

BASS, BERRY & SIMS PLC
A PROFESSIONAL LIMITED LIABILITY COMPANY
ATTORNEYS AT LAW

R. DALE GRIMES
TEL: (615) 742-6244
FAX: (615) 742-2744
dgrimes@bassberry.com

AMSOUTH CENTER
315 DEADERICK STREET, SUITE 2700
NASHVILLE, TN 37238-3001
(615) 742-6200

www.bassberry.com

OTHER OFFICES

KNOXVILLE
MEMPHIS

RECEIVED
MAY -6 PM 4:33
T.R.A. DOCKET ROOM

May 6, 2008

VIA HAND-DELIVERY

Chairman Eddie Roberson, PhD
c/o Ms. Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 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 Roberson:

Enclosed please find an original and sixteen (16) sets of copies of Tennessee American Water Company's Motion for Entry of Confidential Protective Orders.

Please return three copies of this Motion, which I would appreciate your stamping as "filed," and returning to me by way of our courier.

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

With kindest regards, I remain

Very truly yours,

R. Dale Grimes
R. Dale Grimes *by permission*
[Signature]

RDG/ms
Enclosures

Chairman Eddie Roberson, PhD

May 6, 2008

Page 2

cc: Hon. Ron Jones (*w/o enclosure*)
Hon. Sara Kyle (*w/o enclosure*)
Hon. Tre Hargett (*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*)
Ms. Pat Murphy (*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*)
Frederick L. Hitchcock, Esq., (*w/enclosure*)
Mr. John Watson (*w/o enclosure*)
Mr. Michael A. Miller (*w/o enclosure*)

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

IN RE:

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

**TENNESSEE AMERICAN WATER COMPANY'S MOTION FOR ENTRY OF
CONFIDENTIAL PROTECTIVE ORDERS**

The Hearing Officer, by his Order Granting Petitions to Intervene and Establishing a Procedural Schedule, directed that the parties confer for the purposes of submitting an agreed proposed protective order if possible. The parties have conferred concerning the possibility of proposing an agreed protective order, but have been unable to reach an agreement. Accordingly, Tennessee American Water Company (the "Company") hereby respectfully moves the Hearing Officer to enter the proposed Protective Order for Confidential Information attached to this Motion as Exhibit A, as well as the proposed Supplemental Protective Order for Highly Confidential Information attached as Exhibit B.

The proposed Protective Order is an exact copy of the first Protective Order entered in Docket No. 06-00290 on January 19, 2007 (the "2007 Protective Order"). The 2007 Protective Order contains the standard provisions routinely included in Protective Orders issued by this Authority, and was entered to protect confidential information in Docket No. 06-00290. The parties to Docket No. 06-00290 unanimously agreed to the entry of the 2007 Protective Order.

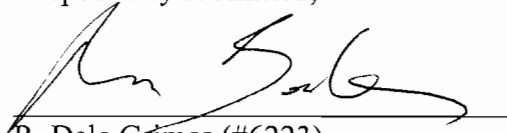
Further, in the event the parties seek Highly Confidential Information in discovery in this Docket, the Company proposes the attached Supplemental Protective Order. The proposed Supplemental Protective Order is a materially identical copy of the Amended Supplemental Protective Order entered in Docket No. 06-00290 by this Hearing Officer on March 30, 2007 for the protection of Highly Confidential Information, except that footnote 2 and paragraph 13 have been omitted as they were specific to that case. The Amended Supplemental Protective Order was the end result of substantial litigation, including multiple motions, responses, memoranda of law, and hearings before this Hearing Officer. Because one or more parties may seek Highly Confidential Information in this Docket, the Company respectfully requests the Hearing Officer enter the attached proposed Supplemental Protective Order.

While the Company would, of course, desire more stringent protections for its Confidential Information and Highly Confidential Information, the Company offers the proposed Protective Orders as a compromise that should be acceptable to each of the Intervenors, as it was in Docket No. 06-00290.

Conclusion

Given the substantial amount of time and energy invested by all the parties and the Hearing Officer to create these Orders, there is no need to try to reinvent the wheel in this Docket. Accordingly, the Company respectfully requests the Hearing Officer enter a Protective Order to protect Confidential Information in the form attached as Exhibit A, as well as a Supplemental Protective Order to protect Highly Confidential Information in the form attached as Exhibit B.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. Dale Grimes', written over a horizontal line.

