

R. DALE GRIMES
TEL: (615) 742-6244
FAX: (615) 742-2744
dgrimes@bassberry.com

BASS, BERRY & SIMS PLC
A PROFESSIONAL LIMITED LIABILITY COMPANY
ATTORNEYS AT LAW

AMSOUTH CENTER
315 DEADERICK STREET, SUITE 2700
NASHVILLE, TN 37238-3001
(615) 742-6200

www.bassberry.com

OTHER OFFICES:
NASHVILLE MUSIC ROW
KNOXVILLE
MEMPHIS

November 22, 2006

VIA HAND-DELIVERY TO:

Ms. Pat Murphy
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-_____***

Dear Ms. Murphy:

Enclosed please find six (6) copies of revised rates and charges tariffs being filed with a Petition proposing certain changes and increases in rates and charges by the Tennessee American Water Company. The tariffs enclosed are as follows:

TRA No. 19

Eighth Revision of Sheet No. 4-C;
Eighth Revision of Sheet No. 4-I;
Eighth Revision of Sheet No. 4-O;
Eighth Revision of Sheet No. 4-R;
Eighth Revision of Sheet No. 4-S;
Eighth Revision of Sheet No. 9.

The tariffs enclosed have an issue date of November 22, 2006, and effective date of December 22, 2006. I am also enclosing a copy of the Petition filed by the Company and a copy of my letter to Chairman Kyle, together with copies of sworn testimony and exhibits filed by the witnesses in this matter. The tariffs enclosed and their revenue impact are explained in the Petition and the testimony and exhibits of the company witnesses.

Ms. Pat Murphy
November 22, 2006
Page 2

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

With kindest regards, I remain

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Dale Grimes". The signature is fluid and cursive, with the first name "R." and last name "Grimes" clearly distinguishable.

R. Dale Grimes

RDG:ms
Enclosures

cc: Chairman Sara Kyle (*w/o enclosures*)
Hon. Pat Miller (*w/o enclosures*)
Hon. Ron Jones (*w/o enclosures*)
Hon. Eddie Roberson (*w/o enclosures*)
Timothy C. Phillips, Esq. (*w/o enclosures*)
Richard Collier, Esq. (*w/o enclosures*)
Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division (*w/o enclosures*)
Hon. Ron Littlefield, Mayor of Chattanooga (*w/o enclosures*)
Mr. John Watson (*w/o enclosures*)
Mr. Michael A. Miller (*w/o enclosures*)

CLASSIFICATION OF SERVICE**COMMERCIAL****SERVICE CHARGES:****Service Charge Per Month**

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>		<u>Lookout Mountain Tariff</u>		<u>Lakeview Tariff</u>
5/8"	\$ 11.08 (I)		\$ 12.43 (I)		\$ 12.43 (I)
3/4"	18.61 (I)		18.61 (I)		18.61 (I)
1"	30.97 (I)		30.97 (I)		30.97 (I)
1-1/2"	61.98 (I)		61.98 (I)		61.98 (I)
2"	99.15 (I)		99.15 (I)		99.15 (I)
3"	185.91 (I)		185.91 (I)		185.91 (I)
4"	309.85 (I)		309.85 (I)		309.85 (I)
6"	619.72 (I)		619.72 (I)		619.72 (I)
8"	991.54 (I)		991.54 (I)		991.54 (I)

VOLUMETRIC RATES:**Cost per CCF**

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>		<u>Lookout Mountain Tariff</u>		<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$.206 (I)		\$.766 (I)		\$.378 (I)
4-65	3.267 (I)		4.208 (I)		3.600 (I)
65-500	2.052 (I)		2.993 (I)		2.388 (I)
500-5,000	1.534 (I)		2.093 (I)		1.705 (I)
5,000-15,000	1.173 (I)		1.733 (I)		1.345 (I)
Over 15,000	.696 (I)		1.255 (I)		.868 (I)

(I) Increase

ISSUED: November 22, 2006

EFFECTIVE: December 22, 2006

BY: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER
 1101 Broad Street
 Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE
INDUSTRIAL

SERVICE CHARGES:**Service Charge Per Month**

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$ 11.08 (I)	\$ 12.43 (I)	\$ 12.43 (I)
3/4"	18.61 (I)	18.61 (I)	18.61 (I)
1"	30.97 (I)	30.97 (I)	30.97 (I)
1-1/2"	61.98 (I)	61.98 (I)	61.98 (I)
2"	99.15 (I)	99.15 (I)	99.15 (I)
3"	185.91 (I)	185.91 (I)	185.91 (I)
4"	309.85 (I)	309.85 (I)	309.85 (I)
6"	619.72 (I)	619.72 (I)	619.72 (I)
8"	991.54 (I)	991.54 (I)	991.54 (I)

VOLUMETRIC RATES:**Cost per CCF**

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$.206 (I)	\$.766 (I)	\$.378 (I)
4-65	3.267 (I)	4.208 (I)	3.600 (I)
65-500	2.052 (I)	2.993 (I)	2.388 (I)
500-5,000	1.534 (I)	2.093 (I)	1.705 (I)
5,000-15,000	1.173 (I)	1.733 (I)	1.345 (I)
Over 15,000	.696 (I)	1.255 (I)	.868 (I)

(I) Increase

ISSUED: November 22, 2006

EFFECTIVE: December 22, 2006

BY: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER
1101 Broad Street
Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE
OTHER PUBLIC AUTHORITY

