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June 17, 2008

Via Hand Delivery

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

filed electronically in docket office on 06/17/08

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

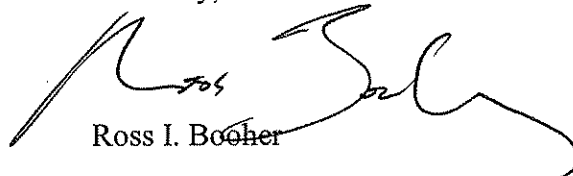
Dear Chairman Roberson:

Enclosed please find an original and seven (7) copies of Tennessee American Water Company's Renewed Motion to Compel the City of Chattanooga's Responses to Tennessee American Water Company Discovery Requests, dated May 12, 2008. These have been filed electronically with the Tennessee Regulatory Authority today.

Please stamp three (3) copies of these documents as "filed," and return them to me by way of our courier.

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

Sincerely,



Ross I. Booher

RIB/smb
Enclosures

Chairman Eddie Roberson, PhD

June 17, 2008

Page 2

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*)
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*)

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

IN RE:

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

**TENNESSEE AMERICAN WATER COMPANY'S RENEWED MOTION TO COMPEL
THE CITY OF CHATTANOOGA TO PROVIDE COMPLETE DISCOVERY
RESPONSES**

Tennessee American Water Company ("TAWC") served its first set of discovery requests (the "Requests") on the City of Chattanooga (the "City") on May 12, 2008. On May 28, 2008, TAWC received the City's responses to the Requests (the "Responses"). TAWC moved to compel more complete responses to a number of the Requests on June 2, 2008. A status conference was convened on June 4, 2008, at which the Hearing Officer ordered the City to produce supplemental responses to the Requests on or before June 9, 2008. The City produced its supplemental responses on June 9, 2008 (the "Supplemental Responses"). Unfortunately, a number of the City's Supplemental Responses failed to address TAWC's requests. Thereafter, TAWC conferred with the City regarding the non-responsiveness or incompleteness of the City's Supplemental Responses. On June 13, 2008, the City produced its Second Supplemental Responses to TAWC.

Despite TAWC's good-faith efforts to work with the City, several of the City's Supplemental Responses and Second Supplemental Responses remain deficient as described specifically below. Accordingly, TAWC hereby renews the arguments initially raised in

TAWC's June 2, 2008 motion to compel and hereby requests an order compelling production of all information responsive to TAWC's requests as described herein, and barring the City's use of any responsive materials subsequently withheld without good cause.

1. TAWC Request No. 1

TAWC's Request No. 1 seeks every fact or document on which the City relies for its position that TAWC's requested rate increase should not be approved.¹ The City initially refused to produce any information in response to this Request, citing the fact that the City's pre-filed testimony is not due until June 23, 2008. At the June 4, 2008 Status Conference, the Hearing Officer ordered that he would consider invalid any objection based on the fact that a party's pre-filed testimony would be filed in the future. The City's Supplemental Response and Second Supplemental Response to Request No. 1 do not rely solely on the City's previous objection, but remain as substantively non-responsive as the original Response.

The City states that its counsel "have not yet identified the facts and documents upon which it will rely." It is plausible that the City has not yet determined all of the facts or documents it will present in its testimony or use at the hearing on the merits of this matter. It is not plausible, however, that the City has not identified any facts or documents on which it will rely for its contention that TAWC's requested increase in rates should not be approved. The City has had access to TAWC's petition for almost three months. The City has had access to TAWC's first responses to TRA Staff Data Requests for over two months. Still, instead of identifying any facts or documents on which the City relies to support its contentions, the City

¹ All descriptions of TAWC's Requests and the City's Responses, Supplemental Responses, and Second Supplemental Responses are accurately paraphrased for the Hearing Officer's convenience. For the complete content of the relevant documents, please refer to the attached TAWC Requests (Ex. A), COC's Responses (Ex. B), COC's Supplemental Responses (Ex. C), and Second Supplemental Responses (Ex. D).

merely states that “[s]uch facts and documents will include information responsive to the Intervenor’s discovery requests and to TRA staff data requests.”

