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July 24, 2008

VIA EMAIL AND MAIL

Chairman Tre Hargett
c/o Sharla Dillon
Tennessee Regulatory Authority
460 Robertson Parkway
Nashville, TN 37243-0505

filed electronically in docket office on 07/24/08

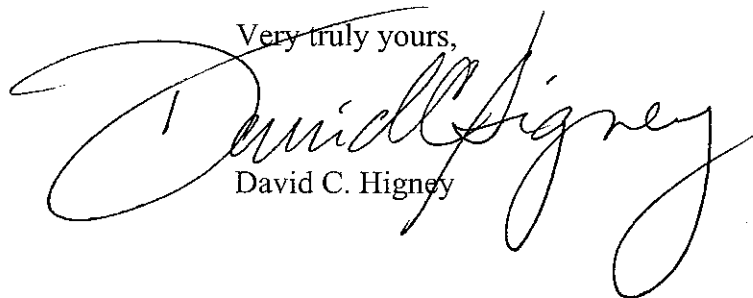
Re: ***TRA Docket No. 08-00039***

Dear Chairman Hargett:

Enclosed for filing is the original and five (5) copies of the Chattanooga Manufacturer Association's Second Set of Data Requests propounded upon Tennessee American Water Company. Please return to me one copy stamped "filed" in the enclosed stamped envelope.

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

Very truly yours,



David C. Higney

DCH/dmm
Enclosure

cc: Mr. J. Richard Collier
Mr. Henry M. Walker
Mr. Michael A. McMahan
Mr. Frederick L. Hitchcock
Mr. Dale Grimes/ Mr. Ross I. Booher
Mr. Timothy C. Phillips/ Mr. Ryan L. McGehee

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

IN RE:

PETITION OF TENNESSEE-
AMERICAN WATER COMPANY TO
CHANGE AND INCREASE CERTAIN
RATES AND CHARGES...

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DOCKET NO. 08-00039

**CHATTANOOGA MANUFACTURERS ASSOCIATION'S
SECOND SET OF DATA REQUESTS TO
TENNESSEE AMERICAN WATER COMPANY**

Chattanooga Manufacturers Association ("CMA"), by and through its counsel, hereby serves the following discovery and data requests to Tennessee American Water Company (hereinafter "TAWC", "Tennessee-American" or the "Company"):

DEFINITIONS

1. Unless otherwise noted, "Tennessee-American" "Company" or "TAWC" means Tennessee American Water Company, and its present and former officers, employees, agents, representatives, directors, and all other persons acting or purporting to act on behalf of Tennessee American Water Company.

2. The terms "you" and "your" refer to Tennessee American Water Company.

3. "The term "person" means any natural person, corporation, corporate division, partnership, other unincorporated association, trust, government agency, or entity.

4. The term "document" shall have the broadest possible meaning under applicable law. "Document" means every writing or record of every type and description that is in the

possession, custody or control of Tennessee American Water Company, including, but not limited to, correspondence, memoranda, drafts, workpapers, summaries, stenographic or handwritten notes, studies, publications, books, pamphlets, reports, surveys, minutes or statistical compilations, computer and other electronic records, files, tapes or printouts, including, but not limited to, electronic files, electronic mail (e-mail) files, portable files, temporary files, and/or external storage devices; and, copies of such writings or records containing any commentary or notation whatsoever that does not appear in the original. The term "document" further includes, by way of illustration but not limitation, schedules, progress schedules, time logs, drawings, computer disks, charts, projections, time tables, summaries of other documents, minutes, surveys, work sheets, drawings, comparisons, evaluations, laboratory and testing reports, telephone call records, personal diaries, calendars, personal notebooks, personal reading files, transcripts, witness statements and indices.

5. The term "referring or relating to" means consisting of, containing, mentioning, suggesting, reflecting, concerning, regarding, summarizing, analyzing, discussing, involving, dealing with, emanating from, directed at, pertaining to in any way, or in any way logically or factually connected or associated with the matter discussed.

6. "And" and "or" as used herein shall be construed both conjunctively and disjunctively and each shall include the other whenever such construction will serve to bring within the scope of these discovery requests any information that would otherwise not be brought within their scope.

7. "Affiliate" or "affiliated" means an entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another entity.

8. "Identify" or "identifying" or "identification" when used in reference to a document means to provide with respect to each document requested to be identified by these discovery requests a description of the document that is sufficient for purposes of a request to produce or a subpoena duces tecum, including the following:

- a) the type of document (e.g., letter, memorandum, etc.);
- b) the date of the document;
- c) the title or label of the document;
- d) the Bates number or other identifier used to number the document for use in litigation;
- e) the identity of the originator;
- f) the identity of each person to whom it was sent;
- g) the identity of each person to whom a copy or copies were sent;
- h) a summary of the contents of the document;
- i) the name and last known address of each person who presently has possession, custody or control of the document; and
- j) if any such document was, but is no longer, in your possession, custody or control or is no longer in existence, state whether it: (1) is missing or lost; (2) has been destroyed; or (3) has been transferred voluntarily or involuntarily, and, if so, state the circumstances surrounding the authorization for each such disposition and the date of such disposition.