R. Dale Grimes (#6223)

Ross I. Booher (#019304)

BASS, BERRY & SIMS PLC

315 Deaderick Street, Suite 2700

Nashville, TN 37238-3001

(615) 742-6200

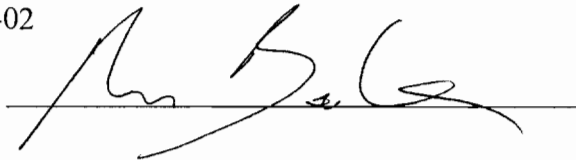
Counsel for Petitioner

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 6th day of May, 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**

IN RE:

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

PROTECTIVE ORDER

To expedite the flow of filings, discovery, exhibits and other materials, and to facilitate the prompt resolution of disputes regarding confidentiality of the material, adequately protect material entitled to be kept confidential and to ensure that protection is afforded only to material so entitled, and the parties being in agreement as to the entry of this Protective Order, the Hearing Officer, as appointed by the Tennessee Regulatory Authority ("TRA"), hereby orders the following:

1. For the purpose of this Protective Order (the "Order"), proprietary or confidential information, hereinafter referred to as "CONFIDENTIAL INFORMATION" shall mean documents, testimony and information in whatever form which the producing party, in good faith, deems to contain or constitute trade secrets, confidential commercial information, confidential research, development, financial statements, confidential data of third parties, or other commercially sensitive information, and which has been specifically designated by the producing party. A "Producing Party" is defined as the party creating the confidential information as well as the party having actual physical possession of information produced pursuant to this Order. All summaries, notes, extracts, compilations or other direct or indirect



reproduction from or of any protected materials, shall be entitled to protection under this Order. Documents containing CONFIDENTIAL INFORMATION shall be conspicuously and specifically marked as "CONFIDENTIAL" on each page containing confidential information and on the cover page with the accompanying page numbers listed either on the cover or on a subject index page. The document must be produced in a way that will clearly identify to others that it contains CONFIDENTIAL INFORMATION. Any document so designated shall be handled in accordance with this Order. The provisions of any document containing CONFIDENTIAL INFORMATION may be challenged under Paragraph 11 of this Order.

2. Any individual or company subject to this Order, including producing parties or persons reviewing CONFIDENTIAL INFORMATION, shall act in good faith in discharging their obligations hereunder. Parties or nonparties subject to this Order shall include parties who are allowed by the TRA to intervene subsequent to the date of entry of this Protective Order.

3. CONFIDENTIAL INFORMATION shall be used only for the purposes of this proceeding, and shall be expressly limited and disclosed only to the following authorized persons:

- (a) Counsel of record for the parties and other legal counsel for the parties in this case and associates, secretaries and paralegals actively engaged in assisting counsel of record in this proceeding;
- (b) TRA Directors and members of the staff of the TRA;
- (c) officers, directors, or employees of the parties, including employees of the Office of Tennessee Attorney General; provided, however, that CONFIDENTIAL INFORMATION shall be shown only to those persons having a need to know;
- (d) Representatives of the parties who need to know because they are actively engaged in assisting counsel of record in preparing for this proceeding; and
- (e) Outside consultants and expert witnesses (and their staff) employed or retained by the parties or their counsel, who need access to

CONFIDENTIAL INFORMATION solely for evaluation, testing, testimony, preparation for trial or other services related to this docket, provided that to the extent that any party seeks to disclose CONFIDENTIAL INFORMATION to any outside consultant or expert witness who is expected to testify on that party's behalf, the party shall give five (5) days written notice to the Producing Party of intention to disclose CONFIDENTIAL INFORMATION. During such notice period, the Producing Party may move to prevent or limit disclosure for cause, in which case no disclosure shall be made until the TRA, the Hearing Officer, the Administrative Law Judge or court rules on the motion. Any such motion shall be filed within three (3) days after service of the notice. Any response shall be filed within three (3) days after service of the Motion. A Pre-hearing conference may be called to confer with the parties on the Motions to Limit Disclosure. All service shall be by hand delivery or by facsimile.

Under no circumstances shall any CONFIDENTIAL INFORMATION be disclosed to or discussed with anyone associated with the marketing of products, goods or services that may be in competition with the products, goods or services of the Producing Party. Counsel for the parties are expressly prohibited from disclosing CONFIDENTIAL INFORMATION produced by another party to their respective clients, except for in-house counsel and persons who need to know in order to assist counsel of record with preparation of the case.

4. Prior to disclosure of CONFIDENTIAL INFORMATION to any authorized persons, the counsel representing the party who is to receive the CONFIDENTIAL INFORMATION shall provide a copy of this Order to the recipient employee, associate counsel, TRA Director or staff member, who shall be bound by the terms of this Order. Prior to disclosure of CONFIDENTIAL INFORMATION to any outside consultant or expert witness employed or retained by a party, counsel shall provide a copy of this Order to such outside consultant or

expert witness, who shall sign an Affidavit in the form of that attached to this Order attesting that he or she has read a copy of this Order, that he or she understands and agrees to be bound by the terms of this Order, and that he or she understands that unauthorized disclosure of the documents labeled "CONFIDENTIAL" constitutes a violation of this Order. This Affidavit shall be signed in the presence of and be notarized by a notary public. Counsel of record for each party shall provide the Producing Party a copy of each such Affidavit and shall keep the Affidavits executed by the parties' experts or consultants on file in their respective offices.

5. If any party or non-party subject to this Order inadvertently fails to designate documents as CONFIDENTIAL in accordance with the provisions of this Order when producing the documents this failure shall not constitute a waiver of confidentiality, provided the party or non-party who has produced the document shall notify the recipient of the document in writing within five (5) days of discovery of such inadvertent failure to designate the document as CONFIDENTIAL. At that time, the recipients will immediately treat the subject document as CONFIDENTIAL. In no event shall the TRA, or any other party to this Order, be liable for any claims or damages resulting from the disclosure of a document provided while not so labeled as "CONFIDENTIAL." An inadvertent failure to designate a document as CONFIDENTIAL, shall not, in any way, affect the TRA's determination as to whether the document is entitled to CONFIDENTIAL status.

