

**IN 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. 08-00039**
EARN A FAIR AND ADEQUATE RATE)
OF RETURN ON ITS PROPERTY USED)
AND USEFUL IN FURNISHING WATER)
SERVICE TO ITS CUSTOMERS)
)

**MOTION TO COMPEL TENNESSEE AMERICAN WATER COMPANY TO ANSWER
THE FIRST DISCOVERY REQUESTS OF THE CONSUMER ADVOCATE AND
PROTECTION DIVISION**

Robert E. Cooper, Jr., Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate and Protection Division (“Consumer Advocate”), pursuant to the procedural schedule entered by the Hearing Officer on May 1, 2008, hereby requests the Hearing Officer to compel Tennessee American Water Company (“TAWC” or “Company”) to fully and completely respond to the first discovery requests of the Consumer Advocate for the reasons set forth below.

STANDARD FOR DISCOVERY

Tennessee has a broad policy which favors the discovery of any relevant information:

Parties may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of any other party, including the existence, description, nature, custody, condition and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of any discoverable matter. It is not ground for objection

that the information sought will be inadmissible at the trial if the information sought appears reasonably calculated to lead to the discovery of admissible evidence.

Tenn. R. Civ. P. 26.02(1). Thus, evidence does not have to be admissible to be discoverable as long as the information sought appears reasonably calculated to lead to the discovery of admissible evidence.

Today, it is through discovery rather than pleadings that the parties attempt “to find the truth and to prepare for the disposition of the case in favor of the party who is justly deserving of a judgment.” *Kuehne & Nagel, Inc. v. Preston, Skahan & Smith International, Inc.*, 2002 WL 1389615 at *3 (Tenn. Ct. App. 2002) (*quoting* Irving Kaufman, *Judicial Control Over Discovery*, 28 F.R.D. 111, 125 (1962)). Accordingly, a party seeking discovery is entitled to obtain any information that is relevant to the case and not privileged. *See Id.* Consistent with Tennessee’s open discovery policy, the relevancy requirement is “construed broadly to encompass any matter that bears on, or that reasonably could lead to other matters that could bear on any of the case’s issues.” *Id.* Discovery therefore is not limited to the issues raised by the pleadings. *See Id.*, *see also Shipley v. Tennessee Farmers Mutual Ins. Co.*, 1991 WL 77540 at *7-8 (Tenn. Ct. App. 1991). A party may also use discovery to: define and clarify the issues; probe a variety of fact-oriented issues that are not related to the merits of the case; formulate and interject additional issues into the case which relate to the subject matter of the pleadings; and determine additional causes of actions or claims which need to be or can be asserted against a party or against third parties. *See Shipley*, 1991 WL 77540 at *7-8 (*quoting* *Vythoulkas v. Vanderbilt University Hospital*, 693 S.W.2d 350, 359 (Tenn. Ct. App. 1985)).

It is nonetheless recognized that the trial court may limit discovery under appropriate circumstances. Because of the broad policy favoring discovery, the trial court should not order limitations on discovery unless the party opposing discovery can demonstrate with more than conclusory statements and generalizations that the discovery limitations are necessary to protect the party from annoyance, embarrassment, oppression, or undue burden and expense. *See Duncan v. Duncan*, 789 S.W.2d 557, 561 (Tenn. Ct. App. 1991). The trial court should decline to limit discovery if the party opposing discovery cannot produce specific facts to support the requested limitations. *See Id.* Moreover, given the liberal construction of discovery rules, the trial court should approach any request for limitations with common sense rather than with narrow legalisms, basing the reasonableness of any ordered limitations on the character of the information sought, the issues involved, and the procedural posture of the case. *See Id.* Rather than denying discovery outright, it is appropriate for the trial court to fashion remedies to discovery issues by balancing the competing interests and hardships of the parties and by considering whether there are less burdensome means for acquiring the requested information. *See Id.*

SPECIFIC DISCOVERY REQUESTS THAT ARE THE SUBJECT OF THIS MOTION

PART II: DEPRECIATION & WEATHER NORMALIZATION

REQUEST PART II, NO. 7:

Please provide, in Microsoft Excel or Word or comparable format with formulas intact, all workpapers, analyses, studies and other documentation underlying the tables and exhibits in the Gannett Fleming depreciation study. Include in this response the results of all actuarial and Simulated Plant Record studies, all data and studies of other water utilities, and all documentation supporting the life span assumptions made by Gannett Fleming.

RESPONSE:

The Company objects to this question as unduly burdensome to the extent that it seeks the production of documents in an electronic format that is different from which they presently exist. Notwithstanding its objection, the Company states that all workpapers, analyses, studies and other documentation underlying the tables and exhibits of the Gannett Fleming depreciation study are attached on the enclosed CD. These documents are not available in Microsoft Excel or Word format as they were created by Gannett Fleming in-house programs. The files are labeled as:

TN-CAPD01-PART II-Q007 Attachment 1.pdf

TN-CAPD01-PART II-Q007 Attachment 2.pdf

TN-CAPD01-PART II-Q007 Attachment 3.pdf

TN-CAPD01-PART II-Q007 Attachment 4.pdf

MOTION TO COMPEL:

The Consumer Advocate contends that the Company's response is unresponsive and incomplete in that the Consumer Advocate believes that the files referenced in the Company's response do not contain all of the documents, workpapers, analyses, studies, calculations, or other material underlying the opinions expressed in the depreciation study sponsored by TAWC witness John Spanos. Mr. Spanos has been identified as a testifying expert in this matter and has, in fact, submitted pre-filed direct testimony expressing his opinion as to the appropriate rates for depreciating the Company's utility plant in service, which rates are identified in summary tables and exhibits contained in the depreciation study submitted by Mr. Spanos. Accordingly, the Consumer Advocate is entitled to discover all facts, reports, and materials that support Mr. Spanos' opinions in this matter through the use of interrogatories or depositions. *Hammock v. Sumner County*, 1997

WL 749461, *2 (Tenn. Ct. App. Dec. 5, 1997); *Southside Leasing Co. v. Matlock*, 1989 WL 128506, *2 (Tenn. Ct. App. Oct. 27, 1989); Tenn. R. Civ. P. 26.02(4)(A); TRA Rule 1220-1-2-.11(1). With respect to TAWC's objection to the designated format, the Consumer Advocate is willing to accept the requested information in any readable format so long as the information provided is responsive to the question asked.

REQUEST PART II, NO. 53:

Were any retirements, classified as sales or reimbursements, excluded from the life studies? If yes, were the retirements and related gross salvage and cost of removal also excluded from the net salvage studies?

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

As set forth in the Consumer Advocate and Protection Division's Motion to Ask Additional Discovery Questions, the Consumer Advocate and Protection Division's Memorandum In Support of Motion to Ask Additional Discovery Questions, and the Consumer Advocate and Protection Division's Limited Reply to Tennessee American Water Company's Response in Opposition to the Consumer Advocate's Motion to Ask Additional Discovery Requests -- all of which have been filed previously in this docket and all of which are incorporated by reference as if fully rewritten herein-- the Consumer Advocate is without sufficient information to participate fully in this matter; it is without sufficient information to analyze the material issues bearing on the Authority's establishment of just and reasonable water rates in this matter; and it is without sufficient information to adequately represent the interests of Tennessee consumers -- namely, the Company's customers -- in this matter.

Accordingly, in the alternative to granting of the Consumer Advocate and Protection Division's Motion to Ask Additional Discovery Requests, the Consumer Advocate requests the Hearing Officer to enter an order compelling the Company to answer the Consumer Advocate's discovery request.

REQUEST PART II, NO. 54:

Please identify and explain the Company's expectations with respect to future removal requirements and markets for retired equipment and materials. Please provide the basis for these expectations.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part II, No. 53, above.

REQUEST PART II, NO. 55:

Please identify and explain the Company's expectations with respect to future removal requirements and markets for retired equipment and materials. Please provide the basis for these expectations.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part II, No. 53, above.

REQUEST PART II, NO. 56:

Provide the calculation of the annual amount of future net salvage incorporated into the Company's proposed depreciation rates by account as of November 30, 2007. If the amount is

reduced by the total amount of legal AROs included in year-end accumulated depreciation, show that calculation.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part II, No. 53, above.

REQUEST PART II, NO. 57:

Please provide all manuals, guidelines, memoranda or other documentation that deal with the Company's policies with regard to the physical removal of plant in the following accounts:

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part II, No. 53, above.

REQUEST PART II, NO. 58:

Please provide a summary of Main and Service Replacement projects during 2006 and 2007. Separately identify all major costs, including the removal of the existing Main and/or Service.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part II, No. 53, above.

REQUEST PART II, NO. 59:

With respect to each of the mass property accounts for which there is net salvage, please

provide, for each of the last 10 years:

- a. The number of plant units retired each year, and
- b. The total number of plant units in the Company's system.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part II, No. 53, above.

REQUEST PART II, NO. 60:

Please provide all workpapers, studies, memoranda or any other documentation supporting the Company's quantification of AROs, ARCs, and ARO annual expense pursuant to SFAS No. 143.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part II, No. 53, above.

REQUEST PART II, NO. 61:

If not already provided, please provide the "credit adjusted risk free rate" used for any and all ARO calculations under FASB Statement No. 143.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part II, No. 53, above.

REQUEST PART II, NO. 62:

Please provide the accounting entries (debits and credits) used to implement SFAS No. 143, along with all workpapers supporting those entries. Please provide all these workpapers and calculations in electronic format (Excel) with all formulae intact.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part II, No. 53, above.

REQUEST PART II, NO. 63:

Does TAWC consider that it is bound by SEC regulations to record accruals for future costs of removal as regulatory liabilities?

- a. If so, please provide a record of those accruals in as much account detail as is available along with the workpapers used to develop those accruals.
- b. If not, please explain why not.
- c. State whether the Company proposes to separate retirement cost accounting from depreciation accounting, with separate rates and reserves. If the Company does not propose such separation, please state fully the reasons for not doing so.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part II, No. 53, above.

REQUEST PART II, NO. 64:

State whether PSE has forecast any non-legal removal costs that it does not regard as regulatory liabilities. Please describe these costs in detail, state fully the reason(s) for your belief that such forecast costs are not regulatory liabilities, and identify the forecast amounts of such removal costs in as much detail as is available. Provide the supporting documentation for each forecast amount.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part II, No. 53, above.

REQUEST PART II, NO. 65:

Please identify and describe fully any administrative, accounting, computational or conceptual objections that PSE has to the treatment of non-legal plant retirement cost obligations in similar manner as legal asset retirement obligations are treated under SFAS 143.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part II, No. 53, above.