The City’s responses leave open the possibility that, while responsive facts or documents include those derived from the specified sources, responsive facts or documents might also come from anywhere else. This statement is not sufficiently responsive to TAWC’s Request for the City to identify those facts or documents on which it presently relies to support its contentions. If the City has not specifically identified any such facts or documents, it should be compelled to make an unambiguous affirmative statement to that effect. If, on the other hand, the City has specifically identified any facts or documents on which it relies, it has an obligation to identify and produce each such fact or document, and should be compelled to do so.

2. TAWC Request No. 2

TAWC Request No. 2 seeks the identity of all persons known to the City to have knowledge, information or documents supporting the City’s position that TAWC’s requested rate increase should not be approved. The City responded to TAWC Request No. 2 in essentially the same way it responded to TAWC Request No. 1. The City stated that “[s]uch persons include the employees and consultants of TAWC and Affiliates who have knowledge of information responsive to the Intervenor’s discovery requests and the TRA Staff data requests.” TAWC and its affiliated companies have thousands of employees. The City’s vague allusion to a group of persons that “include(s)” TAWC employees and consultants is an insufficient response to this Request.

Moreover, it strains credulity to believe that the City has not yet identified a single specific individual known to the City to have knowledge or information the City believes

supports its position a mere five days before pre-filed testimony is due.² If the City has identified any specific individuals, it has a duty to disclose such individuals' identities to TAWC. Accordingly, TAWC seeks an immediate and complete update to the City's response.

3. TAWC Request No. 3

TAWC Request No. 3 seeks documents, photographs, or any other article or thing that relates in any way to the City's contention that TAWC's requested rate increase should not be approved. The City responded by stating, "[t]he requested information includes, without limitation, the pre-filed testimony and supporting exhibits of Mr. Joe Van den Berg as well as information responsive to the Interveners' discovery requests and to TRA staff data requests." Again, this response leaves open the possibility that the City has responsive information that *includes* information from the stated sources, and that also *includes* information from other sources not specified. The City should be compelled to either identify all responsive information, or state that the responsive information is limited to those sources specified in the City's Supplemental Response.

4. TAWC Request No. 4

TAWC Request No. 4 seeks the identity of any person the City intends to call as a witness in this matter. The City's Supplemental Response and Second Supplemental Response explain that the City has retained the services of consulting experts to advise the City on various issues in this docket, and that the City objects to producing information regarding those experts. In this Motion, TAWC does not seek to compel information concerning consulting experts,

² For example, in response to TAWC Request No. 10, the City identifies "Dan Johnson", the Mayor's Chief of Staff, as someone that the City has consulted with in preparing the City's responses to TAWC's discovery, yet the City did not include Mr. Johnson's name or the Mayor's in response to TAWC Request No. 2. Unless the City is acknowledging that neither Mr. Johnson nor the Mayor have any knowledge or information about why the City is opposing TAWC's Petition, then these individuals' names should have been disclosed in response to TAWC Request No. 2.

unless and until the City determines it expects to call those experts to testify in this matter.³ TAWC does, however, request that Hearing Officer order the City to immediately produce the requested information with regard to any fact witnesses the City may call in this docket.

5. TAWC Request No. 10

TAWC Request No. 10 seeks the identity of all persons who participated in or provided information for the City's Responses, as well as the specific information or participation provided by each such person. The City's Supplemental Response states that counsel for the City "has consulted with Mr. Dan Johnson, Chief of Staff for Mayor Ron Littlefield, with respect to broad strategies with respect to the matters at issue." This Supplemental Response does not specifically state that Mr. Johnson is the only person who provided information or participated in the preparation of the City's Responses or Supplemental Responses. Further, this Supplemental Response neither specifies which responses Mr. Johnson provided information or participated, nor describes the information he provided or the manner in which he participated. Accordingly, the City's Supplemental Response is incomplete and the City should be compelled to provide a more thorough response.

6. TAWC Request No. 12

TAWC Request No. 12 seeks each conclusion of the I.C.A.R. filed with TAWC's Petition in this case that the City intends to contest, as well as any fact, document, or basis for the City's decision to contest the I.C.A.R. The City's Supplemental Response states that the quoted portion of the Joint Objection is "based upon a preliminary review of the pre-filed testimony and documents produced by TAWC, which demonstrated, among other things, that the referenced report does not constitute a management audit." Unless it is baseless, this conclusion by the City

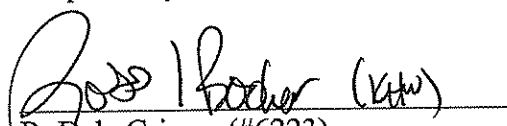
³ It would be unreasonable not to receive information about any such testifying expert prior to the City's filing of that expert's testimony.

regarding the I.C.A.R. could not be reached without a basis. If the City has any basis for, or facts, supporting its stated conclusion, the City should be required to state them in the City's answer. For example, does the City contend that there is a standard which sets forth what constitutes a management audit? If the City's conclusion about the ICAR is baseless or the City is unaware of any fact that supports its conclusion, then the City must acknowledge as much. Regardless, the City should be compelled to respond fully to TAWC's Request No. 12.

