

TENNESSEE REGULATORY AUTHORITY

Eddie Roberson, Chairman
Tre Hargett, Director
Sara Kyle, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

May 12, 2008

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

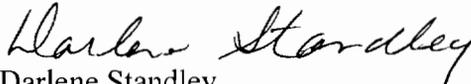
RE: Docket No. 08-00039 -- PETITION OF TENNESSEE AMERICAN WATER COMPANY TO CHANGE AND INCREASE CERTAIN RATES AND CHARGES SO AS TO PERMIT IT TO EARN A FAIR AND ADEQUATE RATE OF RETURN ON ITS PROPERTY USED AND USEFUL IN FURNISHING WATER SERVICE TO ITS CUSTOMERS

Dear Mr. Grimes:

To further the Staff's investigation of the reasonableness of the rates filed with this Authority on March 14, 2008 by Tennessee American Water Company, you will need to furnish additional information as requested on the attached Staff Data Request. If you have questions regarding any item number in the attached request, please contact Helen Trimble-Anthony (extension 166) or Paul Greene (extension 156) for clarification before responding.

Thank you for your attention to this matter.

Sincerely,


Darlene Standley
Chief
Utilities Division

Enclosure

C: Service List

TRA STAFF DATA REQUEST DATED MAY 12, 2008

1. Provide detailed explanations/calculations of all calculated numbers in Exhibit 2, Schedule 3 of the Petition filed by Tennessee American Water Company on March, 14, 2008. Provide actual numbers used in arriving at all calculated amounts in each expense category. This information should be provided in the requested format and references should not be made to information previously provided.
 - a. For each expense shown on Exhibit 2, Schedule 3 of the Petition filed by Tennessee American Water Company on March 14, 2008, provide a detailed calculation of each normalizing adjustment used to arrive at normalized test year amounts.
 - b. For each normalizing adjustment, provide support for each growth factor used as well as a detailed narrative explaining the source of each sub account to be grown and normalized.
 - c. Provide a detailed calculation of the residual of each expense category excluding each normalizing adjustment.
 - d. Provide/show how the residual is grown by the inflation factor to arrive at the attrition year adjustment.

2. Provide detailed explanations/calculations of all calculated numbers in Exhibit 2, Schedule 2 of the Petition filed by Tennessee American Water Company on March, 14, 2008. Provide actual numbers used in arriving at all calculated amounts in each revenue category. This information should be provided in the requested format and references should not be made to information previously provided.
 - a. For each revenue item shown on Exhibit 2, Schedule 2 of the Petition filed by Tennessee American Water Company on March 14, 2008, provide a detailed calculation of each normalizing adjustment used to arrive at normalized test year amounts.
 - b. For each normalizing adjustment, provide support for each growth factor used as well as a detailed narrative explaining the source of each sub account to be grown and normalized.
 - c. Provide a detailed calculation of the residual of each revenue category excluding each normalizing adjustment.
 - d. Provide/show how the residual is grown to arrive at the attrition year adjustment.