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July 24, 2008

**Via E-mail and USPS**

Chairman Tre Hargett  
c/o Ms. Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

filed electronically in docket office on 07/24/08

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

Dear Chairman Hargett:

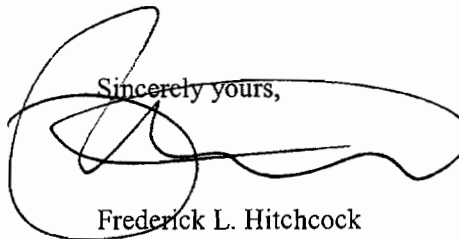
Enclosed please find an original and five (5) copies of the following documents which have been filed electronically and served today. on behalf of the City of Chattanooga:

1. City of Chattanooga's Renewed Motion to Ask Discovery Questions; and
2. City of Chattanooga's Second Discovery Requests to Petitioner Tennessee American Water Company.

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

With best regards, I am

Sincerely yours,



Frederick L. Hitchcock

FLH:kwr  
Enclosures

cc: Ryan L. McGehee, Esq. (w/encl)  
Timothy C. Phillips, Esq. (w/encl)  
David C. Higney, Esq. (w/encl)  
R. Dale Grimes, Esq. (w/encl)  
Ross Ian Booher, Esq. (w/encl)  
J. Davidson French, Esq. (w/encl)  
Adam Futrell, Esq. (w/encl)  
Erin Everitt, Esq. (w/encl)  
Henry M. Walker, Esq. (w/encl)  
Michael A. McMahan, Esq. (w/encl)

**IN THE TENNESSEE REGULATORY AUTHORITY  
AT 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**

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

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Intervenor, the City of Chattanooga (Chattanooga), by and through counsel, submits the following Second Discovery Requests (the "Requests") to Petitioner, Tennessee American Water Company ("TAWC"). The responses to the Requests shall be delivered to the offices of the City Attorney, 400 Pioneer Bank Building, Chattanooga, Tennessee 37402 in accordance with the Scheduling Order.

**INSTRUCTIONS AND DEFINITIONS**

A. These Requests are to be deemed as continuing, and you are requested to provide, by way of supplemental responses, such additional information as may be hereafter obtained by you or any person on your behalf which augment, supplement, or otherwise modify responses to these Requests.

B. The word "**Document**" shall include and mean, without limitation, the original and each draft and copy of any kind of written, printed, typed, recorded, or graphic matter, however produced or reproduced, of any kind or description, whether sent or received or neither.

The term shall further include, without limitation, originals, all copies, all images, all backup or archived copies, and all drafts of: papers, books, writings, memoranda, letters, electronic messages, electronic files, computer files, emails, correspondence, telegraphs, notes, book entries, accounts, statements of accounts, checks, cancelled checks, minutes of meetings, contracts, cables, telex messages, intra-office communications, intra-departmental communications, recordings or notes of telephone conversations, recordings or notes of other conversations, or meetings, affidavits, schedules, tabulations, calculations, computer files, and all other written or electronic records. The term "**Document**" includes the term "**Communication**".

C. The term "**Communication**" means any oral or written statement conveyed by one person or entity to another person or entity by whatever means, including electronic **Communications**, emails, and computer files.

D. If any **Document** called for by any request herein is to be withheld pursuant to any purported privilege or immunity:

(a) State the basis for such claim of privilege or immunity (e.g., attorney-client privilege, work product doctrine);

(b) Identify the **Document** being withheld by stating the name or title of the **Document**; the type of **Document**; its date, author, addressee, and copy(ies); a general description of its subject matter; its present location(s) and custodian(s); and each person who, to your knowledge, has seen it; and

(c) State the number and/or portion of the request to which each such **Document** would be responsive.

E. "**TAWC**" means the Petitioner, Tennessee-American Water Company.

F. **"TAWC Parent or Affiliate"** means (i) American Water Works Co., Inc. ("**AWWC**"); (ii) American Water Works Service Company, Inc. ("**AWWSC**"); (iii) American Water Capital Corp. ("**AWK**"); (iv) Thames Water Aqua Holdings GmbH ("**Thames GmbH**"); (v) Thames Water Aqua US Holdings, Inc. ("**TWAUSHI**"); (vi) RWE Aktiengesellschaft ("**RWE**"); (vii) American Water Services AAET, LP ("**AWC LP**"); (viii) American Water Services Corp. ("**AWSCorp**"); (ix) American Water Resources ("**AWR**"); (x) American Anglian Environmental ("**AAE**"); (xi) American Carbon Services ("**ACS**"); (xii) all successors of any entity identified in items (i) through (xi); and (xii) all affiliates, subsidiaries, and parents of any entity identified in items (i) through (xi).