Conclusion

For the foregoing reasons, the City has failed to adequately respond the above-referenced discovery requests. Pursuant to Tennessee Rule of Civil Procedure 37.01, TAWC respectfully requests this Hearing Officer enter an order compelling the immediate production of material responsive to TAWC's Requests and barring the City from using, for any purpose in this proceeding, any information or documents subsequently withheld by the City without good cause. TAWC also requests any additional relief the Hearing Officer deems appropriate.

Respectfully submitted,

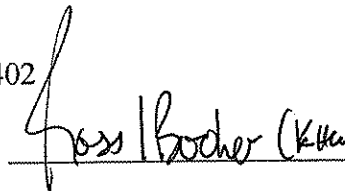

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(615) 742-6200

*Attorneys for Petitioner
Tennessee American Water Company*

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 17th day of June, 2008, upon the following:

<input checked="" type="checkbox"/> Hand-Delivery	Timothy C. Phillips, Esq.
<input type="checkbox"/> U.S. Mail	Consumer Advocate and Protection Division
<input type="checkbox"/> Facsimile	Office of Attorney General
<input type="checkbox"/> Overnight	2nd Floor
<input checked="" type="checkbox"/> Email	425 5th Avenue North
	Nashville, TN 37243-0491
<input type="checkbox"/> Hand-Delivery	David C. Higney, Esq.
<input type="checkbox"/> U.S. Mail	Counsel for Chattanooga Manufacturers Association
<input type="checkbox"/> Facsimile	Grant, Konvalinka & Harrison, P.C.
<input checked="" type="checkbox"/> Overnight	633 Chestnut Street, 9th Floor
<input checked="" type="checkbox"/> Email	Chattanooga, TN 37450
<input checked="" type="checkbox"/> Hand-Delivery	Henry M. Walker, Esq.
<input type="checkbox"/> U.S. Mail	Counsel for Chattanooga Manufacturers Association
<input type="checkbox"/> Facsimile	Boult, Cummings, Conners & Berry, PLC
<input type="checkbox"/> Overnight	Suite 700
<input checked="" type="checkbox"/> Email	1600 Division Street
	Nashville, TN 37203
<input type="checkbox"/> Hand-Delivery	Michael A. McMahan, Esq.
<input type="checkbox"/> U.S. Mail	Special Counsel
<input type="checkbox"/> Facsimile	City of Chattanooga (Hamilton County)
<input checked="" 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-Delivery	Frederick L. Hitchcock, Esq.
<input type="checkbox"/> U.S. Mail	Harold L. North, Jr., Esq.
<input type="checkbox"/> Facsimile	Counsel for City of Chattanooga
<input checked="" type="checkbox"/> Overnight	Chambliss, Bahner & Stophel, P.C.
<input checked="" type="checkbox"/> Email	1000 Tallan Building
	Two Union Square
	Chattanooga, TN 37402



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OTHER OFFICES

KNOXVILLE
MEMPHIS

May 12, 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 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***

Dear Chairman Roberson:

Enclosed please find an original and sixteen (16) copies of Tennessee American Water Company's Discovery Requests to City of Chattanooga.

Please return three copies of the Discovery Requests, which I would appreciate your stamping as "filed," and returning to me by way of our courier.

