

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:)	
)	
PETITION OF TENNESSEE-AMERICAN)	
WATER COMPANY REGARDING THE)	Docket No. 20-00008
PRODUCTION COSTS AND OTHER)	
PASS-THROUGHS RIDER)	

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 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 *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, 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 the Commission 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 Commission. It provides water utility services to approximately 80,000 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 Commission on April 14, 2014, in TPUC Docket No. 13-00130.² In TPUC Docket No. 13-00130, the Commission 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 Unlike the Capital Riders which are forward-looking projections, the PCOP is based on an historical annual review period.⁴

4. The Company's *Petition* filed in the present Docket, TPUC Docket No. 20-00008, seeks approval of a PCOP Rider percentage rate.⁵ The PCOP Rider percentage rate results from the review and analysis of an annual filing, made by the Company, 45 days⁶ 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.⁷

² *Petition* at pp. 3-5, ¶¶ 6-11.

³ *Elaine K. Chambers Direct Testimony*, p. 2, ll. 21-22 – p. 3, ll. 1-2.

⁴ *Id.* at p. 2, ll. 14-21 – pg. 3, ll. 18-23 and p. 3, ll. 15-18.

⁵ *Petition* at p. 6, ¶ 2.

⁶ Prior to this Docket, the deadline for filing by the Company was 30 days after the end of the most recently authorized attrition year. The language of Paragraph 11 of the Company's petitions for TPUC Docket Nos. 15-00001, 15-00131, 16-00148, 18-00009, and 19-00010 reads as follows:

As set forth in the *Approved Tariffs*, within thirty (30) days of the end of the most recently authorized attrition year set forth in the most recent rate case order, and every twelve (12) months subsequent to the end of that attrition year, the Company shall submit to the Commission an annual filing calculating the PCOP percentage rate. (footnote omitted)

⁷ *Petition* at p. 5, ¶ 11.

5. Specifically, in this *Petition*, the Company is “proposing a PCOP Rider resulting in an annualized revenue refund of \$304,222 or a surcharge of -0.65%.”⁸ As a result, the average residential customer will see a decrease or credit on their bill of \$0.14 per month or \$1.68 per year from the PCOP Rider.

6. In its *Petition*, the Company is also proposing four changes to its calculations and workpapers, which are as follows⁹:

- 1) The EPB power bills were added for location Elder Mountain Stations as these were included in base period PCOP costs in TPUC Docket No. 12-00049.
- 2) The TPUC Inspection Fee is based on the actual bill paid in 2019.
- 3) The review period PCOP costs includes a reduction for unaccounted for water above the 15% that is based on actual system delivery and actual water sales from December 2018 through November 2019.
- 4) The gross-up amount for the TPUC Inspection Fee has been removed to be consistent with the tariff language and the inclusion of the TPUC Inspection Fee as part of the review period PCOP costs.

7. The interests of consumers, including without limitation the amount of the proposed decrease in rates to be paid by the Company’s consumers and proposed changes to the PCOP methodology under the *Petition*, may be affected by determinations and orders made by the Commission 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.

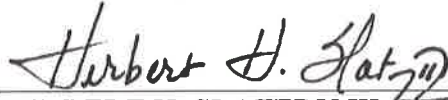
8. Only by participating as a party to this proceeding can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

⁸ Elaine K. Chambers Direct Testimony, p. 15, ll. 2-33. Previously, the Commission approved a PCOP Rider surcharge of -1.10% resulting in reducing the average residential customer’s bill by \$0.24 per month. *Order on December 1, 2017 Through November 30, 2018 PCOP Rider Expenses*, p. 6, TPUC Docket No. 19-00010 (August 21, 2019).

⁹ Elaine K. Chambers Direct Testimony, p. 14, ll. 1-11.

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

RESPECTFULLY SUBMITTED,



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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 20th day of February, 2020.

Karen H. Stachowski
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