

**IN 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) **DOCKET NO. 08-00039**
EARN A FAIR AND ADEQUATE RATE)
OF RETURN ON ITS PROPERTY USED)
AND USEFUL IN FURNISHING WATER)
SERVICE TO ITS CUSTOMERS)
)

**FIRST DISCOVERY REQUEST OF THE CONSUMER ADVOCATE AND
PROTECTION DIVISION TO TENNESSEE AMERICAN WATER COMPANY**

To: Tennessee American Water Company, Inc.
c/o R. Dale Grimes, Esq.
Bass, Berry & Sims PLC
AmSouth Center
315 Deaderick Street, Suite 2700
Nashville, TN 37238

This Discovery Request is hereby served upon Tennessee American Water Company, ("TAWC", "Tennessee-American", or "Company"), pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg 1220-1-2-.11. We request that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate and Protection Division, 425 Fifth Avenue North, Nashville, Tennessee 37243, c/o Vance Broemel, on or before February 6, 2007.

PRELIMINARY MATTERS AND DEFINITIONS

Each discovery request calls for all knowledge, information and material available to Company, as a party, whether it be Company's, in particular, or knowledge, information or material possessed or available to Company's attorney or other representative.

These discovery requests are to be considered continuing in nature, and are to be supplemented from time to time as information is received by Company which would make a prior response inaccurate, incomplete, or incorrect. In addition, the Attorney General requests that Company supplement responses hereto with respect to any question directly addressed to the identity and location of persons having knowledge of discoverable matters, and the identity of each person expected to be called as an expert at hearing, the subject matter on which the expert is expected to testify, and the substance of the expert's testimony.

These discovery requests are to be interpreted broadly to fulfill the benefit of full discovery. The singular of any discovery request includes the plural and the plural includes the singular. To assist you in providing full and complete discovery, the Attorney General provides the following definitional guidelines.

The terms "and" and "or" shall be construed conjunctively or disjunctively as necessary to include any information that might otherwise be construed outside the scope of these requests.

The term "communication" means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

For purposes of these discovery requests, the term "you" shall mean and include: Tennessee

American Water Company and all employees, agents and representatives thereof.

The term “person” or “persons” as used herein refers to any natural person, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever. Where a company or organization is the party being served, all responses must include the company’s response. Moreover, the company’s designated person for responding must assure that the company provides complete answers. *A complete answer must provide a response which includes all matters known or reasonably available to the company.*

The term “identity” and “identify” as used herein, with respect to any person, means to provide their name, date of birth, current residence address, current residence telephone number, current business address, current business telephone number, and the occupation or job title of that person; with respect to an entity, those terms mean to provide the name by which said entity is commonly known, the current address of its principal place of business, and the nature of business currently conducted by that entity; with respect to any document, those terms mean to provide the date of the document, the nature of the document, the title of the document, the reference number (if any) of the document, and the current location of the document, including the identity of the person or entity in possession of the document.

The term “document” as used herein, means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, workpaper, spreadsheet, note, photograph, tape recording, computer disk or record, or other data compilation in any form without limitation. Produce the original and each copy, regardless of origin or location, of any book, pamphlet, periodical, letter,

note, report, memorandum (including memoranda, note or report of a meeting or conversation), spreadsheet, photograph, videotape, audio tape, computer disk, e-mail, or any other written, typed, reported, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody or control or which was, but is no longer, in your possession, custody, or control. If any such document was, but no longer is, in your possession or control, state what disposition was made of it and when. If a document exists in different versions, including any dissimilar copies (such as a duplicate with handwritten notes on one copy), each version shall be treated as a different document and each must be identified and produced.

If you produce documents in response to these discovery requests, produce the original of each document or, in the alternative, produce a copy of each document and identify the location of the original document. If the “original” document is itself a copy, that copy should be produced as the original.

If any objections are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege asserted.

