

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:)
)
PETITION OF TENNESSEE AMERICAN)
WATER COMPANY REGARDING THE)
2021 INVESTMENT AND RELATED)
EXPENSES UNDER THE QUALIFIED) Docket No. 20-00128
INFRASTRUCTURE INVESTMENT)
PROGRAM RIDER, THE ECONOMIC)
DEVELOPMENT INVESTMENT RIDER,)
AND THE SAFETY AND ENVIRONMENTAL)
COMPLIANCE RIDER)

PETITION TO INTERVENE

Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate Unit 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 2021 Investment and Related Expenses Under the Qualified Infrastructure Investment Program Rider, the Economic Development Investment Rider, and the Safety and Environmental Compliance Rider (Petition)* filed by Tennessee American Water Company ("TAWC" or "Company") on November 24, 2020. 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 Commission rules.

2. TAWC is a public utility regulated by the Commission. It provides water utility services to approximately 80,851 consumers located in Chattanooga, Tennessee, and surrounding areas.¹

3. TAWC's *Petition* is a follow-up to a set of tariffs originally approved by TPUC on April 14, 2014, in Docket No. 13-00130. The Consumer Advocate intervened in that Docket and, after extensive negotiation and discovery, entered a stipulation with TAWC on January 10, 2014, which formed part of the basis of the approval of certain tariffs by TPUC. These tariffs -- including the Qualified Infrastructure Improvement Program Rider ("QIIP"), the Economic Development Investment Rider ("EDI"), and the Safety and Environmental Compliance Rider ("SEC") (collectively, the QIIP, EDI, and SEC are referred to herein as the "Capital Riders") -- were approved under the "alternative ratemaking" statute, Tenn. Code Ann. § 65-5-103 *et seq.*²

4. Subsequent to the approval of the Capital Riders in TPUC Docket No. 13-00130, the Company filed TPUC Docket Nos. 14-00121, 15-00029, 15-00111, 16-00022, 16-00126, 17-00020, 17-00124, 18-00022, 18-00120, 19-0039, 19-00105, and 20-00028 which sought to recover and then to reconcile, respectively, expenses under the Capital Riders. The Commission approved revised tariffs pursuant to those filings.

5. In the aftermath of a contested hearing in TPUC Docket No. 18-00120, the Commission included in its Final Order that a separate docket should be opened to investigate whether the structure and mechanics of the Capital Riders should be changed based on issues identified by the Consumer Advocate's witness, including but not limited to (a) the Company having an excess rate base resulting in over recovery of the Capital Riders, (b) the Capital Riders mechanism changing to a single annual filing and becoming more fair and administratively

¹ *Petition* at 1.

² *Petition* at 6.

efficient, and (c) the problems with utilizing a budget to set current rates.³ While TPUC Docket No. 19-00105 has been opened and the parties have engaged in discussions, after over a year and four subsequent Capital Riders filings, no structural changes to the Capital Riders addressing the Consumer Advocate's concerns have been made to TAWC's tariff. And the Company has not proposed any modifications within this filing or any other filings before the Commission that would alleviate any of these concerns.

6. Under the tariffs approved in TPUC Docket No. 13-00130, the Company is permitted to file with TPUC on or before December 1 of each year projections for each of the Capital Riders for the upcoming calendar year in the manner set forth in those tariffs. This *Petition* is TAWC's required "on or before December 1 filing" for the Capital Riders for 2021 and details the expenses TAWC will be seeking to recover starting January 1, 2022. Therefore, this docket constitutes the Company's "budget" filing, and the Company seeks to set new rates based on what it proposes to spend in the coming year.

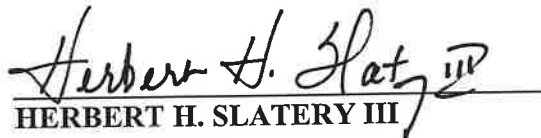
7. The interests of consumers, including without limitation the proposed increase in rates to be paid by TAWC's consumers under the *Petition*, may be affected by determinations and orders made by the Commission with respect to (i) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-103(a), Tenn. Code Ann. § 65-5-103(d), and other relevant statutory and regulatory provisions, and (ii) the review and analysis of the documentation, financial spreadsheets, and materials provided by TAWC.

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.

³ *Order Approving Petition as Amended*, pp. 21-11, TPUC Docket No. 18-00120 (November 8, 2019).

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

RESPECTFULLY SUBMITTED,

Handwritten signature of Herbert H. Slattery III in black ink, written over a horizontal line.

HERBERT H. SLATTERY III

BPR No. 009077

Attorney General and Reporter

State of Tennessee

Handwritten signature of Daniel P. Whitaker III in blue ink, written over a horizontal line.

DANIEL P. WHITAKER III

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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.



DANIEL P. WHITAKER III
Assistant Attorney General