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April 10, 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 Response, Pursuant to the Amended Supplemental Protective Order, to the Requests to Use Highly Confidential Information During the Hearing of and as Part of the Record of this Case Filed by the City of Chattanooga, the Consumer Advocate and Production Division and the Chattanooga Manufacturers' Association.

Please return three copies of the Response, 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

April 10, 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*)

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

**IN RE:**

<b>PETITION OF TENNESSEE AMERICAN</b>	<b>)</b>	
<b>WATER COMPANY TO CHANGE AND</b>	<b>)</b>	
<b>INCREASE CERTAIN RATES AND</b>	<b>)</b>	
<b>CHARGES SO AS TO PERMIT IT TO</b>	<b>)</b>	<b>Docket No. 06-00290</b>
<b>EARN A FAIR AND ADEQUATE RATE</b>	<b>)</b>	
<b>OF RETURN ON ITS PROPERTY USED</b>	<b>)</b>	
<b>AND USEFUL IN FURNISHING WATER</b>	<b>)</b>	
<b>SERVICE TO ITS CUSTOMERS</b>	<b>)</b>	

**TENNESSEE AMERICAN WATER COMPANY’S RESPONSE, PURSUANT TO THE  
AMENDED SUPPLEMENTAL PROTECTIVE ORDER, TO THE REQUESTS TO USE  
HIGHLY CONFIDENTIAL INFORMATION DURING THE HEARING OF AND AS PART  
OF THE RECORD OF THIS CASE FILED BY THE CITY OF CHATTANOOGA, THE  
CONSUMER ADVOCATE AND PRODUCTION DIVISION AND THE CHATTANOOGA  
MANUFACTURERS’ ASSOCIATION**

Pursuant to Paragraph 6 of the Amended Supplemental Protective Order (“ASPO”), Tennessee American Water Company (“TAWC”) hereby responds to the Requests to use Highly Confidential Information during the Hearing of this Rate Case (“Requests”)<sup>1</sup> which were filed on April 9, 2007 by the City of Chattanooga (“City”), the Consumer Advocate and Protection Division (“CAPD”) and the Chattanooga Manufacturers Association (“CMA”). For the reasons set forth below, the Requests filed by these three parties all fail to comply with the express requirements of the ASPO and should, therefore, be denied absent immediate correction.

Paragraph 6 of the ASPO requires that any party seeking to use information designated as Highly Confidential at any hearing or as part of the record of this proceeding, must timely file a Request to do so with the TRA. The deadline for such Requests was Monday, April 9, 2007. Id. The ASPO also expressly requires that:

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<sup>1</sup> The City and CMA styled their Requests, “Designation of Highly Confidential Documents.” The CAPD styled its Request, “Notice of Use of Highly Confidential Materials.”

[t]he Request **shall** set forth the **specific** Highly Confidential Information that the requesting party wishes to use and **when** the requesting party requests to use such information.

Id. (Emphasis added).

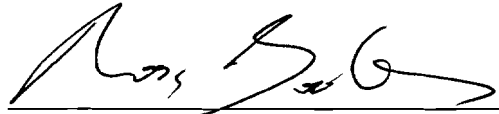
The parties' respective Requests fail to comply with the ASPO's requirements in the following material respects:

1. CMA and City Requests – The CMA and City Requests completely fail to identify the specific Highly Confidential Documents that the City and CMA intend to use and fail to specify **when** the City or CMA intend to use specific Highly Confidential documents. The City and CMA are required to identify with specificity each Highly Confidential document they intend to use. Such documents should be identified with the bates label designations to assist the Hearing Officer, Court reporter and other parties. Additionally, the CMA and City are required to specify during which witnesses' testimony they request to use such Highly Confidential Information.

2. CAPD Request – The CAPD's Request fails to specify **when** the CAPD intends to use specific Highly Confidential documents. The CAPD should be required to specify during which witnesses' testimony the CAPD wishes to use Highly Confidential Information.

The ASPO requirement that Requests be specific aids the TRA and the parties in the use of Highly Confidential Information at the Hearing of this rate case. The lack of specificity in the current Requests filed by the City, the CMA and the CAPD effectively requires that the TRA and parties must plan to: (i) use all Highly Confidential Information; and, (ii) close the Hearing for *every* witness. The Requests filed by the CMA, City and CAPD plainly fail to comply with the ASPO's reasonable requirements. Accordingly, TAWC respectfully requests that if the City, CAPD and CMA have failed to fully comply with the ASPO as set forth above by the time that the Hearing Officer considers this Response, that the current Requests filed by the City, CAPD and CAPD be denied for failure to comply with the ASPO.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ross I. Booher", 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 10th day of April, 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 type="checkbox"/> Hand	Timothy C. Phillips, Esq.
<input type="checkbox"/> Mail	Vance L. Broemel, Esq.
<input type="checkbox"/> Facsimile	Stephen Butler
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	425 5th Avenue North
	Nashville, TN 37243-0491
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	Nashville, TN 37203
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