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

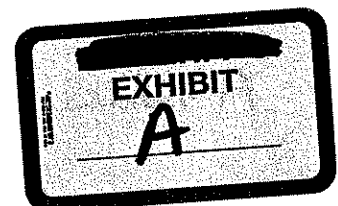
With kindest regards, I remain

Yours very truly,

R. Dale Grimes

R. Dale Grimes by permission

RDG/ms
Enclosures



Chairman Eddie Roberson, PhD
May 12, 2008
Page 2

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*)

**BEFORE 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)	

**TENNESSEE AMERICAN WATER COMPANY'S FIRST DISCOVERY REQUESTS TO
CITY OF CHATTANOOGA**

Petitioner Tennessee American Water Company ("Petitioner" or "TAWC") serves these Discovery Requests on the City of Chattanooga (the "City"), and asks that the City provide responses to each request separately, fully, and in writing. The City is also called upon to produce all documents and evidence requested herein. Furthermore, the City is called upon to fulfill its duty to supplement its answers as far in advance of the beginning of any hearing as is reasonably possible if it is learned that any response is in any material respect incomplete, incorrect or has changed.

In these discovery requests, the terms "document" or "documents" or "documentation" refers to all written, reported, recorded or graphic matter (including all drafts, originals and nonconforming copies that contain deletions, insertions, handwritten notes or comments, and the like) however produced or reproduced to any tangible or intangible, permanent or temporary record and, without limitation, shall include the following: all letters, correspondence, records of conferences or meetings, memoranda, notes, printed electronic mail ("e-mail"), telegrams, telephone logs, teletypes, telexes, banking records, notices of wire transfer of funds, canceled

checks, books of account, budgets, financial records, contracts, agreements, invoices, speeches, transcripts, depositions, press releases, affidavits, communications with government bodies, interoffice communications, working papers, newspaper or magazine articles, computer data, tax returns, vouchers, papers similar to any of the foregoing, and any other writings of every kind and description (whether or not actually used) and any other records from which information can be obtained and translated into reasonably usable form, including without limitation, e-mail, voice recordings, video and audio recordings, photographs, films, tapes, data compilations and any other electronically stored information.

As used herein, the term "identify" in reference to any individual requires you to provide that individual's name, occupation, current and last known residential and business addresses, and current or last known residential and business telephone numbers. In reference to any other place, thing, concept, fact, or occurrence, the term "identify" requires you to provide all significant information concerning the subject matter of the interrogatory or request, in clear and unambiguous terms, to the fullest extent reasonably calculated to convey the requested information.

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:

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:

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:

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:

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:

DISCOVERY REQUEST NO. 6:

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

RESPONSE:

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:

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:

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:

DISCOVERY REQUEST NO. 10:

Please identify each person who provided information or participated in the preparation of the responses to each of these discovery requests, and for each such person specify the responses for which he or she provided information or participated in preparing, and describe the information provided or the participation in preparation.

RESPONSE:

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:

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 therefor, including any facts and/or documents the City contends support those grounds.

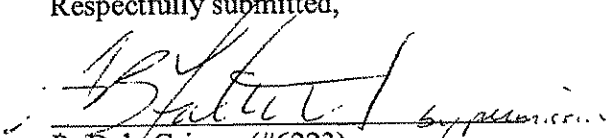
RESPONSE:

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 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:

Respectfully submitted,

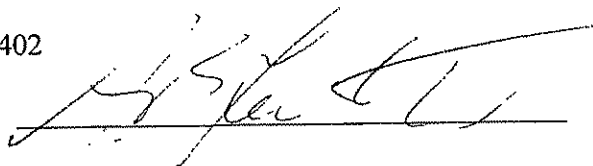

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*Counsel for Petitioner
Tennessee American Water Company*

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 12th day of May, 2008, upon the following:

<input checked="" type="checkbox"/> Hand-Delivery	Timothy C. Phillips, Esq.
<input type="checkbox"/> U.S. Mail	Consumer Advocate and Protection Division
<input type="checkbox"/> Facsimile	Office of Attorney General
<input type="checkbox"/> Overnight	2nd Floor
<input checked="" type="checkbox"/> Email	425 5th Avenue North
	Nashville, TN 37243-0491
<input type="checkbox"/> Hand-Delivery	David C. Higney, Esq.
<input type="checkbox"/> U.S. Mail	Counsel for Chattanooga Manufacturers Association
<input type="checkbox"/> Facsimile	Grant, Konvalinka & Harrison, P.C.
<input checked="" type="checkbox"/> Overnight	633 Chestnut Street, 9th Floor
<input checked="" type="checkbox"/> Email	Chattanooga, TN 37450
<input checked="" type="checkbox"/> Hand-Delivery	Henry M. Walker, Esq.
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<input type="checkbox"/> Facsimile	Boult, Cummings, Conners & Berry, PLC
<input type="checkbox"/> Overnight	Suite 700
<input checked="" type="checkbox"/> Email	1600 Division Street
	Nashville, TN 37203
<input type="checkbox"/> Hand-Delivery	Michael A. McMahan, Esq.
<input type="checkbox"/> U.S. Mail	Special Counsel
<input type="checkbox"/> Facsimile	City of Chattanooga (Hamilton County)
<input checked="" 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-Delivery	Frederick L. Hitchcock, Esq.
<input type="checkbox"/> U.S. Mail	Harold L. North, Jr., Esq.
<input type="checkbox"/> Facsimile	Counsel for City of Chattanooga
<input checked="" type="checkbox"/> Overnight	Chambliss, Bahner & Stophel, P.C.
<input checked="" type="checkbox"/> Email	1000 Tallan Building
	Two Union Square
	Chattanooga, TN 37402



