

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

January 20, 2026

IN RE:)	
)	
PETITION OF TENNESSEE-AMERICAN)	DOCKET NO.
WATER COMPANY TO MODIFY TARIFF,)	24-00032
CHANGE AND INCREASE CHARGES, FEES,)	
AND RATES, AND FOR APPROVAL OF A)	
GENERAL RATE INCREASE [RATE CASE)	
EXPENSES])	

**ORDER GRANTING THE CITY OF CHATTANOOGA’S MOTION
FOR LIMITED DISCOVERY**

This matter is before the Administrative Judge upon the *City of Chattanooga’s Motion for Leave to File Limited Discovery* (“*City’s Motion*”) filed by the City of Chattanooga (the “*City*”) on December 30, 2025, requesting permission to seek limited discovery pursuant to Tenn. Code Ann. § 65-2-102, Tennessee Public Utility Commission (“*Commission*” or “*TPUC*”) Rule 1220-1-2-.11, and Rules 26, 33, and 34 of the Tennessee Rules of Civil Procedure. The City seeks limited discovery on whether Tennessee American Water Company (“*TAWC*” or the “*Company*”) “should be granted recovery of its rate case expenses, and whether these rate case expenses are just and reasonable.”¹ The City also filed the *City of Chattanooga’s Memorandum in Support of Motion for Leave to File Limited Discovery* (“*City’s Memo*”) on December 30, 2025.

CITY’S MEMO

In its *Memo*, the City incorporates by reference and agrees with the legal principles in the *Memorandum in Support of the Consumer Advocate’s Motion for Limited Discovery* (“*Consumer*

¹ *City’s Motion*, p. 1 of 6 (December 30, 2025).

Advocate's Memo") filed by the Consumer Advocate Division of the Office of the Tennessee Attorney General ("Consumer Advocate") regarding the applicable rules of discovery before the Commission.² The City asserts it:

seeks discovery related to TAWC's rate case expenses not only to ensure that ratepayers are only paying for expenses that ultimately benefitted them rather than TAWC's stockholders, but also to contribute to the Commission's formation of a framework for use in the consideration of additional incentives and/or deterrents that are necessary to ensure that rate case expenses are reasonable.³

The City maintains discovery is reasonable and necessary and essential for the City to represent its interests and the interests of ratepayers who are TAWC customers. According to the City, "[w]ithout it, Chattanooga [the City] cannot develop the factual record necessary to permit the Commission's evaluation of whether TAWC's rate case expenses are reasonable and prudent."⁴ Further, the City asserts the limited discovery it seeks is not abusive or oppressive, and it will coordinate with the Consumer Advocate to avoid duplicative, cumulative, or unduly burdensome discovery requests.⁵ TAWC did not oppose the City's *Motion*.

FINDINGS AND CONCLUSIONS

TPUC Rule 1220-1-2-.11 (1) provides as follows:

Any party to a contested case proceeding may petition for discovery. In any case where discovery is sought, no discovery shall be undertaken until a discovery schedule is set in accordance with these rules. Parties are encouraged, where practicable, to attempt to informally obtain any necessary discovery and avoid undue expense and delay in resolving the matter. When such attempts have failed or the complexity of the case is such that informal discovery is not practicable, discovery shall be sought, effectuated, and enforced under the Tennessee Rules of Civil Procedure.

² *Id.*

³ *Id.* at 3 of 6.

⁴ *Id.*

⁵ *Id.* at 4 of 6.

In its *Order Setting Utility Rates* issued in this docket on April 21, 2025, the Commission noted that “the Company submitted an estimate of \$1.554 million in rate case expense, covering legal, internal costs, and outside consultants, for a rate case that ultimately ended with a relatively modest rate increase of \$1,073,930.”⁶ The Commission ordered that a separate proceeding should be established “to determine the actual amount of regulatory costs, the time period for recovery, and the mechanism for allowing TAWC to recover these costs” and capped the amount of rate case expense at \$1.554 million.⁷ The Administrative Judge finds that the discovery phase of the initial docket has concluded, TAWC filed limited information in support of its rate case expenses and additional information is necessary to analyze the reasonableness of the rate case expenses requested by TAWC in this phase of the docket. Based on the preceding reasons, the Administrative Judge concludes it is reasonable for the City to seek limited discovery for this phase of the docket, and its *Motion* should be granted. The City should coordinate its discovery requests with the Consumer Advocate to avoid cumulative and duplicative requests.

IT IS THEREFORE ORDERED THAT:

1. The *City of Chattanooga’s Motion for Leave to File Limited Discovery* is granted.
2. The City of Chattanooga shall coordinate with the Consumer Advocate Division of the Office of the Tennessee Attorney General to avoid seeking discovery that is duplicative, cumulative, or unduly burdensome.



Monica Smith-Ashford, Administrative Judge

⁶ See *Order Setting Utility Rates*, p. 34 (April 21, 2025).

⁷ *Id.* at 35.