6. If any party or non-party subject to this Order inadvertently fails to designate documents as CONFIDENTIAL in accordance with the provisions of this Order when producing such documents and the failure is not discovered in time to provide a five (5) day notification to the recipient of the confidential nature of the documents referenced in the paragraph above, the failure shall not constitute a waiver of confidentiality and a party by written motion or by oral

motion at a Pre-hearing Conference or at the Hearing on the merits may request designation of the documents as CONFIDENTIAL, and if the motion is granted by the Hearing Officer or the Authority, the recipients shall immediately treat the subject documents as CONFIDENTIAL. The Hearing Officer or the Tennessee Regulatory Authority may also, at his or her discretion, either before or during the Pre-Hearing Conference or Hearing on the Merits of the case, allow information to be designated CONFIDENTIAL and treated as such in accordance with the terms of this Order.

7. Any papers filed in this proceeding that contain, quote, paraphrase, compile or otherwise disclose documents covered by the terms of this Order, or any information contained therein, shall be filed and maintained in the TRA Docket Room in sealed envelopes marked CONFIDENTIAL and labeled to reflect the style of this proceeding, the docket number, the contents of the envelope sufficient to identify its subject matter and this Protective Order. The envelopes shall be maintained in a locked filing cabinet. The envelopes shall not be opened or their contents reviewed by anyone except upon order of the TRA or Hearing Officer after due notice to counsel of record. Notwithstanding the foregoing, the Directors and the Staff of the TRA may review any paper filed as CONFIDENTIAL, without obtaining an Order of the TRA or Hearing Officer provided the Directors and Staff maintain the confidentiality of the paper in accordance with the terms of this Order.

8. Documents, information and testimony designated as CONFIDENTIAL or PROTECTED SECURITY MATERIALS (as defined in Paragraph 19) in accordance with this Order, may be used in testimony at the Hearing of this proceeding and offered into evidence used in any hearing related to this action in a manner that protects the confidentiality of the information, subject to the 'Tennessee Rules of Evidence and to such future orders as the TRA or

the Hearing Officer may enter. Any party intending to use documents, information, or testimony designated CONFIDENTIAL or PROTECTED SECURITY MATERIALS shall inform the Producing Party and the TRA or the Hearing Officer, prior to the Hearing on the Merits of the case, of the proposed use; and shall advise the TRA or the Hearing Officer, and the Producing Party before use of the information during witness examinations so that appropriate measures can be taken by the TRA or the Hearing Officer to protect the confidential nature of the information.

9. Except for documents filed in the TRA Docket Room, all documents covered by the terms of this Order that are disclosed to the requesting party shall be maintained separately in files marked CONFIDENTIAL and labeled with reference to this Order at the offices of the requesting party's counsel of record, kept in a secure place.

10. Nothing herein shall be construed as preventing any party from continuing to use and disclose any information (a) that is in the public domain, or (b) that subsequently becomes part of the public domain through no act of the party, or (c) that is disclosed to it by a third party, where said disclosure does not itself violate any contractual or legal obligation, or (d) that is independently developed by a party, or {e} that is known or used by it prior to this proceeding. The burden of establishing the existence of (a) through (e) shall be upon the party attempting to use or disclose the information.

11. Any party may contest the designation of any document or information as CONFIDENTIAL or PROTECTED SECURITY MATERIALS by filing a Motion with the TRA, Hearing Officer, or the courts, as appropriate, for a ruling that the documents, information or testimony should not be so treated. All documents, information and testimony designated as CONFIDENTIAL or PROTECTED SECURITY MATERIALS, however, shall be maintained as

such until the TRA, the Hearing Officer, or a court orders otherwise. A Motion to contest must be filed not later than fifteen (15) days prior to the Hearing on the Merits. Any Reply from the Company seeking to protect the status of their CONFIDENTIAL INFORMATION or PROTECTED SECURITY MATERIALS must be received not later than ten (10) days prior to the Hearing on the Merits and shall be presented to the Authority at the Hearing on the Merits for a ruling.

12. Nothing in this Order shall prevent any party from asserting any objection to discovery other than an objection based upon grounds of confidentiality.

13. Non-party witnesses shall be entitled to invoke the provisions of this Order by designating information disclosed or documents produced for use in this action as CONFIDENTIAL, in which event the provisions of this Order shall govern the disclosure of information or documents provided by the non-party witness. A non-party witness' designation of information as CONFIDENTIAL may be challenged under Paragraph 11 of this Order.

14. No person authorized under the terms herein to receive access to documents, information, or testimony designated as CONFIDENTIAL shall be granted access until such person has complied with the requirements set forth in Paragraph 4 of this Order.

15. Any person to whom disclosure or inspection is made in violation of this Order shall be bound by the terms of this Order.

