

**BASS, BERRY & SIMS PLC**  
*Attorneys at Law*

A PROFESSIONAL LIMITED LIABILITY COMPANY

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July 31, 2008

**VIA HAND DELIVERY**

Chairman Tre Hargett  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

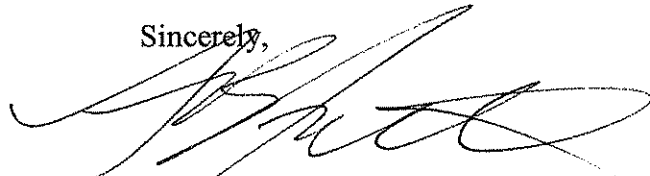
Re: ***Petition Of Tennessee American Water Company To Change And Increase Certain Rates And Charges So As To Permit It To Earn A Fair And Adequate Rate Of Return On Its Property Used And Useful In Furnishing Water Service To Its Customers***  
***Docket No. 08-00039***

Dear Chairman Hargett:

Enclosed please find Tennessee American Water Company's Responses to the Second Set of Discovery Requests by the City of Chattanooga. Copies are being served on each of the Intervenor today.

Should you have any questions concerning any of the enclosed, please do not hesitate to contact me.

Sincerely,



Adam B. Futrell

ABF:jgl  
Enclosures

Chairman Tre Hargett  
July 31, 2008  
Page 2

cc: Hon. Eddie Roberson, PhD (*w/o enclosure*)  
Hon. Mary Freeman (*w/o enclosure*)  
Ms. Darlene Standley, Chief of Utilities Division (*w/o enclosure*)  
Richard Collier, Esq. (*w/o enclosure*)  
Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division (*w/o enclosure*)  
Timothy C. Phillips, Esq. (*w/enclosure*)  
David C. Higney, Esq. (*w/enclosure*)  
Henry M. Walker, Esq. (*w/enclosure*)  
Michael A. McMahan, Esq. (*w/enclosure*)  
Ryan McGehee, Esq. (*w/enclosure*)  
Frederick L. Hitchcock, Esq., (*w/enclosure*)  
Mr. John Watson (*w/o enclosure*)  
Mr. Michael A. Miller (*w/o enclosure*)

6936481.1

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

**IN RE:**

<b>PETITION OF TENNESSEE AMERICAN</b>	<b>)</b>	
<b>WATER COMPANY TO CHANGE AND</b>	<b>)</b>	
<b>INCREASE CERTAIN RATES AND CHARGES</b>	<b>)</b>	
<b>SO AS TO PERMIT IT TO EARN A FAIR AND</b>	<b>)</b>	
<b>ADEQUATE RATE OF RETURN ON ITS</b>	<b>)</b>	<b>Docket No. 08-00039</b>
<b>PROPERTY USED AND USEFUL IN</b>	<b>)</b>	
<b>FURNISHING WATER SERVICE TO ITS</b>	<b>)</b>	
<b>CUSTOMERS</b>	<b>)</b>	

**TENNESSEE AMERICAN WATER COMPANY'S RESPONSES TO THE SECOND  
DISCOVERY REQUEST OF THE CITY OF CHATTANOOGA TO TENNESSEE  
AMERICAN WATER COMPANY**

The Tennessee American Water Company ("TAWC") hereby responds as follows to the First Discovery Request of the City of Chattanooga ("City") to the TAWC:

**GENERAL OBJECTIONS**

(1) TAWC objects to all requests that seek information protected by the attorney-client privilege, the work product doctrine and/or any other applicable privilege or restriction on disclosure.

(2) TAWC objects to the definitions and instructions accompanying requests to the extent definitions and instructions contradict, are inconsistent with, or impose any obligations beyond those required by applicable provisions of the Tennessee Rules of Civil Procedure or the rules, regulations or orders of the Tennessee Regulatory Authority.

(3) TAWC objects to the definitions of the words "document," "you," "person," "persons," "affiliate," "affiliated," "identify," "identifying," "identification," and "referring or relating to," that accompany the data requests because such definitions are overbroad and unduly burdensome.

