

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

<b>IN RE:</b>	)	
	)	
<b>JOINT PETITION OF TENNESSEE-</b>	)	
<b>AMERICAN WATER COMPANY AND</b>	)	<b>DOCKET NO. 23-00066</b>
<b>CATOOSA UTILITY DISTRICT</b>	)	
<b>AUTHORITY FOR APPROVAL OF</b>	)	
<b>SPECIAL CONTRACT</b>	)	

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**PETITION TO INTERVENE**

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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 in this proceeding because consumers’ interests, rights, duties, or privileges may be determined or affected by the *Joint Petition of Tennessee-American Water Company and Catoosa Utility District Authority for 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.”<sup>1</sup> 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.<sup>2</sup> The Company’s “principal place of business is located at 109 Wiehl Street, Chattanooga, TN 37403.”<sup>3</sup>

3. Catoosa Utility District Authority (“CUDA”) “was established in 1945 for the purpose of providing residents of Catoosa County, Georgia, with safe, potable drinking water. CUDA provides service to approximately 21,000 residents.” CUDA is a current TAWC customer pursuant to a November 1998 water purchase agreement. CUDA’s main office is located at 1058 Old Mill Road, Ringgold, GA 30736.<sup>4</sup>

4. On September 5, 2023, the Company and CUDA filed their Joint Petition requesting approval of a negotiated<sup>5</sup> agreement (the “Special Contract”) for water services between TAWC and CUDA and its customers including the rates set forth therein.

5. The Special Contract between the Company and CUDA details how the Company will provide water to Catoosa at certain delivery points and in specific quantities.<sup>6</sup> The Special Contract is a requirements contract, and as such, CUDA “may not reduce its purchases from TAWC during the term of the Agreement.”<sup>7</sup> Pursuant to the Special Contract’s terms, CUDA agrees to purchase a minimum of 93,000,000 gallons of potable water per year from TAWC.<sup>8</sup>

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<sup>1</sup> *Joint Petition of Tennessee-American Water Company and Catoosa Utility District Authority for Approval of a Special Contract* (“Joint Petition”), p. 2, ¶ 3, TPUC Docket No. 23-00066 (Sept. 5, 2023).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* at p. 2, ¶ 5.

<sup>4</sup> *Id.* at pp. 1-2, ¶ 1.

<sup>5</sup> The initial term of the Special Contract is 5 years with one additional five-year renewal term unless terminated by either Party. *Id.* at pp. 3-4, ¶¶ 7, 10.

<sup>6</sup> *Id.* at p. 3, ¶ 8.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at Exhibit A, p. 2, ¶ 2c.

6. In the present case, the Consumer Advocate has an interest in ensuring that the proposed Special Contract between TAWC and CUDA 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 provide lower, beneficial rates outside the current, traditional regulatory structure and 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 CUDA'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. 23-00066.

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RESPECTFULLY SUBMITTED,

  
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***TPUC Docket No. 23-00066  
Joint Petition of Tennessee-American Water Company and Catoosa Utility District Authority  
for 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 22nd day of September 2023.



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**Shilina B. Brown**  
Assistant Attorney General