

# CHAMBLISS

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July 5, 2012

**Via E-Mail and USPS**

Chairman Kenneth C. Hill, Ed.D.  
c/o Ms. Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

filed electronically in docket office 07/05/12

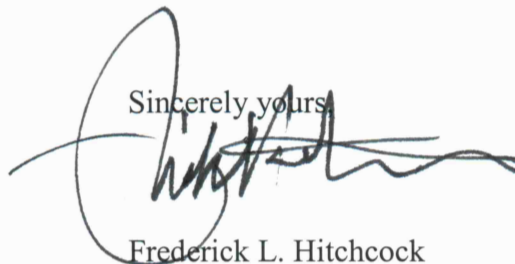
Re: Petition of Tennessee American Water Company  
Docket No. 12-00049  
City of Chattanooga Petition to Intervene

Dear Chairman Hill:

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

With best regards, I am

Sincerely yours,



Frederick L. Hitchcock

FLH:pgh  
Enclosures

Chairman Eddie Roberson, Ph.D.

July 5, 2012

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cc: Mr. Melvin J. Malone (w/encl.)  
Mr. Lindsey W. Ingram, III (w/encl.)  
Mr. Robert E. Cooper, Jr. (w/encl.)  
Mr. Ryan L. McGehee (w/encl.)  
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Ms. Kelly Cashman-Grams (w/ encl., via email)  
Ms. Monica Smith-Ashford (w/ encl., via email)  
Ms. Shilina Chatterjee Brown (w/ encl., via email)

**IN RE:**

**PETITION 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**

Docket No. 12-00049

# PETITION OF THE CITY OF CHATTANOOGA TO INTERVENE AND FOR AN ORDER REQUIRING COOPERATION CONCERNING PUBLIC SAFETY ISSUES

Comes now the City of Chattanooga, Tennessee, a municipal corporation, by and through counsel, pursuant to Tenn. Code Ann. §65-2-107, and Rule 1220-1-2-.08 of the *Rules of the Tennessee Regulatory Authority, Division of Practice and Procedure*, and petitions (1) to intervene in this docket, because the legal rights, duties, privileges, immunities, or other legal interests of the City of Chattanooga and its citizens may be adversely affected by Tennessee American Water Company's Petition to change and increase certain rates; and (2) for entry of 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.

For cause, the City of Chattanooga would show as follows:

1. This is a contested case within the meaning of Tenn. Code Ann. §65-2-101(2), as it involves the fixing of rates and the consideration of the safety, adequacy and efficiency, or lack thereof, of the services furnished by the Tennessee American Water Company ("TAWC").
2. 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. 12-00049, 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. The Petition also seeks to impose future rate increases without TAWC meeting the burden, and being subject to the oversight and review, required by Tennessee law, including, without limitation, Tenn. Code Ann. §65-5-103.

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 legal rights, duties, privileges, immunities or other legal interests of the City of Chattanooga and its citizens as may be determined in these proceedings.

5. In support of this request to Intervene, the City of Chattanooga would urge that the TRA 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 and are used and useful to provide water service.
- (c) The TAWC's request for an upward adjustment of \$10,586,344 is the largest rate increase that TAWC has ever sought and is excessive.

- (d) In its requests for a “distribution system infrastructure charge” and a “purchased power and chemicals charge,” TAWC seeks automatic, future rate increases that are not permitted by Tennessee law.

6. In support of the City of Chattanooga’s petition for an Order requiring Tennessee American Water Company to cooperate with the City concerning critical public safety issues affecting the residents, businesses, and public institutions within the City, the City of Chattanooga would urge that the TRA consider several matters, including, but not limited to:

- (a) TAWC is one of three (3) public utilities providing water service to residents and businesses within the City of Chattanooga. The other two (2) water utilities are publicly owned. In 2010, TAWC served approximately 83% of the residents of Chattanooga. TAWC also serves many businesses, industries, and public institutions. For example, TAWC serves the largest hospitals in the region, including the area’s only Level I adult trauma center and the area’s only Level III neonatal intensive care center.
- (b) TAWC provides a network of mains and fire hydrants that is critical to fire protection within the City.
- (c) TAWC and the two (2) publicly-owned water utilities each have separate water supply sources and separate treatment facilities that are geographically dispersed.
- (d) Consistent with the City of Chattanooga’s disaster planning and emergency preparedness responsibilities, the City of Chattanooga has attempted to evaluate alternatives for responding to a manmade or natural

disaster that resulted in the interruption of the water supply source, treatment facilities, or one or more major supply mains of any of the three (3) water utilities serving the City. In support of this effort, the City of Chattanooga engaged engineers to complete a water system interconnection study to identify existing and additional needed facilities that would permit maintenance of adequate water service in the event of such a disaster. The two (2) publicly-owned water utilities have cooperated fully with the City of Chattanooga and its engineers. TAWC has refused to do so.

- (e) TAWC's refusal to cooperate with the City of Chattanooga threatens the public safety and welfare and has reduced the safety, adequacy and efficiency of TAWC's water utility facilities and services.

7. 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 and for An Order Requiring Cooperation Concerning Public Safety Issues.



Respectfully Submitted,

OFFICE OF THE CITY ATTORNEY

By:  *Michael A. McMahan by FLH/JS/Permission*

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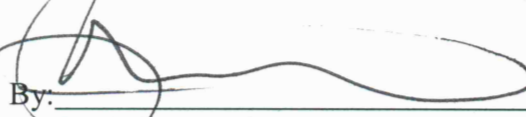
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**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing pleading was emailed and 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. Melvin J. Malone  
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This 5th day of July, 2012.

By:  \_\_\_\_\_