

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

IN RE:

**JOINT PETITION OF
TENNESSEE-AMERICAN WATER
COMPANY, AND THUNDER AIR, INC.
D/B/A JASPER HIGHLANDS
DEVELOPMENT, INC. FOR APPROVAL OF
AN ASSET PURCHASE AGREEMENT AND
FOR THE ISSUANCE OF A CERTIFICATE
OF CONVENIENCE AND NECESSITY**

Docket No. 18-00099

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 or Commission) to grant the Consumer Advocate's intervention into this proceeding because consumers' interests, rights, duties, or privileges may be determined or affected by the *Tennessee-American Water Company's Expedited Joint Petition for Approval of an Asset Purchase Agreement and for the Issuance of a Certificate of Convenience and Necessity (Petition)*. For cause, the Consumer Advocate 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 TPUC in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 *et seq.*, and TPUC rules.

2. Tennessee-American Water Company (TAWC) is a public utility regulated by TPUC and provides water utility services to consumers located in Chattanooga, Tennessee, and the surrounding areas.

3. On September 7, 2018, TAWC filed its *Petition*, joined by Thunder Air, Inc. d/b/a Jasper Highlands Development, Inc., seeking approval of a purchase agreement for a water utility located in Kimball, Tennessee, and operated by Thunder Air, Inc. TAWC also seeks the issuance of a Certificate of Convenience and Necessity, a first for the Jasper Highland Development utility, which has previously operated without regulation.

4. TAWC seeks approval of accounting and rate base treatments that reflect the full purchase price, \$1,500,000.00, plus acquisition and transaction costs in future rate base determinations.

5. The entities also request that TPUC grant “such approvals as may be necessary to consummate the acquisition of the System by TAWC and permit the operation thereof by TAWC on the terms described in the Purchase Agreement, including all necessary licenses, permits and franchises to provide water and related services in the Thunder Air Inc. development.”¹

6. TAWC requests that this Commission authorize the Company to apply its existing depreciation accrual rates to the water system, along with “other regulatory treatment expressly proposed” by TAWC.²

7. TAWC and Thunder Air, Inc. request that TPUC consider this matter on an expedited basis; however, additional investigation and discovery will be necessary to determine whether the proposed agreement, costs, rate base treatment are appropriate and just and reasonable under Tennessee law.

8. The interests of consumers may be affected by determinations and orders made by TPUC with respect to (A) the interpretation, application, and implementation of Tenn. Code Ann.

¹ *Petition* at 8, ¶ 4.

² *Id.* at ¶ 6.

§ 65-5-103(a) and other relevant statutory and regulatory provisions, and (B) the review and analysis of the Company's documentation, financial spreadsheets, and materials.

9. 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 TPUC grant this *Petition to Intervene*.

RESPECTFULLY SUBMITTED,



HERBERT H. SLATTERY III

Attorney General and Reporter

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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:

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This the 12th day of October, 2018.



DANIEL P. WHITAKER III
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