16. Upon an order becoming final in this proceeding or any appeals resulting from such an order, all the filings, exhibits and other materials and information designated CONFIDENTIAL or PROTECTED SECURITY MATERIALS and all copies thereof shall be returned to counsel for the party who produced (or originally created) the filings, exhibits and other materials, within fifteen (15) days or authorized persons in possession of such documents

shall certify to counsel for the producing party that all filings, exhibits, and other materials, plus all copies or extracts from the filings, exhibits and other materials, and all copies of the extracts from the filings, exhibits and other materials thereof have been destroyed. Subject to the requirements of Paragraph 7 above, the TRA shall retain copies of information designated as CONFIDENTIAL or PROTECTED SECURITY MATERIALS as may be necessary to maintain the record of this case intact. Counsel who received the filings, exhibits and other materials, designated as CONFIDENTIAL or PROTECTED SECURITY MATERIALS shall certify to counsel for the Producing Party that all the filings, exhibits and other materials, plus all copies or extracts, notes or memorandums from the filings, exhibits and other materials, and all copies of the extracts from the filings, exhibits and other materials thereof have been delivered to counsel for the Producing Party or destroyed and that any electronic copies of CONFIDENTIAL INFORMATION or PROTECTED SECURITY MATERIALS received or mentioned by the receiving party have been eliminated.

17. After termination of this proceeding, the provisions of this Order relating to the confidential nature of CONFIDENTIAL DOCUMENTS or PROTECTED SECURITY MATERIALS, information and testimony shall continue to be binding upon parties herein and their officers, employers, employees, agents, and/or others unless this Order is vacated or modified.

18. Nothing herein shall prevent entry of a subsequent order, upon an appropriate showing, requiring that any documents, information or testimony designated as CONFIDENTIAL shall receive protection other than that provided herein.

19. In addition to the other provisions of this Order, Tennessee American Water Company ("the Company") and its affiliates may designate and label as "PROTECTED

SECURITY MATERIALS” documents and information related to security measures undertaken to protect public health and safety. The Company shall provide access to PROTECTED SECURITY MATERIALS to TRA Directors and members of the staff of the TRA and further only to authorized representatives of Intervenors in this docket. Authorized representatives shall be limited to the following: in the event that TRA staff becomes a party, one counsel of record and one other staff member or person under contract to the staff, each authorized in writing by a senior official of the TRA to have such access; and with respect to any other party, two counsel of record and a single other person, employed by or under contract to the party, authorized by that party in a written certification mutually agreeable to the parties.

20. The Company shall provide access to an authorized representative to PROTECTED SECURITY MATERIALS only after such authorized representative has executed an Affidavit in the form of that attached to this Order and provided a copy to the Company. Except with consent of the Company: (i) access shall be at the offices of the Company or its counsel of record and under supervision of the Company; (ii) PROTECTED SECURITY MATERIALS shall not be removed from the offices of the Company or its counsel; (iii) no copies shall be provided to an authorized representative except as provided herein. Authorized representatives may make notes or memoranda from a review of the PROTECTED SECURITY MATERIALS and may remove such notes and memoranda. In all other respects such notes and memoranda shall remain PROTECTED SECURITY MATERIALS and subject to the provisions hereof, PROTECTED SECURITY MATERIALS shall be used only to assist TRA staff or any other party to prepare for and to try this proceeding and shall not be used for any other purpose in this or any other jurisdiction.

21. Except as provided in this Order, the contents of PROTECTED SECURITY MATERIALS to which the TRA staff or other party is given access, and any notes, memoranda, or any form of information or opinions regarding or derived from the PROTECTED SECURITY MATERIALS shall not be disclosed to anyone other than an authorized representative in accordance with the Order, except that an authorized representative may disclose his or her conclusions or findings solely within, and for the purposes of, this proceeding and in accordance with this Order. PROTECTED SECURITY MATERIALS shall not otherwise be published, disclosed or divulged except as expressly provided herein. The TRA Directors, TRA staff and any other party shall treat all notes memoranda or opinions regarding or derived from the PROTECTED SECURITY MATERIALS as highly confidential and shall keep them in a secure location with access limited to an authorized representative, and the contents of PROTECTED SECURITY MATERIALS and any information derived from them shall be considered highly confidential, and shall not be deemed public records. The TRA staff, any party, Hearing Officer, or the TRA Directors may discuss any position or conclusion regarding security expenditures and testimony in briefs, orders, pleadings, or hearings in this proceeding without disclosing protected information to the public in accordance with this Order.

22. The Attorney General and his staff have authority to enter into Nondisclosure Agreements pursuant to Tenn. Code Ann. § 65-4-118 which are consistent with state and federal law, regulations and rules.

23. The Attorney General and his staff agree to keep confidential commercial information and/or trade secrets in a secure place and will not permit them to be seen by any person who is not an employee of the State of Tennessee, the Office of Attorney General and Reporter, or a person who has signed a Nondisclosure Agreement.

24. The Attorney General and his staff may make copies of confidential commercial information or trade secrets or any portion thereof. To the extent permitted by state and federal law, regulations and rules, all notes utilizing supporting information shall be subject to the terms of this Order to the extent factual assertions are derived from the supporting information.