GENERAL INSTRUCTIONS

1. If you contend that any response to any data request may be withheld pursuant to the attorney-client privilege, the attorney work product doctrine or any other privilege or basis, please provide a privilege log stating the following with respect to each such response in order to

explain the basis for the claim of privilege and to permit adjudication of the propriety of that claim:

- a) the privilege asserted and its basis;
- b) the nature of the information withheld, including a description that makes the document reasonably ascertainable, including its date, author and a description;
- c) the subject matter of the document, except to the extent that you claim it is privileged.

2. These requests are to be answered with specific reference to all information in your possession, custody or control or reasonably available to you. These requests are intended to include requests for information, which is physically within your possession, custody or control as well as in the possession, custody or control of your agents, attorneys, or other third parties from which such documents may be obtained. If you reference other data responses or witness testimony (incl. exhibits), please provide the date, page number, line number and other precise reference(s) to the information to which you are referring to or relying upon in response to the request.

3. If any data request cannot be answered in full, answer to the extent possible and specify the reasons for your inability to answer fully.

4. For each data request, provide the name of the company witness(es) or employee(s) responsible for compiling and providing the information contained in each answer.

DATA AND DISCOVERY REQUESTS

1. Please provide the in-service date for the Citico WTP Pretreatment Phase I Capital Addition included in construction work in progress (CWIP).

2. Please provide what TAWC contends to be any support, authority or basis (if any) authorizing the Authority to include CWIP in rate base and the authorization to earn a current rate of return on such balance.

3. In reference to Mr. John Watson's direct testimony, please identify the amount of dollars received or projected to be received by Tennessee-American as a form of reimbursement for project relocation(s), specifically identifying where (if at all) TAWC contends these funds are included in the Company's revenue requirement calculation.

4. Please provide what TAWC contends to be any support, authority or basis (if any) authorizing the Authority to exclude the Walden Ridge Utility District's special contract from this current contested rate case.

5. Please provide what TAWC contends to be any support, authority or basis (if any) to reconcile the testimony of Mr. Watson, where he testifies to the inclusion of Phase I and II improvements to the Citico treatment plant, and the balances included in CWIP in the amounts of \$7,837,500 and \$300,000.

6. Please provide what TAWC contends to be any support, authority or basis (if any) to reconcile the amounts included in the lead lag study for Group Insurance and Insurance Other Than Group and the amount included in the Company's working capital balance labeled Prepaid Insurance, specifically identifying whether the Company contends these balances are for the same insurance and, if not, please explain the alleged differences.

7. The Company's Petition filed in this docket, at paragraph 7, states: "the earnings situation of the Company has deteriorated to a level that, without rate relief, the Company cannot meet demands for service in an orderly and economical fashion." Specifically identify each aspect of the demand(s) for service that the Company does not or cannot meet in an orderly and economical fashion, and provide the grounds and/or bases, including any facts and/or documents, the Company contends support those claims.

8. The Company's Petition filed in this docket, at paragraph 7, states that a rate increase: "is essential to . . . make the necessary improvements and to meet the expansion needs of the customers it serves." Specifically identify (including by type, street address, or district) each improvement and expansion "need" the Company has identified as "necessary," and provide the grounds and/or bases, including any facts and/or documents, the Company contends support those claims.

9. The Company's Petition filed in this docket, at paragraph 9, states: "the Company cannot provide the necessary new facilities, maintain existing ones adequately, and meet the needs of its customers for the future with such an unrealistic rate of return." Specifically identify each new facility the Company has identified as "necessary" but cannot provide, each "existing" facility the Company alleges it does not or cannot adequately maintain, and the needs of its customers that TAWC does not or cannot meet/fulfill, and provide the grounds and/or bases, including any facts and/or documents, the Company contends support those claims.

10. The Company's Petition filed in this docket, at paragraph 9, states: "The Company has no other alternative but to petition this Authority to permit it to place higher rates into effect in order to: (a) avoid material impairment of damage to the Company's long range operations; and (b) to enable the Company to earn a fair rate of return on its Tennessee operations during the foreseeable future." Considering a more than \$4,000,000 rate increase was implemented in May 2007, specifically identify each "material impairment" or "damage" identified which the Company contends is going to occur, how the Company defines "long-term operations" in the context of paragraph 9, and what the Company contends is the "foreseeable future" regarding its Tennessee operations, and provide the grounds and/or bases, including any facts and/or documents, the Company contends support those claims.

11. Please identify and produce any and all documentation, items, reports, data, communications and 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.

Respectfully submitted,

GRANT KONVALINKA & HARRISON, P.C.

By: 

DAVID C. HIGNEY (BPR #14888)

Attorneys for Intervenor -

Chattanooga Manufacturers Association

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- and -

BOULT CUMMINGS, CONNERS & BERRY, PLC

By: 

HENRY M. WALKER (BPR #272)

1600 Division Street, Suite 700

P.O. Box 340025

Nashville, Tennessee 37203

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 24 day of July, 2008, upon the following:

☐ Hand-Delivery
☒ U.S. Mail
☐ Facsimile
☐ Overnight
☒ Email

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