BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

July 11, 2008

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

ORDER FURTHER MODIFYING PROCEDURAL SCHEDULE

This matter is before the Hearing Officer upon the motions filed by the Intervenors, the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"), the City of Chattanooga ("the City") and Chattanooga Manufacturers Association ("CMA") requesting permission to appeal the *Order Granting, In Part, Joint Motion of Intervenors to Expand Time to Submit Testimony and Modifying Procedural Schedule* filed by the Hearing Officer on July 3, 2008. Tennessee American Water Company ("TAWC" or the "Company") filed *Tennessee American Water Company's Response in Opposition to the Consumer Advocate and the City of Chattanooga's Joint Petition for Interlocutory Review and Chattanooga Manufacturer's Association's Appeal of the Time Limits Set by the Hearing Officer on July 11, 2008. The motions for an appeal are rooted in the Intervenors' request for an extension of time to file their pre-filed direct testimony. The Intervenors assert that additional*

¹ The Consumer Advocate and the City jointly filed the Petition for Interlocutory Review by the Authority of the Hearing Officer's Order Granting In Part, Joint Motion of Intervenors to Expand Time to Submit Testimony and Modifying Procedural Schedule on July 9, 2008. CMA filed The Chattanooga Manufacturers Association's Appeal of the Time Limits Set by the Hearing Officer on July 10, 2008.

time is required for them to prepare their pre-filed testimony, partially as a result of prolonged discovery disputes. In addition, the Intervenors' motions include a revised procedural schedule which adjusts all of the dates in the procedural schedule issued on July 3, 2008 and currently in effect.

In considering the Intervenors' motions and the response of TAWC, the Hearing Officer has reevaluated the existing procedural schedule in light of numerous discovery disputes during the first round of discovery. The Hearing Officer finds that the procedural schedule proposed by the Intervenors is not practicable. As evidenced by the significant amount of time utilized in formally and informally resolving discovery disputes during the Status Conferences in this docket, it is incumbent that time remain in the schedule for resolving objections and motions to compel through a status conference before the Company is required to file its rebuttal testimony.

Nevertheless, as in the past, the Hearing Officer is committed to trying to accommodate the requests of all parties in this docket when scheduling issues arise. For this reason, the Hearing Officer grants additional time in the procedural schedule for the filing of the Intervenors' pre-filed testimony and modifies the procedural schedule as to the second round of discovery. The filing date for the Intervenors' prefiled direct testimony is changed to Friday, July 18, 2008 at 2:00 p.m.² The second round of discovery will commence on July 24, 2008 with discovery responses and objections due on July 31, 2008.

On July 11, 2008, the Hearing Officer held a telephonic conference with counsel for all of the parties in this docket to inform them of the anticipated issuance of this order and the modified schedule. After discussing the proposed changes in the schedule, the parties agreed to the entry of this order with the schedule as set forth herein. In agreeing to the modified

² The Hearing Officer originally considered the Date of July 17, 2008 as the date for the filing of Intervenors;' prefiled testimony. The Intervenors requested July 18, 2008 at 2:00 p.m. and with the agreement of all parties, that date become the operative date.

procedural schedule and the entry of an order reflecting the modified schedule, the Intervenors announced to the Hearing Officer that all motions for appeal are withdrawn.

IT IS THEREFORE ORDERED THAT:

- 1. The Procedural Schedule is revised to accommodate additional time for the filing of pre-filed testimony and discovery and the Second Amended Procedural Schedule, attached to this Order as **Exhibit A**, is hereby adopted and is in full force and effect.
- 2. Upon entry of this Order, the motions of the Intervenors requesting permission to appeal are withdrawn.

J. Richard Collier
MRichard Collier
Hearing Officer

TRA DOCKET NO. 08-00039

SECOND AMENDED PROCEDURAL SCHEDULE

(July 11, 2008)

| May 12, 2008 | 1st Round of Discovery |
|--------------------|---|
| May 28, 2008 | Discovery Responses and Objections |
| June 2, 2008 | Motions to Compel |
| June 4, 2008 | Status Conference |
| June 9, 2008 | Supplemental Discovery Responses |
| June 17, 2008 | Supplemental Motions to Compel |
| June 18, 2008 | Responses to Supplemental Motions to Compel |
| June 19 - 20, 2008 | Status Conference |
| July 18, 2008 | Intervenors' Pre-Filed Testimony |
| At 2:00 pm | |
| July 24, 2008 | 2 nd Round of Discovery |
| July 31, 2008 | Discovery Responses and Objections |
| August 4, 2008 | Status Conference (Parties will report on settlement talks) |
| August 6, 2008 | Supplemental Discovery Responses |
| August 13, 2008 | Company's Pre-Filed Rebuttal Testimony |
| August 15, 2008 | Pre-Hearing Conference |