25. To the extent permitted by state law, the Attorney General will provide timely notice of filing or disclosure in the discharge of the duties of the Office of the Attorney General and Reporter, pursuant to Tenn. Code Ann. §10-7-504(a)(5)(C) or any other law, regulation or rule, so that the Company may take action relating to disclosure.

26. The obligations of the Attorney General including his staff (collectively “Attorney General”) and the Chattanooga City Attorney including his staff (collectively “City Attorney”) under this Order are further subject to the state’s Public Records Act and other open records statutes. Nothing in this Order is intended to violate or alter the state’s Public Records Act or Freedom of Information Act (“FOIA”). In the event that the Attorney General or City Attorney is served with a subpoena, public records request, FOIA request, or other request that calls for the production of information labeled as “CONFIDENTIAL” or “PROTECTED SECURITY MATERIALS” by the Company, the Attorney General or City Attorney will notify the Company by notifying the undersigned of the existence of the subpoena, public records request, FOIA request, or other request, at least five (5) business days before responding to the request to the extent permitted by state law and orders of the court as long as the Attorney General or City Attorney is able to respond to the request within a reasonable time. Following the five (5) day notice period, the Attorney General or City Attorney may elect to wait to produce such information as allowed by state law in order to provide the Company an opportunity to challenge said subpoena or request or to make arrangements to preserve the confidentiality of the

information labeled as “CONFIDENTIAL” or “PROTECTED SECURITY MATERIALS” by the Company that is subject to such request.

27. The designation of any information, documents or things in accordance with this Order as constituting or containing confidential or proprietary information and the Attorney General’s or his staff’s treatment of such material as confidential or proprietary in compliance with this Order is not an admission or agreement by the Attorney General or his staff that the material constitutes or contains confidential commercial information or trade secret information and shall not be deemed to be either a waiver of the state’s right to challenge such designation or an acceptance of such designation. The Company agrees to designate information, documents or things provided to the Attorney General as confidential commercial information or trade secret if it has a good faith basis for the claim. The Company will upon request of the Attorney General or his staff provide a written explanation of the details, including statutory authority, that support its confidential commercial information or trade secret claim within five (5) days of a written request. The Company also specifically agrees that it will not designate any documents as CONFIDENTIAL INFORMATION or label such documents as “CONFIDENTIAL” if the documents:

- (a) have been distributed to the public, consumers or others, provided that proprietary customer information provided by the Company to its customers or their marketers may be designated as CONFIDENTIAL INFORMATION; or
- (b) are not maintained by the Company as confidential commercial information or trade secrets or are not maintained by the Company as proprietary customer information.

28. Nothing in this Order shall prevent the Attorney General from using the CONFIDENTIAL INFORMATION received for investigative purposes in the discharge of the duties of the Office of the Attorney General and Reporter. Additionally, nothing in this Order

shall prevent the Attorney General from informing state officials and third parties of the fact of an investigation, as needed, to conduct the investigation. Without limiting the scope of this paragraph, nothing in this Order shall prevent the Attorney General from contacting consumers whose names were provided by the Company or from discussing with any consumer any materials that he or she allegedly received from the Company or confirming that a consumer actually received the materials, to the extent that the Attorney General or his staff does so in a manner that complies with the provisions of this Order.

29. The terms of the foregoing paragraphs 22 through 28 do not apply to PROTECTED SECURITY MATERIALS as set forth in paragraphs 19-21 of this Order. PROTECTED SECURITY MATERIALS shall be treated in accordance with paragraphs 19-21.

30. All information, documents and things designated as CONFIDENTIAL INFORMATION or PROTECTED SECURITY MATERIALS and produced in accordance with this Order may be disclosed in testimony or offered into evidence at any TRA or court hearing, trial, motion or proceeding of this matter, subject to the provisions of this Order and the applicable Rules of Evidence. The party who produced the information, documents and things designated as CONFIDENTIAL INFORMATION or PROTECTED SECURITY MATERIALS agrees to stipulate to the authentication of such information, documents and things in any such proceeding.

31. Nothing in this Order is intended to restrict or alter federal or state laws, regulations or rules.

32. Any person who has signed a Nondisclosure Statement or is otherwise bound by the terms of this Order shall continue to be bound by this Order and/or Nondisclosure Statement even if no longer engaged by the TRA or Intervenors.

