

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**  
**NASHVILLE, TENNESSEE**

<b>PETITION OF BERRY'S CHAPEL UTILITY, INC. FOR APPROVAL OF DEFERRED ACCOUNTING</b>	) ) ) ) )	<b>DOCKET NO. <u>13-00052</u></b>
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**PETITION FOR APPROVAL OF DEFERRED ACCOUNTING**

Berry's Chapel Utility, Inc. ("Berry's Chapel" or the "Company") asks the Tennessee Regulatory Authority (the "Authority" or "TRA") to approve the deferral of certain costs incurred by the Company as a result of severe flooding in May, 2010.

The flood damages to the Company are described in the Petition filed in Docket 11-00180 and in pages 15-17 of the Final Order issued in that docket on August 21, 2012. In the Order, the Authority allowed the Company to recover \$90,345.00 in flood related damages over a twelve-month period and noted that additional expenses which are specifically related to the flood could also be recovered if approved by the Authority.

The flood-related expenses previously approved by the Authority do not include legal costs resulting from the flood and the subsequent legal work related to the recovery of the Company's flood expenses. Such costs are normally included in a utility's recoverable expenses when the Authority allows a utility to recover expenses resulting from an unusual, weather-related event or other extraordinary situation. See, for example, Docket 10-00144, "Application of Kingsport Power Company for Approval of Referred Accounting" of expenses related to severe winter storms, and see also Docket 08-00060, "Petition of Lynwood Utility Corporation for Approval of Cost Recovery Mechanism for Deferred Odor Elimination Costs."

Through the end of 2012, Berry's Chapel received bills for \$18,111.00 in legal expenses specifically resulting from the May, 2010 flood. A confidential, detailed description of these expenses has been provided to the Consumer Advocate Division of the Office of the Attorney General and to members of the TRA staff.<sup>1</sup> The expenses will be filed with the Authority upon request.

Unless the TRA grants appropriate relief, Berry's Chapel will be required to absorb these substantial costs that are not being recovered in the Company's current rates. These expenses are outside the norm and were caused by an act of nature, not the actions or inactions of Berry's Chapel.

For these reasons, the Company asks that the TRA permit it to defer these flood-related expenses. If the deferral is approved, Berry's Chapel intends to ask for recovery of these expenses at a later date.

Respectfully submitted,

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<sup>1</sup> These expenses are continuing. They include, for example, the costs of preparing and filing this request for deferred accounting as well as a portion of the legal costs incurred during the ongoing settlement negotiations among the utility, the TRA staff, and the Consumer Advocate Division.

**CERTIFICATE OF SERVICE**

I hereby certify that on the 1<sup>st</sup> day of April, 2013, a copy of the foregoing document was served on the parties of record, via hand-delivery, overnight delivery or U.S. Mail, postage prepaid, addressed as follows:

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