

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:)	
)	
)	
PETITION OF TENNESSEE-AMERICAN)	
WATER COMPANY FOR APPROVAL)	Docket No. 20-00126
OF THE ESTABLISHMENT OF A)	
REGULATORY ASSET)	
)	

PETITION TO INTERVENE

The Consumer Advocate Unit in the Financial Division of the Office of the Attorney General ("Consumer Advocate"), by and through Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, 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 for Approval of the Establishment of a Regulatory Asset* ("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 the Commission 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" or "Company") is a public utility regulated by the Commission. It provides water utility services to approximately 80,670 consumers located in Chattanooga, Tennessee, and the surrounding areas, including Powell

Crossroads and Suck Creek in Marion County and Whitwell, Tennessee.¹ The Company's principal place of business is located at 109 Wiehl Street, Chattanooga, Tennessee 37406.²

3. On November 16, 2020, the Company filed this Petition seeking authority from the Commission to defer, on its financial books as a regulatory asset, costs and foregone revenues associated with the COVID-19 pandemic. Accounting standards permit utilities to record as an asset such costs that would otherwise be charged to expense if actions by a regulator provide reasonable assurance that such cost will be allowable in future ratemaking calculations.³

4. The Company seeks permission to record a regulatory asset for foregone late payment fees that were not charged pursuant to Commission Order in TPUC Docket No. 20-00047. It also seeks incremental operating costs and increased uncollectible and financing charges resulting from the pandemic.⁴ The Company requests that such costs be offset by savings in other expenses, such as travel costs.⁵

5. The Company's expert testified that the Company has incurred net costs, to date, of \$514,465.⁶ However, the Company's request seeks approval to record both the actual costs of \$514,465 and the "incremental COVID-19 related financial impacts **for as long as the financial impacts are realized.**"⁷

6. The interests of consumers, including without limitation, evaluating whether it is appropriate that TAWC customers bear all the costs associated with the pandemic and the extent to which the Company has properly identified such costs, may be affected by determinations and orders made by the Commission including the interpretation, application, and implementation of

¹ *Petition* at pp.1-2.

² *Id.* at p. 2.

³ FASB ASC ¶ 980-340-25 (A copy of the ASC can be accessed at [980-340-25 Recognition \(fasb.org\)](https://www.fasb.org/980-340-25/Recognition))

⁴ *Petition* at p. 6, ¶¶ 11-12 and p. 8, ¶¶ 14-15.

⁵ *Id.* at p. 7, ¶ 13 and p. 8, ¶ 14.

⁶ Direct Testimony of Elaine Chambers at 8:1, TPUC Docket No. 20-00126 (November 16, 2020).

⁷ *Id.* at 8:2-5 (emphasis added).

relevant statutory and regulatory provisions; and the review and analysis of the Company's documentation, financial spreadsheets, and materials. The implication of this deferral request is that any such costs that are deferred may be recovered from ratepayers in a future regulatory proceeding.

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 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 16th day of December, 2020.

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