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July 5, 2012

Kenneth C. Hill, Chairman
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: *Petition of Town of Signal Mountain, Tennessee to Intervene –*
Docket No. 12-00049

Dear Chairman Hill:

Enclosed please find the original and five (5) copies of a Petition for Leave to Intervene by the Town of Signal Mountain, Tennessee regarding the Tennessee American Water Company Petition for a General Rate Increase – Docket No. 12-00049. I am enclosing a self-addressed stamped envelope for a return stamped copy once these documents have been filed with your office. Please give me a call if you need any additional information regarding this matter.

Sincerely,



PHILLIP A. NOBLETT
Town Attorney

PAN/kac

Enclosures

cc: Honna Rogers, Town Manager

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE:	:	
	:	
	:	DOCKET NO. 12-00049
PETITION OF TENNESSEE-AMERICAN	:	
WATER COMPANY TO CHANGE AND	:	
INCREASE CERTAIN RATES AND CHARGES	:	

**PETITION OF SIGNAL MOUNTAIN,
TENNESSEE FOR LEAVE TO INTERVENE**

Comes the Town of Signal Mountain, Tennessee (“Signal Mountain”), by and through counsel, pursuant to Tenn. Code Ann. § 65-2-107 and Rule 12220-1-2-.08 of the Tennessee Regulatory Authority (the “Authority”), and respectfully petition to intervene in this docket as a party of record. In support of its Petition to Intervene, the Petitioner states as follows:

1. The Town of Signal Mountain, Tennessee is a municipality which provides water service to its citizens and residents in Hamilton County, Tennessee. Signal Mountain purchases 100% of its water for distribution to its customers in bulk from Tennessee-American Water Company (“TAWC”), pursuant to a special contract approved by the Authority. TAWC is a public utility and is engaged in providing residential, commercial, industrial and municipal water service, including public and private fire protection to the Town of Signal Mountain and surrounding areas.

2. The present docket, Docket No. 12-00049, involves a Petition in which the TAWC seeks to increase and change the wholesale water rate charges to Petitioner by 11% for under 45,000 CCF and 93% for over 45,000 CCF, which rate will be fixed by the Authority. The Petition seeks to impose future rate increases without meeting the burden required by Tennessee law, as set out in Tenn. Code Ann. § 65-5-109. Given the issues raised by TAWC’s filing, the

Petitioner's legal rights, duties, immunities, or other legal interests may be determined in this proceeding and presently are not, or may not be, adequately represented by another party in this docket.

3. In this present docket, TAWC seeks approval by the Authority to increase each wholesale water rate charged to the Petitioner after increasing the Petitioner's rates by 14.97% in 2011 and by 12.77% on June 1, 2009. The rate increase requested will adversely affect the Petitioner and its customers by substantially increasing the Petitioner's costs of serving its customers three times within less than a three-year period and by avoiding future oversight by this Authority for additional rate increases.

4. The Petitioner avers that TAWC's present request seeking to increase rates is not fair and reasonable and is not in the best interest of the Petitioner and its customers, and the rate increase to the Petitioner should be rejected by the Authority. Accordingly, the Petitioner requests to intervene and participate in this case pending the Authority's rejection, modification or approval of the petition presently filed by TAWC before the Authority.

5. Signal Mountain has constructed and maintained a pumping station at the bottom of Signal Mountain adjacent to Suck Creek Road since December 9, 1947. Signal Mountain has continuously paid for all electricity and pumping and maintenance its utility lines which provide water from the bottom of the mountain to storage tanks on top of Signal Mountain as part of its utility services for its customers since 1947. Signal Mountain is scheduled for increases in its water rates in the same percentages as Walden Ridge Utility District ("WRUD") customers and the customers of other similarly situated utilities who are provided water and other services by TAWC without similar infrastructure and maintenance costs for pumping up the mountain. In the case of WRUD, TAWC provides an added benefit at no cost to its customers since WRUD

takes delivery of water from TAWC on top of Signal Mountain rather than at the foot of the mountain. Such a proposed increase does not credit the customers of Signal Mountain for all construction, and significant electricity and maintenance costs already paid by the Town's utility for more than 60 years which is unfair.


6. Granting the Petition to Intervene will not impair the interests of justice or the orderly conduct of these proceedings. If this Petition to Intervene is granted, all notices correspondence, pleadings, copies of orders and other materials should be addressed to the counsel for Petitioners as follows:

Phillip A. Noblett
Signal Mountain Town Attorney
100 E. 11th Street, Suite 200
Chattanooga, TN 37402
(423) 643-8250
(423) 643-8255 - Facsimile

WHEREFORE, the Town of Signal Mountain, Tennessee respectfully requests that the Authority grant this Petition to Intervene and enter an Order allowing it to become an intervening party of record in this docket.

Respectfully submitted,

TOWN OF SIGNAL MOUNTAIN, TENNESSEE

By: 

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing pleading was served via first class U.S. Mail and/or electronic mail with sufficient postage to carry same to its destination to all parties or their legal counsel in this case as follows:

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Michael A. McMahan
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CHATTANOOGA CITY ATTORNEY'S OFFICE
100 E. 11th Street, Suite 200
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This 5th day of July, 2012.