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June 2, 2008

Chairman Eddie Roberson  
c/o Sharla Dillon  
Tennessee Regulatory Authority  
460 Robertson Parkway  
Nashville, TN 37243-0505

*VIA E-MAIL &  
FIRST CLASS MAIL*

Re: **TRA Docket No. 08-0039**

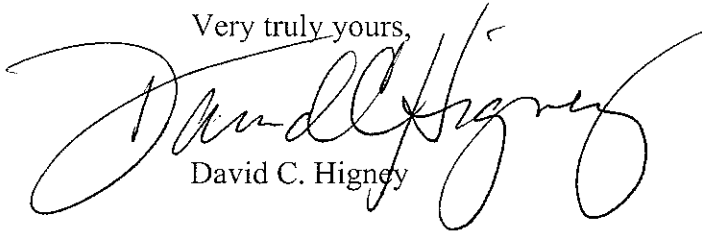
filed electronically in docket office on 06/02/08

Dear Chairman Roberson:

Enclosed are the original and seven (7) copies of Chattanooga Manufacturers Association's Motion to Compel Tennessee American Water Company to Provide Appropriate & Complete Responses to CMA's First Set of Data Requests. Please return a file-stamped copy to us in the enclosed, self-addressed envelope.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



David C. Higney

DCH/dmm  
Enclosure

cc: Hon. Ron Jones  
Hon. Sara Kyle  
Hon. Tre Hargett  
Mr. J. Richard Collier  
Mr. Henry M. Walker  
Mr. Michael A. McMahan  
Mr. Harold L. North, Jr.  
Mr. Frederick. L. Hitchcock  
Mr. Dale Grimes/Mr. Ross I. Booher  
Mr. Robert E. Cooper, Jr. /Mr. Timothy C. Phillips/Mr. Ryan L. McGehee

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

IN RE:	*	
	*	
PETITION OF TENNESSEE-	*	DOCKET NO. 08-00039
AMERICAN WATER COMPANY TO	*	
CHANGE AND INCREASE CERTAIN	*	
RATES AND CHARGES...	*	

**CHATTANOOGA MANUFACTURERS ASSOCIATION’S MOTION TO COMPEL  
TENNESSEE AMERICAN WATER COMPANY TO PROVIDE APPROPRIATE &  
COMPLETE RESPONSES TO CMA’s FIRST SET OF DATA REQUESTS**

The Chattanooga Manufacturers Association (“CMA”), by and through counsel, respectfully moves to compel the Tennessee American Water Company (“TAWC” or the “Company”) to provide an appropriate and complete answer to each and every discovery and data request promulgated by CMA on May 12, 2008 as reflected at <http://www.state.tn.us/tra/orders/2008/0800039ad.pdf>. Those requests by CMA and TAWC’s objections and/or responses are set forth on the Authority’s website at <http://www.state.tn.us/tra/orders/2008/0800039au.pdf>.

CMA’s discovery requests are limited in scope, and focus upon identifying the information that TAWC and its witnesses seek to use to justify TAWC’s proposed rate increase of more than twenty-percent (20%+) that immediately follows the rate increase TAWC obtained just last year. CMA seeks to obtain: information that TAWC claims forms the basis for the utility’s requested increase; information that reveals flaws in those claims or that TAWC may have failed to adequately consider; information relevant to the Authority’s consideration of the requests and how other authorities or commissions have viewed or been presented similar data; and, documents that relate to, and the persons having knowledge of, the alleged bases for a petitioned increase in such an exorbitant amount.

CMA is disappointed that so many objections have been raised relative to the straightforward searches for the most basic information regarding the Company's positions and opinions as taken in the petitioner's pre-filed direct testimony. TAWC had months to carefully craft and then submit its chosen exhibits and testimony; and, its affiliates have been doing so throughout the country with the help of some of the very same witnesses. TAWC orchestrated a media campaign during which it embraced the TRA review process and espoused an intention to be open and forthcoming concerning the increased rates; yet TAWC refuses to answer some of the most basic questions raised by CMA about those efforts. (See TAWC Community Relations Materials wherein John Watson purportedly invites and is "welcom[ing] scrutiny" by TRA staff and intervening parties in the rate case he describes as "comprehensive and transparent"—pp. 11-12 of 17, filed March 24, 2008).

CMA had seven (7) business days after the granting of its motion to intervene in which to submit data requests to TAWC, only to be subsequently stone-walled by many of the Company's responses. The present procedural schedule established in this case only allows a few weeks for intervening parties to identify revealing information that may otherwise be detrimental to TAWC's presentations seeking another multi-digit rate increase. Knowing that delay works to the Company's advantage in this regard, CMA is left to question the efforts of the Company in timely providing information to intervening parties and the Authority's staff that may undermine some of the positions TAWC has taken in this case. In all fairness to the ratepayers upon whom increases may be imposed in the midst of the recent spin-off of the Company, such evasive and incomplete responses by TAWC should not be encouraged or condoned.