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
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
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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:

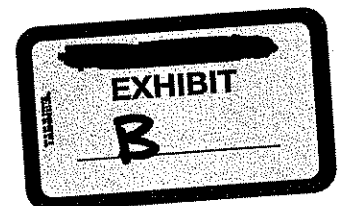
GENERAL OBJECTIONS

(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 Intervenors 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 Intervenor 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

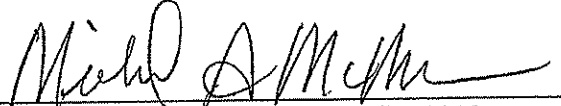
identify each conclusion or aspect of the weatherization figures the City intends to content, if any, and the City's grounds and/or bases therefore, including any facts and/or documents the City contends support those grounds.

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
RANDALL L. NELSON, CITY ATTORNEY

BY: 

Michael A. McMahan, BPR #000810
Valerie L. Malueg, BPR #023763
Special Counsel
801 Broad Street, Suite 400
Chattanooga, TN 37402
(423) 757-5338

CHAMBLISS, BAHNER & STOPHEL, P.C.

BY: 

Harold L. North, BPR #007022 *per mission by*
Frederick L. Hitchcock, BPR #005960 *M.A.Mc*
1000 Tallan Building
Two Union Square
Chattanooga, TN 37402
(423) 756-3000

CERTIFICATE OF SERVICE

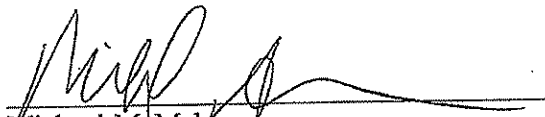
This is to certify that the undersigned has this day served a true and correct copy of the foregoing pleading by electronic mail and by depositing same in the United States mail, postage prepaid, and addressed to the following:

R. Dale Grimes, Esq.
Ross I. Booher, Esq.
BASS, BERRY & SIMS, PLC
315 Deadrick Street, Suite 2700
Nashville, TN 37238-3001
dgrimes@bassberry.com
rbooher@bassberry.com

Timothy C. Phillips, Esq.
Office of the Attorney General
Consumer Advocate & Protection Division
P.O. Box 20207
Nashville, TN 37202
timothy.phillips@state.tn.us

David C. Higney, Esq.
GRANT, KONVALINKA & HARRISON, P.C.
Ninth Floor, Republic Centre
633 Chestnut Street
Chattanooga, TN 37450-0900
dhigney@gkhpc.com

This the 28th day of May, 2008.


Michael McMahan



City of Chattanooga

Randall L. Nelson
City Attorney

Office of the City Attorney
801 Broad Street, Suite 400
Chattanooga, TN 37402
(423) 757-5338
Fax: (423) 756-0737

June 9, 2008

Michael A. McMahan
Phillip A. Noblett
Kenneth O. Fritz
D. Marty Lasley
Crystal Freiberg
Valerie L. Malueg
Special Counsel

VIA E-MAIL & U.S. MAIL

filed electronically in docket office 6/9/2008

Ms. Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

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*
TRA Docket No. 08-0039

Dear Ms. Dillon:

Enclosed are the original and five (5) copies of the City of Chattanooga's First Supplemental Discovery Responses to TAWC that we would appreciate being stamped "filed" and returned in the enclosed self-addressed, stamped envelope.

