

TENNESSEE REGULATORY AUTHORITY

Tre Hargett, Chairman
Eddie Roberson, Director
Sara Kyle, Director
Mary Freeman, Director



REC-7

JUL 29 PM 3:45

T.R.A. DOCKET ROOM

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

July 29, 2008

R. Dale Grimes
Bass, Berry & Sims PLC
AmSouth Center
315 Deaderick Street, Suite 2700
Nashville, TN 37238

RE: Docket No. 08-00039 – 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

Dear Mr. Grimes:

To further the Staff's review of the Direct Testimony filed with this Authority on July 18, 2008 by Tennessee American Water Company, please furnish additional information as requested on the attached Staff Data Request. If you have questions regarding the attached request, please contact Patsy Fulton (extension 193) or Paul Greene (extension 156) for clarification before responding.

Thank you for your attention to this matter. Please provide all response by August 5, 2008.

Sincerely,

Darlene Standley
Chief
Utilities Division

Enclosure

C: Service List

1. The Authority issued a Data Request on May 12, 2008 that Tennessee American Water Company (TAWC) responded to on May 28, 2008. The Data Request sought detailed calculations of both expenses and revenues based on Exhibit No 2, Schedule 3 (*Summary of Adjustments to Operation and Maintenance Expenses*) and Exhibit No. 2, Schedule 2 (*Operating Revenues Per Books for the Test Year and for the Attrition Year Under Both Present and Proposed Rates*) respectively. The detailed calculations were provided; however, the accounting exhibits/schedules that were originally provided have not been filed with updated information to include the adjustments reflected in the Data Response of May 28, 2008. The following adjustments were provided:

• Customer Accounting:	\$ 6,403
• General Office Expense:	3,825
• Other Maintenance Expense:	14,773
• Miscellaneous Expense:	38,556

Please provide all accounting exhibits/schedules with the new updated information based on the calculations provided in the Data Response of May, 28, 2008.

2. Please provide copies of all previous and current contracts with Walden Ridge.
3. Why did TAWC eliminate Walden's Ridge revenue from the filing as stated in Sheila Miller's Direct Testimony, page 6?
4. Has TAWC included any revenues, expenses or investments in rate base relating to Walden's Ridge? If so, please identify all revenues (type of revenues), expenses (by account) or investments in rate base relating to Walden's Ridge.
5. Explain Account # 510100 (Purchased Water – Outside). Specifically, explain what is meant by "Outside."
6. Please provide us with a copy of the special contracts with Walden's Ridge, Signal Mountain, Fort Oglethorpe, and Catoosa.