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March 14, 2007

VIA HAND-DELIVERY

Chairman Sara Kyle
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

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. 06-00290

Dear Chairman Kyle:

Enclosed please find an original and sixteen (16) copies of Tennessee American Water Company's Discovery Requests to Chattanooga Manufacturers Association.

Please return three copies of the Discovery Requests, which I would appreciate your stamping as "filed," and returning to me by way of our courier.

Should you have any questions concerning any of the enclosed, please do not hesitate to contact me.

With kindest regards, I remain

Yours very truly,



R. Dale Grimes

RDG/ms
Enclosures

Chairman Sara Kyle
March 14, 2007
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cc: Hon. Pat Miller (*w/o enclosure*)
Hon. Ron Jones (*w/o enclosure*)
Hon. Eddie Roberson (*w/o enclosure*)
Ms. Darlene Standley, Chief of Utilities Division (*w/o enclosure*)
Richard Collier, Esq. (*w/o enclosure*)
Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division (*w/o enclosure*)
Ms. Pat Murphy (*w/o enclosure*)
Michael A. McMahon, Esq. (*w/o enclosure*)
Frederick L. Hitchcock, Esq. (*w/o enclosure*)
Vance Broemel, Esq. (*w/o enclosure*)
Henry Walker, Esq. (*w/o enclosure*)
David Higney, Esq. (*w/o enclosure*)
Mr. John Watson (*w/o enclosure*)
Mr. Michael A. Miller (*w/o enclosure*)

**BEFORE 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. 06-00290

**TENNESSEE AMERICAN WATER COMPANY'S DISCOVERY REQUESTS TO
CHATTANOOGA MANUFACTURERS ASSOCIATION**

Petitioner Tennessee American Water Company ("Petitioner" or "TAWC") serves these Discovery Requests on the Chattanooga Manufacturers Association ("CMA"), and asks that CMA provide responses to each request separately, fully, and in writing. CMA is also called upon to produce all documents and evidence requested herein. Furthermore, CMA is called upon to fulfill its duty to supplement its answers as far in advance of the beginning of any hearing as is reasonably possible if it is learned that any response is in any material respect incomplete, incorrect or has changed.

In these discovery requests, the terms "document" or "documents" or "documentation" refers to all written, reported, recorded or graphic matter (including all drafts, originals and nonconforming copies that contain deletions, insertions, handwritten notes or comments, and the like) however produced or reproduced to any tangible or intangible, permanent or temporary record and, without limitation, shall include the following: all letters, correspondence, records of conferences or meetings, memoranda, notes, printed electronic mail ("e-mail"), telegrams, telephone logs, teletypes, telexes, banking records, notices of wire transfer of funds, canceled

checks, books of account, budgets, financial records, contracts, agreements, invoices, speeches, transcripts, depositions, press releases, affidavits, communications with government bodies, interoffice communications, working papers, newspaper or magazine articles, computer data, tax returns, vouchers, papers similar to any of the foregoing, and any other writings of every kind and description (whether or not actually used) and any other records from which information can be obtained and translated into reasonably usable form, including without limitation, e-mail, voice recordings, video and audio recordings, photographs, films, tapes and other data compilations.

DISCOVERY REQUEST NO. 1:

State each fact that you rely on to support your contention(s), position(s) or belief(s) that any of the request(s) for relief, including any increase in rates, made by TAWC in TRA Docket No. 06-00290 should not be approved by the Tennessee Regulatory Authority ("TRA").

RESPONSE:

DISCOVERY REQUEST NO. 2:

Identify all persons known to you, your attorney, or other agent who have knowledge, information or possess any document(s) or claim to have knowledge, information or possess any document(s) which support your answer to Interrogatory number one (1) above.

RESPONSE:

DISCOVERY REQUEST NO. 3:

Identify each document, photograph, or any other article or thing whatsoever, which you rely on to corroborate any part of your contention(s), position(s) or belief(s) that any of the request(s) for relief, including any increase in rates, made by TAWC in TRA Docket No. 06-00290 should not be approved, whether as to the issues of credibility or any other issue, or which is adverse to these same contention(s), position(s) or belief(s).