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

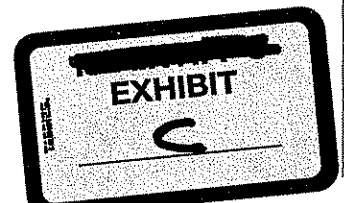
Sincerely,

A handwritten signature in dark ink, appearing to read "Michael A. McMahan", with a long horizontal line extending to the right.

MICHAEL A. McMAHAN
Assistant City Attorney

MAM/mms
Enclosure

cc: R. Dale Grimes, Esq./Ross I. Booher, Esq. (w/encl.)
Timothy C. Phillips, Esq. (w/encl.)
David C. Higney, Esq. (w/encl.)
Frederick L. Hitchcock, Esq./Harold L. North (w/encl.)



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 FIRST SUPPLEMENTAL
DISCOVERY RESPONSES TO TAWC**

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

GENERAL OBJECTIONS

(1) City 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) City 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) City 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) City 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) City 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) City 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) City'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 City'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:

Counsel for City have not yet identified the facts and documents upon which it will rely. Such facts and documents will include information responsive to the Intervenor's discovery requests and to TRA staff data requests. TAWC has refused to provide information and documents responsive to a large number of the Intervenor's requests, and City has filed motions to compel TAWC responses to a dozen of its requests. Without waiving its objections, upon receipt of TAWC's complete discovery responses, City will finish its review and will supplement this response.

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:

Such persons include the employees and consultants of TAWC and its Affiliates who have knowledge of information responsive to the Intervenor's discovery requests and the TRA Staff data requests. Without waiving its objections, to the extent that City identifies other individuals with the requested information, it will supplement this response.

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 requested information includes, without limitation, the pre-filed testimony and supporting exhibits of Mr. Joe Van den Berg as well as information responsive to the Intervenor's discovery requests and to TRA staff data requests. Without waiving its objections, upon receipt of TAWC's complete discovery responses, City will finish its review and will supplement this response.

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 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 City has retained the services of experts for consultation in preparation for the hearing of this matter. These experts may not be called as witnesses and therefore the identity of, facts known by, or opinions held by such experts are not discoverable under Rule 26(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 TAWC fully responds to the Intervenor's discovery requests and such responses can be analyzed by the City and its consulting experts. Without waiving its objections, upon receipt of TAWC's complete discovery responses, City will finish its review and will supplement this response.

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 requested information has not in fact been developed by the City and therefore cannot be answered at this time. Without waiving its objections, 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 requested information has not in fact been developed by the City and therefore cannot be answered at this time. Without waiving its objections, 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 witnesses and therefore the identity of, facts known by, or opinions held by such experts are not discoverable under Rule 26(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 TAWC fully responds to the Intervenor's discovery requests and such responses can be analyzed by the City and its consulting experts. Without waiving its objections, upon receipt of TAWC's complete discovery responses, City will finish its review and will supplement this response.

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

DISCOVERY REQUEST NO. 10:

Please identify each person who provided information or participated in the preparation of the responses to each of these discovery requests, and for each such person specify the 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:

See responses above. Counsel for the City of Chattanooga has consulted with Mr. Dan Johnson, Chief of Staff for Mayor Ron Littlefield, with respect to broad strategies with respect to the matters at issue.

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. Responsive information has not in fact been developed by the City of Chattanooga and therefore the request cannot be answered at this time. Without waiving its objections, 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, which demonstrated, among other things, that the referenced report does not constitute a management audit. The City has promulgated discovery seeking additional information deemed necessary to further explore this issue. Responsive information has not in fact been developed by the City of Chattanooga and therefore the request cannot be answered at this time. Without waiving its objections, 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 Responsive information has not in fact been developed by the City of Chattanooga and therefore the request cannot be answered at this time. Without waiving its objections, the City will supplement its responses to this request as the information sought becomes available.

Respectfully submitted,

CITY OF CHATTANOOGA, TENNESSEE
RANDALL L. NELSON, CITY ATTORNEY

BY: Michael A. McMahan

Michael A. McMahan, BPR #000810

Valerie L. Malueg, BPR #023763

Special Counsel

801 Broad Street, Suite 400

Chattanooga, TN 37402

(423) 757-5338

CHAMBLISS, BAHNER & STOPHEL, P.C.