PART III: QUESTIONS & REQUESTS REGARDING COST OF CAPITAL & MISCELLANEOUS

REQUEST PART III, NO. 1:

Regarding Dr. Vilbert's testimony filed in this docket, provide copies of the following items

referenced in Dr. Vilbert's testimony:

- a Electronic copies of all documents, testimony and comments listed by Dr. Vilbert at page A-7 of 7 in Appendix A.
- b Provide legible source pages for all references to Value Line Standard Edition, Value Line Plus Edition, Bloomberg, Blue Chip Economic Indicators, and Mergent Bond Record.
- c Provide legible copies pages of workpapers given by Tennessee-American or its parent, American Water Works to Dr. Vilbert, which Dr. Vilbert relied on to prepare his testimony.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

As set forth in the Consumer Advocate and Protection Division's Motion to Ask Additional Discovery Questions, the Consumer Advocate and Protection Division's Memorandum In Support of Motion to Ask Additional Discovery Questions, and the Consumer Advocate and Protection Division's Limited Reply to Tennessee American Water Company's Response in Opposition to the Consumer Advocate's Motion to Ask Additional Discovery Requests -- all of which have been filed previously in this docket and all of which are incorporated by reference as if fully rewritten herein-- the Consumer Advocate is without sufficient information to participate fully in this matter; it is without sufficient information to analyze the material issues bearing on the Authority's establishment of just and reasonable water rates in this matter; and it is without sufficient information to adequately

represent the interests of Tennessee consumers -- namely, the Company's customers -- in this matter. Accordingly, in the alternative to granting of the Consumer Advocate and Protection Division's Motion to Ask Additional Discovery Requests, the Consumer Advocate requests the Hearing Officer to enter an order compelling the Company to answer the Consumer Advocate's discovery request.

REQUEST PART III, NO. 2:

Provide TAWC's current credit rating, with documentation, and identify the holders of any General Mortgage Bonds, any Capital Leases, any subordinated capital on TAWC's books, and provide copies of the terms and conditions of each.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part III, No. 1, above.

REQUEST PART III, NO. 3:

In TRA Docket No. 06-00119, TAWC received the Tennessee Regulatory Authority's approval for a change of control. In that Docket, TAWC stated on p. 8 of the Petition for Approval of Change in Control filed on 4/21/2006 that "The Proposed Transaction will not impair the ability of the Petitioner to maintain a reasonable capital structure that is representative of other utilities."

Also, on May 6, 2008 American Water Works filed with the SEC a Registration Statement stating that the Company may issue \$750 million of debt. Included in the filing was Exhibit 23.1, a consent statement by Price Waterhouse Coopers:

Consent Of Independent Registered Public Accounting Firm. We hereby consent to the use in this Registration Statement on Amendment No. 1 to Form S-4 (No. 333-148284) of our report dated February 28, 2008 relating to the consolidated financial

statements of American Water Works Company, Inc. and Subsidiary Companies (formerly Thames Water Aqua US Holdings, Inc. and Subsidiary Companies), which appears in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

- a. Provide the consolidated financial statements prepared by Price Water House Coopers and all American Water Work’s workpapers relied on by Price Water House Coopers to prepare the consolidated financial statements.
- b. Provide American Water Work’s current credit rating.
- c. Provide copies of all audited financial statements of American Water Works and Subsidiary Companies which were performed between April 28, 2007 and April 28, 2008.
- d. Provide copies of all minutes taken between May 12, 2007, and May 12, 2008, for the Audit Committee of American Water Works.
- e. Provide copies of all studies, working papers, and other documents issued by the Audit Committee or which the Audit Committee caused to be issued between May 12, 2007, and May 12, 2008.
- f. Produce a record of those portions of American Water Work's Charter or Bylaws where the Charter or the Bylaws address capitalization;
- g. Provide the book value of equity which AWW will have once the underwriters exercise their options.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part III, No. 1, above.

REQUEST PART III, NO. 4:

In the Registration statement filed with the Securities and Exchange Commission (“SEC”) on May 6, 2008, American Water Works made this statement: “In order to obtain the state PUC approvals to consummate the proposed RWE Divestiture we were required to accept certain conditions and restrictions that could increase our costs.”

- a. Identify those costs, provide the amounts of each cost, and identify the “State PUC(s)” which imposed the costs.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part III, No. 1, above.

REQUEST PART III, NO. 5:

In the Registration statement filed with the SEC on May 6, 2008, American Water Works made this statement:

The RWE acquisition resulted in certain changes in our business. For example, our operations and management were managed through Thames Water. Also, we agreed not to file rate cases with some state PUCs for specified periods of time as a condition of the acquisition. As of December 31, 2007, all rate stay-out provisions associated with the RWE acquisition had expired.

- a. Identify those states where there were stay-out provisions, identify the

terms and conditions of those provisions and provide copies of orders, decisions or other material to substantiate your reply.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part III, No. 1, above.

REQUEST PART III, NO. 6:

If American Water Works' current amount of equity is subject to any claims or liability via capital assigned to AWW from RWE or its subsidiaries and where such capital may be withdrawn from AWW by RWE, its subsidiaries or assignees, identify by class of equity and amount any such claims, including common equity and all other equity classes, such as assigns or other items of value.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part III, No. 1, above.

REQUEST PART III, NO. 7:

In its S-1 Registration statement filed May 6 with the SEC, American Water Works stated: "RWE intends to fully divest its ownership of American Water through the consummation of one or more public offerings of common stock of American Water as soon as reasonably practicable, subject to market conditions." Provide any study, document, emails and all written material where RWE or RWE Aqua Holdings GmbH consider what circumstances financial, and otherwise, constitute conditions that "are reasonably practicable, subject to market conditions" for the public

offerings of common stock.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part III, No. 1, above.

