

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**August 15, 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**

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**AGREED ORDER PERMITTING QUESTIONS FROM  
THE AUTHORITY STAFF DURING THE HEARING**

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This matter is before the Hearing Officer for consideration of permitting the limited participation of the Authority Staff at the Hearing scheduled to begin August 18, 2008. The parties agree that the Authority Staff will be permitted to ask questions of witnesses during the Hearing. It is understood by the Parties that the Authority Staff will not become or be deemed a Party by its participation during the Hearing.

After discussion with the Parties and a review of the record in this matter, the Hearing Officer finds and concludes that:

1. There are technical issues in this proceeding causing the Authority to benefit from the participation of the Authority Staff in the Hearing;
2. To the extent that the Authority Staff refrains from questioning which tends to suggest the espousal of one Party's position over the other, the participation of the Authority Staff does not remove them from the role of advisor;

3. The participation in the questioning of witnesses by the Authority Staff does not create an inference that the Authority Staff has become a Party to this proceeding; and

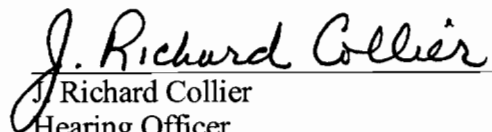
4. The Authority Staff's questions of a witness will follow the Parties' direct and cross-examination of a witness and will precede re-direct examination of a witness.

**IT IS THEREFORE ORDERED THAT:**

1. Members of the Authority Staff of the Tennessee Regulatory Authority shall be allowed to pose questions directly to the witnesses in this case proceeding;

2. Questions from the Authority Staff will follow the Parties' direct and cross-examination of a witness and will precede re-direct examination of a witness; and

3. The Parties have agreed that presenting questions does not remove the Authority Staff from its role as advisors, and in no way creates the inference that the Authority Staff has become a Party to the proceeding or has acted outside of its purely advisory capacity.

  
J. Richard Collier  
Hearing Officer