

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

<b>IN RE:</b>	)	
	)	
<b>PETITION OF TENNESSEE-AMERICAN</b>	)	
<b>WATER COMPANY REGARDING THE</b>	)	<b>Docket No. 26-00002</b>
<b>2026 PRODUCTION COSTS AND OTHER</b>	)	
<b>PASS-THROUGHS RIDER</b>	)	

**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 2026 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.<sup>1</sup> The Company's principal office is located at 109 Wiehl Street, Chattanooga, Tennessee 37406.<sup>2</sup>

3. The Company's filing is a follow-up to a set of tariffs approved by the Commission on April 14, 2014, in TRA<sup>3</sup> Docket No. 13-00130.<sup>4</sup> 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").<sup>5</sup> Unlike the Capital Riders which are forward-looking projections, the PCOP is based on a historical annual review period.<sup>6</sup>

4. The Company's *Petition* filed in the present Docket, TPUC Docket No. 26-00002, seeks approval of a PCOP Rider percentage rate.<sup>7</sup> The PCOP Rider percentage rate results from the review and analysis of an annual filing, made by the Company, 45 days<sup>8</sup> 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

---

<sup>1</sup> *Petition* at 1, ¶ 1.

<sup>2</sup> *Id.* at 2, ¶ 3.

<sup>3</sup> 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.

<sup>4</sup> *Petition* at 4, ¶¶ 7-8.

<sup>5</sup> *Id.* at 3-4, ¶¶ 6-7.

<sup>6</sup> *Id.* at 5, fn. 12.

<sup>7</sup> *Id.* at 4-7.

<sup>8</sup> *Id.* at 5, ¶ 11.

recent rate case order.<sup>9</sup> The review period that is the subject of this docket is from December 1, 2024, through November 30, 2025, and includes this review period's expenses compared to the amounts approved in the Company's last general rate case.<sup>10</sup>

5. Specifically, in its *Petition* the Company is "proposing a PCOP Rider resulting in an annualized revenue increase of \$688,522, or a surcharge of 0.95%."<sup>11</sup> The proposed PCOP Rider is 2.07 percentage points less than the current PCOP Rider of 3.02%. As a result, the average Chattanooga residential customer will see a increase on their bill of \$0.58 per month or \$6.90 per year from the PCOP Rider.<sup>12</sup>

6. 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 methodology<sup>13</sup> under the *Petition*, may be affected by determinations and orders made by the 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

---

<sup>9</sup> *Petition* at 5-6, ¶ 11.

<sup>10</sup> *Id.*

<sup>11</sup> *Direct Testimony of Robert C. Lane* at 11:14-16.

<sup>12</sup> *Id.* at 11:21-22 and 12:2-5.

<sup>13</sup> 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. The Consumer Advocate addressed TAWC's arguments in the recent rate case. See *Consumer Advocate Division's Post-Hearing Brief*, pp. 52-54, TPUC Docket No. 24-00032 (Dec. 10, 2024). In its written decision, the Commission explained:

TAWC argued that the 15% NRW standard proposed by the Consumer Advocate is punitive, and attempted to distinguish the term NRW from the 15% "lost and unaccounted for water" standard set in the Company's 2008 rate case. However, these terms have been used interchangeably at the Commission by the Consumer Advocate and the Company. The Company previously has defined "unaccounted for water" as an all-encompassing umbrella term before the Tennessee Court of Appeals without a distinction for NRW. To be clear, the Commission is not implementing a new standard, but rather is continuing to apply the 15% standard for lost and unaccounted for water first adopted in the 2008 rate case, affirmed by the Tennessee Court of Appeals, and adopted again in the Company's 2010 rate case. When the Commission first implemented this standard for TAWC, the underlying goal was to encourage the Company to have a more efficient distribution system and to be a good steward of a natural resource. As nearly one in four gallons of water treated and pumped by the Company is lost and unaccounted for, the panel voted unanimously to continue to apply the 15% standard.

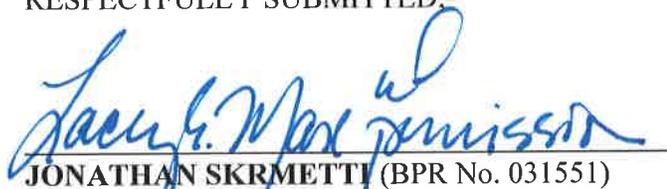
*Order Setting Utility Rates*, pp. 21-22, TPUC Docket No. 24-00032 (April 21, 2025) (citations omitted).

provisions; and (b) the review and analysis of the Company's documentation, financial spreadsheets, and materials.

7. 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,



**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](mailto:Vance.Broemel@ag.tn.gov)

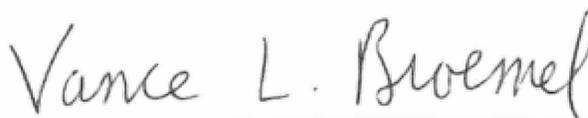
**CERTIFICATE OF SERVICE**

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](mailto:Bob.Lane@amwater.com)

Melvin J. Malone, Esq.  
Butler Snow LLP  
The Pinnacle at Symphony Place  
150 3rd Avenue South, Suite 1600  
Nashville, TN 37201  
Email: [Melvin.Malone@butlersnow.com](mailto:Melvin.Malone@butlersnow.com)

This the 10th day of February, 2026.



VANCE L. BROEMEL

Senior Assistant Attorney General