

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

IN RE:)
)
)
PETITION OF TENNESSEE-AMERICAN)
WATER COMPANY REGARDING THE) **Docket No. 22-00005**
2022 PRODUCTION COSTS AND OTHER)
PASS-THROUGHS RIDER)

PETITION TO INTERVENE

The Consumer Advocate Unit in the Financial Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), by and through counsel, pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (“TPUC” or the “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 2022 Production Costs and Other Pass-Throughs Rider* (“*Petition*”) filed in this TPUC Docket by Tennessee-American Water Company (“TAWC” or the “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 83,000 consumers located in Chattanooga and the surrounding

areas in the State of Tennessee.¹ The Company's principal office is located at 109 Wiehl Street, Chattanooga, Tennessee 37406.²

3. The Company's filing is a follow-up to a set of tariffs approved by the Commission on April 14, 2014, in TRA³ Docket No. 13-00130.⁴ In TRA 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").⁵ Unlike the Capital Riders which are forward-looking projections, the PCOP is based on a historical annual review period.⁶

4. The Company's *Petition* filed in the present Docket, TPUC Docket No. 22-00005, seeks approval of a PCOP Rider percentage rate.⁷ The PCOP Rider percentage rate results from the review and analysis of an annual filing, made by the Company, 45 days⁸ 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

¹ *Petition* at p. 1, ¶ 1.

² *Id.* at p. 2, ¶ 3.

³ The Tennessee Regulatory Authority, or TRA, is the predecessor agency to the TPUC, just as the Tennessee Public Service Commission predated the TRA. While the nomenclature has changed, the scope and function of these entities has remained essentially the same.

⁴ *Petition* at pp. 2-5, ¶¶ 5-10.

⁵ *Id.* at p. 3, ¶ 6.

⁶ *Id.* at p. 5, fn 11.

⁷ *Petition* at p. 5, ¶ 11.

⁸ *Id.*

recent rate case order.⁹ The review period that is the subject of this Docket is from December 1, 2020, through November 30, 2021, and includes this review period's expenses compared to the amounts approved in the Company's last general rate case.¹⁰

5. Specifically, in its *Petition* the Company is "proposing a PCOP Rider resulting in an annualized revenue requirement of \$275,763 or a surcharge of 0.57%."¹¹ As a result, the average Chattanooga residential customer will see an increase on their bill of \$0.12 per month or \$1.44 per year from the PCOP Rider.¹² An averaging of all other TAWC residential customer classes show a bill increase of \$0.23 per month of \$2.76 per year.¹³

6. In its *Petition*, the Company is also proposing one change to its calculations and workpapers, which is as follows:¹⁴

- 1) Jasper Highlands has been added to the Average Impact exhibit, as it will be receiving PCOP increments on their bills.
- 2) A Jasper Highlands workpaper has been added to Exhibit <TAW_EXH_TNS_1_011422> to show the proposed adjustment calculation for Jasper Highlands' base rate cost for PCOP eligible expenses, as well as base rate water sales and revenues, which are included in the PCOP calculation.
- 3) Two rows have been added to the Support Workpaper within Exhibit <TAW_EXH_TNS_1_011422>. The first row added is for the Whitwell adjustment of PCOP base rate expenses and water sales, pursuant to and consistent with Docket No. 21-00006. The second row added is for the Jasper Highlands proposed adjustment of PCOP base rate expenses and water sales.
- 4) In addition, Jasper Highlands was added to the billing determinants in the Workpaper_Billing Determinants – Dec 2020 – Nov 2021 workpaper.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Direct Testimony of Tricia N. Sinopole* at 16:21-22, TPUC Docket No. 22-00005 (January 14, 2022).

¹² *Id.* at 17:9-11.

¹³ *Id.* at file <TAW_EXH_TNS_2_011422.xlsx>, Tab "EXH Avg Impact". The average of column G for Lookout Mountain, Lakeview, Suck Creek, Whitwell (inside and outside city), along with Jasper Highlands.

¹⁴ *Id.* at 13:19 – 14:11.

7. The interests of consumers, including without limitation the amount of the proposed increase 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.

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

RESPECTFULLY SUBMITTED,



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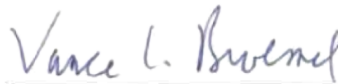
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail, with a courtesy copy by electronic mail upon:

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This the 11th day of February, 2022.



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