(4) The specific responses set forth below are based upon information now available to TAWC, and TAWC reserves the right at any time to revise, correct, add to or clarify the objections or responses and supplement the information and/or documents produced.

(5) TAWC is providing its responses herein without waiver of, or prejudice to, its right at any later time to raise objections to: (a) the competence, relevance, materiality, privilege, or admissibility of the response, or the subject matter thereof; and (b) the use of any response, or subject matter thereof, in any subsequent proceedings.

(6) TAWC objects to each request to the extent that it is unreasonably cumulative or duplicative, or seeks information obtainable from some other source that is more convenient, less burdensome or less expensive.

(7) TAWC objects to each request to the extent it is premature such that it seeks information concerning matters about which discovery is ongoing and/or seeks information to be provided by expert witnesses.

(8) TAWC objects to each request to the extent it seeks information outside TAWC's custody or control.

(9) TAWC reserves all of its objections with respect to the discovery propounded by the CAPD that is in excess of the limit.

(10) TAWC objects to requests that call upon TAWC to create, categorize, manipulate, customize or otherwise organize data regarding time periods outside of TAWC's historical test year. TAWC objects to all such requests because they are unduly burdensome, seek to have TAWC create work product and seek information that is not relevant to this rate case.

(11) TAWC's specific objections to each request are in addition to the General Objections set forth in this section. These General Objections form a part of each discovery

response, and they are set forth here to avoid the duplication and repetition of restating them for each discovery response. The absence of a reference to a General Objection in response to a particular request does not constitute a waiver of any General Objection with respect to that discovery request. All responses are made subject to and without waiver of TAWC's general and specific objections.

Respectfully Submitted,



R. Dale Grimes (#6223)

Ross I. Booher (#019304)

BASS, BERRY & SIMS PLC

315 Deaderick Street, Suite 2700

Nashville, TN 37238-3001

(615) 742-6200

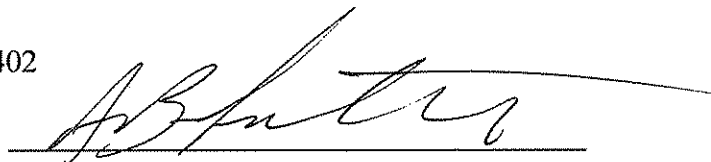
*Counsel for Petitioner*

*Tennessee American Water Company*

### 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 31<sup>st</sup> day of July, 2008, upon the following:

<input checked="" type="checkbox"/> Hand-Delivery	Timothy C. Phillips, Esq.
<input type="checkbox"/> U.S. Mail	Consumer Advocate and Protection Division
<input type="checkbox"/> Facsimile	Office of Attorney General
<input type="checkbox"/> Overnight	2nd Floor
<input checked="" type="checkbox"/> Email	425 5th Avenue North
	Nashville, TN 37243-0491
<input type="checkbox"/> Hand-Delivery	David C. Higney, Esq.
<input type="checkbox"/> U.S. Mail	Counsel for Chattanooga Manufacturers Association
<input type="checkbox"/> Facsimile	Grant, Konvalinka & Harrison, P.C.
<input checked="" type="checkbox"/> Overnight	633 Chestnut Street, 9th Floor
<input checked="" type="checkbox"/> Email	Chattanooga, TN 37450
<input checked="" type="checkbox"/> Hand-Delivery	Henry M. Walker, Esq.
<input type="checkbox"/> U.S. Mail	Counsel for Chattanooga Manufacturers Association
<input type="checkbox"/> Facsimile	Boult, Cummings, Conners & Berry, PLC
<input type="checkbox"/> Overnight	Suite 700
<input checked="" type="checkbox"/> Email	1600 Division Street
	Nashville, TN 37203
<input type="checkbox"/> Hand-Delivery	Michael A. McMahan, Esq.
<input type="checkbox"/> U.S. Mail	Special Counsel
<input type="checkbox"/> Facsimile	City of Chattanooga (Hamilton County)
<input checked="" type="checkbox"/> Overnight	Office of the City Attorney
<input checked="" type="checkbox"/> Email	Suite 400
	801 Broad Street
	Chattanooga, TN 37402
<input type="checkbox"/> Hand-Delivery	Frederick L. Hitchcock, Esq.
<input type="checkbox"/> U.S. Mail	Harold L. North, Jr., Esq.
<input type="checkbox"/> Facsimile	Counsel for City of Chattanooga
<input checked="" type="checkbox"/> Overnight	Chambliss, Bahner & Stophel, P.C.
<input checked="" type="checkbox"/> Email	1000 Tallan Building
	Two Union Square
	Chattanooga, TN 37402