SERVICE CHARGES:**Service Charge Per Month**

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$ 11.08 (I)	\$ 12.43 (I)	\$ 12.43 (I)
3/4"	18.61 (I)	18.61 (I)	18.61 (I)
1"	30.97 (I)	30.97 (I)	30.97 (I)
1-1/2"	61.98 (I)	61.98 (I)	61.98 (I)
2"	99.15 (I)	99.15 (I)	99.15 (I)
3"	185.91 (I)	185.91 (I)	185.91 (I)
4"	309.85 (I)	309.85 (I)	309.85 (I)
6"	619.72 (I)	619.72 (I)	619.72 (I)
8"	991.54 (I)	991.54 (I)	991.54 (I)

VOLUMETRIC RATES:**Cost per CCF**

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$.206 (I)	\$.766 (I)	\$.378 (I)
4-65	3.267 (I)	4.208 (I)	3.600 (I)
65-500	2.052 (I)	2.993 (I)	2.388 (I)
500-5,000	1.534 (I)	2.093 (I)	1.705 (I)
5,000-15,000	1.173 (I)	1.733 (I)	1.345 (I)
Over 15,000	.696 (I)	1.255 (I)	.868 (I)

(I) Increase

ISSUED: November 22, 2006

EFFECTIVE: December 22, 2006

BY: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER
 1101 Broad Street
 Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE**RESIDENTIAL****SERVICE CHARGES:****Service Charge Per Month**

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$ 11.08 (I)	\$ 12.43 (I)	\$ 12.43 (I)
3/4"	18.61 (I)	18.61 (I)	18.61 (I)
1"	30.97 (I)	30.97 (I)	30.97 (I)
1-1/2"	61.98 (I)	61.98 (I)	61.98 (I)
2"	99.15 (I)	99.15 (I)	99.15 (I)
3"	185.91 (I)	185.91 (I)	185.91 (I)
4"	309.85 (I)	309.85 (I)	309.85 (I)
6"	619.72 (I)	619.72 (I)	619.72 (I)
8"	991.54 (I)	991.54 (I)	991.54 (I)

VOLUMETRIC RATES:**Cost per CCF**

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$.206 (I)	\$.766 (I)	\$.378 (I)
4-65	3.267 (I)	4.208 (I)	3.600 (I)
65-500	2.052 (I)	2.993 (I)	2.388 (I)
500-5,000	1.534 (I)	2.093 (I)	1.705 (I)
5,000-15,000	1.173 (I)	1.733 (I)	1.345 (I)
Over 15,000	.696 (I)	1.255 (I)	.868 (I)

(I) Increase

ISSUED: November 22, 2006

EFFECTIVE: December 22, 2006

BY: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER
 1101 Broad Street
 Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE**SALES FOR RESALE****SERVICE CHARGES:****Service Charge Per Month**

<u>Meter Size</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
5/8"	\$ 11.08 (I)	\$ 12.43 (I)	\$ 12.43 (I)
3/4"	18.61 (I)	18.61 (I)	18.61 (I)
1"	30.97 (I)	30.97 (I)	30.97 (I)
1-1/2"	61.98 (I)	61.98 (I)	61.98 (I)
2"	99.15 (I)	99.15 (I)	99.15 (I)
3"	185.91 (I)	185.91 (I)	185.91 (I)
4"	309.85 (I)	309.85 (I)	309.85 (I)
6"	619.72 (I)	619.72 (I)	619.72 (I)
8"	991.54 (I)	991.54 (I)	991.54 (I)

VOLUMETRIC RATES:**Cost per CCF**

<u>Monthly Use</u>	<u>Chattanooga General Water Service Tariff</u>	<u>Lookout Mountain Tariff</u>	<u>Lakeview Tariff</u>
0-4 CCF/Mo.	\$.206 (I)	\$.766 (I)	\$.378 (I)
4-65	3.267 (I)	4.208 (I)	3.600 (I)
65-500	2.052 (I)	2.993 (I)	2.388 (I)
500-5,000	1.534 (I)	2.093 (I)	1.705 (I)
5,000-15,000	1.173 (I)	1.733 (I)	1.345 (I)
Over 15,000	.696 (I)	1.255 (I)	.868 (I)

(I) Increase

ISSUED: November 22, 2006

EFFECTIVE: December 22, 2006

BY: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER
 1101 Broad Street
 Chattanooga, Tennessee 37401

CLASSIFICATION OF SERVICE**PRIVATE FIRE SERVICE****Available For:**

Private Fire Service in all territory served by the Company. Private Fire Service is rendered only after approval by the President or Vice President and General Manager of the Company of an "Application for Special Connection," and only in accordance with the terms and conditions as provided therein.

Rates**Rate per Annum****Private Fire Service Connections:**

1" diameter	\$ 28.86 (I)
1-1/2" diameter	65.10 (I)
2" diameter	115.78 (I)
2-1/2" diameter	176.55 (I)
3" diameter	260.26 (I)
4" diameter	521.17 (I)
6" diameter	1,041.52 (I)
8" diameter	2,084.80 (I)
10" diameter	3,127.45 (I)
12" diameter	4,170.28 (I)

Private Fire Hydrants other than those supplied
by Private Fire Service Connections

\$993.58 (I)

(I) Increase

ISSUED: November 22, 2006

EFFECTIVE: December 22, 2006

BY: JOHN WATSON, VICE PRESIDENT AND GENERAL MANAGER
1101 Broad Street
Chattanooga, Tennessee 37401