Hearing Officer

APPROVED FOR ENTRY:

By: _____

R. Dale Grimes
BASS, BERRY & SIMS
PLC 315 Deaderick Street
Nashville, TN 37238
(615) 742-6200

Attorneys for Tennessee American Water Company

By: _____

Timothy Phillips
Consumer Advocate and Protection Division
Office of Attorney General
425 5th Avenue North
Nashville, TN 37243-0491

Attorneys for the Consumer Advocate and Protection Division of the Attorney General's Office

By: _____

David C. Higney
Harold L. North, Jr.
Grant, Konvalinka & Harrison, P.C.
Ninth Floor, Republic Center
633 Chestnut Street
Chattanooga, TN 37450-0900

and

Henry M. Walker
Boult, Cummings, Conners, & Berry
1600 Division Street, Suite 700
Nashville, TN 37203

Attorneys for the Chattanooga Manufacturers Association

By: _____

Michael A. McMahan
801 Broad Street, Suite 400
Chattanooga, TN 3740-0900

Attorneys for the City of Chattanooga

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 _____ day of May, 2008, upon the following:

- | | |
|--|---|
| <input 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 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 type="checkbox"/> Overnight | 633 Chestnut Street, 9th Floor |
| <input type="checkbox"/> Email | Chattanooga, TN 37450 |
| | |
| <input 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 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 type="checkbox"/> Overnight | Office of the City Attorney |
| <input 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 type="checkbox"/> Overnight | Chambliss, Bahner & Stophel, P.C. |
| <input type="checkbox"/> Email | 1000 Tallan Building
Two Union Square
Chattanooga, TN 37402 |

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

IN RE:

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

NONDISCLOSURE STATEMENT

I have reviewed the Protective Order entered in the above-captioned matter and agree to abide and be bound by its terms. I understand that unauthorized disclosure of documents labeled "CONFIDENTIAL" or "PROTECTED SECURITY MATERIALS" will be a violation of the Order.

DATE

NAME

STATE OF _____)
COUNTY OF _____)

Personally appeared before me, _____ a Notary Public, _____
with whom I am personally acquired, who acknowledged that he executed the within instrument
for the purposes therein contained.

WITNESS my hand, at office, this ____ day of _____, 2008.

NOTARY PUBLIC

My Commission Expires:

6807068.3

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

May 6, 2008

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

SUPPLEMENTAL PROTECTIVE ORDER

This Order specifically acknowledges the need for certain documentation and information, designated hereunder as Highly Confidential Information, to be afforded an enhanced level of protection.

Pursuant to the Tennessee Rules of Civil Procedure, to ensure that documents or information produced by Tennessee American Water Company ("Tennessee American" or "Producing Party") during the discovery process in this docket related to or dealing with an Initial Public Offering ("IPO"), including such documents filed with the Securities and Exchange Commission, and other filings with federal and state agencies, which are deemed to be highly sensitive proprietary and commercial information or trade secrets that the public release of which could result in harm to the Producing Party, including but not limited to information that is required by state or federal laws or regulations to be kept confidential¹ (hereafter collectively and

¹ Expressly including, but not limited to, public disclosure of information by the Producing Party that may result in any publicity that may contribute to conditioning the public mind or arousing public interest in any offer or offering (as those terms are defined by federal law) by the Producing Party in violation of Section 5(c) of the Securities Act of 1933.



individually referred to as “Highly Confidential Information”) is adequately protected, and to ensure that such protection is afforded only to material so entitled, the Hearing Officer, as appointed by the Tennessee Regulatory Authority (“TRA”), hereby orders that information designated by the producing party as Highly Confidential Information shall receive all of the protections that apply to “Confidential Information” as set forth in the protective order entered this date (“Protective Order”), as well as the following additional protections set forth in this Supplemental Protective Order, as follows:

1. Should a party believe that information has been improperly designated as Highly Confidential Information, the party may petition the TRA Hearing Officer to remove the designation, explaining in the petition the basis for the party’s belief. Any such petition and any responses thereto shall be filed under seal and shall remain under seal until the dispute has been resolved and the Hearing Officer has ordered that they be unsealed in whole or part. Any such petition must be filed not later than twenty (20) days prior to the Hearing on the Merits, or within five (5) days of receipt of the information designated Highly Confidential Information, whichever is later. Any Reply from the Producing Party seeking to protect the status of its Highly Confidential Information must be received not later than ten (10) days prior to the Hearing on the Merits or within four (4) days of service on the Producing Party of any petition to contest such designation, whichever is later. Any such petition may request that the information be treated as Highly Confidential Information or not Highly Confidential. In the event the designation of Highly Confidential Information is removed for certain information by a valid order, but the document is deemed to be a confidential document, such information shall be considered designated as Confidential Information and shall be entitled to all the protections of Confidential Information under the Protective Order unless and until such Confidential

Information designation has been or is also ordered removed pursuant to Paragraph 11 of the Protective Order.

2. Notwithstanding the terms of paragraphs 10 and 11 of the Protective Order, the Hearing Officer shall only remove the designation of Highly Confidential Information if the Hearing Officer expressly finds that there is a reasonable basis for the information in question not to be considered Highly Confidential Information as set forth in this order. All parties shall continue to treat all information designated “Highly Confidential Information” in accordance with the terms of this Supplemental Protective Order, pending resolution of any dispute as to the status of such information by the Hearing Officer unless the disclosure of such information is otherwise permitted by this order.

3. Persons granted access to Highly Confidential Information, in accordance with the terms of this Supplemental Protective Order, agree that that they will safeguard all information and documents designated as “Highly Confidential.”

4. Persons granted access to Highly Confidential Information in accordance with the terms of this Supplemental Protective Order understand that unauthorized disclosure of information or documents labeled or otherwise designated “Highly Confidential” may result in securities law violations and may result in sanctions, damages, injunctive relief or other relief in state and/or federal court.