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

**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**

**AFFIDAVIT**

STATE OF WEST VIRGINIA

COUNTY OF KANAWHA

I, MICHAEL MILLER, Treasurer/Comptroller for Tennessee American Water Company, do hereby certify that the foregoing response to the City of Chattanooga's Second Discovery Requests to Petitioner Tennessee American Water Company was prepared by me or under my supervision and are true and accurate to the best of my knowledge and information.

DATED this 31<sup>st</sup> day of July, 2008.

Michael A. Miller  
(signature)

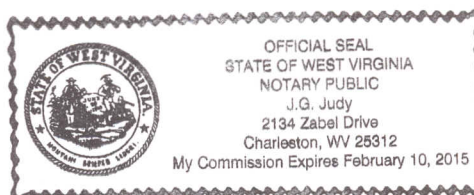
Michael A. Miller  
(printed name)

Sworn to and subscribed before me this 31<sup>st</sup> day of July, 2008.

J.G. Judy  
NOTARY PUBLIC

My Commission Expires:

February 10, 2015



**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**Discovery Request No. 1:**

Please ***Identify*** each material fact and every ***Document*** that you rely on to support your contention(s), positions(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:**

The Company objects to this question on the grounds that the requested information is unduly burdensome, overly broad, and contains information subject to attorney/client privilege and protected according to the attorney work product doctrine.

Notwithstanding the objections above the Company provides the following response. This question is duplicative of CAPD-2-Q1. Please refer to that response.

The Company will supplement this response as required.



**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller

**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:**

The Company objects to this question on the grounds that the requested information is unduly burdensome, overly broad, and contains information subject to attorney/client privilege and protected according to the attorney work product doctrine.

Notwithstanding the objections above the Company provides the following response. This question is duplicative of CAPD-2-Q2. Please refer to that response.

The Company will supplement this response as required.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**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:**

The Company objects to this question on the grounds that the requested information is unduly burdensome, overly broad, and contains information subject to attorney/client privilege and protected according to the attorney work product doctrine.

Notwithstanding the objections above the Company provides the following response. This question is duplicative of CAPD-2-Q3. Please refer to that response.

The Company will supplement this response as required.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Joe Van den Berg/Others

**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 Intervenorors in this docket.

**Response:**

The Company objects to this question on the grounds that the requested information is unduly burdensome, overly broad, and contains information subject to attorney/client privilege and protected according to the attorney work product doctrine.

Notwithstanding the objections above the Company provides the following response. The Company is in the process of developing the rebuttal testimony of the City's witnesses and other schedules may be developed and other source data utilized as that testimony is developed. Due to the significant amount of issues raised by the parties to this case, the Company does not expect to have its rebuttal testimony finalized prior to the date on which the procedural schedule calls for that testimony to be filed.

The Company will supplement this response as required.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Joe Van den Berg/Others

**Discovery Request No. 5:**

Please ***Identify*** all persons known to you, your attorney, or other agent(s) who have knowledge, information, or possess any ***Documents(s)*** or claim to have knowledge, information, or possess any ***Document(s)*** which support your answer to Discovery Request No. 4 above.

**Response:**

The Company objects to this question on the grounds that the requested information is unduly burdensome, overly broad, and contains information subject to attorney/client privilege and protected according to the attorney work product doctrine.

Notwithstanding the objections above the Company provides the following response.

