

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

MARCH 19, 2007

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) Docket No. 06-00290
Rate of Return on its Property Used and Useful in)
Furnishing Water Service to its Customers)

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

The Chattanooga Manufacturers Association ("CMA"), by and through its attorneys, submits the following objections to the Discovery Requests from Tennessee American Water Company (the "Company") propounded upon CMA. CMA has set forth its objections generally applicable to the Company's requests in Part I, and specific objections to Company discovery requests in Part II.

GENERAL OBJECTIONS

1. CMA objects to the definitions and instructions contained in the discovery requests for production to the extent that the definitions and instructions attempt to impose on CMA a burden or obligation greater than that required by the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

2. CMA objects to the discovery requests to the extent they call for information and the production of documents which are protected from disclosure by the attorney-client privilege, the attorney work product doctrine or any other applicable privilege or protection. CMA objects to the Company's discovery requests to the extent that the Company is attempting to impose on CMA obligations with regard to identification of privileged documents beyond those required by

the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

3. CMA objects to the Company's discovery requests to the extent that they seek information to matters not at issue in this litigation or to the extent they are not reasonably calculated to lead to the discovery of admissible evidence. By providing information in response to these requests, CMA does not concede that such information is relevant, material or admissible in evidence. CMA reserves all rights to object to the use of such information as evidence.

4. CMA objects to the Company's discovery requests to the extent that the Company is attempting to impose on CMA obligations to supplement its responses beyond those required by the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

5. CMA objects to the Company's discovery requests to the extent that the Company is attempting to require CMA to provide information and produce documents beyond those in its possession, custody or control as that phrase is used in the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

6. CMA objects to the Company's discovery requests to the extent that they seek information and documents that are readily available through public source or are in the Company's own possession, custody or control. It is unduly burdensome and oppressive to require CMA to respond or produce documents that are equally or more available to the Company.

7. CMA objects to the production of any documents prepared by it subsequent to the filing of this litigation or contested case.

8. CMA's objections and responses to these requests are based on information now known to it. CMA reserves the right to amend, modify or supplement its objections and responses if it learns of new information.

9. CMA also supports, adopts, and incorporates herein the relevant objections made by the Consumer Advocate Division and the City of Chattanooga.

ADDITIONAL OBJECTIONS TO SPECIFIC DISCOVERY REQUESTS

Subject to and without waiving any of the objections stated above, CMA responds to the specific discovery requests as follows:

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:

Objection. To the extent CMA is aware of any such facts at this time, all such facts relied upon by CMA in this proceeding are, or will be, set forth in the testimony and exhibits of the parties.

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:

Objection. This question is overbroad and unduly burdensome in that it could conceivably cover dozens of employers of the two companies who are presenting witnesses in this case. Those with knowledge, information, or documents supporting CMA's answer to Interrogatory One include the witnesses who have filed, or will file, testimony in this case.

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:

Objection. At this time, the documents upon which CMA intends to rely are those which have been filed in this case or which have been provided by TAWC in response to discovery requests from the parties and the Staff.

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;
- b. each subject matter about which such witness is expected to testify;
- c. the substance of the facts and opinions to which any expert is expected to testify;
- d. a summary of the ground or basis of each opinion to which any such expert witness is expected to testify;
- e. whether or not the expert has prepared a report, letter or memorandum of his findings, conclusions, or opinions;
- 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;
- 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.
- h. the identity of any person with whom the witness consulted or otherwise communicated in connection with his expected testimony;
- 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;

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

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:

CMA objects to Discovery Request No. 4 on the grounds that the request is overbroad, unduly burdensome, vague, ambiguous and duplicative and that, at least in part, it is not reasonably calculated to lead to the discovery of admissible evidence. Additionally, CMA objects to Discovery Request No. 4 to the extent that it encroaches upon the attorney-client privilege and/or seeks the mental impressions and conclusions of CMA attorneys, which are privileged and will not be provided.

CMA further objects on the grounds that CMA has already responded to most of these questions by filing the direct testimony of CMA's witnesses. The remaining questions appear to be duplication of other questions contained in this data request. Subject to and without waiving the objections, CMA intends to continue the generally accepted practice of providing to TAWC a list of all prior proceedings in which CMA's expert witness has provided testimony pertaining to a regulated utility.