5. The Protective Order and Supplemental Protective Order (collectively the “Protective Orders”) entered in this case shall not:

- (a) Operate as an admission for any purpose that any documents or information produced as Highly Confidential Information pursuant

to the Protective Orders are admissible or inadmissible in the trial or other hearing in these or any other proceedings.

- (b) Prejudice in any way the right of the Producing Party, at any time, on notice given in accordance with any applicable rules and regulations of the TRA, to seek appropriate relief in the exercise of discretion by the TRA or a court of competent jurisdiction for violations related to Highly Confidential Information of any provision of the Protective Orders including, without limitation, injunctive, declaratory relief, sanctions, and penalties.
- (c) Operate to abrogate or limit the applicability of Tenn. Code Ann. § 9-8-307(h) or any common law or statutory defenses available to state employees who are acting in the scope of their official capacities.

6. In the event that any of the parties seek to use Highly Confidential Information in the course of one or more hearings, or as part of the record of this proceeding, the party seeking to so use Highly Confidential Information shall provide the Hearing Officer and all parties written notice of such request ("Request") not less than 3 days before the earlier of: (i) the first requested use of such Highly Confidential Information; or (ii) the final status conference before the Hearing on the Merits. However, if the Highly Confidential Information is first received by a party later than eight (8) days prior to the final status conference, notice of the Request may be served within five (5) days after receipt but not less than two (2) days before the date of the requested use of such information unless otherwise ordered by the Hearing Officer. The Request shall set forth the specific Highly Confidential Information that the requesting party wishes to use and when the requesting party requests to use such information. If, after considering a

Request to use Highly Confidential Information and considering the response, if any, of the Producing Party, the Hearing Officer permits the use of such Highly Confidential Information in any Hearing, or to be placed on the record: (i) the TRA or the Hearing Officer shall cause the portion of the record containing Highly Confidential Information to be placed under seal and; (ii) the TRA or the Hearing Officer shall clear the hearing room of all persons who are not subject to this Supplemental Protective Order during any period of time when the Highly Confidential Information may be discussed during or used in a hearing.

7. Highly Confidential Information (including any quotes, excerpts or references to Highly Confidential Information) which is filed or placed on the record of these proceedings shall be filed under seal and shall remain with the TRA under seal until after the conclusion of the proceeding. If such Highly Confidential Information is provided to courts for the purposes of appeal(s) from these proceedings, such information shall be provided and shall continue to remain under seal to the maximum extent permitted by law.

8. With respect to all Highly Confidential Information:

- (a) Highly Confidential Information shall only be used for this proceeding.
After this proceeding has concluded, each party or individual that has received access to Highly Confidential Information other than the Producing Party and the TRA shall within 10 days either: (i) destroy or return all such Highly Confidential Information; and (ii) certify in writing that such party or individual has returned or destroyed all Highly Confidential Information in its possession.
- (b) Absent an order of the TRA or other court of competent jurisdiction, only those identified herein who require access to such Highly Confidential

Information for this proceeding and have fully executed a copy of the Nondisclosure Statement for Highly Confidential Information (“Nondisclosure Statement”), attached hereto, may receive access to Highly Confidential Information. A copy of the executed Nondisclosure Statement shall be provided to the Producing Party prior to being granted access to the Highly Confidential Information.

- (c) Absent an order of the TRA or other court of competent jurisdiction OR prior written consent from the Producing Party, no person, other than counsel of record for the parties, expert witnesses, the Hearing Officer, TRA Directors and members of the staff of the TRA, may receive access to Highly Confidential Information until at least 2 business days after the Producing Party has been given written notice that said person is to be provided with access to Highly Confidential Information. Such notice shall include the person’s full name, address, employer and the category of authorized person.
- (d) If the Producing Party objects to a person, other than a counsel of record for a party, expert witness(es), the Hearing Officer, TRA Directors and members of the staff of the TRA, receiving access to Highly Confidential Information, the Producing Party may, within 2 business days of receiving notice that an individual is to receive access to Highly Confidential Information, file a written objection with the Hearing Officer setting forth the basis for the objection. Until any such objection is resolved by the

Hearing Officer, the individual in question shall not be provided access to Highly Confidential Information.

- (e) No other disclosure of Highly Confidential Information shall be made to any person or entity except with the express written consent of the Producing Party or upon further order of the TRA or of any court of competent jurisdiction, including those which may review these matters.
- (f) Notwithstanding any provisions in the Protective Order to the contrary, this Paragraph No. 8, together with its subparts (a) - (f), and the terms of this Supplement Protective Order shall apply to members of the Consumer Advocate and Protection Division of the Office of the Attorney General, including attorneys and staff, and advisory staff members of the Tennessee Regulatory Authority.
- (g) This Paragraph No. 8, together with its subparts (a) - (f), shall not apply to TRA Directors and their immediate staff, the Tennessee Attorney General, the Chief Deputy Attorney General, the Associate Chief Deputy Attorney General, or the Tennessee Solicitor General and their immediate staff and the Deputy of the Consumer Advocate and Protection Division.