G. **"Operating Company"** means **TAWC** and any other company providing water service to the public, the majority of the capital stock of which is owned by **AWK** or any **TAWC Parent or Affiliate**.

H. **"Explain"** means to provide a detailed explanation of the specified subject matter and to provide all **Documents** reflecting, recording, referring to, reporting, or relating to the subject matter or the response.

I. **"Identify"** means: (i) when used with reference to an individual person, to state his/her full name, employer, job title, present or last known residence address and telephone number, and present or last known business address and telephone number; and (ii) when used with reference to a **Document**, means to state the type of the document, its date, author, addressee, any other recipient(s), general subject matter, present location, and custodian. If any document to be identified was, but no longer is, in your possession, state the disposition that was made of it and the reasons, facts, or circumstances associated with its disposition.

## **DISCOVERY REQUESTS**

### **DISCOVERY REQUEST NO. 1:**

Please *Identify* each material fact and every *Document* that you rely on to support your contention(s), position(s) or belief(s) that *TAWC* is entitled to the relief, including any increase in rates, sought in TRA Docket No. 08-00039 before the Tennessee Regulatory Authority ("TRA").

### **RESPONSE:**

### **DISCOVERY REQUEST NO. 2:**

Please *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:**

Please produce each *Document*, photograph, or any other article or thing whatsoever that 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 be approved.

### **RESPONSE:**

**DISCOVERY REQUEST NO. 4:**

Please *Identify* each material fact in every *Document* that you believe contradicts the substance of the facts and opinions expressed by any witness who prefiled testimony has been submitted by Chattanooga or by one of the other Intervenors in this docket.

**RESPONSE:**

**DISCOVERY REQUEST NO. 5:**

Please *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. 4 above.

**RESPONSE:**

**DISCOVERY REQUEST NO. 6:**

Please provide all *Document(s)* referencing, relating to, or referring to the management audit referenced in the Motion of Director Pat Miller in TRA Docket No. 06-00290.

**RESPONSE:**

**DISCOVERY REQUEST NO. 7:**

Please provide all **Document(s)** referencing, relating to, responding to, or referring to the requirement of the Motion of Director Pat Miller in TRA Docket No. 06-00290 that the management audit be in compliance with Sarbanes-Oxley.

**RESPONSE:**

**DISCOVERY REQUEST NO. 8:**

If not already provided in response to a previous discovery request, please 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. 9:**

Please provide in electronic media (Word, Excel, or other Microsoft Office compatible format) and in hard copy all workpapers and other **Document(s)**, generated by or relied upon by all **TAWC** witnesses.

**RESPONSE:**

**DISCOVERY REQUEST NO. 10:**

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 *TAWC*'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 *TAWC* witness.

**RESPONSE:**

**DISCOVERY REQUEST NO. 11:**

Please *Identify* and produce any and all Document(s) or evidence of any kind that the *TAWC* intends to offer as evidence at the hearing or to refer to in any way at the hearing.

**RESPONSE:**

**DISCOVERY REQUEST NO. 12:**

Please *Identify* each material fact in every *Document* that you believe contradicts the substance of the facts and opinions expressed by any witness whose prefiled testimony has been submitted by Chattanooga or by one of the other Intervenor in this docket.

**RESPONSE:**



**DISCOVERY REQUEST NO. 13:**

Please provide supplemental responses to each of the City of Chattanooga's First Discovery Requests to the extent that new or updated information is available concerning any subject covered thereby.

**RESPONSE:**

**DISCOVERY REQUEST NO. 14:**

Please provide for each month beginning January 1, 2001 the total number of service calls from or relating to *TAWC* customers received by *TAWC* or by *AWWSC* or any other affiliates of *TAWC*.