REQUEST PART III, NO. 8:

Provide any study, document, emails and all written material where RWE, RWE Aqua Holdings GmbH, or American Water Works has performed or caused to be performed a study of American Water Works' expected market value between now and 2010.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part III, No. 1, above.

REQUEST PART III, NO. 9:

Provide any study, document, emails and all written material where RWE, RWE Aqua Holdings GmbH, or American Water Works has performed or caused to be performed a study where a second class of stock is, has, would be or will be issued for American Water Works.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part III, No. 1, above.

REQUEST PART III, NO. 10:

Provide any study, document, emails and all written material where RWE, RWE Aqua Holdings GmbH, or American Water Works has performed or caused to be performed a study of the dividends which American Water Works should, will or consider paying to its stockholders.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part III, No. 1, above.

**PART IV: QUESTIONS & REQUESTS REGARDING REVENUES, EXPENSES,
TAXES, RATE BASE & MISCELLANEOUS**

REQUEST PART IV, NO. 1:

Provide the “billing determinates” (billing determinates include all information needed to compute, but not confined to customer meters, customer volumes by rate class by location) as shown on Exhibit No. 4 Schedule 2 for the 12 months ended March 31, 2008. Provide all work papers, documentation, i.e. billing determinants, by customer class, by location supporting any normalization adjustments for the period.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

As set forth in the Consumer Advocate and Protection Division’s Motion to Ask Additional Discovery Questions, the Consumer Advocate and Protection Division’s Memorandum In Support of Motion to Ask Additional Discovery Questions, and the Consumer Advocate and Protection Division’s Limited Reply to Tennessee American Water Company’s Response in Opposition to the

Consumer Advocate's Motion to Ask Additional Discovery Requests -- all of which have been filed previously in this docket and all of which are incorporated by reference as if fully rewritten herein-- the Consumer Advocate is without sufficient information to participate fully in this matter; it is without sufficient information to analyze the material issues bearing on the Authority's establishment of just and reasonable water rates in this matter; and it is without sufficient information to adequately represent the interests of Tennessee consumers -- namely, the Company's customers -- in this matter. Accordingly, in the alternative to granting of the Consumer Advocate and Protection Division's Motion to Ask Additional Discovery Requests, the Consumer Advocate requests the Hearing Officer to enter an order compelling the Company to answer the Consumer Advocate's discovery request.

REQUEST PART IV, NO. 2:

Provide the billing determinates by customer class, by location for all normalization adjustments, corrections, and allowances for the test year ended February 2008. Include in your response the business reasons for each normalization adjustment, correction, and allowance.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 3:

Provide the number of meters by meter type, by customer class, by location and the volume usage by usage rate schedule, by customer class, by location for the years ended December 31, 2003-2007 and the twelve months ended March 31, 2008.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 4:

Provide a “mapping” (mapping means to reconcile or trace the data on the exhibits to its source or supporting calculations in the work papers) of each revenue adjustment of TN-TRA-Q013-REVENUES, on page 17 of 99 to the Company’s Exhibit No. 4, Schedules 1 and 2 by customer class, by location, by test period, and by attrition year at present rates.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 5:

Provide the name, the business address, the date on which service began and if applicable, the date on which the service was terminated, the billing determinates for each industrial customer for the years ended December 31, 2003-2007 by year and the twelve months ended March 31, 2008.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 6:

Provide the current contracts in effect for each utility purchasing water for resale from the

Company: Ft. Oglethorpe, Catoosa Utility District, Walden's Ridge Utility District, and Signal Mountain.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 7:

Provide the Private Fire Revenues per Books for the twelve months ended November 2007, February 2008, and March 2008 by billing determinate at present rates.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 8:

Provide a forecast of billing determinants for the Walden's Ridge Utility District for the attrition period ending August 2009. Include all work papers and documentation supporting the forecast.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 9:

Provide a reconciliation of the attrition year billing determinates and revenues at present rates by class from Exhibit 4, Schedule 1 to the attrition year billing determinates and revenues at present rates by class by location from Exhibit 4, Schedule 2. Include in your reconciliation an explanation of which Schedule reflects the correct forecasted amounts and why.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 10:

Provide the business reasons for the proposed reduction in residential rates for Lone Oak and Suck Creek and the percent variance from 13.60% to 28.26% in proposed residential rate increases for Chattanooga, Lookout Mountain, and Lakeview per TN-TRA-01-Q013-REVENUES, Page 15 of 99.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

EXPENSES

REQUEST PART IV, NO. 11:

Provide the hourly pay rate by TAWC employee, (union, non-union, and salary) as of March 31, 2008.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 12:

Provide the hiring date and termination date by employee from February 2007 through March 2008.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 13:

Provide the number of employees, (union, non-union, and salary) by month from February 2007 through March 2008 in the format of Exhibit JSW-2. Also, provide the name, position, and business contact information for each employee.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 14:

Provide a payroll distribution by NARUC account for the 12 months ended March 2008.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 15:

Provide the payroll capitalization rate for the 4 months ended March 2008 by month.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 16:

Identify each employee as either full-time or part-time for the 12 months ended March 2008 by month.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 17:

Provide the shift differential pay for the 12 months ended February 2008 and March 2008 by employee.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 18:

Provide the total salaries and wages, exclusive of AIP compensation, by employee for the 12 months ended February 2008 and March 2008 in the format of TN-TRA-01-Q013-LABOR, pages 25 and 26 of 102.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 19:

