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September 8, 2006

VIA HAND DELIVERY

Chairman Sara Kyle
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: Petition of Tennessee American Water Company to Change and Increase Certain Rates and Charges So As to Permit It to Earn a Fair and Adequate Rate of Return on Its Property Used and Useful In Furnishing Water Service to Its Customers, Docket No. 04-00288.

Dear Chairman Kyle:

Enclosed please find the original and 15 copies of a Tennessee American Water Company's Notice of Filing of Tennessee American Water Customer Service Survey in the above-referenced docket. Also enclosed are two additional copies of the Notice of Filing, which I would appreciate your stamping as "filed," and returning to me by way of our courier.

Should you have any questions with respect to this filing, please do not hesitate to contact me at the telephone number listed above.

Very truly yours,



R. Dale Grimes

RDG/ms
Enclosures

cc: Timothy C. Phillips, Esq.

**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF TENNESSEE-AMERICAN
WATER COMPANY TO CHANGE AND
INCREASE CERTAIN RATES AND
CHARGES SO AS TO PERMIT IT TO EARN A
FAIR AND ADEQUATE RATE OF RETURN
ON ITS PROPERTY USED AND USEFUL IN
FURNISHING WATER SERVICE TO ITS
CUSTOMERS**

DOCKET NO. 04-00288

T.R.A. DOCKET ROOM
2006 SEP -3 PM 4:19
10/10/06

NOTICE OF FILING

Tennessee American Water Company “(Tennessee-American”) respectfully hereby gives notice that, pursuant to the Order Approving Settlement Agreement entered by this Authority on July 21, 2005, it is filing the attached “Tennessee American Water Customer Service Survey” as required by Exhibit A, Schedule 10, of the aforesaid Order.

Date: September 8, 2006

Respec

 ORIGINAL
R. Dale
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315 Dea
Nashville, Tennessee 37238-3001
Phone: (615) 742-6244

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing has been forwarded by hand-delivery on September 8, 2006, to the following:

Timothy C. Phillips, Esq.
Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate and Protection Division
425 5th Avenue North, 2nd Floor
Nashville, TN 37243-0491



R. Dale Grimes

Tennessee American Water Customer Service Survey

The survey: Tennessee American Water contracted with Wilkins Research Company in Chattanooga, TN, to interview customers regarding their satisfaction on a wide variety of quality and service issues. The parameters were that the customers have had a customer service contact with the company over the past year. A total of 5,012 customers were called between March 21 and June 20 in order to identify 243 customers who met the criteria. A total of 55.1% of the responses are from customers who contacted the water company within three months of the call; a total of 75.3% of the responses are from customers who contacted the water company within the past six months. Below is the questionnaire and responses from the survey.

Hello, I'm _____. We're conducting a survey concerning your water service, and would like to ask you a few questions. I am not attempting to sell anything, nor will your participation in this survey result in any future calls to sell you anything. First, are you responsible for the water bill in your household?

Q1: Have you or your family had a customer service contact with the water company in the past year?

If yes... As you think about your water service, how satisfied are you with each of the following:

Q2: The overall level and quality of service of the water... Would you say you are Very Satisfied, Somewhat Satisfied, Not Very Satisfied, or Not Satisfied At All?

Very Satisfied	53.1%	Total Satisfied	88.9%
Somewhat Satisfied	35.8%	Total Not Satisfied	9.9%
Not Very Satisfied	5.8%		
Not Satisfied At All	4.1%		
Neither	1.2%		

Q2A: The quality and taste of your water... Would you say you are Very Satisfied, Somewhat Satisfied, Not Very Satisfied, or Not Satisfied At All?

Very Satisfied	40.7%	Total Satisfied	75.3%
Somewhat Satisfied	34.6%	Total Not Satisfied	20.2%
Not Very Satisfied	14%		
Not Satisfied At All	6.2%		
Neither	4.5%		

Q2B. The rates you pay for water... Would you say you are Very Satisfied, Somewhat Satisfied, Not Very Satisfied, or Not Satisfied At All?

Very satisfied	25.1%	Total Satisfied	70.4%
Somewhat satisfied	45.3%	Total Not Satisfied	26.7%
Not very satisfied	12.3%		
Not satisfied at all	14.4%		
Neither	1.2%		

Q3A: And do you agree or disagree with the following statements about the water company

The water company.... is a leader in the water industry. Do you Strongly Agree, Agree, Disagree or Strongly Disagree?

Strongly agree	10.3%	Total Agree	54.7%
Agree	44.4%	Total Disagree	16.5%
Disagree	12.8%		
Strongly disagree	3.7%		
Neither	28.8%		

Q3B: The water company... Has modern facilities. Do you Strongly Agree, Agree, Disagree or Strongly Disagree?

Strongly Agree	10.3%	Total Agree	60.5%
Agree	50.2%	Total Disagree	9.1%
Disagree	5.8%		
Strongly Disagree	3.3%		
Neither	30.5%		

Q3C: The water company... Is environmentally responsible. Do you Strongly Agree, Agree, Disagree or Strongly Disagree?

