

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

PETITION OF TENNESSEE AMERICAN)	
WATER COMPANY TO CHANGE AND)	
INCREASE CERTAIN RATES AND)	
CHARGES SO AS TO PERMIT IT TO)	DOCKET NO. 08-00039
EARN A FAIR AND ADEQUATE)	
RATE OF RETURN ON ITS PROPERTY)	
USED AND USEFUL IN FURNISHING)	
WATER SERVICE TO ITS CUSTOMERS)	

CITY OF CHATTANOOGA'S DISCOVERY RESPONSES TO TAWC

City of Chattanooga ("City") responds to the Tennessee American Water Company's ("TAWC") discovery requests as follows:

GENERAL OBJECTIONS

(1) Chattanooga objects to all requests that seek information protected by the attorney-client privilege, the work product doctrine, and/or any other applicable privilege or restriction on disclosure.

(2) Chattanooga objects to the definitions and instructions accompanying requests to the extent definitions and instructions contradict, are inconsistent with, or impose any obligations beyond those required by the Tennessee Rules of Civil Procedure or the rules, regulations, and orders of the Tennessee Regulatory Authority.

(3) Chattanooga objects to the definitions of the words "document" or "documents" or "documentation" that accompany the requests, because such definitions are overbroad and unduly burdensome.

(4) Chattanooga is providing its objections herein without waiver of, or prejudice to, its right at any later time to raise objections to: (a) the competence, relevance, materiality,

privilege, or admissibility of the response, or the subject matter thereof; and (b) the use of any response or subject matter thereof, in any subsequent proceedings.

(5) Chattanooga objects to each request to the extent that it is unreasonably cumulative or duplicative or seeks information obtainable from some other source that is more convenient, less burdensome or less expensive.

(6) Chattanooga objects to each request to the extent it is premature such that it seeks information concerning matters about which discovery is ongoing and/or seeks information to be provided by expert witnesses.

(7) Chattanooga's specific objections to each request shall be in addition to the General Objections set forth in this section. These General Objections form a part of each discovery response, and they are set forth here to avoid the duplication and repetition of restating them for each discovery response. The absence of a reference to a General Objection in response to a particular request does not constitute a waiver of any General Objection with respect to that discovery request. All responses are made subject to and without waiver of Chattanooga's general and specific objections.

DISCOVERY REQUEST NO. 1:

Identify each material fact and every document 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. 08-00039 should not be approved by the Tennessee Regulatory Authority ("TRA").

RESPONSE NO. 1:

The procedural order in this matter provides that Pre-Filed Testimony is not due until June 30, 2008. This discovery request seeks information that the City is not required to develop until that date. This information has not in fact been developed by the City of Chattanooga and therefore cannot be answered at this time. Without waiving its objection, the City will supplement its responses to this request as the information sought becomes available.

DISCOVERY REQUEST NO. 2:

Identify all persons known to you, your attorney, or other agent(s) 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 Discovery Request No. 1 above.

RESPONSE NO. 2:

The procedural order in this matter provides that Pre-Filed Testimony is not due until June 30, 2008. This discovery request seeks information that the City is not required to develop until that date. This information has not in fact been developed by the City of Chattanooga and therefore cannot be answered at this time. Without waiving its objection, the City will supplement its responses to this request as the information sought becomes available.

DISCOVERY REQUEST NO. 3:

Produce each document, photograph, or any other article or thing whatsoever, which refers or relates to 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. 08-00039 should not be approved, whether as to the issues of credibility or any other issue.

RESPONSE NO. 3:

The procedural order in this matter provides that Pre-Filed Testimony is not due until June 30, 2008. This discovery request seeks information that the City is not required to develop until that date. This information has not in fact been developed by the City of Chattanooga and therefore cannot be answered at this time. Without waiving its objection, the City will supplement its responses to this request as the information sought becomes available.

