

# TENNESSEE REGULATORY AUTHORITY



Sara Kyle, Chairman  
Eddie Roberson, Director  
Pat Miller, Director  
Ron Jones, Director

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

2006 OCT -6 AM 11:50  
T.R.A. DOCKET ROOM

## DELIVERED VIA EMAIL AND US MAIL

October 6, 2006

J. Gilbert Parrish, Jr.  
60 Brazelton Street, Unit 9  
Savannah, TN 38372

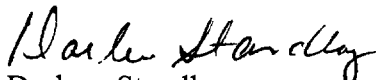
RE: Docket No. 06-00187 – PETITION OF AQUA UTILITIES COMPANY FOR APPROVAL  
OF ADJUSTMENT OF ITS RATES AND CHARGES AND REVISED TARIFF

Dear Mr. Parrish:

Please provide the information as outlined on the attached Third Discovery Requests of TRA Advisory Staff. Pursuant to TRA Rule 1220-1-1-.03(4), submit either an electronic response along with an original and four (4) written copies or an original written response and thirteen (13) copies.

All information should be provided by October 16, 2006. Should you have questions regarding the attached request, please contact Butch Phillips (extension 183), Ron Graham (extension 164), or Pat Murphy (extension 178) for clarification.

Sincerely,

  
Darlene Standley  
Utilities Division Chief

## Attachment

C: James E. Clausel  
William H. Novak  
TRA Docket Room

**Third Discovery Requests of TRA Advisory Staff**

39. In Response to Staff's Data Request No. 34, the Company states that if the Company used fifty (50) customers versus twenty-seven (27) in its attrition year customer growth estimate, then expenses would increase relative to the additional 23 customers. Provide a schedule showing the calculation of any additional expenses and revised Exhibits showing the total revenue deficiency that would result from including these additional customers in the Company's forecast.
40. Provide a detailed description of Mr. Clausel's experience and expertise in managing investor-owned utilities.
41. Staff Data Request No. 33 asked the Company to prepare a schedule showing the "amount" of purchased water expense and the "amount" of purchased water expense recovered, by month, for the calendar year 2005 and the first six months of 2006. The Company responded with an updated schedule (E-1.05), which shows purchase "volumes" and sales "volumes". Please provide a schedule, showing the dollar amounts as requested.
42. Provide a copy of the Company's written Operation and Maintenance procedures.
43. The following questions relate to the Company's response to Staff Data Request No. 31.
  - a. Provide the names and qualifications of the inspectors who conducted the visual inspections of the service area.
  - b. Provide a copy of the inspection procedures, written documentation of inspections completed in the past twelve (12) months, copies of leak detection reports, and records of any repairs on the water system made in the last twelve (12) months to repair leaks.
  - c. Has the Company utilized any other leak detection technology or employed outside assistance? If so, please explain.
  - d. Has the Company identified any unauthorized use of its water or water theft in the last twelve (12) months?
  - e. Regarding the meter that measures water purchased from Savannah, when was it installed and when was the last time this meter was calibrated?
  - f. Does the Company maintain records of meter installation and operation and utilize a meter change-out program?
  - g. How often and under what conditions are customers' meters replaced?
  - h. Provide records of all line flushings for the past twelve (12) months, including the date, time, duration, and estimated volume of water used for each flushing.
  - i. Provide a copy of the Company's plans and/or target dates to address and reduce the percentage of lost and unaccounted for water.

44. In its response to Staff Data Request No. 37, the Company stated that the cost of accounting services have increased due to the increase in the number of customers. Did the Company attempt to obtain competing bids for theses services when faced with increased cost? If so, explain the Company's decision to retain the existing supplier.