Strongly Agree	12.8%	Total Agree	60.5%
Agree	47.7%	Total Disagree	6.5%
Disagree	4.9%		
Strongly Disagree	1.6%		
Neither	32.9%		

Q3D: The water company... Uses state-of-the-art treatment technologies. Do you Strongly Agree, Agree, Disagree or Strongly Disagree?

Strongly Agree	9.5%	Total Agree	42%
Agree	32.5%	Total Disagree	8.3%
Disagree	6.2%		
Strongly Disagree	2.1%		
Neither	49.8%		

Q3E: The water company... Operates in the best interest of its customers. Do you Strongly Agree, Agree, Disagree or Strongly Disagree?

Strongly Agree	13.2%	Total Agree	66.3%
Agree	53.1%	Total Disagree	21.9%
Disagree	12.8%		
Strongly Disagree	9.1%		
Neither	11.9%		

Q4: Now I would like to talk about the water service you received from Tennessee American Water, and how that service compares to other utility services you receive such as electric, gas, telephone and cable.

Q4A: How would you compare... Your water billing statement as to the ease of understanding. Would you say it is Very Good, Good, Poor, or Very Poor?

Very Good	51%	Total Good	90.5%
Good	39.5%	Total Poor	7.4%
Poor	4.1%		
Very Poor	3.3%		
Neither	1.9%		

Q4B: How would you compare... The value you receive based on what you pay for water. Would you say it is Very Good, Good, Poor, or Very Poor?

Very Good	28.4%	Total Good	79%
Good	50.6%	Total Poor	18.1%
Poor	14%		
Very Poor	4.1%		
Neither	2.9%		

Q4C: How would you compare... The responsiveness of the company when you have a problem. Would you say it is Very Good, Good, Poor, or Very Poor?

Very Good	32.1%	Total Good	74.5%
Good	42.4%	Total Poor	17.7%
Poor	9.1%		
Very Poor	8.6%		
Neither	7.8%		

Q4D: How would you compare... The customer service of the water company. Would you say it is Very Good, Good, Poor, or Very Poor?

Very Good	42%	Total Good	81.5%
Good	39.5%	Total Poor	14.8%
Poor	8.2%		
Very Poor	6.6%		
Neither	3.7%		

Q5: And which of your utility bills was the lowest one for your household this month?

Water	60.5%	Internet	4.9%
Electric (Power)	10.7%	Wireless Phone	3.7%
Cable	9.1%	Other	2.5%
Telephone	5.3%	Don't Know	3.3%

Q6: Thinking about your tap water, how satisfied are you with the following.

Q6A: Taste of your water... Would you say you are Very Satisfied, Somewhat Satisfied, Not Very Satisfied, or Not Satisfied At All?

Very Satisfied	32.5%	Total Satisfied	73.2%
Somewhat Satisfied	40.7%	Total Not Satisfied	26.7%
Not Very Satisfied	16%		
Not Satisfied At All	10.7%		

Q6A2: And what would you say is the reason you are dissatisfied?

Mineral Tasting	64.6%	Hardness	----
Residue Appearance	6.2%	Chlorine Odor	23.1%
Rusty Appearance	1.5%	Other	4.6%
Cloudy Appearance	----		

Q6B: Smell of your water... Would you say you are Very Satisfied, Somewhat Satisfied, Not Very Satisfied, or Not Satisfied At All?

Very Satisfied	43.2%	Total Satisfied	76.6%
Somewhat Satisfied	44.4%	Total Not Satisfied	12.4%
Not Very Satisfied	9.1%		
Not Satisfied At All	3.3%		

Q6B2: And what would you say is the reason you are dissatisfied?

Mineral Tasting	6.7%	Hardness	----
Residue Appearance	----	Chlorine Odor	80%
Rusty Appearance	----	Other	4%
Cloudy Appearance	----		

Q6C: Appearance of your water... Would you say you are Very Satisfied, Somewhat Satisfied, Not Very Satisfied, or Not Satisfied At All?

Very Satisfied	56.8%	Total Satisfied	95.9%
Total Not Satisfied	4.1%	Total Not Satisfied	4.1%
Somewhat Satisfied	39.1%		
Not Very Satisfied	1.6%		
Not Satisfied At All	2.5%		

Q6C2: And what would you say is the reason you are dissatisfied?

Mineral Tasting	10%	Hardness	10%
Residue Appearance	10%	Chlorine Odor	----
Rusty Appearance	20%	Other	20%
Cloudy Appearance	30%		

Q6D: Purity of your water -- Would you say you are Very Satisfied, Somewhat Satisfied, Not Very Satisfied, or Not Satisfied At All?

Very Satisfied	39.5%	Total Satisfied	87.2%
Somewhat Satisfied	47.7%	Total Not Satisfied	12.8%
Not Very Satisfied	9.5%		
Not Satisfied At All	3.3%		

Q6D2: And what would you say is the reason you are dissatisfied?