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:

Objection: This question is duplicative. See Discovery Request No. 3.

DISCOVERY REQUEST NO. 7:

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

RESPONSE:

Objection. We will provide reports from testifying experts, not any reports from experts who are not testifying.

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:

Objection: This question is duplicative of Discovery Request No. 3.

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:

CMA will provide the workpapers, if any, relied upon by CMA's three witnesses and objects to the extent this Request may be interpreted to require additional information. Such information would be burdensome and irrelevant.

DISCOVERY REQUEST NO. 10:

Please produce a copy of all trade articles, journals, treatises, and publication 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:

Objection. This question is overbroad. In an effort to be responsive, CMA will list any such publications specifically consulted by CMA's expert witness in this case.

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:

Objection: CMA objects to Discovery Request No. 11 on the grounds that it is not reasonably calculated to lead to the discovery of admissible evidence, and that the request is overly broad and unduly burdensome, vague and ambiguous and seeking documents in the public domain.

Subject to and without waiving these objections, CMA will provide a list of all publications written or co-written by its expert witness.

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:

Objection. This Request is duplicative of Request 3.

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 that responses to which he or she provided information or participated in preparing, and describe the information provided or the participation in preparation.

RESPONSE:

CMA objects to the extent that this Request refers to privileged, attorney-client information and privileged attorney work product.

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:

Objection: The request is retaliatory and oppressive and appears intended to deter CMA from participating in this and future rate cases. CMA objects to this question on the grounds of relevance and on the grounds that the question asks CMA to produce information in the possession of CMA members who are not witnesses in this case. CMA intends to produce relevant, non-privileged, responsive information that is in the possession of CMA and in the possession of CMA members who are testifying if such information concerns the pending rate case.

DISCOVERY REQUEST NO. 16:

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 development of alternative water supplies.

RESPONSE:

See objection to Discovery Request No. 15.

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:

See objection to Discovery Request No. 15.

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:

See objection to Discovery Request No. 15.

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:

Objection: See objection to Discovery Request 15. Those CMA members who are testifying will present such information. CMA also objects on the grounds that these questions are unduly burdensome, irrelevant, and duplicative. Nevertheless, in an effort to be responsive, each company witness will provide responses with supporting information regard the impact of the proposed water rates as indicated in CMA's response to Requests 25 and 26.

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:

Objection: CMA will provide all documents or correspondence, if any exist, concerning Mr. Gorman's employment in this case. CMA objects to the remainder of the question as unduly burdensome, overbroad, and irrelevant.

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:

Objection. CMA objects on the grounds that these questions are burdensome, irrelevant, and duplicative. Nevertheless, in an effort to be responsive, each witness intends to provide responses with supporting information regarding the impact of the proposed water increase indicated in CMA's response to Requests 25 and 26.

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:

Objection. This request is overly burdensome and irrelevant. The testimony of these witnesses is publicly available. CMA identified in the testimony, or will identify, the docket, if any, in which these witnesses testified as to TAWC.

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

With regard to the system of wells referenced 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 systems 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 each decision.

RESPONSE:

CMA objects to providing confidential information to TAWC which TAWC could use in contract negotiations with Mr. Callaghan's company.

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:

Objection. Question (i) is overbroad and burdensome. In an effort to be responsive, Mr. Callaghan will explain the basis for his statement about the impact of the proposed increase on his company's cost structure. Mr. Callaghan will respond to question (ii) and (iii).

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 on your testimony.

RESPONSE:

Objection. Question (i) is overbroad and burdensome. Mr. Nuckolls will respond to question (ii) and (iii).

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,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing is being forwarded via U.S. mail, to:

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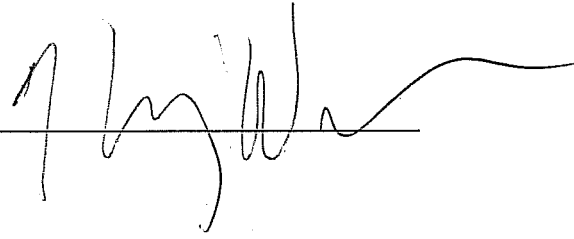
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on this the 19th day of March 2007.

Henry Walker

A handwritten signature in black ink, appearing to read 'H Walker', written over a horizontal line.