

TENNESSEE REGULATORY AUTHORITY

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



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

August 14, 2008

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

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

Dear Mr. Grimes:

To further the Staff's review of the revised Company Exhibits filed with this Authority on August 8, 2008 by Tennessee American Water Company, please furnish additional information as requested on the attached Staff Data Request. If you have questions regarding the attached request, please contact Patsy Fulton (extension 193) or Paul Greene (extension 156) for clarification before responding.

Thank you for your attention to this matter. Please file a response in the TRA Docket Room by Monday, August 18, 2008 and bring copies to the Hearing Room at the Hamilton County Courthouse in Chattanooga so that the Authority and Parties can have them available at the start of the Hearing that commences on August 18, 2008 at 1:00 p.m.

Sincerely,

Darlene Standley
Chief
Utilities Division

Enclosure

C: Service List

1. Exhibits provided on August 5, 2008 list a total for the following taxes of \$1,769,034. Please provide the individual amounts for each which total to \$1,769,034.
 - a. State Excise Tax at Current Rates
 - b. Federal Income Tax at Current Rates
2. Exhibits provided on August 5th list a total for the following of \$964,900. Please provide the individual amounts for each which total to \$964,900.
 - a. Gross Receipts Tax on Revenue at Current Rates
 - b. TRA Inspection Fee on Revenue at Current Rates
 - c. Franchise Tax at Current Rates
3. In response to TRA Staff request you responded that Purchased Water-Outside "includes water purchased from other municipalities or water authorities that are not affiliates of American Water Works Company, Inc.". For what purpose is this water purchased?
4. The amended testimony of Sheila Miller was filed on August 8, 2008 to reflect the responses to an Authority data request of May 12, 2008. The amended testimony summarizes changes and provides updated exhibits to the testimony. No amendment was made to the verbiage in the original testimony requesting \$7.65 million additional revenue (page 3 of Sheila Miller's testimony). To clarify the record, is TAWC requesting a \$7.65 million or \$7.93 million revenue increase?
5. Provide a copy of American Water Works Company, Inc's Form 10-Q for the period ended June 30, 2008 as filed with the SEC.
6. In its calculation of construction work in progress, TAWC starts with the ending balance of November 30, 2007 of \$2,829,032¹ and adds forecasted CWIP by month through the attrition period to arrive at an average attrition CWIP balance of \$7,996,461. TAWC forecasts a CWIP ending balance at March 31, 2008 of \$4,510,222.² Consumer Advocate witness, Terry Buckner, begins his calculation by taking the actual CWIP balance per company books at March 31, 2008 of \$1,798,540.³ Please reconcile the March 31, 2008 CWIP balance used by Mr. Buckner and the forecasted amount proposed by the company.
7. Has TAWC revised its monthly CWIP forecast for April 2008 through August 2009? If so, please provide a revised schedule.

¹ TAWC Amended Exhibit No. 1 filed August 5, 2008, Schedule 2, page 1.

² TN-TRA-05-Q001-ATTACHMENT 2, Page 1 of 1.

³ RB-CWIP, filed July 18, 2008.