BY: Frederick L. Hitchcock

Harold L. North, BPR #007022

Frederick L. Hitchcock, BPR #005960

1000 Tallan Building

Two Union Square

Chattanooga, TN 37402

(423) 756-3000

MA Mc with permission

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:

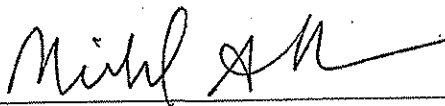
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P.O. Box 340025
Nashville, TN 37203
hwalker@boultcummings.com

This the 9th day of June, 2008.



Michael McMahan

June 13, 2008

Via E-Mail and USPS

filed electronically in docket office on 06/13/08

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

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 following document which has been filed electronically and served today.

City of Chattanooga's Second Supplemental Discovery Responses to Tennessee American Water Company

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

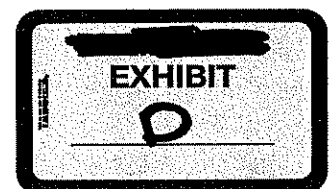
With best regards, I am

Sincerely,

Frederick L. Hitchcock

FLH:kw
Enclosures

cc: Ryan L. McGehee, Esq. (w/encl.)
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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 SECOND SUPPLEMENTAL DISCOVERY RESPONSES
TO TENNESSEE AMERICAN WATER COMPANY

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

GENERAL OBJECTIONS

1. City objects to all requests that seek information by the attorney-client privilege, the work product doctrine, and/or any other applicable privilege or restriction on disclosure.
2. City 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. City 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. City 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. City 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. City 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. City'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 in response to that discovery request. All responses are made subject to and without waiver of City'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:

Counsel for City have not yet identified the facts and documents upon which it will rely. Such facts and documents will include information responsive to the Intervenor's discovery requests and to TRA staff data requests. TAWC has refused to provide information and documents responsive to a large number of the Intervenor's requests, and City has filed motions to compel TAWC responses to a dozen of its requests. Without waiving its objections, upon receipt of TAWC's complete discovery responses, City will finish its review and will supplement this response.

The information contained in this response is current and complete as of the date of this supplemental response.

To the extent that TAWC has continuing concerns regarding the sufficiency of City's supplemental response, City will work in good faith with TAWC to resolve these concerns.

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:

Such persons include the employees and consultants of TAWC and its Affiliates who have knowledge of information responsive to the Intervenor's discovery requests and the TRA Staff data requests. Without waiving its objection, to the extent that City identifies other individuals with the requested information, it will supplement this response

The information contained in this response is current and complete as of the date of this supplemental response.

To the extent that TAWC has continuing concerns regarding the sufficiency of City's supplemental response, City will work in good faith with TAWC to resolve these concerns.

DISCOVERY REQUEST NO. 3:

Produce each document, photograph, or any other article or thing whatsoever, which refers or relates to any part of your contentions(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 requested information includes, without limitation, the pre-filed testimony and supporting exhibits of Mr. Joe Van den Berg as well as information responsive to the Intervenor's discovery requests and to TRA staff data requests. Without waiving its objections, upon receipt of TAWC's complete discovery responses, City will finish its review and will supplement this response.

The information contained in this response is current and complete as of the date of this supplemental response.

To the extent that TAWC has continuing concerns regarding the sufficiency of City's supplemental response, City will work in good faith with TAWC to resolve these concerns.

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 Rounds 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 the 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 and 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 disposition.

RESPONSE NO. 4:

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 witnesses and therefore the identity of, facts known by, or opinions held by such experts are not discoverable under Rule 26.04(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 TAWC fully responds to the Intervenor's discovery requests and such responses can be analyzed by the City and its consulting experts. Without waiving its objections, upon receipt of TAWC's complete discovery responses, City will finish its review and will supplement this response.

The information contained in this response is current and complete as of the date of this supplemental response.

To the extent that TAWC has continuing concerns regarding the sufficiency of City's supplemental response, City will work in good faith with TAWC to resolve these concerns.

Respectfully submitted,

By: 

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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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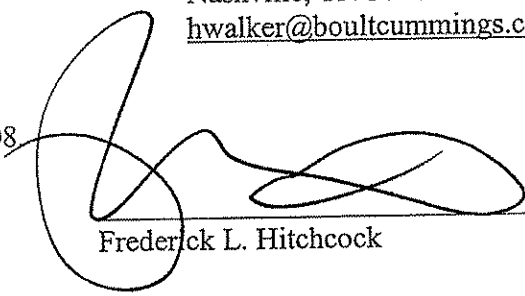
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This the 13th day of June, 2008



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