

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

IN RE:)	
)	
PETITION OF TENNESSEE-AMERICAN)	
WATER COMPANY REGARDING)	
CHANGES TO THE QUALIFIED)	
INFRASTRUCTURE INVESTMENT)	Docket No. 23-00018
PROGRAM RIDER, THE ECONOMIC)	
DEVELOPMENT INVESTMENT RIDER,)	
AND THE SAFETY AND)	
ENVIRONMENTAL COMPLIANCE RIDER)	
AND IN SUPPORT OF THE CALCULATION)	
OF THE 2023 CAPITAL RECOVERY)	
RIDERS RECONCILIATION)	

PETITION TO INTERVENE

The Consumer Advocate 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 Changes to the Qualified Infrastructure Investment Program Rider, the Economic Development Investment Rider, and the Safety and Environmental Compliance Rider and in Support of the Calculation of the 2023 Capital Recovery Riders Reconciliation* (“*Petition*”) filed in TPUC Docket No. 23-00018. 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 the “Company”) is a public utility regulated by the Commission. It provides residential, commercial, industrial, and municipal water service, including public and private fire protection service to approximately 83,000 customers located in Chattanooga, Tennessee, and the surrounding areas.¹ The Company is “a wholly-owned subsidiary of American Water Works Company, Inc., which is the largest water holding company in the United States, providing water and wastewater services to approximately fourteen (14) million people in twenty-five (25) states.”² Its principal place of business is principal is located at 109 Wiehl Street, Chattanooga, Tennessee 37406.³

3. The Company’s *Petition* is a follow-up to a set of tariffs originally approved by Tennessee Regulatory Authority (“TRA”) on April 14, 2014, in TRA Docket No. 13-00130.⁴ The Consumer Advocate intervened in that docket and after extensive negotiation and discovery entered into a stipulation with TAWC on January 10, 2014, which formed part of the basis of the approval of certain tariffs by the Commission. 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, these are known as the “Capital Riders”)—were approved under the “alternative ratemaking” statute, Tenn. Code Ann. §§ 65-5-103, *et seq.*⁵

4. After the approval of the Capital Riders in TRA Docket No. 13-00130, TAWC filed TPUC Docket Nos. 14-00121, 15-00029, 15-00111, 16-00022, 16-00126, 17-00020, 17-00124, 18-00022, 18-00120, 19-00031, 19-00105, 20-00028, 20-00128, 21-00030, 22-00021, and 22-

¹ *Petition* at p. 3, ¶ 1.

² *Id.* at p. 3, ¶ 2.

³ *Id.* at p. 3, ¶ 3.

⁴ 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.

⁵ *Petition* at pp. 4-5, ¶¶ 6-7.

00072, which sought to recover and then to reconcile, respectively, expenses under the Capital Riders. The Commission approved revised tariffs pursuant to those filings.⁶

5. Under the tariffs approved in TRA Docket No. 13-00130, TAWC must file with the Commission, on or before March 1 of each year, a reconciliation for each of the Capital Riders from the previous calendar year, along with the accompanying support, in the manner set forth in those tariffs.⁷

6. According to the *Petition*, the Company “earned an adjusted Rate of Return in 2022 of 7.58%,”⁸ which is above the Commission’s authorized rate of return of 7.23%.⁹ As a result the “Earnings Test Adjustment results in a (\$1,175,140) adjustment to the reconciliation revenues.”¹⁰ Further, “the typical residential customer living in the City of Chattanooga, and using an average of 4,154 gallons per month, will see a decrease in their bill of approximately \$0.01 per month, or 0.02% in 2023.”¹¹

7. The interests of consumers may be affected by determinations and orders made by TPUC with respect to the following; (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; (ii) the review and analysis of the Company’s documentation, financial spreadsheets, and materials; and (iii) the interpretation, application, and/or implementation of the terms and conditions of the Commission’s Orders in TPUC Docket Nos. 13-00130, 14-00121, 15-00029, 15-00111, 16-00022, 16-00126, 17-00020, 17-00124, 18-00022, 18-00120, 19-00031, 19-

⁶ *Id.* at p. 6, ¶ 9.

⁷ *Id.* at pp. 7, ¶ 12. The Company explained that “on or before December 1 of each year, Tennessee American is required to file with the Commission its QHP, EDI and SEC Rider projections for the upcoming calendar year in the manner, and with the accompanying support, required by the *Approved Tariffs* and the Commission. The Company did not submit these projections in 2022 due to pending TPUC Docket No. 19-00103.” *Id.* at pp. 6-7, ¶ 10.

⁸ *Direct Testimony of Robert C. Lane* at 8:20 – 9:2.

⁹ *Id.* at 23:20-23.

¹⁰ *Id.* at 9:1-2.

¹¹ *Petition* at p. 8, ¶ 14 and *Direct Testimony of Robert C. Lane* at 24:13-16.

00105, 20-00028, 21-00030, 22-00021, and 22-00072, as well as any related settlement agreements applicable to these dockets.


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.

Accordingly, the Consumer Advocate respectfully requests the Commission to 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 Petition to Intervene was served via U.S. Mail, with a courtesy copy by electronic mail provided upon:

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This the 20th day of March, 2023.



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