

June 3, 2008

Via E-Mail and Fedex

Chairman Eddie Roberson, Ph.D.
c/o Ms. Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

filed electronically in docket office on 06/03/08

Re: Docket No. 08-00039
In Re: Petition of Tennessee American Water Company to Change and
Increase Certain Rates

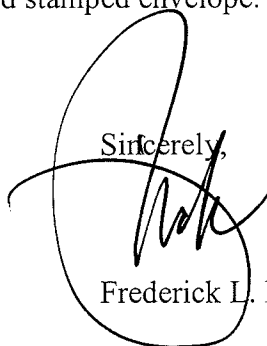
Dear Chairman Roberson:

Enclosed please find an original and five (5) copies of the City of Chattanooga's Motion for Sanctions which has been filed electronically and served today.

I would appreciate you stamping one copy of the document as "filed," and returning to me in the enclosed, self-addressed and stamped envelope.

With best regards, I am

Sincerely,



Frederick L. Hitchcock

FLH:kwr
Enclosures

Chairman Eddie Roberson, Ph.D.
c/o Ms. Sharla Dillon
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**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 EARN)
A FAIR AND ADEQUATE RATE OF)
RETURN ON ITS PROPERTY USED AND)
USEFUL IN FURNISHING WATER)
SERVICE TO ITS CUSTOMERS)

Docket No. 08-00039

CITY OF CHATTANOOGA'S MOTION FOR SANCTIONS

Intervenor, the City of Chattanooga ("Chattanooga") by and through counsel, hereby moves for the imposition of sanctions against Petitioner, Tennessee American Water Company ("TAWC"), pursuant to Tenn. R. Civ. P. 11. The basis for this motion is as follows.

Precisely ten months after TRA's approval of a rate increase in excess of twelve percent (12%), TAWC filed a 950 page petition package, obviously months in the making, seeking a further increase of nearly twenty-one percent (21%) in the rates charged to citizens of Chattanooga. On April 17, 2008, Chattanooga filed its Petition to Intervene to oppose the unconscionable rate increase sought by TAWC. Chattanooga's motion was granted on May 1, 2008 in an Order establishing an extraordinarily compressed procedural schedule. Pursuant to that procedural schedule, TAWC filed its discovery requests to the City of Chattanooga twelve (12) days later, with responses due May 28, 2008, sixteen (16) days thereafter.

TAWC's discovery requests demanded that Chattanooga lay out "all" of the facts, opinions, documents, and materials upon which Chattanooga will rely in opposing TAWC's rate demands at the hearing of this cause sometime in August. Chattanooga explained in its discovery responses that it had not yet determined the facts, opinions, and documents upon which it would rely in the August hearing, pointing out that these facts and documents would necessarily be contained in TAWC's responses to Chattanooga's discovery requests.

Consistent with TAWC's attempt to avoid scrutiny of its unconscionable requests, TAWC broadly objected to Chattanooga's discovery requests, and those of all of the other Intervenors, requiring the Intervenors to file motions to compel that will be heard on June 4, 2008. Chattanooga's motion to compel has been combined with a motion to extend the deadline for submitting its pre-filed testimony to provide it a minimal amount of time to evaluate the information that TAWC should be compelled to produce.

In furtherance of its overreaching effort to deny the citizens of Chattanooga due process, TAWC has now taken the outrageous step of filing a motion for sanctions under a provision of the Tennessee Rules of Civil Procedure that does not provide for such sanctions. Tenn. R. Civ. P. 37, cited by TAWC, does not permit the imposition of the sanctions sought by TAWC, except for a refusal of a party to obey an order for discovery, and no such order has been entered in this case.

TAWC's motion for sanctions has been submitted for improper purposes in continuance of its obvious strategy of avoiding public scrutiny of its actions, without any basis in law or in fact. As such, TAWC's actions violate Tenn. R. Civ. P. 11, and TAWC should be subject to sanctions under that Rule.

WHEREFORE, Chattanooga requests that, after notice and a reasonable opportunity to be heard, sanctions be imposed upon TAWC pursuant to Tenn. R. Civ. P. 11.

Respectfully submitted,

By: 

Frederick L. Hitchcock (BPR No. 005960)

~~Harold L. North, Jr.,~~

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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 3rd day of June, 2007



Frederick L. Hitchcock