

**IN THE TENNESSEE REGULATORY AUTHORITY  
AT NASHVILLE, TENNESSEE**

<b>IN RE:</b>	)	
	)	
<b>PETITION OF TENNESSEE AMERICAN WATER COMPANY REGARDING THE PRODUCTION COSTS AND OTHER PASS-THROUGHS RIDER</b>	) ) ) ) )	<b>Docket No. 16-00148</b>

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**PETITION TO INTERVENE**

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Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Protection and Advocate Division of the Office of the Attorney General (Consumer Advocate), pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Regulatory Authority (TRA ) to grant the Consumer Advocate's intervention into this proceeding because consumers' interests, rights, duties or privileges may be determined or affected by the *Petition of Tennessee-American Water Company Regarding the Production Costs and Other Pass-Throughs Rider (Petition)* filed in this TRA Docket by Tennessee American Water Company (Company). For cause, Petitioner would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utility services by initiating and intervening as a party in any matter or proceeding before the TRA in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 *et seq.*, and TRA rules.

2. The Company is a public utility regulated by the Authority. It provides water utility services to approximately 75,840 consumers located in Chattanooga and the surrounding areas in the State of Tennessee. *Petition* at 1.

3. The Company's filing is a follow-up to a set of tariffs approved by the TRA on April 14, 2014, in TRA Docket No. 13-00130. *Petition* at 3-5. In TRA Docket No. 13-00130, the

TRA approved four alternative regulatory methods, under the new alternative ratemaking statute, Tenn. Code Ann. § 65-5-103 *et seq.*, by which the Company could recover certain expenditures under the following tariffs: the Qualified Infrastructure Investment Program (QIIP) Rider, the Economic Development Investment (EDI) Rider, the Safety and Environmental Compliance (SEC) Rider (collectively, the QIIP, EDI, and SEC riders are referred to herein as the Capital Riders), and a Pass-Throughs mechanism for Fuel, Purchased Power, Chemicals, Purchased Water, Wheeling Water Costs, Waste Disposal, and TRA Inspection Fee (PCOP). *Id.* The PCOP is based upon actual historical expense increases, rather than a forward-looking, projection mechanism on which the Capital Riders are based. *See Petition* at 5, fn. 11.

4. A petition concerning the Capital Riders was filed at the TRA on November 4, 2016, in TRA Docket No.16-00126. On December 13, 2016, the Consumer Advocate filed a petition to intervene in that docket, which was granted on December 20, 2016. The Consumer Advocate made, on December 6, 2016, informal discovery requests to the Company in that docket. The Company filed responses to the Consumer Advocate's informal discovery requests on December 20, 2016. The Consumer Advocate made a second set of discovery requests in TRA Docket No.16-00126 to the Company on January 6, 2017.

5. The Company Petition filed in the present docket, TRA Docket No. 16-00148, seeks approval of a PCOP percentage rate. *See Petition* at 6. The PCOP percentage rate results from the review and analysis of an annual filing, made by the Company, 30 days after the end of the most recently authorized attrition year, and within 30 days after the end of each successive twelve month period (corresponding to such attrition year) thereafter, as set forth in the Company's most recent rate case order. *See Petition* at 5.


6. The interests of consumers, including without limitation the proposed increase in rates to be paid by the Company's consumers under the *Petition*, may be affected by determinations


and orders made by the Authority with respect to (i) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-103(a), Tenn. Code Ann. § 65-5-103(d), and other relevant statutory and regulatory provisions, and (ii) the review and analysis of the Company's documentation, financial spreadsheets, and materials.

7. Only by participating as a party to this proceeding can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

Wherefore, the Consumer Advocate requests the TRA grant this *Petition to Intervene*.

RESPECTFULLY SUBMITTED,

  
HERBERT H. SLATTERY III  
(BPR No. 009077)  
Attorney General and Reporter  
State of Tennessee

  
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

Linda Bridwell  
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This the 30 day of January, 2017.

  
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DANIEL P. WHITAKER III