9. If any party or non-party subject to the Supplemental Protective Order inadvertently fails to designate testimony as Highly Confidential Information prior to such testimony being provided, this failure shall not constitute a waiver of the Highly Confidential Information designation, provided the party or non-party who has provided the testimony shall notify the Hearing Officer and all parties in writing within five (5) days of discovery of such

inadvertent failure to designate the testimony as Highly Confidential Information. Upon receiving such notice, all those subject to the Supplemental Protective Order, including the Hearing Officer, shall immediately cause the subject testimony to be treated as Highly Confidential Information and each party shall notify any employees, consultants or other individuals who are affiliated with such party and who received or heard such testimony. The Hearing Officer shall thereafter make a written determination whether a reasonable basis exists for the Producing Party to so designate such information as Highly Confidential and, if no such reasonable basis exists, shall so find in writing and shall remove the Highly Confidential designation. An inadvertent failure to designate testimony in advance as Highly Confidential Information, shall not, in any way, affect the TRA's determination as to whether the testimony is entitled to Highly Confidential Information status. No recipient of information that the Producing Party has inadvertently failed to designate as Highly Confidential Information shall have any liability, so long as the recipient treats such information as Highly Confidential Information upon receiving notice of such designation by the TRA or Producing Party.

10. For the avoidance of doubt, the language of the Protective Order and Supplemental Protective Order should be interpreted together such that Highly Confidential Information receives the maximum protection possible permitted under the law and no less protection than Confidential Information.

11. Highly Confidential Information is subject to this Supplemental Protective Order, which is entered pursuant to the Tennessee Rules of Civil Procedure. See e.g., Ballard v. Herzke, 924 S.W. 2d 652 (Tenn. 1996); Arnold v. City of Chattanooga, 19 S.W. 3d 779 (Tenn. Ct. App. 1999). If a party, other than the Producing Party, receives a request or subpoena seeking the disclosure or production of Highly Confidential Information, such party shall give prompt

written notice to the TRA Hearing Officer and the Producing Party within not more than five (5) days of receiving such a request, subpoena or order and: (i) shall respond to the request, subpoena or order, in writing, stating that the Highly Confidential Information is protected pursuant to this Supplemental Protective Order and the Protective Order; and (ii) shall not disclose or produce such Highly Confidential Information unless and until subsequently ordered to do so by a court of competent jurisdiction.

12. Paragraphs 22-28 of the Protective Order apply directly to CONFIDENTIAL or PROTECTED SECURITY MATERIALS as provided for in the scope of the Protective Order. The provisions and requirements of those paragraphs are expanded in this Supplemental Protective Order due to the enhanced level of protection afforded to Highly Confidential Information. The provisions in Paragraph 26 of the Protective Order shall not apply with regard to Highly Confidential Information because this Supplemental Protective Order shall operate as an exception to the Tennessee Public Records Act, as set forth in the language of Tenn. Code Ann. § 10-7-503(a) “. . . unless otherwise provided by state law.” (See e.g., Ballard v. Herzke, 924 S.W. 2d 652 (Tenn. 1996); Arnold v. City of Chattanooga, 19 S.W. 3d 779 (Tenn. Ct. App. 1999), holding that “state law” includes the Tennessee Rules of Civil Procedure.) Because this Supplemental Protective Order is issued pursuant to the Tennessee Rules of Civil Procedure, this Order creates an exception to any obligations of the Attorney General and the City of Chattanooga, including attorneys and members of their staffs, as to the Public Records Act and other open records statutes as to Highly Confidential Information. This Supplemental Protective Order acknowledges the role and responsibilities of the Attorney General and the Attorney General’s staff, as set forth in Title 8, Chapter 6 of the Tennessee Statutes, beyond the duties associated with the Consumer Advocate and Protection Division, as prescribed in Tenn. Code

Ann. § 65-4-118. This Order is not intended to conflict with the Attorney General's role and responsibilities, especially the investigative functions, as set forth in Title 8, Chapter 6. For there to be compliance with this Supplemental Protective Order, any Highly Confidential Information shared outside of the Consumer Advocate and Protection Division must be provided the full and complete protection afforded other highly confidential or protected information in the control and custody of the Attorney General.

Hearing Officer

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
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. 09-00039

NONDISCLOSURE STATEMENT FOR HIGHLY CONFIDENTIAL INFORMATION

I have reviewed the Supplemental Protective Order entered in the above-captioned matter and agree to abide and be bound by its terms. I understand that prior to receiving access to Highly Confidential Information, I must make a written request to the Producing Party and submit this Nondisclosure Statement prior to being granted access to such information. I understand that unauthorized disclosure of any documents labeled and/or designated as "HIGHLY CONFIDENTIAL INFORMATION" will be a violation of the Order.

DATE

NAME

STATE OF _____)
COUNTY OF _____)

Personally appeared before me, _____, a Notary Public,
_____ with whom I am personally acquired, who acknowledged that he executed
the within instrument for the purposes therein contained.

WITNESS my hand, at office, this _____ day of _____, 2008..

NOTARY PUBLIC

My Commission Expires: _____