The list of individuals responsive to this request includes Company personnel and witnesses who filed direct testimony in this matter, and those witnesses who have filed testimony on behalf of the Intervenors.

The Company is in the process of developing rebuttal testimony and will supplement this response as required.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Joe Van den Berg

**Discovery Request No. 6:**

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

**Response:**

The Company objects to this question on the grounds that the requested information is unduly burdensome, overly broad, premature, and contains information subject to attorney/client privilege and protected according to the attorney work product doctrine.

Notwithstanding the objections above the Company provides the following response. The documents referencing, relating to, or referring to the management audit have been supplied in previous filings with the TRA in this proceeding. Those documents include, but are not limited to, testimony filed by Joseph Van den Berg, as well as Mr. Van den Berg's exhibits, working papers, and responses to discovery requests by the intervening parties. Please refer to the documents and files provided in response to TN-COC-01-Q017, TN-COC-01-Q018, and TN-COC-01-Q019 for the working papers, schedules, notes, and calculations utilized by Mr. Van den Berg.

Tennessee American is continuing to evaluate its positions in this docket, and its rebuttal testimony is not due until August 13, 2008. The Company will supplement this response as required.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Joe Van den Berg

**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:**

Please see the response to request number 6.

The Company will update this response as required.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**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:**

The Company objects to this question on the grounds that the requested information is unduly burdensome, overly broad, premature, and contains information subject to attorney/client privilege and protected according to the attorney work product doctrine.

Notwithstanding the objection above the Company provides the following response. This question is duplicative of CAPD-2-Q6. Please refer to that response.

The Company will supplement this response as required.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**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:**

The Company objects to this question on the grounds that the requested information is unduly burdensome, overly broad, premature, and contains information subject to attorney/client privilege and protected according to the attorney work product doctrine.

Notwithstanding the objection above the Company provides the following response. This question is duplicative of CAPD-2-Q7. Please refer to that response.

The Company will supplement this response as required.



**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**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:**

This question is duplicative of CAPD-2-Q8. Please refer to that response.

The Company will supplement this response as required.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**Discovery Request No. 11:**

Please ***Identify*** and produce any and all Documents(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:**

The Company objects to this question on the grounds that the requested information is unduly burdensome, overly broad, and contains information subject to attorney/client privilege and protected according to the attorney work product doctrine.

Notwithstanding the objections above the Company provides the following response. Please see the responses to CAPD-2-Q1-8. The Company will also utilize the testimony, exhibits, workpapers and discovery responses of the intervening parties. The Company may develop additional exhibits and information to support rebuttal testimony which is not known at this time.

Tennessee American continues to work on its preparations for the hearing in this case.

The Company will supplement this response as required.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** N/A

**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 Intervenorors in this docket.

**Response:**

This question is a duplicate of question 4. Please refer to that response.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**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:**

The Company will supplement as required by the Tennessee Rules of Civil Procedure.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/John Watson

**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:**

Please see the response to COC-1-Q9 and the responses to CAPD-1-part 4-Q 89 and 90.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**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 Discover Requests, please provide copies of all such files in Microsoft Excel or Word formats.

**Response:**

All responsive data has been previously supplied in the CD's attached to the filing, and the responses to the TRA and Intervenor's discovery requests.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/others

**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:**

The Company objects to this question on the basis that there is no question TN-COC-01-Q0101 in the first set of discovery requests from the City of Chattanooga. If this request in fact relates to TN-COC-1-Q10, the Company further objects on the grounds that the requested information is overly broad and unduly burdensome because the Company's existing response to that request has been deemed responsive. Notwithstanding these objections the Company provides the following response.

The Company believes the department column on the response to TN-COC-1-10 provides a sufficient general description of the departmental function for each AWWSC employee charging time to TAWC. In addition, the 1989 Service Company contract provides a general description of the types of services provided in each AWWSC functional area (finance, accounting, engineering, etc.) In addition, Section 5 of the BAH report includes a description of the various services provided by the functional areas of AWWSC and how the various functional areas of AWWSC interact with TAWC.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Joe Van den Berg

**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:**

The Company objects to this request on the grounds that it overly broad and unduly burdensome. Much of the requested information is extremely dated and if the archived files exist would be extremely burdensome to produce. Notwithstanding the objections the Company provides the following response.