The Company raises general, boilerplate objections that CMA's questions are "vague" or "overbroad" at least 15 times in response to questions asked. The Company objects to almost the

entire set of definitions that CMA instructed to be used so the parties could clearly operate from the same foundation. Multiple times the Company sees fit to answer what it wants, or how it wants, rather than answer the questions actually asked; or TAWC deems unilaterally what is or is not relevant and, then, refuses to provide information it unilaterally identifies as irrelevant to the proceeding. Examples include, but are not limited to:

(a) The Company advises in Response 4 that “much, if not all, of the information” requested has or has not been provided in the testimony without articulating what TAWC claims has (or has not) been provided;

(b) In Responses 6, 11, and others, TAWC simply ignores its duty to respond to the entire question and produce Company information concerning or relating to the request. If it is in the Company’s possession, the information must be revealed. Some jurisdictions simply require credit reports like those asked for in CMA Request 11 as part of a standard filing process. CMA is informed TAWC affiliates have, in fact, complied with that type of data request in other jurisdictions. In response to CMA Request 11, for example, TAWC claims the request requires revelation of Highly Confidential Information without a single description or scintilla of fact supporting said designation. *Is it so, simply because TAWC says it is?* CMA is greatly concerned with the ground-breaking precedent that may be set for this and/or other utility cases, by which a utility shelters information from the public which the utility claims as secret when it is the utility in control of the timing of its filing for rate increases, while claiming a need to earn even more monies on the backs of ratepayers.

(c) TAWC clearly is being evasive when referring to its pre-filed testimony, or exhibits with its petition, in response to questions seeking information such as Requests 9 and 15. TAWC, despite repeated requests for advance information, consultation or warning, from its

ratepayers, merely springs its filings upon CMA and others. TAWC did not provide and has not served CMA with a complete copy of its pre-filed testimony and exhibits in a useable format compatible for use in rate cases such as this one. To require parties to engage in a hunt for information so clearly known and in the Company's possession simply encourages the Company to make ratepayer advocates waste valuable time and limited resources. Such a strategic tactic by the monopoly is unjustifiably wasteful, and should neither be encouraged nor condoned.

(d) In spite of TAWC's public statements ostensibly supporting the transparent and open review of its rate increase request before the Authority, TAWC contorts the discovery rules to claim that the clearly limited 28 requests issued by CMA somehow violates the letter or spirit of the rules. Moreover, undermining the Company's argument that it is being required to answer more than a limited number of differing requests, TAWC then goes on to claim that responses to some CMA requests in CMA 1-25 are completely subsumed by other responses but, nonetheless, the Company simply refuses to respond at all to the remaining 3 requests - CMA Requests 26 through 28. What is transparent, if anything, is that TAWC simply seeks to avoid responding to others' investigation of TAWC's efforts to satisfy its burden that it is just and reasonable to raise rates.

Due to the time constraints imposed by the recently adopted dual-track discovery schedule, which provides at most for three (3) business-days to evaluate TAWC's responses before submitting this motion to compel, CMA has not had an opportunity to completely review and set forth with specificity each and every argument as to how TAWC fails to respond completely and appropriately to the data requests. Keeping in mind that it is TAWC seeking to burden ratepayers with an extraordinary rate increase, however, CMA reserves its rights to further address and/or enunciate each CMA Request to which the Company did not initially respond

completely and appropriately, and to which the Company has not agreed to supplement seasonably, at the June 4, 2008 status conference noticed by the Hearing Office, and to further comment upon TAWC's attempts to avoid appropriately responding to Data Requests or discovery issued by CMA and others.

Based upon the foregoing, CMA respectfully requests an Order requiring TAWC to provide appropriate and complete responses to each and every request contained in CMA's First Set of Data Requests Propounded Upon Tennessee-American Water Company on May 12, 2008.

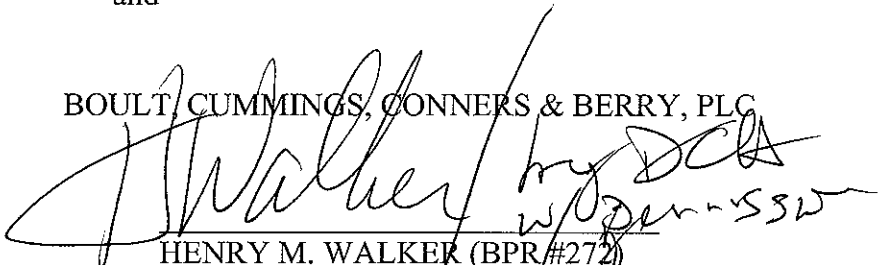
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By: 

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- and -

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### 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 2<sup>nd</sup> day of JUNE, 2008, upon the following:

<input type="checkbox"/> Hand-Delivery	Richard Collier
<input checked="" type="checkbox"/> U.S. Mail	General Counsel
<input type="checkbox"/> Facsimile	Tennessee Regulatory Authority
<input type="checkbox"/> Overnight	460 James Robertson Parkway
<input checked="" type="checkbox"/> Email	Nashville, Tennessee 3 7243-00505

<input type="checkbox"/> Hand-Delivery	R. Dale Grimes, Esq.
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