RESPONSE:

DISCOVERY REQUEST NO. 4:

With respect to each person you expect to call as a witness, including any expert witness, regarding this matter, state or provide:

- a. the witness's full name and work address;

RESPONSE:

- b. each subject matter about which such witness is expected to testify;

RESPONSE:

- c. the substance of the facts and opinions to which any expert is expected to testify;

RESPONSE:

d. a summary of the grounds or basis of each opinion to which any such expert witness is expected to testify;

RESPONSE:

e. whether or not the expert has prepared a report, letter or memorandum of his findings, conclusions, or opinions;

RESPONSE:

f. the witness's complete background information, including current employer, educational, professional and employment history, and qualifications within the field in which the witness is expected to testify, and identify all publications written or presentations made in whole or in part by the witness;

RESPONSE:

g. an identification of any matter in which the expert has testified (through deposition or otherwise) by specifying the name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;

RESPONSE:

h. the identity of any person with whom the witness consulted or otherwise communicated in connection with his expected testimony;

RESPONSE:

i. the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions;

RESPONSE:

j. the identity of all documents or things shown to, delivered to, received from, relied upon, or prepared by any expert witness, which are related to the witness' expected testimony in this case, whether or not such documents are supportive of such testimony, including without limitation all documents or things provided to that expert for review in connection with testimony and opinions; and

RESPONSE:

k. the identity of any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert.

RESPONSE:

DISCOVERY REQUEST NO. 5:

Provide any and all documents identified or specified in your answers or responses to the discovery requests served upon you in this matter.

RESPONSE:

DISCOVERY REQUEST NO. 6:

Provide any and all documents and things relied upon by any CMA witness in providing testimony in this matter.

RESPONSE:

DISCOVERY REQUEST NO. 7:

Provide any and all expert reports which have been obtained from any expert.

RESPONSE:

DISCOVERY REQUEST NO. 8:

Provide each document, photograph, or any other article or thing whatsoever, upon which you rely in support of your contention(s), position(s) or belief(s) that any of the request(s) for relief, including any increase in rates, made by TAWC in TRA Docket No. 06-00290 should not be approved.

RESPONSE:

DISCOVERY REQUEST NO. 9:

Provide in electronic media (Word, Excel, or other Microsoft Office compatible format) and in hard copy all workpapers and other documents, generated by or relied upon by all CMA witnesses.

RESPONSE:

DISCOVERY REQUEST NO. 10:

Please produce a copy of all trade articles, journals, treatises and publications of any kind in any way utilized or relied upon by any of CMA's proposed expert witnesses in evaluating, reaching conclusions or formulating an opinion in the captioned matter.

RESPONSE:

DISCOVERY REQUEST NO. 11:

Please produce a copy of all articles, journals, books or speeches written by or co-written by any of CMA's expert witnesses, whether published or not.

RESPONSE:

DISCOVERY REQUEST NO. 12:

Please produce any and all documentation, items, reports, data, communications, and evidence of any kind that CMA intends to offer as evidence at the hearing or to refer to in any way at the hearing.

RESPONSE:

DISCOVERY REQUEST NO. 13:

Please produce copies of any and all documents referred to or relied upon in responding to these discovery requests.

RESPONSE:

DISCOVERY REQUEST NO. 14:

Please identify each person who provided information or participated in the preparation of the responses to each of these discovery requests, and for each such person specify the responses to which he or she provided information or participated in preparing, and describe the information provided or the participation in preparation.

RESPONSE:

DISCOVERY REQUEST NO. 15:

Please provide any studies, documents, CMA Minutes, or correspondence from 2001-2006 possessed by the CMA or the TAWC customers represented by the CMA that address the impact of the cost of water on their business.

RESPONSE:

DISCOVERY REQUEST NO. 16:

Please provide any studies, documents, CMA Minutes, or correspondence from 2001-2006 possessed by the CMA or by the TAWC customers represented by the CMA that address development of alternative water supplies.

RESPONSE:

DISCOVERY REQUEST NO. 17:

Please provide any studies, documents, CMA Minutes, or correspondence from 2001-2006 possessed by the CMA or by the TAWC customers represented by the CMA that address the level of service or reliability of service provided by TAWC.

RESPONSE:

DISCOVERY REQUEST NO. 18:

Please provide any agreements or correspondence from 2001-2006 possessed by the CMA or by the TAWC customers represented by the CMA that address the service CMA provides to those customers in representing them in TAWC rate proceedings.