Joe Van den Berg and/or the Booz Allen Hamilton/Booz & Co team have successfully executed similar independent analyses in 18 jurisdictions, including the state of Tennessee. These analyses have been supported by these jurisdictions (see attachment) in the context of the allocation of management fees to specific operating companies on the part of a shared services organization. To the extent the docket numbers in those states is known given the significant passage of time they are provided below.

Based on the recollection of Mr. Van den Berg, the 1990 study provided in Tennessee related to either United Telephone or GTE South.

- Illinois – 2007 – Commonwealth Edison, docket number 07-0566.
- Texas – 2007 – Entergy Gulf States, docket number 34800
- Texas – 2006 – AEP Texas, docket number 33309.

The three studies listed above should be available on those state Commission websites.



Joe Van den Berg and/or the Booz Allen Hamilton/Booz & Co. team have successfully conducted similar independent analyses in the following 18 jurisdictions

Scope / Topics Covered						
State	Cost Allocation	Value Analysis	Necessity and Benefits	Cost Reasonableness	Process Control	Year
Arizona	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	< 1995
Arkansas	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	< 1990
California		<div></div>				1997
Colorado	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	< 1995
Florida	<div></div>	<div></div>	<div></div>			< 1995
Illinois	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	2007
Indiana	<div></div>		<div></div>	<div></div>		< 1995, 2004
Kansas	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	2003
Missouri	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	< 1995,2003
Montana	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	< 1995
Nevada	<div></div>		<div></div>			< 1995
New Mexico	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	< 1995
Oklahoma	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	< 1990
Oregon	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	< 1995
Tennessee	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	< 1990
Texas	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	2006, 2007
Washington	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	< 1995
Wyoming	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	< 1995

Note: Booz & Co. team member experience

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**Question:**

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 of Affiliate***, the organization in which membership has been held and the years of membership since January 1, 2000.

**Response:**

American Water and Tennessee American have been members of American Water Works Association and the National Association of Water Companies since before the year 2000. Neither American Water, American Water Service Company nor Tennessee American was a member of the American Public Works Association in the year 2007. American Water has been a member of Water Environmental Federation since the year 2006.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**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:**

The Company objects to this question on the grounds that it is overly broad and unduly burdensome. It would be extremely burdensome, if possible at all, to identify each and every employee of AWW or its subsidiaries who may have in some way provided information as part of those management audits or studies. In addition, the Company continues to maintain that the management audits specific to other subsidiaries of AWW are not relevant to this proceeding. The Company also objects to the definition of benchmarking provided in this question as being overly broad. The accumulation of performance indicators does not constitute benchmarking in the Company's opinion. While benchmarking involves the use of financial or performance indicators, those financial or performance indicators are only meaningful if the benchmarking study determines that the information is consistent within the peer group (i.e. an “apples to apples” comparison), and considers any number of factors to ensure the peer group information is consistent across the peer group. Notwithstanding the objections, the Company responds as follows regarding the management audits and studies previously provided in response to the Intervenor's previous discovery requests regarding this information.

1. New Jersey American Management Audit previously supplied; Responsible employees include:

Daniel L. Kelleher, President, New Jersey American Water Company at the time of the audit.

John Bigelow, current President of New Jersey American Water Company (VP&Treasurer at the time of audit)

John Settelen, Jr., Currently VP Planning and Reporting for AWWSC (VP and Comptroller at the time of audit)

Frank Impagliazzo, Separated from AWWSC (served as audit coordinator)

Michael Petrelli, VP of Human Resources (retired)

Karl Kyriss/Howard Woods, VP of Operations (both have left the Company)

Michael Sgro, Currently General Counsel for NJAW (Sec. and Corp. Counsel at time of audit)

William Pearce – Environmental Specialist for NJAW (VP of engineering at time of audit)

