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March 15, 2007

VIA HAND-DELIVERY

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

filed in docket office on 03/16/07

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 Emergency Motion for Stay of Order Granting Motions to Compel Discovery Relating to Initial Public Offering Information and Materials or, in the Alternative, for Emergency Interlocutory Review by the Tennessee Regulatory Authority.

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 15, 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/enclosure*)
Frederick L. Hitchcock, Esq. (*w/enclosure*)
Vance Broemel, Esq. (*w/enclosure*)
Henry Walker, Esq. (*w/enclosure*)
David Higney, Esq. (*w/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)	Docket No. 06-00290
EARN A FAIR AND ADEQUATE RATE)	
OF RETURN ON ITS PROPERTY USED)	
AND USEFUL IN FURNISHING WATER)	
SERVICE TO ITS CUSTOMERS)	

**TENNESSEE AMERICAN WATER COMPANY'S EMERGENCY MOTION FOR STAY
OF ORDER GRANTING MOTIONS TO COMPEL DISCOVERY RELATING TO
INITIAL PUBLIC OFFERING INFORMATION AND MATERIALS OR, IN THE
ALTERNATIVE, FOR EMERGENCY INTERLOCUTORY REVIEW BY THE
TENNESSEE REGULATORY AUTHORITY**

By Order dated March 1, 2007 (the "IPO Order"), the Hearing Officer compelled production by Tennessee American Water Company ("TAWC") of certain highly confidential information, including information related to an upcoming IPO of the stock of TAWC's parent company and valuations of various business entities associated with TAWC. As TAWC has repeatedly stated, for both legal and business reasons, this information could not be more sensitive or confidential. Because some of the Intervenorers have not complied with the pre-conditions for gaining access to these documents, and have challenged the underlying basis for the IPO Order, TAWC now respectfully moves the Hearing Officer for an emergency stay of the IPO Order, for the following reasons.

The IPO Order was accompanied on the same day by a Supplemental Protective Order ("SPO"), which among other things protects documents designated as highly confidential from disclosure to any individuals who have not fully executed a nondisclosure statement. Although

concerned about the implications of disclosure of the IPO materials, TAWC accepted the terms of the IPO Order since it was coupled with the protections provided by the SPO. TAWC filed the IPO material in the docket room of the TRA as ordered on Thursday, March 8, 2007. Since none of the other parties had provided any signed nondisclosure statements as required by the SPO, however, copies of the highly confidential documents were not served on the intervenors at that time. Late in the day on Friday, March 9, 2007, the Consumer Advocate Division of the Office of the Attorney General ("CAPD") filed and electronically served its Motion to Reconsider Supplemental Protective Order (the "CAPD Motion to Reconsider"), calling into question the entire basis for TAWC's production of the highly confidential documents. On March 13, 2007, the City of Chattanooga ("COC") joined the CAPD Motion to Reconsider. Prior to the CAPD Motion, TAWC held no intention to challenge the IPO Order. However, the CAPD Motion has dramatically altered the risks attendant to further compliance with the IPO Order, and TAWC is constrained to request a stay of the Order pending resolution of the Motion.

The IPO Order, by its terms, relies on the SPO to shield highly confidential information from public exposure following its production by TAWC. (See Order, 11-12). Without that protection, the IPO Order would place TAWC in an uncertain and precarious legal position that would require it to challenge the IPO Order through reconsideration and appeal. The actions of the CAPD and the City have now jeopardized the orderly discovery process the Hearing Officer and TAWC had sought to achieve through the enhanced protections of the SPO by renewing their opposition through a motion to reconsider. While TAWC is confident that the grounds argued by the CAPD and the City do not warrant any revision of the SPO, it can no longer be assured that the SPO will remain fully in effect. With the SPO now infringed with doubt, the IPO Order's precondition for providing access to highly confidential information cannot be

satisfied. Under these circumstances, the IPO Order as it stands unfairly prejudices TAWC's business and legal interests. There is simply no way that TAWC should be required to provide access to highly confidential information pursuant to the IPO Order to intervenors who deny the express terms of the SPO and challenge the SPO on which the IPO Order bases compulsion of such highly confidential information.¹

The TAWC reasonably apprehends that the SPO could be revised or rescinded, if not by the Hearing Officer, then by the full Authority.² Furthermore, the Order cannot reasonably be interpreted to compel access to highly confidential information, by parties who have either not signed the non-disclosure statement, or have signed the nondisclosure statement but have indicated that they do not -- or will not -- recognize the SPO's express requirements.³

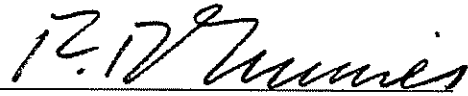
In light of these serious and extraordinary concerns, TAWC respectfully moves the Hearing Officer for a stay of the effect of the IPO Order pending final resolution of the CAPD Motion to Reconsider. If the Hearing Officer denies this relief, TAWC requests immediate, emergency interlocutory appeal to the full Tennessee Regulatory Authority.

¹ One of the lawyers for the City signed the nondisclosure statement on March 12, 2007, while the other lawyer has not and has defiantly asserted that TAWC must provide him access to highly confidential documents without his signing the statement. Additionally, the City denies the meaning of the SPO and has given indications that the SPO's terms do not bind the City. For example, the City's Motion for Sanctions evidences a failure to understand -- or a refusal to accept -- one of the material terms of the SPO: that all persons other than the TRA and the producing party must execute the SPO's affidavit before receiving access to Highly Confidential Information. Confusingly, the City's counsel that finally executed the Affidavit has stated he is unavailable for multiple days and that the co-counsel who has not signed the Affidavit and who denies that the SPO requires him to do so in order to receive Highly Confidential Information will be handling this matter for the City over the next several days. Having been placed on notice of the City's apparent unwillingness or inability to understand its obligations under the SPO, Tennessee American should not be required to provide access to Highly Confidential Information to the City until the City has provided unequivocal assurances to the Hearing Officer and Tennessee American establishing that each of the City's counsel understand and intend to fully abide by the SPO.

² The CAPD Motion to Reconsider requests interlocutory review of the SPO by the full Authority in the event this Hearing Officer refuses to revise or rescind his Order.

³ Tennessee American has produced the Highly Confidential Information to CMA's counsel Mr. Walker. Mr. Walker executed the SPO Affidavit and, unlike counsel for the City and CAPD, does not deny and/or challenge the express terms of the SPO. Additionally, in recognition of Tennessee American's concerns, Mr. Walker has agreed to return the Highly Confidential documents in the event the protections of the SPO are compromised.

Respectfully submitted,

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

R. Dale Grimes (#6223)

J. Davidson French (#15442)

Ross I. Booher (#019304)

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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 15 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
<input checked="" type="checkbox"/> Email	P.O. Box 20207
	Nashville, TN 37202
<input checked="" type="checkbox"/> Hand	Henry M. Walker, Esq.
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