Provide a mapping of all amounts Per Books 12 Months ended 11/30/2007, Company's Accounting Exhibit No. 2, Schedule 3, Lines 1 through 35 by line totaling \$20,820,445 to the November 30, 2007 TRA 3.06 Surveillance Report 12 months to date for this year lines 6 through 11 by line by NARUC account.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 20:

Provide the total salaries and wages by employee, total overtime hours by employee, and total capitalized salaries and wages for the twelve months ended February 2008.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 21:

Provide the Fuel and Power Expense for the test year ended March 2008 in the format of TN-TRA-Q013-FUEL & POWER, pages 10-11 of 49.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 22:

Provide the Fuel and Power Expense for the attrition year ended August 2009 in the format of TN-TRA-Q013-FUEL & POWER, pages 10-11 of 49 for only water sales volumes.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 23:

Provide the Chemicals Expense for the test year ended March 2008 in the format of TN-TRA-Q013-CHEMICALS, page 3 of 7.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 24:

Provide the Chemicals Expense for the attrition year ended August 2009 in the format of TN-TRA-Q013-CHEMICALS, page 6 of 7 for only water sales volumes.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 25:

Provide all Walden's Ridge operating expenses such as fuel and power expense, chemicals, etc. reported on the TRA 3.06 Surveillance Reports by month for the 17 months ended March 31, 2008 by NARUC account.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 26:

Provide the Chemicals Expense for Walden's Ridge for the attrition year ended August 2009 in the format of TN-TRA-Q013-CHEMICALS, page 6 of 7.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 27:

Provide the Fuel and Power Expense for Walden's Ridge for the attrition year ended August 2009 in the format of TN-TRA-Q013-FUEL & POWER, pages 10-11 of 49.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 28:

Provide the estimated amount by payee for the \$550,000 cost of preparing and presenting the current rate filing.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 29:

Provide the amounts for the STEP Project, the STAR project, the Business Change project, the Divestiture, and the implementation costs related to Sarbanes Oxley compliance by NARUC account, by month, by project for the seventeen months ended March 31, 2008. See M. Miller's direct testimony, page 11, lines 7-9.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 30:

Provide the amounts, payees, and business reasons for penalties and lobbying expense by NARUC account, by month for the 17 months ended March 31, 2008. See R. Shiltz's direct testimony, page 5, lines 21-22.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 31:

Provide the amount for net negative salvage expense by JDE account, by month for the 17 months ended March 31, 2008. See R. Shiltz's direct testimony, page 6, lines 1-2.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 32:

Provide the "total amount of charges subject to allocation to all affiliates" from the Company's Corporate Office, Shared Services Center ("SSC"), Southeast Region, and other affiliated utility service companies by month for the 15 months ended March 2008 by month, by affiliated entity, by NARUC account.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 33:

Provide the “total amount of allocated charges to TAWC” from the Company’s Corporate Office, Shared Services Center (“SSC”), Southeast Region, and other affiliated utility service companies by month for the 15 months ended March 31, 2008 by NARUC account, by affiliated entity.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 34:

Provide the “forecasted total amount of charges subject to allocation” from the Company’s Corporate Office, Shared Services Center (“SSC”), Southeast Region, and other affiliated utility service companies by month for the period ending August 31, 2009, by NARUC month, by affiliated entity.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 35:

Provide the “forecasted total amount of allocated charges to TAWC” from the Company’s Corporate Office, Shared Services Center (“SSC”), Southeast Region, and other affiliated utility service companies by month for the period ending August 31, 2009, by NARUC month, by affiliated entity.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 36:

Provide the “total operating expenses charged to Tennessee American for all Call Centers, Alton/Pensacola” for the year ended December 2007 and the test year ended March 2008 by NARUC account, by month, by Call Center.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 37:

Provide the “total amount of charges subject to allocation to all affiliates from the Call Centers, Alton/Pensacola” for the year ended December 2007 and the test year ended March 2008 by NARUC account, by month, by call center.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 38:

Provide the actual FAS 87 pension expense amount for the seventeen months ended March 2008 by month, by NARUC account. Also, provide the forecasted FAS 87 pension expense amount included in the Company's filing for the twelve months ended August 31, 2009.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 39:

Provide the actual ERISA pension contributions amount for the 17 months ended March 2008 by month. Also, provide the forecasted ERISA pension contributions amount included in the Company's filing for the twelve months ended August 31, 2009 by month.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 40:

Provide a schedule of OPEB expenses charged to or paid by TAWC by calendar year for the years 2003 through 2007.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 41:

Provide all NARUC accounts 601-through 675 by month, by account and show the actual or forecasted gross amount and net expense after deducting salaries and wages for the 34 months ended August 2009.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 42:

Provide a voucher summary for any expense amount paid by TAWC or charged to TAWC by Corporate Office, Shared Services Center (“SSC”), Southeast Region, and other affiliated utility service companies exceeding \$1,000 for the period from January 1, 2006 through March 31, 2008 in the following format:

(1) (2) (3) (4) (5) (6)

Month Year Payee Amount USOA Account Business Reason

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 43:

Provide all employee expense reports with invoices and receipts for the 27 months ended March 31, 2008 for the Corporate Office, Shared Services Center (“SSC”), Southeast Region, and other affiliated utility service companies by month.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 44:

Provide the amounts on the TRA 3.06 Surveillance Reports for December 2007, January 2008, February 2008, and March 2008 for Operations and Maintenance Expense by NARUC account, which are out of period, non-recurring, or should be normalized.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 45:

Provide the TAWC Uncollectible Expense amounts in the following format from January 2007 through March 2008 by month:

(1)	(2)	(3)
-----	-----	-----

<u>Total Write Offs</u>	<u>Cust. Payments</u>	<u>Net Write Offs</u>
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RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 46:

Provide the amount of rate cases costs by NARUC account, by month, by payee in TRA Docket #06-00290. See M. Miller, Direct Testimony, page 21, lines 1-15. Reconcile your response to TN-TRA-Q013-DEFERRED RATE CASE EXPENSE, page 2 of 2.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 47:

Provide all amounts for Incentive Payroll (“AIP”) by AIP component: Financial, Operational, and Individual allocated and or directly charged to TAWC since its inception through March 2008 by month for expense amounts in the following format:

Capitalized Amounts:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	JDE
Account	Plant in Service	Depreciation	Accumulated	Net			
<u>Year</u>	<u>Acct #</u>	<u>Description</u>	<u>Balance</u>	<u>Rate</u>	<u>Depreciation</u>	<u>Book Value</u>	

Expense Amounts:

(1)	(2)	(3)	(4)	(5)
-----	-----	-----	-----	-----

NARUC Account

<u>Year</u>	<u>Month</u>	<u>Acct #</u>	<u>Description</u>	<u>Amount</u>
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RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 48:

Provide the forecasted Incentive Payroll (“AIP”) by AIP component: Financial, Operational, and Individual for the twelve months ended August 31, 2009, both allocated and or directly charged to TAWC amounts by NARUC account.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 49:

Provide all work papers, supporting documentation, and calculations used in the Company’s calculation of Depreciation and Amortization Expenses per the books 12 Months ended 11/30/2007; Normalized Test Year; and Attrition Year per the Company’s Accounting Exhibit No.2, Schedule 4, Lines 1 through 9, Page 1 of 2 in the format of the Company’s Accounting Exhibit No.2, Schedule 4, Lines 1 through 65, Page 2 of 2..

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

REQUEST PART IV, NO. 50:

Provide all work papers, supporting documentation, and calculations used in the Company's calculation of Depreciation and Amortization Expenses for the twelve months ended March 2004, December 2005, and February 2008 in the format of the Company's Accounting Exhibit No.2, Schedule 4, Lines 1 through 65, Page 2 of 2. The total amount should reconcile to the TRA Surveillance 3.06 report amounts, line 12, column (f).

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 51:

Provide the amount of net negative salvage for the twelve months ended March 2004, December 2005, and February 2008 in the format of the Company's Accounting Exhibit No.2, Schedule 4, Lines 1 through 65, Page 2 of 2.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 52:

Provide the following American Water Works Company, Inc. Pension Plan amounts by calendar or fiscal year solely for TAWC operations from December 1998 through December 2008:

Accumulated benefit obligation

Change in projected benefit obligation:

Benefit obligation at beginning of year

Service cost

Interest cost

Actuarial loss (gain)

Benefits paid

Benefit obligations at end of year

Change in plan assets:

Fair value of plan assets at beginning of year

Actual return on plan assets

Employer contributions

Benefits paid

Fair Value of plan assets at end of year

Reconciliation:

Funded status

Unrecognized prior service cost

Unrecognized net loss

Net amount recognized

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 53:

Provide the contract documents and paid invoices for the Management Audit amount of \$285,000 described in TN-TRA-Q013-WORKING CAPITAL, on page 11 of 30. Include in your response the month and year starting date for the amortization of the Management Audit and the NARUC expense account charged for the monthly amortization.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 54:

Provide the contract documents and paid invoices for the Preliminary Survey - Customer Service amount of \$555,966 described in TN-TRA-Q013-WORKING CAPITAL, on page 11 of 30. Include in your response the month and year starting date for the amortization of the Preliminary Survey - Customer Service and the NARUC expense account charged for the monthly amortization.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 55:

Provide the contract documents and paid invoices for the Preliminary Survey -Financial Service amounts of \$208,308 described in TN-TRA-Q013-WORKING CAPITAL, on page 11 of 30. Include in your response the month and year starting date for the amortization of the Preliminary Survey - Financial Service and the NARUC expense account charged for the monthly amortization.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 56:

Provide the Deferred Rate Case Expense balance at 11/30/07 of \$894,951 described in TN-TRA-Q013-DEFERRED RATE CASE EXPENSE, on page 1 of 2 by TRA Docket. Include in your

response the month and year starting date for the amortization of each TRA Docket Rate Case Expense.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

TAXES OTHER THAN INCOME

REQUEST PART IV, NO. 57:

Provide a schedule of all Ad Valorem property tax bills by jurisdiction by tax year of 2006 and 2007.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

INCOME TAXES

REQUEST PART IV, NO. 58:

Reconcile the income tax amounts of TN-TRA-Q013-INCOME TAXES, on pages 9-10 of 20 to the income tax amounts on the Company's Exhibit No. 2, Schedule 6, page 2 of 2 for the test year ended November 30, 2007.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 59:

Provide the basis and supporting documentation for the AMT amount of \$958,182 included in TN-TRA-Q013-INCOME TAXES, on page 10 of 20.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 60:

Provide a detailed reconciliation of the effective tax rate for the attrition year at present rates to the federal statutory tax rate of 35%.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 61:

Provide the detailed calculations of the Deferred Federal Income Tax amount and the Deferred State Income Tax amount for the attrition year at present rates as shown on the Company's Exhibit No.2, Schedule 6, page 2 of 2. Include in your response any allocated Deferred Federal Income Tax included in the company's exhibits and the basis for the allocated amounts.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