2. Pennsylvania American Management Audit previously supplied; Responsible employees include:

Robert M. Ross, President (retired in 2005)

James E. Harrison, VP & Treasurer (transferred to Voorhees in 2000 and retired in 2004)

Craig A. Levinsky, VP Human Resources (left the Company in 2004)

Robert W. Freeston, VP & Controller (left the Company in 2004)

Richard A. Seliga, Director Customer Relations (left the Company in 2004)

Louis P. Tschachler, Performance Manager (served as audit coordinator)

3. AWW Hackett Study provided in response to TN-COC-1-Q23.  
Please see the response to part C of question 21.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**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:**

The Company objects to this question on the grounds it is overly broad and unduly burdensome. Notwithstanding the objections, and pursuant to the provisions of the protective order, TAWC produces the attached documents designated as Confidential. Attached are all responsive documents that could be located referencing the study or actions taken after results of the study were known.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**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:**

- (a) Vicky Zuzak, at The Hackett Group
- (b) AICPA and The Hackett Group
- (c) The Company objects to this question on the grounds that it is overly broad, unduly burdensome and contains information subject to attorney client privilege and the work product doctrine. Notwithstanding the objections, the Company responds as follows:  
  
It would be extremely burdensome, if not impossible, to identify every current or former employee who may have had knowledge or provided data for the Hackett Study. The Company provides the following list of key AWW employees involved with the Study.

The Hackett Study was commissioned by:

Ellen C. Wolf, Senior Vice President and Chief Financial Officer, AWWSC

Doneen S. Hobbs, Vice President, Shared Services, AWWSC

Project Manager: Robin Quinn, Director of Accounting, AWWSC

Other leading participants: Thomas Spitz, Director of Accounting, AWWSC

Frank Impagliazzo, Separated from AWWSC

Debbie Emposimato, Director, Supply Chain, AWWSC

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/others

**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:**

The Company objects to this question on the grounds that it is overly broad, unduly burdensome and contains information subject to attorney/client privilege and work product doctrine. Notwithstanding the objections the Company provides the following response. TAWC provided this information previously in response to TN-COC-1-Q17-19. Please refer to that response.

The Company will supplement this response as required.



**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Joe Van den Berg

**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 pre-filed testimony.

**Response:**

This information was provided in response to TN-COC-01-Q017, TN-COC-01-Q018, and TN-COC-01-Q019.

TAWC will supplement this response as required.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Joe Van den Berg

**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:**

For the peer group, all information is from the 2006 FERC Form 60, Schedule XV. To calculate the service company cost (the numerator), the calculation is as follows:

Line 30

-(Line 403 + Line 404 + Line 405 + Line 408 + Line 409 + Line 410 + Line 411 + Line 411.5 (if applicable) + Line 419 + Line 427 + Line 430 + Line 431 + Line 435)  
= Adjusted Service Company O&M

The customer count (the denominator) is the aggregate retail customer count for all operating companies under the holding company, as identified in the FERC Form 1.

For American Water Works Service Company, the calculation for the service company cost is outlined in Appendix 1, figure 9-5 of Joe Van den Berg’s prefiled testimony. The customer count is the aggregate of all American Water operating company customers.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**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:**

The Company objects to this question on the grounds that the requested information is unduly burdensome, overly broad, premature and contains information subject to attorney/client privilege and protected according to the attorney work product doctrine.

Notwithstanding the objections above, the Company provides the following response. This request is duplicative of CAPD-2-Q10. Please see the response to that request.

The Company will supplement this response as required.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 08-00039  
CITY OF CHATTANOOGA'S  
SECOND DISCOVERY REQUESTS**

**Responsible Witness:** Michael A. Miller/Others

**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:**

The Company objects to this question on the grounds that the requested information is unduly burdensome, overly broad, premature and contains information subject to attorney/client privilege and protected according to the attorney work product doctrine.

Notwithstanding the objections above, the Company provides the following response. This request is duplicative of CAPD-2-Q5. Please see the response to that request.

The Company will supplement this response as required.