

**July 12, 2012**

**PETITION OF TENNESSEE AMERICAN WATER  
COMPANY FOR A GENERAL RATE INCREASE,  
IMPLEMENTATION OF A DISTRIBUTION  
SYSTEM INFRASTRUCTURE CHARGE AND THE  
ESTABLISHMENT OF TRACKING MECHANISMS  
FOR PURCHASED POWER, PENSIONS AND  
CHEMICAL EXPENSES**

**12-00049**

<sup>1</sup> *Petition* at 3 (June 1, 2012).

8.23% on a rate base of \$135,820,256.”<sup>2</sup> According to TAWC, the required additional annual gross revenues would approximate \$10,586,344.<sup>3</sup> Additionally, the Company is seeking to implement certain rate adjustment and tracking mechanisms.<sup>4</sup>

At an Authority Conference held on June 7, 2012, Chairman Kenneth C. Hill, Director Sara Kyle and Director Mary W. Freeman, the panel assigned to this docket, voted unanimously to convene a contested case proceeding and to appoint Chairman Hill as Hearing Officer for the purpose of preparing this matter for hearing, including handling preliminary matters and establishing a procedural schedule to completion.

On June 13, 2012, the Consumer Advocate Consumer Advocate and Protection Division of the Office of the Attorney General (“Consumer Advocate”) filed a *Petition to Intervene*. No objection or opposition to this *Petition* was filed, and the Hearing Officer granted the Consumer Advocate’s request.

#### **PETITION TO INTERVENE**

The City of Chattanooga (“Chattanooga”) filed a *Petition to Intervene* on July 5, 2012. In the petition, Chattanooga seeks intervention pursuant to Tenn. Code Ann. § 65-2-107, which allows any interested party to intervene and become a party to a contested case. On July 9, 2012, the petitioner, TAWC, filed with the TRA a statement indicating that it did not object to Chattanooga intervening in the rate case, with respect to rate matters.<sup>5</sup> Therefore, Chattanooga’s intervention is granted.

#### **DISCOVERY MATTERS**

On July 6, 2012, the Consumer Advocate and Chattanooga each filed a request that they be permitted to propound more than forty questions in their initial discovery requests. TRA Rule

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<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 4-5.

<sup>5</sup> *Tennessee American Water Company’s Response to the City of Chattanooga’s Petition to Intervene* (July 9, 2012).

1220-1-2-.11(5)(a) provides:

No party shall serve on any other party more than forty (40) discovery requests including subparts without first having obtained leave of the Authority or a Hearing Officer. Any motion seeking permission to serve more than forty (40) discovery requests shall set forth the additional requests. The motion shall be accompanied by a memorandum establishing good cause for the service of additional interrogatories or requests for production. If a party is served with more than forty (40) discovery requests without an order authorizing the same, such party need only respond to the first forty (40) requests.

On July 9, 2012, TAWC filed a response to both requests, stating that it did not object to the additional discovery requests. Therefore, given the cooperative nature of the parties, and the apparent effort to avoid overlap of the requests, the parties' requests should be granted.

#### **OTHER PRELIMINARY MATTERS**

Chattanooga's *Petition to Intervene* contained a request that the Authority issue an order "requiring Tennessee American Water Company to cooperate with the City of Chattanooga concerning critical public safety issues affecting the residents and businesses of the City."<sup>6</sup> In its response, TAWC objected to Chattanooga's request, and asked the Authority to either deny the request explicitly, or to defer the safety issues to a separate proceeding to be conducted at the conclusion of the rate case.<sup>7</sup> Chattanooga has requested an opportunity to respond to TAWC's opposition.<sup>8</sup>

At this time, the Hearing Officer is not ruling on the public safety issue request by Chattanooga. Any reference to approval of Chattanooga's *Petition to Intervene* refers specifically to the Hearing Officer's grant of intervenor status to Chattanooga.

#### **IT IS THEREFORE ORDERED THAT:**

1. The City of Chattanooga is granted leave to intervene and receive copies of any

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<sup>6</sup> *City of Chattanooga's Petition to Intervene*, p. 1 (July 6, 2012).

<sup>7</sup> *Tennessee American Water Company's Response to the Petition Of the City of Chattanooga to Intervene and Opposition to an Order Requiring Cooperation Concerning Public Safety Issues*, p. 1 (July 10, 2012).

<sup>8</sup> *City of Chattanooga Is Requesting the Opportunity to Submit a Response To Tennessee American Water Company's Objection to the City of Chattanooga's Petition to Intervene* (July 10, 2012).

notices, orders or other documents herein.

2. The Consumer Advocate and the City of Chattanooga are permitted to propound discovery requests in excess of the number prescribed in TRA Rule 1220-1-2-.11(5)(a), as agreed by the petitioner, during the initial round of discovery.

3. The public safety issues raised by the City of Chattanooga shall be further addressed at a later date.



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Kenneth C. Hill, Hearing Officer