

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

ROSS BOOHER  
TEL: (615) 742-7764  
FAX: (615) 742-2744  
rboohar@bassberry.com

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

OTHER OFFICES

KNOXVILLE  
MEMPHIS

2008 MAY 9 PM 12 22  
www.bassberry.com

IN REGULATORY AUTHORITY  
May 9, 2008  
DOCKET ROOM

**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:

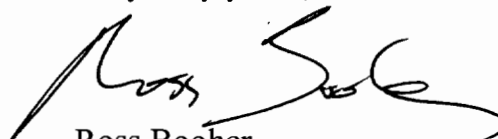
Enclosed please find an original and sixteen (16) sets of copies of Tennessee American Water Company's Response to Intervenors' Request for Unlimited Discovery.

Please return three copies of each of this Response, 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,



Ross Booher

RB/smb  
Enclosures

Chairman Eddie Roberson, PhD

May 9, 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*)

6814099.1

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

**IN RE:**

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

**TENNESSEE AMERICAN WATER COMPANY’S RESPONSE TO INTERVENORS’  
REQUEST FOR UNLIMITED DISCOVERY**

Tennessee American Water Company (the “Company”) hereby responds to Intervenor’s Joint Objection to the Hearing Officer’s Procedural and Scheduling Order, which requests unlimited discovery in this matter, as follows:

1. The Intervenor’s in this Docket have not demonstrated any need for the unlimited discovery they request. The TRA Rules provide a limit of 40 discovery requests per party. TRA Rule 1220-1-2-.11(5)(a). The Hearing Officer in this docket has already generously granted the Consumer Advocate twice the standard number of requests allotted by the TRA Rules after considering the Petition, the Company’s filings, the TRA staff’s comprehensive data requests, and understanding the likely issues in this case. The Intervenor’s should not be permitted to unnecessarily complicate this case by replacing the Hearing Officer’s ample limitation with limitless discovery.

2. Discovery limitations are essential for helping the parties focus their efforts to avoid inefficiency. Accordingly, the burden to justify additional discovery is justly placed on the party claiming it cannot make its case under the standard discovery limitations. To meet this

burden, the TRA Rules expressly require the proponent of extraordinary discovery to present its proposed discovery along with its motion for leave to serve that discovery. *See* TRA Rule 1220-1-2-.11(5)(a). This enables the Authority to weigh the justification for every single additional request sought. The Intervenor has not even attempted to comply with this explicit requirement.

3. There are multiple Intervenor, each of which will likely serve its own discovery requests. Pursuant to the Order Granting Petitions to Intervene and Establishing a Procedural Schedule, the Consumer Advocate is permitted to serve 80 discovery requests in the first round, along with 40 each from the Chattanooga Manufacturers' Association and the City of Chattanooga. It would be unduly burdensome for the Company to have to respond to more than 160 discovery requests in the first round of discovery. The Intervenor should be able to collaborate in such a way as to make effective use of this extraordinary number of discovery requests.<sup>1</sup>

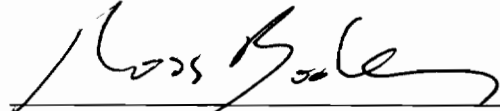
### **Conclusion**

For all the foregoing reasons, the Intervenor's Joint Objection seeking unlimited discovery should be overruled, and the discovery limitation imposed in the Hearing Officer's Order Granting Petitions to Intervene and Establishing a Procedural Schedule should remain in effect.

---

<sup>1</sup> The Intervenor points out that, in TRA Docket No. 07-00105, the Consumer Advocate "propounded 243 discovery requests, including subparts, prior to filing its direct testimony." (*See* Joint Objection, ¶3). It should be noted that, in Docket No. 07-00105, the Consumer Advocate justified its request to propound extra discovery by asserting that the petitioner (Atmos Energy Corporation) was proposing "new and potentially controversial" theories of ratemaking. (*See* Consumer Advocate's Memorandum in Support of Leave to Serve Additional Discovery Requests, Docket No. 07-00105). The Consumer Advocate has not made any similar argument here. Additionally, Atmos Energy *agreed* to much of the Consumer Advocate's proposed expanded discovery. (*See* Order Granting Petitions to Intervene, Permitting Additional Discovery Requests, Establishing a Procedural Schedule and Suspending Tariffs, Docket No. 07-00105, entered May 31, 2007). The Company does not agree to the limitless discovery requested by the Intervenor in this docket. Accordingly, the number of discovery requests allowed in Docket No. 07-00105 is irrelevant to this docket, and provides the Hearing Officer with no reason to amend his earlier decision to generously grant the Consumer Advocate double the number of discovery requests provided in the TRA Rules.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ross Booher", 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 9<sup>th</sup> 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

