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BASS, BERRY & SIMS PLC
Attorneys at Law

A PROFESSIONAL LIMITED LIABILITY COMPANY

R. Dale Grimes

PHONE: (615) 742-6244
FAX: (615) 742-2744
E-MAIL: dgrimes@bassberry.com

315 Deaderick Street, Suite 2700
Nashville, Tennessee 37238-3001
(615) 742-6200

KNOXVILLE
MEMPHIS

June 13, 2008

VIA HAND DELIVERY

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

Re: *Petition of Tennessee American Water Company To Change And Increase Certain Rates And Charge 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

Dear Chairman Roberson:

Enclosed please find an original and seven (7) sets of copies of Tennessee American Water Company's Supplemental Response to the City of Chattanooga's Discovery Requests, dated May 12, 2008. In addition, TAWC includes two compact disks. The first compact disk contains TAWC's Supplemental Responses and any responsive attachments in their native Word, Excel, or Adobe format. The second compact disk contains a pdf image of TAWC's Supplemental Response.

Please return three (3) copies of this Supplemental Response to me by way of our courier, which I would appreciate your stamping as "filed."

Should you have any questions concerning any of the enclosed, please do not hesitate to contact me.

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

Enclosures

Chairman Eddie Roberson, PhD

June 13, 2008

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cc: Hon. Ron Jones (*w/o enclosure*)
Hon. Sara Kyle (*w/o enclosure*)
Hon. Tre Hargett (*w/o enclosure*)
Ms. Darlene Standley, Chief of Utilities Division (*w/o enclosure*)
Richard Collier, Esq. (*w/o enclosure*)
Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division (*w/o enclosure*)
Ms. Pat Murphy (*w/o enclosure*)
Timothy C. Phillips, Esq. (*w/enclosure*)
David C. Higney, Esq. (*w/enclosure*)
Henry M. Walker, Esq. (*w/enclosure*)
Michael A. McMahan, Esq. (*w/enclosure*)
Frederick L. Hitchcock, Esq., (*w/enclosure*)
Mr. John Watson (*w/o enclosure*)
Mr. Michael A. Miller (*w/o enclosure*)


Chairman Eddie Roberson, PhD
June 13, 2008
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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 13th day of June, 2008, upon the following:

<input type="checkbox"/> Hand	Michael A. McMahan
<input checked="" type="checkbox"/> Mail	Special Counsel
<input type="checkbox"/> Facsimile	City of Chattanooga (Hamilton County)
<input type="checkbox"/> Overnight	Office of the City Attorney
<input checked="" type="checkbox"/> Email	Suite 400
	801 Broad Street
	Chattanooga, TN 37402
<input type="checkbox"/> Hand	Timothy C. Phillips, Esq.
<input checked="" type="checkbox"/> Mail	Vance L. Broemel, Esq.
<input type="checkbox"/> Facsimile	Office of the Attorney General
<input type="checkbox"/> Overnight	Consumer Advocate and Protection Division
<input checked="" type="checkbox"/> Email	425 5th Avenue North, 2 nd Floor
	Nashville, TN 37243
<input type="checkbox"/> Hand	Henry M. Walker, Esq.
<input checked="" type="checkbox"/> Mail	Boult, Cummings, Conners & Berry, PLC
<input type="checkbox"/> Facsimile	Suite 700
<input type="checkbox"/> Overnight	1600 Division Street
<input checked="" type="checkbox"/> Email	Nashville, TN 37203
<input type="checkbox"/> Hand	David C. Higney, Esq.
<input checked="" type="checkbox"/> Mail	Grant, Konvalinka & Harrison, P.C.
<input type="checkbox"/> Facsimile	633 Chestnut Street, 9 th Floor
<input type="checkbox"/> Overnight	Chattanooga, TN 37450
<input checked="" type="checkbox"/> Email	
<input type="checkbox"/> Hand	Frederick L. Hitchcock, Esq.
<input checked="" type="checkbox"/> Mail	Chambliss, Bahner & Stophel, P.C.
<input type="checkbox"/> Facsimile	1000 Tallan Building
<input type="checkbox"/> Overnight	Two Union Square
<input checked="" type="checkbox"/> Email	Chattanooga, TN 37402



**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 08-00039
CITY OF CHATTANOOGA'S
FIRST DISCOVERY REQUESTS**

Responsible Witness: Michael Miller

Question:

1. Provide all Documents produced or introduced on behalf of TAWC in TRA Docket No. 06-00290 that TAWC marked or otherwise designated as "Confidential" or "Highly Confidential."

