

August 12, 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 08/12/08

**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 City of Chattanooga's Second Supplemental Responses to Tennessee American Water Company's Second Discovery Requests.

I would appreciate you stamping the extra copy of each of these documents as "filed," and returning it 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)  
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**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 SUPPLEMENTAL RESPONSES  
TO TENNESSEE AMERICAN WATER COMPANY'S  
SECOND DISCOVERY REQUESTS**

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The City of Chattanooga ("City"), by and through its attorneys, submits the following supplemental responses to the Tennessee American Water Company's ("TAWC") second discovery requests as follows:

**GENERAL OBJECTIONS**

1. City objects to all requests that seek information by the attorney-client privilege, the work product doctrine, and/or any other applicable privilege or restriction on disclosure.
2. City 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 the Tennessee Rules of Civil Procedure or the rules, regulations, and orders of the Tennessee Regulatory Authority.
3. City objects to the definitions of the words "document" or "documents" or "documentation" that accompany the requests, because such definitions are overbroad and unduly burdensome.

4. City is providing its objections 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.

5. City 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.

6. City 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.

7. City's specific objections to each request shall be 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 in response to that discovery request. All responses are made subject to and without waiver of City's general and specific objections.

**DISCOVERY REQUEST NO. 12.:**

Please explain how AWWA collected the data on which its "Benchmarking Performance Indicators for Water and Wastewater Utilities" report is based and whether the "Benchmarking Performance Indicators for Water and Wastewater Utilities" report differentiates between investor owned, multi-state utilities with service company structures and publicly owned or municipal utilities.

**SUPPLEMENT TO PREVIOUS RESPONSE:** In preparing testimony filed in this Docket referencing the AWWA study, Mr. Glynn Stoffel relied only upon the descriptions of the sample of utilities contained in the AWWA Study.

**DISCOVERY REQUEST NO. 13.:**

Please provide a list of the companies in the 61 company peer group referenced on page 7 of Mr. Stoffel's testimony and indicate whether each company is (i) municipally owned, (ii) a co-op, (iii) a public service district or public water utility district, (iv) an investor-owned, (v) an investor-owned, multi-state utility that is provided services by a centralized service company organization, or (vi) other (and if other, please describe its ownership type or structure).

**SUPPLEMENT TO PREVIOUS RESPONSE:** In preparing testimony filed in this Docket referencing the AWWA study, Mr. Glynn Stoffel relied only upon the descriptions of the sample of utilities contained in the AWWA Study.

**DISCOVERY REQUEST NO. 14.:**

Please provide all information (other than that provided in appendices to the testimony of Glynn Stoffel) reviewed by Mr. Stoffel or any analysis performed by Mr. Stoffel prior to the filing of Mr. Stoffel's pre-filed testimony in this docket that addresses or compares the type and level of services provided by the 61 utilities referenced on page 7 of his testimony to those services provided by the utilities referenced in the Booz Allen Hamilton peer group contained on Exhibit 9-1, page 8 of the Booz Allen Hamilton report filed in this docket.

**SUPPLEMENT TO PREVIOUS RESPONSE:** In preparing testimony filed in this Docket referencing the AWWA study, Mr. Glynn Stoffel relied only upon the descriptions of the sample of utilities contained in the AWWA Study.

**DISCOVERY REQUEST NO. 16.:**

For the companies that appear in the 61 company peer group referenced on page 7 of Mr. Stoffel's testimony in this docket that have "service companies," describe in detail the type, nature, number and scope of the services provided by the service companies.

**SUPPLEMENT TO PREVIOUS RESPONSE:** In preparing testimony filed in this Docket referencing the AWWA study, Mr. Glynn Stoffel relied only upon the descriptions of the sample of utilities contained in the AWWA Study.

**DISCOVERY REQUEST NO. 17.:**

Please provide all information reviewed by Mr. Stoffel or any analysis performed by Mr. Stoffel prior to the filing of Mr. Stoffel's pre-filed testimony in this docket that attempts to determine the differences among the 61 company peer group referenced on page 7 of his testimony and the utility peer group used in the Booz Allen Hamilton report including, but not limited to: the number of and types of services included in Mr. Stoffel's peer group compared to the Booz Allen Hamilton peer group, taxes for investor-owned versus non-taxable public or municipal systems, the size of the systems, the sophistication of the billing and accounting systems, the differences in regulation (Commission or TRA rules and regulations) between the systems or the absence of regulation in some cases, whether the systems have surface or ground water source water, etc.

**SUPPLEMENT TO PREVIOUS RESPONSE:** In preparing testimony filed in this Docket referencing the AWWA study, Mr. Glynn Stoffel relied only upon the descriptions of the sample of utilities contained in the AWWA Study.

**DISCOVERY REQUEST NO. 18.:**

Please identify each of the entities among Mr. Stoffel's 61 company peer group that is subject to the Sarbanes-Oxley Act or presently engaged in the process of Sarbanes-Oxley implementation.

**SUPPLEMENT TO PREVIOUS RESPONSE:** In preparing testimony filed in this Docket referencing the AWWA study, Mr. Glynn Stoffel relied only upon the descriptions of the sample of utilities contained in the AWWA Study.

City reserves the right to supplement its responses.

Respectfully submitted,

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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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This the 12<sup>th</sup> day of August, 2008.



Frederick L. Hitchcock