

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

IN RE:)	
)	
APPLICATION OF TENNESSEE)	
WATER SERVICE, INC. FOR)	
ADJUSTMENT OF RATES AND)	DOCKET NO. 19-00028
CHARGES, APPROVAL OF A)	
QUALIFIED INFRASTRUCTURE)	
INVESTMENT PROGRAM, AND)	
MODIFICATION TO CERTAIN)	
TERMS AND CONDITIONS)	
FOR THE PROVISION OF)	
WATER SERVICE)	

PETITION TO INTERVENE

Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate Unit in the Financial 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 *Application of Tennessee Water Service, Inc. for Adjustment of Rates and Charges, Approval of a Qualified Infrastructure Investment Program, and Modification to Certain Terms and Conditions for the Provision of Water Service (Petition)* filed in this Docket by Tennessee Water Service, Inc. (TWS). 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. TWS is a public utility regulated by the TPUC and provides water service to approximately 218 customers in the Chalet Village Subdivision in Sevier County, Tennessee.¹ TWS's principal office is located in Charlotte, North Carolina.²

3. The current rates and charges of TWS were approved by the TPUC on February 21, 2018, in Docket No. 17-00108.³ Those rates resulted from a petition filed by TWS in "2017 for the authority to recover certain costs associated with damages from the wildfires and to temporarily increase rates, due to revenue shortages resulting from a dramatic loss of customers whose homes were destroyed by the wildfires."⁴ The TPUC approved portions of TWS's petition in Docket No. 17-00108.⁵ The TPUC also ordered that TWS file a rate case no later than July 1, 2019. TWS asserts that this *Petition* complies with the TPUC's deadline.⁶

4. In its *Petition*, TWS asserts that its "[c]urrent revenues and revenue projections under the tariff rates and charges approved in Docket No. 17-00108 are not sufficient to allow [TWS] a fair opportunity to recover its reasonable operating costs and to provide a fair and reasonable net operating income."⁷

5. Further, TWS asserts that approval of both the requested increase in TWS's rates and charges and a Qualified Infrastructure Investment Program (QIIP) under Tenn. Code Ann. § 65-5-103 are required for TWS to "maintain its water system and provide safe and reliable service to its customers in accordance with TPUC's requirements."⁸ TWS, in particular, asserts its

¹ *Petition*, page 1.

² *Petition*, pages 1-2.

³ *Petition*, page 2.

⁴ *Id.*

⁵ The TPUC allowed TWS to recover certain expenses and a return on replacement capital investment through the creation of two regulatory asset accounts and ordering a \$7 increase to TWS's monthly minimum service charge.

⁶ *Petition*, page 2.

⁷ *Id.*

⁸ *Id.*

obligations with respect to improving and replacing infrastructure in its request for approval of a QIIP.⁹

6. To address the revenue shortfall asserted by TWS, TWS requests a three-year phase-in of certain rates and charges. Specifically, TWS's proposed changes to its tariff would, to quote TWS in its *Petition*:

- (a) Initiate a three-year rate plan phase-in which would increase the monthly Base Facility Charge¹⁰ to \$50.00 effective January 1, 2020, then increase to \$74.00 effective January 1, 2021, and finally increase to \$95.00 effective January 1, 2022. As well, initiate a three-year rate plan phase-in which would increase the monthly volumetric charge to \$16.50 per 1,000 gallons effective January 1, 2020, then increase to \$19.00 per 1,000 gallons effective January 1, 2021, and finally to \$20.65 per 1,000 gallons effective January 1, 2022.
- (b) Create a separate monthly charge for Private Fire Service, applied on the basis of whether the service is part of a multi-use connection or fire-only connection, with a three-year rate phase-in. Multi-use connections would be subject to a standby charge per month of \$11.33 effective January 1, 2020, \$24.00 effective January 1, 2021, and \$35.80 effective January 1, 2022. Fire - only connections would be subject to a standby charge per month of \$22.67 effective January 1, 2020, \$48.00 effective January 1, 2021, and \$71.60 effective January 1, 2022. Furthermore, all usage would be billed volumetrically at \$16.50 per 1,000 gallons effective January 1, 2020, \$19.00 effective January 1, 2021, and \$20.65 effective January 1, 2022.¹¹

7. TWS also requests other changes to its tariff “related to metered service and fire service to more accurately reflect the required building codes and nature of service TWS provides to the Chalet Village System” and in other areas as well.¹²

8. The interests of consumers, including without limitation, the general increase in rates and charges requested by TWS, as well as the expected increase in rates to customers through the implementation of a QIIP, may be affected by the determinations and orders made by the TPUC

⁹ *Petition*, pages 3-4.

¹⁰ Defined terms are set out in TWS's tariff.

¹¹ *Petition*, pages 4-5. Footnotes added.

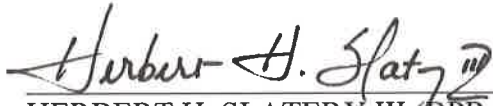
¹² *Petition*, page 5.


with respect to (a) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-103 and other relevant statutory and regulatory provisions; and (b) the review and analysis of the documentation, financial spreadsheets, and materials provided by TWS.

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

WHEREFORE, Petitioner respectfully asks the TPUC to grant this Petition to Intervene.

RESPECTFULLY SUBMITTED,


HERBERT H. SLATTERY III (BPR #09077)
Attorney General and Reporter
State of Tennessee


WAYNE M. IRVIN (BPR #30946)
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Financial Division
Consumer Advocate Unit
P.O. Box 20207
Nashville, Tennessee 37202-0207
(615) 532-5512
wayne.irvin@ag.tn.gov

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:

Ryan A. Freeman, Esq.
Baker, Donelson, Bearman,
Caldwell & Berkowitz, P.C.
633 Chestnut Street, Suite 1900
Chattanooga, TN 37450
423-209-4181
rfreeman@bakerdonelson.com

This the 3rd day of April, 2019.



Wayne M. Irvin