DISCOVERY REQUEST NO. 4:

Identify any person you intend to call as a fact or expert witness (including, but not limited to, the persons referred to in paragraph 4 of your "Joint Objection of the Intervenor's to Discovery Question Limits for the Initial Round of Discovery," in which you state, "Chattanooga and the CMA have also retained consultants who will likely offer testimony on issues materially affecting the amount and application of the Company's proposed rate increase, such as issues concerning the I.C.A.R. and rate design"), the subject matter of the witness' testimony, the substance of the facts and opinions to be expressed and the basis and reasons therefor, the data, documents, materials or other information shown to, relied upon, created by or considered by the witness as part of this case and/or as a basis in forming his or her opinions, any exhibits to be used as a summary of or support for each such opinion, the qualifications of the witness, including a full resume, a list of all publications authored by the witness, the compensation to be paid for the study and testimony, and a listing of any other cases in which the witness has testified at trial or by deposition.

RESPONSE NO. 4:

The procedural order in this matter provides that Pre-Filed Testimony is not due until June 30, 2008. This discovery request seeks information that the City is not required to develop until that date. This information has not in fact been developed by the City of Chattanooga and therefore cannot be answered at this time. Without waiving its objection, the City will supplement its responses to this request as the information sought becomes available.

The City has retained the services of experts for consultation in preparation for the hearing of this matter. These experts may not be called as a witness and therefore the identity of, facts known by, or opinions held by such experts are not discoverable under Rule 26.02(4)(B) Tennessee Rules of Civil Procedure until a decision is made by the City that they will be called as trial witnesses. A decision cannot be made by the City with respect to utilization of such experts as trial witnesses until the discovery requested from TAWC can be analyzed by the City and its consulting experts.

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 or relied on or referred to in responding thereto.

RESPONSE NO. 5:

The City has reviewed various portions of the pre-filed testimony by TAWC, data responses filed with the staff, and the testimony and documents produced in previous TAWC rate cases but has not relied upon any specific document in responding to these discovery requests.

DISCOVERY REQUEST NO. 6:

Provide any and all engagement letters and all expert report and work papers (including drafts) which have been obtained from, created by or provided to any expert or witness.

RESPONSE NO. 6:

The procedural order in this matter provides that Pre-Filed Testimony is not due until June 30, 2008. This discovery request seeks information that the City is not required to develop until that date. This information has not in fact been developed by the City of Chattanooga and therefore cannot be answered at this time. Without waiving its objection, the City will supplement its responses to this request as the information sought becomes available.

DISCOVERY REQUEST NO. 7:

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 City witnesses.

RESPONSE NO. 7:

The procedural order in this matter provides that Pre-Filed Testimony is not due until June 30, 2008. This discovery request seeks information that the City is not required to develop until that date. This information has not in fact been developed by the City of Chattanooga and therefore cannot be answered at this time. Without waiving its objection, the City will supplement its responses to this request as the information sought becomes available.

DISCOVERY REQUEST NO. 8:

Please produce a copy of all trade articles, journals, treatises, speeches and publications of any kind in any way utilized or relied upon by any of the City's proposed expert witnesses in

evaluating, reaching conclusions or formulating an opinion in the captioned matter as well as all articles, journals, speeches, or books written or co-written by any City witness.

RESPONSE NO. 8:

The City has retained the services of experts for consultation in preparation for the hearing of this matter. These experts may not be called as a witness and therefore the identity of, facts known by, or opinions held by such experts are not discoverable under Rule 26.02(4)(B) until a decision is made by the City that they will be called at trial witnesses. A decision cannot be made by the City with respect to utilization of such experts as trial witnesses until the discovery requested from TAWC can be analyzed by the City and its consulting experts. Without waiving its objections, the City will supplement its response when this information becomes discoverable.

DISCOVERY REQUEST NO. 9:

Please identify and produce any and all documentation, items, reports, data, communications, and evidence of any kind that the City intends to offer as evidence at the hearing or to refer to in any way at the hearing.

RESPONSE NO. 9:

The procedural order in this matter provides that Pre-Filed Testimony is not due until June 30, 2008. This discovery request seeks information that the City is not required to develop until that date. This information has not in fact been developed by the City of Chattanooga and therefore cannot be answered at this time. Without waiving its objection, the City will supplement its responses to this request as the information sought becomes available.