RATE BASE**REQUEST PART IV, NO. 62:**

Provide the information for Plant in Service and Accumulated Depreciation by JDE account in the following format as of July 2002, March 2004, June 30, 2006:

(1)	(2)	(3)	(4)	(5)	(6)
JDE	Account	Plant in Service	Acc. Deprec.	Current Deprec.	Net
Acct #	Description	Balance	Balance	Rate	Book Value

The response should incorporate the format and subsidiary accounts of the Company's Accounting Exhibit No. 2, Schedule 4.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 63:

Provide the Plant in Service and Accumulated Depreciation by JDE account in the following format as of November 2007, December 2007, January 2008, February 2008, and March 2008:

(1)	(2)	(3)	(4)	(5)	(6)
JDE	Account	Plant in Service	Acc. Deprec.	Current Deprec.	Net
Acct #	Description	Balance	Balance	Rate	Book Value

The response should incorporate the format and subsidiary accounts of the Company's

Accounting Exhibit No. 2, Schedule 4.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 64:

Provide the forecasted and/or actual, plant additions, plant retirements, salvage, costs of removal by JDE account, by month from January 2007 through August 2009.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 65:

Provide a summary of “TDOT Reimbursable Projects” from November 2006 through August 2009 detailing the total cost of each project, the reimbursable cost by the TDOT by project, amount reimbursed by JDE account and reimbursement amounts due, and the net amount due by the ratepayers. See J. Watson’s direct testimony, pages 10-11.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 66:

The Direct Testimony of John Watson at page 13, lines 15-19, states in pertinent part that “The Company has excluded the rate base assets associated directly with service to the Walden’s Ridge Utility District.” Provide the Plant in Service and Accumulated Depreciation rate base amounts by subsidiary JDE account as of March 31, 2008 that are directly attributable to providing water services to Walden’s Ridge.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 67:

Provide the forecasted and or actual, plant additions, plant retirements, salvage, costs of removal by subsidiary JDE account, by month from January 2007 through August 2009 that are attributable to providing water services to Walden’s Ridge.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 68:

Provide all work papers, calculations, and documentation supporting the Payment or (Lead) Days on lines 4 through 32 of Exhibit No. 1, Schedule 3, Page 3 of 6 and lines 12 through 29 of Exhibit No. 1, Schedule 3, Page 4 of 6.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 69:

Reconcile the net additions of TN-TRA-Q013-RATE BASE BACK-UP, on page 40 of 52 for December 2007 by JDE Account to the net additions on page 31 of 52 for December 2007 by JDE Account. Provide a detailed written explanation in your reconciliation.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 70:

Provide the basis for continuing depreciation expense in the Company's attrition year forecast on JDE Account 339200, JDE Account 340210, JDE Account 340310, JDE Account 340320, JDE Account 340330, and JDE Account 342000 when the net book value is zero and there are no forecasted plant additions to the account during the attrition year.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 71:

Reconcile the Accumulated Depreciation balances by JDE Account of TN-TRA-Q013-RATE

BASE BACK-UP, on pages 47-48 of 52 for December 2007 with the Alloc. Book Reserve amounts in the Company's Depreciation Study, Pages III-144 through III-198. Include in your response a detailed explanation for each reconciliation amount.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 72:

Provide all cost documentation supporting the Citico Water Treatment Improvements for 2008 and 2009 by month. Include a detailed narrative of the Phase II construction start date, completion date, contractor name, and contract documents with supporting documentation.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 73:

Provide all work papers and documentation to calculate a 13 month average for CWIP for the attrition year i.e. end of month CWIP balances for the months July 2008 through August 2009.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 74:

Provide the forecasted JDE Account(s) for the budgeted \$2,000,000 extension deposits in 2008 (TN-TRA-01-Q018-ATTACHMENT Page 2 of 12).

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 75:

Provide the basis for all allocated Accumulated Deferred Tax liabilities and assets to TAWC at March 31, 2008 and for the attrition year ended August 31, 2009.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 76:

The Direct Testimony of John Watson at page 14 indicates that certain capital projects are needed to meet current water quality regulations and address future water quality regulations of the Tennessee Department of Environment and Conservation and the United States Environment Protection Agency. Please identify each capital project for 2008-2009 that is needed to meet such current and future regulations, including but not confined to, a description of the capital project, a description of the plant additions or improvements involved, identification of the particular current of future Tennessee or federal regulation associated with the project, and the amount of capital

expenditure by JDE account number.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 77:

The Direct Testimony of John Watson at page 12, lines 16-27 and page 13, lines 1-13, lists six capital expenditures during 2007 totaling \$6.0 million. Provide a breakdown of the \$6.0 million in capital expenditures made during 2007 by month by JDE account number.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 78:

The Direct Testimony of John Watson at page 11, lines 23-27 and page 12, lines 1-14, lists five major capital investment projects completed during 2007. State the capital expenditure for each project and a breakdown of each projects' capital expenditures by month by JDE account number.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 79:

Four of the five major capital investment projects completed during 2007 as identified in the Direct Testimony of John Watson at pages 11-12 involve water mains (projects nos. 2-5) and one of the capital expenditures listed in the Direct Testimony of John Watson at pages 12-13 during 2007 involves the replacement of 27,200 feet of water mains (project no. 6) at an amount of \$2.529 million. Does the \$2.529 million in capital expenditures for water mains include any expenditures for any portion of the major capital investment projects completed during 2007 involving water mains? If so, please identify the amount of capital expenditure and the capital project involved.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 80:

The Direct Testimony of John Watson at pages 4-5 states: "Capital expenditures of the Company are planned and scrutinized to assure that needed facilities are identified, that facilities are scheduled for construction....The primary planning vehicle of this Company in this area is our least/cost comprehensive planning study." Please produce all documents, including but not confined to, capital budgets, analyses, and planning studies associated with the \$21.687 million in major capital investment projects planned for 2008-2009 discussed in the Direct Testimony of John Watson at pages 13-14.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 81:

The Direct Testimony of John Watson at page 22, lines 19-24 states: “A review has been made by the Company regarding the meters and pumping units that it has in service at its’ [sic] pumping stations. As a result of that review, the Company has determined that it needs to increase the expense for the programmed preventative maintenance on these pumps and motors if it is to maintain them properly.” Please provide all documents related to this review.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

OTHER

REQUEST PART IV, NO. 82:

Provide a historical and a forecast summary of Total Gallons of Water Treated; Total Gallons of Water Billed; and Total Gallons of Water Unaccounted For, by month for the period February 2007 through August 2009. Identify in your response the actual month amounts and the forecasted month amounts.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 83:

Provide the actual volume and percentage of unaccounted for water for TAWC for the year 2007 and forecasted percentage of unaccounted for water for TAWC for 2008 and 2009.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 84:

Provide the trial balances as of March 31, 2008 for TAWC, Corporate Office, Shared Services Center (“SSC”), Southeast Region, and other affiliated utility service companies.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 85:

Provide a detailed calculation showing each component of the Gross Revenue Deficiency Factor of 1.71974555 as found on Company Exhibit No. 1, Schedule 1, Page 1 of 1.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 86:

Provide a detailed explanation of why the Company budgeted Operating Revenues of

\$36,800,173 for the calendar year 2008 (TN-TRA-01-Q018-ATTACHMENT Page 1 of 12) are less than the normalized test year ended November 30, 2007 amount of \$36,910,843 per Company Exhibit No. 2, Schedule 2, Page 1 of 1.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 87:

Provide documentation of management approval of the Company's budget for the years 2008, 2009 and 2010 as provided (TN-TRA-01-Q018-ATTACHMENT Pages 1 - 12). Include in your response omitted budget Schedules 1 through 5 for each year.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 88:

Provide an explanation and detailed reconciliation of the Operating Revenues for 2007 of \$37,503,400 (TN-TRA-01-Q012-ATTACHMENT Page 2 of 10) to the \$37,142,460 for the attrition year at present rates as found on Company Exhibit No. 2, Schedule 1, Page 1 of 1.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 89:

Provide the details of each customer service request received for the years 2005 through 2007, including but not confined to, the class of customer and the reason for the request, the resolution of the request, whether the request was for termination of service and whether the request was for establishment of a new service.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 90:

Provide a detailed explanation for the average monthly number of service requests increasing from 5,097 in 2005 to 7,417 in 2007 (a two year increase of 45.5%) when customers increased only 2.53% over the same period according to TAWC's work papers TN-TRA-01-Q013-REVENUES, pages 78-79 of 99.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 91:

In its March 14, 2008 letter to County Mayor Ramsey and Representative McCormick, TAWC stated: "Since 1995, Tennessee American Water has invested \$106.222 million to improve

and enhance water service for our customers.” Provide a schedule showing the \$106.222 million invested by TAWC since 1995 by year by JDE account.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 92:

Provide a copy of all financial reports and statements, as well as, all budget summaries and reports, including but not confined to budget-to-actual comparisons, provided to the president and/or board of directors from January 1, 2006 through March 2008.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 93:

Provide a copy of all minutes of the board of directors related to all board meetings from January 1, 2006 through March 2008.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 94:

Provide all documents related to the monthly reviews of the Operations and Maintenance plan relative to current operating conditions, including but not confined to appropriate forecasts developed for the remainder of the year regarding any expected changes in revenues and expenses, for each month from January 2007 through March 2008. See Direct Testimony of John Watson at page 4, lines 15-18.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 95:

Provide all documents related to the planning of capital expenditures, including but not confined to, any least/cost comprehensive planning studies, prepared during the period ending January 2007 through March 2008. See Direct Testimony of John Watson at page 4, lines 26-27.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

REQUEST PART IV, NO. 96:

Provide all documents related to the review and analysis of electric and other utility service billings to analyze power usage at TAWC's treatment plant booster stations and office facilities, including but not confined to, trends in energy consumption, demand charges, unit costs, and how demand for water use at each location affects TAWC's expense. See Direct Testimony of John

Watson at page 6, lines 9-16.

RESPONSE:

The Company did not respond to this request.

MOTION TO COMPEL:

See Motion to Compel for Request Part IV, No. 1, above.

WHEREFORE, the Consumer Advocate requests the Authority to enter an order compelling TAWC to produce full and complete answers to the Consumer Advocate's discovery requests on or before June 9, 2008, or within such other time as the Authority may deem reasonable.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read 'Ryan L. McGehee', is written over a horizontal line.

RYAN L. McGEHEE
Assistant Attorney General
Office of the Attorney General and Reporter
Consumer Advocate and Protection Division
P.O. Box 20207
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(615) 532-5512

Dated: June 2, 2008

CERTIFICATE OF SERVICE

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


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Chattanooga, TN 37450-0900

on this the 2 day of June, 2008.



Ryan L. McGehee

#120327