**RESPONSE:**

**DISCOVERY REQUEST NO. 15:**

For all electronic files provided by *TAWC* in Adobe PDF format in response to Chattanooga's First Discovery Requests or these Second Discovery Requests, please provide copies of all such files in Microsoft Excel or Word formats.

**RESPONSE:**

**DISCOVERY REQUEST NO. 16:**

For all expenses included in the "Summary Bill Reports" provided in TN-COC-01-Q0101-ATTACHMENT 1, please provide for each category of service for each month a description of the purpose and amount of each expense and its amount.

**RESPONSE:**

**DISCOVERY REQUEST NO. 17:**

Please provide copies of any utility management audits, whether publicly available or not, performed by Booz Allen Hamilton and/or Joe Van den Berg since January 1, 2000.

**RESPONSE:**

**DISCOVERY REQUEST NO. 18:**

Please state whether *TAWC* or any *TAWC Parent or Affiliate* is currently a member of the American Water Works Association, the National Association of Water Companies, the American Public Works Association, or the Water Environment Federation. If the answer is affirmative as to *TAWC* or any *TAWC Parent or Affiliate*, please state for *TAWC* and each member *TAWC Parent or Affiliate*, the organization in which membership has been held and the years of membership since January 1, 2000.

**RESPONSE:**

**DISCOVERY REQUEST NO. 19:**

Please *Identify* any present or former employees of *TAWC* or *AWWSC* who has been involved in coordinating, providing data for, providing analyses used by, or undertaking in any capacity (a) management audits or (b) benchmarking studies or analyses. For purposes of this Request, "benchmarking" means "the selection, definition, and application of performance indicators for water utilities."

**RESPONSE:**

**DISCOVERY REQUEST NO. 20:**

Please provide all *Document*(s) referencing, relating to, responding to, or referring to the benchmarking study provided in response to the City of Chattanooga's First Discovery Request No. 23.

**RESPONSE:**

**DISCOVERY REQUEST NO. 21:**

As to the report provided in response to the City of Chattanooga's First Discovery Recovery Request No. 23 (the "Benchmarking Report"), please provide the following:

- (a) *Identify* the author(s) of the Benchmarking Report;
- (b) *Identify* the company or firm that prepared the Benchmarking Report and/or employed or contracted with the author(s) of the Benchmarking Report;

(c) **Identify** all past or present employees of *AWWSC* or *AWWC* involved in commissioning the Benchmarking Report, preparing or collecting data for use in the Benchmarking Report, consulting with the author(s) of the Benchmarking Report, or analyzing or responding to the Benchmarking Report.

**RESPONSE:**

**DISCOVERY REQUEST NO. 22:**

Please provide all **Document(s)** describing, referencing, relating to, responding to, or referring to each management decision of *AWWSC* or *AWWC* disclosed to or examined by Joe Van den Berg or Booz Allen Hamilton.

**RESPONSE:**

**DISCOVERY REQUEST NO. 23:**

Please provide all **Document(s)** constituting, referencing, containing, relating to, responding to, or referring to management certifications made to or relied upon by Mr. Joe Van den Berg or Booz Allen Hamilton in connection with the "management audit" attached to Mr. Van den Berg's prefiled testimony.

**RESPONSE:**

**DISCOVERY REQUEST NO. 24:**

Please *Identify* each category or type of expense included in the "service cost per customer" indicator included in the report attached to Mr. Joe Van den Berg's prefiled testimony.

**RESPONSE:**

**DISCOVERY REQUEST NO. 25:**

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. 26:**

Please provide any and all *Document*(s) 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:**

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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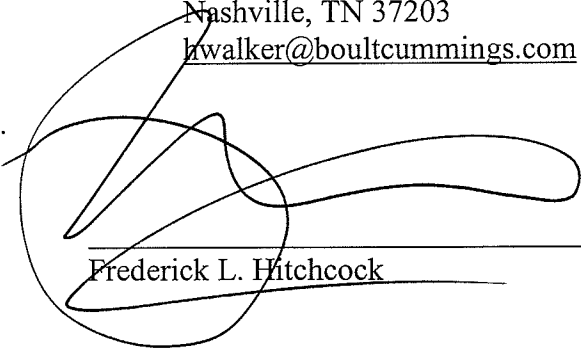
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This the 24<sup>th</sup> day of July, 2008.



Frederick L. Hitchcock