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July 3, 2008

Frederick L. Hitchcock, Esq. Chambliss, Bahner & Stophel, P.C. 1000 Tallan Building Two Union Square Chattanooga, TN 37402

filed electronically in docket office on 07/07/08

Michael McMahan, Esq. Office of the City Attorney Suite 400 801 Broad Street Chattanooga, TN 37402

Re: TAWC's Pending Renewed Motion to Compel

Dear Rick and Mike:

As you know, Tennessee American's Renewed Motion to Compel the City of Chattanooga remains pending. Since June 13, 2008, Tennessee American has not received any supplemental discovery responses from the City.

We understand that the City's lack of further supplementation is an ongoing assertion by the City that no further responsive information has yet been developed, discovered or identified by the City. Accordingly, we understand the City's position is that it has not (1) identified facts on which it will rely to support its position; (2) specifically identified employees or consultants of TAWC or its affiliated companies who the City believes have knowledge of facts that the City believes support its positions; (3) selected any testifying experts for this rate case; or (4) determined any bases on which the City intends to contest the conclusions or methodology of the I.C.A.R., weatherization figures, and depreciation study filed by Tennessee American in this docket.

If our understanding regarding your responses to date (or lack thereof) is not fully accurate, please let me know as soon as possible. If, in fact, the City has any responsive information or documents, we again call upon the City to fulfill its duty to supplement its responses without delay.

Thank you.

Frederick L. Hitchcock July 3, 2008 Page 2

Sincerely,

Adam Futrell

RIB:jgl

cc: Hon. Ron Jones

Hon. Sara Kyle Hon. Tre Hargett

Ms. Darlene Standley, Chief of Utilities Division

Richard Collier, Esq.

Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division

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Mr. John Watson

Mr. Michael A. Miller

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