFFICE OF THE CITY ATTORNEY

Rv

Michael A. McMahan (BPR No. 000810)

Valerie L. Malueg (BPR No. 023763)

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing pleading was served upon the following person(s) via ☐ hand delivery or ☑ United States first class mail with proper postage applied thereon to ensure prompt delivery:

Mr. Vance L. Broemel
Mr. T. Jay Warner
Mr. Ryan L. McGehee
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Consumer Advocate and Protection Division
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Nashville, TN 37243

Mr. R. Dale Grimes Bass, Berry & Sims PLC 150 Third Avenue South, Suite 2800 Nashville, TN 37201 Mr. David C. Higney Grant, Konvalinka & Harrison, P.C. Ninth Floor, Republic Centre 633 Chestnut Street Chattanooga, TN 37450-0900

Mr. Henry M. Walker Boult, Cummings, Conners & Berry PLC 1600 Division Street, Suite 700 Nashville, Tennessee 37203

This day of October, 2010.

Frederick L. Hitchcock