

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:

PETITION OF TENNESSEE AMERICAN WATER COMPANY REGARDING THE PRODUCTION COSTS AND OTHER PASS-THROUGHS RIDER

Docket No. 18-00009

PETITION TO INTERVENE

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 Public Utility Commission (TPUC) 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 TPUC 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 TPUC in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 *et seq.*, and TPUC rules.

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

¹ *Petition* at 1, ¶ 1.

3. The Company's filing is a follow-up to a set of tariffs approved by the TPUC on April 14, 2014, in TPUC Docket No. 13-00130.² In TPUC Docket No. 13-00130, the TPUC 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 TPUC Inspection Fee (PCOP).³ The PCOP is based upon actual historical expense increases, rather than a forward-looking, projection mechanism on which the Capital Riders are based.⁴

4. A petition concerning the Capital Riders was filed at the TPUC on November 7, 2017, in TPUC Docket No. 17-00124. On January 8, 2018, the Consumer Advocate filed a petition to intervene in that docket. The Consumer Advocate made informal discovery requests to the Company in that docket on December 8, 2017. The Company filed responses to the Consumer Advocate's informal discovery requests on December 28, 2017. The Consumer Advocate made a second set of discovery requests in TPUC No. Docket 17-00124 to the Company on January 8, 2018.

5. The Company's Petition filed in the present Docket, TPUC Docket No. 18-00009, seeks approval of a PCOP percentage rate.⁵ 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

² *Petition* at 3-5, ¶¶ 6-11.

³ *Id.*

⁴ *Bridwell Direct Testimony*, pg. 4, lines 15-17.

⁵ *Petition* at 6.

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.⁶

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 TPUC with respect to (a) 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 (b) 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 TPUC grant this *Petition to Intervene*.

RESPECTFULLY SUBMITTED,



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⁶ *Id.* at 5, ¶ 11.

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:

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This the 6th day of February, 2018.

Karen H Stachowski
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