RESPONSE:

DISCOVERY REQUEST NO. 19:

Please provide the 2005 and 2006 Balance Sheet, Profit and Loss Statement for each customer represented by CMA. If the statements do not so indicate, also provide the Return on Equity and Profit Margin for each customer represented by the CMA. If any of those customers represented by the CMA are segments of a larger business, please provide the Profit and Loss Statement for the Chattanooga based operation including the ROE (if applicable) and the Profit Margin.

RESPONSE:

DISCOVERY REQUEST NO. 20:

Please provide the engagement letter, contract, any other correspondence and a schedule of fees paid by CMA to Michael Gorman or Brubaker Associates, Inc. during the last five years.

RESPONSE:

DISCOVERY REQUEST NO. 21:

For each TAWC customer testifying in this docket on behalf of the CMA, please provide a schedule listing the total annual amount their Chattanooga operations spent from 2001 to 2006 on water, electricity, natural gas, sewer, and local property tax, and calculate the percentage each of the listed costs represents as compared to the total operating or budgeted cost for their Chattanooga operations.

RESPONSE:

DISCOVERY REQUEST NO. 22:

Please provide copies of all prior testimony of Mr. Callaghan and Mr. Nuckolls before the Tennessee Regulatory Authority or any other public utility commission.

RESPONSE:

DISCOVERY REQUEST NO. 23: (TO MR. CALLAGHAN)

With regard to the system of wells reference on page 3 of your testimony, please provide: (i) the daily production capacity measured in gallons per day; (ii) the annual amount of water from the system of wells utilized in the company's processes and production operations for the past 3 years; (iii) a description of the company's plans to utilize the system of wells in the future; and (iv) if the company is not currently fully utilizing the system of wells, or if the company does not plan to fully utilize the system of wells in the future, an explanation of the basis for such decisions.

RESPONSE:

DISCOVERY REQUEST NO. 24: (TO MR. CALLAGHAN)

With regard to the visits from Tennessee American Water referenced on page 4 of Mr. Callaghan's testimony, please identify the personnel that participated in the visits and the dates of such visits, and produce all documents referring or relating to those visits.

RESPONSE:

DISCOVERY REQUEST NO. 25: (TO MR. CALLAGHAN)

With regard to the impact to your cost structure referenced on page 4 of your testimony, please provide: (i) a schedule listing and describing all components of your cost structure and the cost associated with each component; (ii) identify all assumptions and formula utilized in support of your calculation of the 12 to 14 cents per pound impact; and (iii) provide, in electronic format, all calculations and workpapers utilized in the preparation of your testimony.

RESPONSE:

DISCOVERY REQUEST NO. 26: (TO MR. NUCKOLLS)

With regard to the impact to your facility referenced on page 4 of your testimony, please provide: (i) a schedule listing and describing all components of your cost structure and the cost associated with each component; (ii) identify all assumptions and formula utilized in support of your calculation of the \$100,000 impact; and (iii) provide, in electronic format, all calculations and workpapers utilized in the preparation of your testimony.

RESPONSE:

DISCOVERY REQUEST NO. 27:

Identify and/or produce all communications between the CMA and its members regarding the hearing of this case.

RESPONSE:

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. Dale Grimes", written over a horizontal line.

R. Dale Grimes (#6223)

J. Davidson French (#15442)

BASS, BERRY & SIMS PLC

315 Deaderick Street, Suite 2700

Nashville, TN 37238-3001

(615) 742-6200

Counsel for Petitioner

Tennessee American Water Company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served via the method(s) indicated, on this the 14th day of March, 2007, upon the following:

<input type="checkbox"/> Hand	Michael A. McMahan
<input type="checkbox"/> Mail	Special Counsel
<input type="checkbox"/> Facsimile	City of Chattanooga (Hamilton County)
<input checked="" type="checkbox"/> Overnight	Office of the City Attorney
<input checked="" type="checkbox"/> Email	Suite 400
	801 Broad Street
	Chattanooga, TN 37402
<input checked="" type="checkbox"/> Hand	Timothy C. Phillips, Esq.
<input type="checkbox"/> Mail	Vance L. Broemel, Esq.
<input type="checkbox"/> Facsimile	Office of the Attorney General
<input type="checkbox"/> Overnight	Consumer Advocate and Protection Division
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