

BASS, BERRY & SIMS PLC
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OTHER OFFICES

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March 30, 2007

VIA HAND-DELIVERY

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

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T.R.A. DOCKET ROOM

***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 correspondence dated March 30, 2007 from R. Dale Grimes, counsel for Tennessee American Water Company, to The Honorable Richard J. Collier.

Please return three copies of this document, 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.

Sincerely,



R. Dale Grimes

RDG/ms
Enclosures

Chairman Sara Kyle

March 30, 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/enclosure*)
Mr. Michael A. Miller (*w/enclosure*)

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T.R.A. DOCUMENT

March 30, 2007

VIA E-MAIL & HAND DELIVERY

The Honorable Richard J. Collier
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

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 Mr. Collier:

As you directed during the Status Conference held on March 27, 2007, Tennessee American Water Company ("TAWC") hereby notifies you of the status of its objections to the second discovery requests served upon it by the Consumer Advocate and Protection Division ("CAPD") and the City of Chattanooga ("City"). Counsel for TAWC conferred with counsel for the CAPD regarding TAWC's responses to the CAPD's discovery requests. Counsel for CAPD expressed that they expect TAWC's responses, notwithstanding TAWC's objections, to be adequate. Counsel for TAWC spoke with counsel for the City regarding the City's responses to TAWC's discovery requests and were available to discuss TAWC's responses to the City's discovery requests. However, since the Status Conference the City has not yet communicated with TAWC regarding any concerns it may have with TAWC's discovery responses.

Based on the foregoing, TAWC expects that there will not be any problems with its responses to the discovery requests of the CAPD and the City. However, in the absence of specific agreements, to avoid any waiver of its objections, TAWC states as follows. TAWC continues to assert all of the objections contained in Tennessee American Water Company's Objections to Second Discovery Requests by the Consumer Advocate and Protection Division, which was filed on March 19, 2007. TAWC also continues to assert all of the objections contained in Tennessee American Water

The Hon. Richard J. Collier
March 30, 2007
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Company's Objections to Second Discovery Requests by the City of Chattanooga, which was filed on March 19, 2007. Notwithstanding these objections, TAWC believes that its responses to the City's and CAPD's discovery requests will be sufficient.

Sincerely,

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

cc: Michael A. McMahon, Esq.
Frederick L. Hitchcock, Esq.
Vance Broemel, Esq.
David Higney, Esq.