Second Supplemental Response:

The Company incorporates its prior responses and objections into this Second Supplemental Response. Notwithstanding its objections and without waiving them, the Company states that pursuant to the agreement reached between TAWC and the City at the June 4, 2008 Status Conference, TAWC attaches the materials designated as "Confidential Information" in Docket No. 06-00290 on the enclosed disk.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 08-00039
CITY OF CHATTANOOGA'S
FIRST DISCOVERY REQUESTS**

Responsible Witness: Michael Miller

Question:

7. Identify the location, by latitude and longitude or by census tract and block number, of each Capital Expense ***identified*** in the Request No. 6 in excess of Five Hundred Dollars (\$500).

Second Supplemental Response:

The Company incorporates its prior responses and objections into this Second Supplemental Response. Notwithstanding its objections and without waiving them, the Company restates its offer to the City to make available for inspection its capital expense records related to these projects. Further, as an attachment to this response, the Company is producing a map depicting all responsive Capital Expense projects. The Company further states that all underlying data used in the production of the attached map is included in the attachments to the Company's responses to TRA Staff Data Requests 13 and 52, as well as John Watson's pre-filed testimony in this docket (under the "Rate Base" tab).

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 08-00039
CITY OF CHATTANOOGA'S
FIRST DISCOVERY REQUESTS**

Responsible Witness: Michael Miller

Question:

10. Identify all amounts paid by TAWC since January 1, 2003 to any TAWC Parent or Affiliate, and provide the information as to each such amount in the following format:

Payment Date	Amount of Payment	Purpose of Payment	If Payment for Services, Amount of Time Reflected in Charge	Hourly Rate Charge	If for Equipment or Materials, Description of Each Piece of Equipment or Material	Unit Charge for Each Piece of Equipment or Material	Agreement Under Which Provided (89 Service Agreement or Other)

Second Supplemental Response:

The Company incorporates its prior responses and objections into this Second Supplemental Response. Notwithstanding its objections and without waiving them, the Company states that it is providing, attached to this Response, a CD containing the requested information for 2005-2007.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 08-00039
CITY OF CHATTANOOGA'S
FIRST DISCOVERY REQUESTS**

Responsible Witness: Michael Miller

Question:

32. Please provide a schedule indicating for calendar years 2004 through 2007 (i) the number of employees, by function, of **AWWSC**, (ii) the original approved budget FTE's for each functional category of employees, and (iii) the actual FTE's for each functional category of employees for these periods.

Second Supplemental Response:

The Company incorporates its prior responses and objections into this Second Supplemental Response. Notwithstanding its objections and without waiving them, the Company states that AWWSC budgets for 2005 and 2006 were not based on enumerated budgeted FTE's. Accordingly, the requested budgeted FTE information for those years does not exist. As a result of a change in the budgeting process, AWWSC did produce budgeted FTE's for 2007, which the Company has already produced.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 08-00039
CITY OF CHATTANOOGA'S
FIRST DISCOVERY REQUESTS**

Responsible Witness: Michael Miller

Question:

38. Please **Identify**, in detail, in a format similar to Appendix 1, Exhibit 3-1 of the Direct Testimony of Joe Van den Berg, any new or additional services, activities, or benefits provided to **AWWSC** to or for the benefit of TAWC during each of calendar years 2004-2007. Identify any enhancements or improvements to the services, activities, or benefits provided by **AWWSC** to **TAWC**, also **Identifying** for each the total O&M cost and FTE impact and the share of any such cost impact charged to or paid by **TAWC**. Please provide all **Documents** constituting, referencing, containing, relating to, responding to, or referring to any such enhancements or improvements.

Second Supplemental Response:

The Company incorporates its prior responses and objections into this Second Supplemental Response. Notwithstanding its objections and without waiving them, the Company states that the requested information is contained in the raw data produced in response to the City of Chattanooga's discovery request No. 10. Please also see the testimony of Mike Miller, John Watson and Joseph Van den Berg in Docket No. 06-00290 and in this docket.