

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:)	
)	
JOINT PETITION OF TENNESSEE-)	
AMERICAN WATER COMPANY AND)	DOCKET NO. 22-00049
WALKER COUNTY WATER AND)	
SEWERAGE AUTHORITY FOR)	
APPROVAL OF SPECIAL CONTRACT)	

PETITION TO INTERVENE

The Consumer Advocate Division in the Office of the 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 *Joint Petition of Tennessee-American Water Company and Walker County Water and Sewerage Authority for Expedited Approval of a Special Contract* (“Joint 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 utilities 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. Tennessee-American Water Company (“TAWC” or the “Company”) is a public utility regulated by the Commission and engaged in the business of providing residential, commercial, industrial, and municipal water service, including public and private fire protection service, to the City of Chattanooga, Tennessee and surrounding areas, including certain areas in

Georgia.¹ In addition, the Company owns and operates separate systems for the City of Whitwell, Powell's Crossroads, Suck Creek and Jasper Highlands, all in Marion County.² The Company's "principal place of business is located at 109 Wiehl Street, Chattanooga, TN 37403."³

3. Walker County Water and Sewerage Authority ("WCWSA")

Was established in 1977 by the General Assembly of the State of Georgia and serves a growing population of about 11,000. WCWSA is an independent government entity. WCWSA's priority is to maintain a safe drinking water supply and an adequate amount of fire flow protection to its customers with the least amount of service disruption at the lowest cost possible. WCWSA, a former customer of TAWC, is not a current TAWC customer.⁴

4. On June 13, 2022, the Company and WCWSA filed their Joint Petition requesting approval of a negotiated short-term⁵ agreement (the "Special Contract") for water services between TAWC and customers of WCWSA including the rates set forth therein.⁶ The Company is not currently serving WCWSA but will begin providing water services to WCWSA customers under the Special Contract's terms.⁷

5. The Special Contract between the Company and WCWSA details how the Company will furnish "firm" interstate transportation services and other ancillary services such as the sale of water to customers of WCWSA.⁸ The Special Contract is a requirements contract, and as such, WCWSA "may not reduce its purchases from TAWC during the term of the [Special

¹ *Joint Petition of Tennessee-American Water Company and Walker County Water and Sewerage Authority for Expedited Approval of a Special Contract* ("Joint Petition"), p. 2, ¶¶ 3-4, TPUC Docket No. 22-00049 (June 13, 2022).

² *Id.* at p. 2, ¶ 3.

³ *Id.* at p. 2, ¶ 5.

⁴ *Id.* at p. 2, ¶ 1.

⁵ The initial term of the Special Contract is 3 years but allows for an extension per mutual written consent of the Parties. The term of the Special Contract does not commence until the Commission approves it. *Id.* at p. 4, ¶¶ 10, 13.

⁶ *Id.* at p. 3, ¶¶ 7-8.

⁷ *Id.* at pp. 3-4, ¶¶ 8-9.

⁸ *Id.* at p. 3-4.

Contract].”⁹ Pursuant to the Special Contract’s terms, WCWSA’s rate is set at \$1.75 per 1000 gallons, plus the 2017 Tax Cut and Jobs Act¹⁰ impacts and the existing Capital Recovery Riders.

6. In the present case, the Consumer Advocate has an interest in ensuring that the proposed Special Contract between TAWC and WCWSA complies with Commission rules and the standards the Commission has established in prior dockets.

7. Also, the Consumer Advocate has an interest in ensuring that the Special Contract’s proposed terms and rates are reasonable and are not unjustly preferential or unduly discriminatory. This is a concern since special contracts providing lower, beneficial rates outside the current, traditional regulatory structure may increase rates for captive ratepayers as the current regulatory structure allows utilities, such as TAWC, to recover their revenue deficiencies. As a result, the Company could charge its other customers higher rates to compensate for a special contract’s fixed lower rate to achieve its approved revenue requirement.

8. For the foregoing reasons, the interests of consumers may be affected by the determinations and orders made by the Commission with respect to TAWC’s and WCWSA’s Joint Petition.

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 Commission to grant this Petition to Intervene in TPUC Docket No. 22-00049.

⁹ *Id.* at p. 3-4.

¹⁰ Pub. L. No. 115-97.

RESPECTFULLY SUBMITTED,



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TPUC Docket No. 22-00049

***Joint Petition of Tennessee-American Water Company and Walker County Water and
Sewerage Authority for Expedited Approval of a Special Contract***

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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On this 18th day of July 2022.


Karen H. Stachowski
Senior Assistant Attorney General