Mineral Tasting	41.9%	Hardness	3.2%
Residue Appearance	12.9%	Chlorine Odor	12.9%
Rusty Appearance	---	Other	22.6%
Cloudy Appearance	6.5%		

Q6E: The healthiness and safety of your water... Would you say you are Very Satisfied, Somewhat Satisfied, Not Very Satisfied, or Not Satisfied At All?

Very Satisfied	39.9%	Total Satisfied	88.9%
Somewhat Satisfied	49%	Total Not Satisfied	11.1%
Not Very Satisfied	7.8%		
Not Satisfied At All	3.3%		

Q6E2: And what would you say is the reason you are dissatisfied?

Mineral Tasting	22.2%	Hardness	---
Residue Appearance	7.4%	Chlorine Odor	14.8%
Rusty Appearance	3.7%	Other (Specify)	37%
Cloudy Appearance	14.8%		

Q7: Now, I would like to talk about customer service When was your most recent customer service contact with the company?

Within the last 3 months	55.1%
4 - 6 months ago	20.2%
7 - 9 months ago	8.6%
10 - 12 months ago	8.2%
More than 1 year ago	4.1%
Can Not Recall	3.7%

Q7A: And what was the nature of your contact with the company?

To resolve a billing dispute	49.1%
Maintenance Issues, such as repair service or meter issue	24.4%
To turn on or off your service or to transfer your service	14.1%
To update your account	4.7%
To express concern about the quality or taste of your water	1.7%
Other (Specify)	4.3%
Do Not Recall	1.7%

Q7B: And would you say you were Very Satisfied, Somewhat Satisfied, Not Very Satisfied, or Not At All Satisfied with the customer service you received?

Very Satisfied	56%	Total Satisfied	80.3%
Somewhat Satisfied	24.3%	Total Not Satisfied	19.7%
Not Very Satisfied	7.4%		
Not Satisfied At All	12.3%		

Q8: Thinking more about your contact with the water company, how satisfied were you with the following.

Q8A: The ease in access in getting hold of the water company... Would you say you are Very Satisfied, Somewhat Satisfied, Not Very Satisfied, or Not Satisfied At All?

Very Satisfied	50.6%	Total Satisfied	60.5%
Somewhat Satisfied	35.4%	Total Not Satisfied	11.5%
Not Very Satisfied	5.3%		
Not Satisfied At All	6.2%		
Neither	2.5%		

Q8B: The employees you talked with on the phone... Would you say you are Very Satisfied, Somewhat Satisfied, Not Very Satisfied, or Not Satisfied At All?

Very Satisfied	60.5%	Total Satisfied	87.2%
Somewhat Satisfied	26.7%	Total Not Satisfied	14%
Not Very Satisfied	9.5%		
Not Satisfied At All	4.5%		
Neither	3.7%		

Q8C: The field service representatives who came to your home or business... Would you say you are Very Satisfied, Somewhat Satisfied, Not Very Satisfied, or Not Satisfied At All?

Very Satisfied	27.2%	Total Satisfied	35.4%
Somewhat Satisfied	8.2%	Total Not Satisfied	7%
Not Very Satisfied	2.5%		
Not Satisfied At All	4.5%		
Neither	57.6%		

Q9: Part of customer service is communicating with customers like you. Over the past year, have you seen, read or heard anything from or about Tennessee American Water?

Yes	58%
No	42%

Q9A: And where did you hear it?

Bill Insert	38.3%	Newsletter	31.2%
Newspaper Ad	3.5%	Television News Report	2.8%
Water Quality Insert	8.5%	Other	
Newspaper Story	5%	Customer Service Rep	6.4%
Advertising	4.3%		

Q9B: And do you believe Tennessee American Water provides you with Too Little, Just Enough or Too Much information relating to water services?

Too Little	22.6%
Just Enough	77%
Too Much	0.4%

Q9C: And how would you like to receive information about water services?

Bill Insert	55.6%	Newsletter	20.2%
Newspaper Ad	1.2%	Television News Report	8.8%
Water Quality Insert	5.8%	Other	
Newspaper Story	1.6%	Email	2.5%
Advertising	0.8%	Telephone	3.7%

Q10: Now just a few more questions for statistical purposes... How many people live in your household?

1 Person	22.2%	4 People	12.3%
2 People	34.6%	5 People	6.6%
3 People	20.2%	More Than 5 People	4.1%

Q11: What is the age of your home?

Age of Home (Years)			
1-15 years	15.6%	45-60 years	28.4%
16-30 years	16.5%	Over 60 years	14.4%
31-45 years	15.6%	Do Not Know	9.5%

Q12: In what year were you born?

Year of Birth			
18-24 years	2.5%	45-54 years	24.7%
25-34 years	16%	55-64 years	17.7%
35-44 years	17.7%	65+	21.4%

Q13: Do you own or rent your place of residence?

Own	74.5%
Rent	24.3%
Other	1.2%