

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

IN RE:)	
)	
PETITION OF TENNESSEE-AMERICAN)	
WATER COMPANY REGARDING THE)	Docket No. 25-00002
2025 PRODUCTION COSTS AND OTHER)	
PASS-THROUGHS RIDER)	

PETITION TO INTERVENE

The Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), by and through Jonathan Skrmetti, Attorney General and Reporter for the State of Tennessee, 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 2025 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 87,200 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. 25-00002, 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 1, ¶ 1.

² *Id.* at 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 4, ¶¶ 7-8.

⁵ *Id.* at 3-4, ¶¶ 6-7.

⁶ *Id.* at 5, fn. 12.

⁷ *Id.* at 5-6, ¶ 11.

⁸ *Id.*

recent rate case order.⁹ The review period that is the subject of this Docket is from December 1, 2023, through November 30, 2024, 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 increase of \$1,537,427, or a surcharge of 3.17%."¹¹ The proposed PCOP Rider is 1.22 percentage points less than the current PCOP Rider of 4.39%. As a result, the average Chattanooga residential customer will see a decrease on their bill of \$0.24 per month or \$2.88 per year from the PCOP Rider.¹²

6. TPUC Docket Nos. 13-00130, 15-00001, 15-00131, 16-00148, 18-00009, 19-00010, 20-00008, 21-00006, 22-00005, 23-00007, and 24-00002 all approve PCOP calculations that include Non-Revenue Water ("NRW").¹³ However, in the Direct Testimony of Robert Lane, he states that the Company is making an adjustment to use the unaccounted for water limitation factor that was adopted by the Commission in TPUC Docket Nos. 12-00049, 10-00189 and 08-00039.¹⁴

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 methodology¹⁵ under the Petition, may be affected by determinations and orders made by the

⁹ Petition at 5-6, ¶ 11.

¹⁰ *Id.*

¹¹ *Direct Testimony of Robert C. Lane* at 15:21-23.

¹² *Id.* at 16:5-8.

¹³ *Id.* at 8:11-15.

¹⁴ *Id.* at 8:19-23 – 9:1-2.

¹⁵ Changes in PCOP methodology includes, but is not limited to, the Company's modification to the 15% Non-Revenue Water (NRW)/ Unaccounted for Water Limiter. In TRA Docket No. 08-00039, the 15% limiter was defined as the percentage of actual water loss sales to water system delivery. The Consumer Advocate raised the issue during the recent rate case, but it was not directly addressed in the Commission's verbal decision on January 21, 2025. *Chairman David F. Jones's Pre-Filed Motion on the Merits of the Rate Case*, TPUC Docket No. 24-00032 (Jan. 17, 2025). See *Consumer Advocate Division's Post-Hearing Brief*, pp. 52-54, TPUC Docket No. 24-00032 (Dec. 10, 2024).

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,

 T. Austin Watbans
w/permission

JONATHAN SKRMETTI (BPR No. 031551)
Attorney General and Reporter
State of Tennessee



VANCE L. BROEMEL (BPR No. 011421)
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Phone: (615) 741-8733
Fax: (615) 741-1026
Email: Vance.Broemel@ag.tn.gov

Consumer Advocate Division's Petition to Intervene
TPUC Docket No. 25-00002

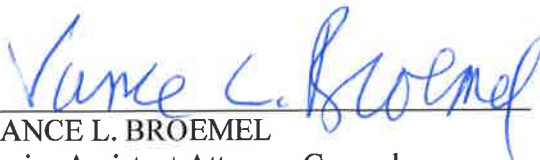
CERTIFICATE OF SERVICE

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:

Robert C. Lane
Senior Manager, Rates and Regulatory
Tennessee-American Water Company
109 Wiehl Street
Chattanooga, TN 37403
Email: Bob.Lane@amwater.com

Melvin J. Malone
Katherine Barnes
Butler Snow LLP
The Pinnacle at Symphony Place
150 3rd Avenue South, Suite 1600
Nashville, TN 37201
Email: Melvin.Malone@butlersnow.com
Email: Katherine.Barnes@butlersnow.com

This the 12th day of February, 2025.


VANCE L. BROEMEL
Senior Assistant Attorney General