DISCOVERY REQUEST NO. 10:

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

RESPONSE NO. 10:

The procedural order in this matter provides that Pre-Filed Testimony is not due until June 30, 2008. This discovery request seeks information that the City is not required to develop until that date. This information has not in fact been developed by the City of Chattanooga and therefore cannot be answered at this time. Without waiving its objection, the City will supplement its responses to this request as the information sought becomes available. Counsel for the City of Chattanooga and Mr. Dan Johnson, Chief of Staff for Mayor Ron Littlefield, participated in these responses.

DISCOVERY REQUEST NO. 11:

The Joint Objection of the Intervenors to Discovery Question Limits for the Initial Round of Discovery, which was filed in this docket, states: "the Company has filed a depreciation study in this docket, the conclusions of which will likely be contested." Specifically identify each conclusion or aspect of the depreciation study the City intends to contest, if any, and the City's grounds and/or bases therefor, including any facts and/or documents the City contends support those grounds.

RESPONSE NO. 11:

The quoted comments were by City attorneys and based upon a preliminary review of the pre-filed testimony and documents produced by TAWC. The City has promulgated discovery seeking additional information deemed necessary to further explore this issue. The procedural order in this matter provides that Pre-Filed Testimony is not due until June 30, 2008. This discovery request seeks information that the City is not required to develop until that date. This

information has not in fact been developed by the City of Chattanooga and therefore cannot be answered at this time. Without waiving its objection, the City will supplement its responses to this request as the information sought becomes available.

DISCOVERY REQUEST NO. 12:

The Joint Objection of the Intervenors to Discovery Question Limits for the Initial Round of Discovery, which was filed in this docket, states: "TAWC has also filed an independent cost assessment report ("I.C.A.R.") in relation to management fees, the conclusions of which will likely be contested." Specifically identify each conclusion or aspect of the I.C.A.R. the City intends to contest, if any, and the City's grounds and/or bases therefore, including any facts and/or documents the City contends support those grounds.

RESPONSE NO. 12:

The quoted comments were by City attorneys and based upon a preliminary review of the pre-filed testimony and documents produced by TAWC. The City has promulgated discovery seeking additional information deemed necessary to further explore this issue. The procedural order in this matter provides that Pre-Filed Testimony is not due until June 30, 2008. This discovery request seeks information that the City is not required to develop until that date. This information has not in fact been developed by the City of Chattanooga and therefore cannot be answered at this time. Without waiving its objection, the City will supplement its responses to this request as the information sought becomes available.

DISCOVERY REQUEST NO. 13:

The Joint Objection of the Intervenors to Discovery Question Limits for the Initial Round of Discovery, which was filed in this docket, states: "the Company has proposed a significant adjustment to its weatherization figures which calls for \$1.3 million in new rates." Specifically

identify each conclusion or aspect of the weatherization figures the City intends to content, if any, and the City's grounds and/or bases therefore, including any facts and/or documents the City contends support those grounds.

RESPONSE NO. 13:

The quoted comments were by City attorneys and based upon a preliminary review of the pre-filed testimony and documents produced by TAWC. The City has promulgated discovery seeking additional information deemed necessary to further explore this issue. The procedural order in this matter provides that Pre-Filed Testimony is not due until June 30, 2008. This discovery request seeks information that the City is not required to develop until that date. This information has not in fact been developed by the City of Chattanooga and therefore cannot be answered at this time. Without waiving its objection, the City will supplement its responses to this request as the information sought becomes available.

Respectfully submitted,

CITY OF CHATTANOOGA, TENNESSEE
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CERTIFICATE OF SERVICE

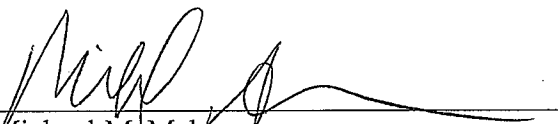
This is to certify that the undersigned has this day served a true and correct copy of the foregoing pleading by electronic mail and by depositing same in the United States mail, postage prepaid, and addressed to the following:

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This the 28th day of May, 2008.


Michael McMahan