If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

If any of the interrogatories are not answered on the basis of privilege or immunity, include in your response to each such interrogatory a written statement evidencing:

- (a) the nature of the communication;
- (b) the date of the communication;
- (c) the identity of the persons present at such communication; and
- (d) a brief description of the communication sufficient to allow the Authority to

rule on a motion to compel.

If, for any reason, you are unable to answer a discovery request fully, submit as much information as is available and explain why your answer is incomplete. If precise information cannot be supplied, submit 1) your best estimate, so identified, and your basis for the estimate and 2) such information available to you as comes closest to providing the information requested. If you have reason to believe that other sources of more complete and accurate information exist, identify those sources.

If any information requested is not furnished as requested, state where and how the information may be obtained or extracted, the person or persons having knowledge of the procedure and the person instructing that the information be excluded.

FIRST DISCOVERY REQUESTS

PART I. GENERAL

1. Identify each and every person whom the company expects to call as an expert witness at the hearing on the merits of this matter and the subject matter on which the expert is expected to testify.

RESPONSE:

PART II: DEPRECIATION & WEATHER NORMALIZATION

1. Using Mr. Spitznagel's model, please provide a comparison of monthly weather-normalized water utilization with actual utilization for each of the past ten years.

RESPONSE:

2. Please provide, in Microsoft Excel or comparable format with formulas intact, the mean truncated Palmer Drought Severity Indices for the 30-year period from January 1978 to December 2007 mentioned on page 6 of Dr. Spitznagel's testimony.

RESPONSE:

3. Please provide, in Microsoft Excel or comparable format with formulas intact, all inputs to Dr. Spitznagel's regressions in Appendix B to his testimony.

RESPONSE:

4. Please provide a narrative explanation and all supporting data, workpapers, analyses and other documentation underlying the negative \$406,877 test year adjustment to the revenues from "Sales for Resale" on line 13 of Exhibit No. 2, Schedule 2. Provide all data and calculations in Microsoft Excel or comparable format with formulas intact.

RESPONSE:

5. Please provide all data, notes and any other documentation that was provided by the Company to Gannett Fleming in connection with its depreciation study. Provide this data and information in the same format as it was provided to Gannett Fleming.

RESPONSE:

6. Please provide, in Microsoft Excel or comparable format with formulas intact, all of the tables, exhibits and charts in the Gannett Fleming depreciation study.

RESPONSE:

7. Please provide, in Microsoft Excel or Word or comparable format with formulas intact, all workpapers, analyses, studies and other documentation underlying the tables and exhibits in the Gannett Fleming depreciation study. Include in this response the results of all actuarial and Simulated Plant Record studies, all data and studies of other water utilities, and all documentation supporting the life span assumptions made by Gannett Fleming.

RESPONSE:

8. For each plant tour of TAWC plant and each meeting with TAWC personnel of Mr. Spanos or other Gannett Fleming personnel:

- a. Identify those in attendance and their titles and job descriptions.
- b. Provide all conversation notes.
- c. Provide all photographs and images.
- d. Provide all visual presentations, documents, brochures and any other material provided to Mr. Spanos or his representative(s).

RESPONSE:

9. Please identify, describe fully, and provide full documentation of any capital or maintenance plans or programs that the Company has undertaken or is considering undertaking

that will extend or shorten the service life of any of its depreciable plant.

RESPONSE:

10. Please identify, describe fully, and provide full documentation of any changes that the Company has adopted during the last 20 years with respect to:

- a. The definition of plant units subject to capitalization,
- b. The definition or treatment of salvage and cost of removal,
- c. The definition of plant accounts,
- d. The definition or treatment of depreciation reserves.

RESPONSE:

11. Please provide copies of all external correspondence from since January of 2006, inclusive, including correspondence with Mr. Spanos and/or Gannett Fleming, Inc., which deals in any way with the Company's retirement unit costs, depreciation rates, and/or the Depreciation Study.

RESPONSE:

12. Please provide copies of all industry statistics available to Mr. Spanos and/or TAWC relating to depreciation rates and the inputs thereto. Also, identify all industry statistics upon which Mr. Spanos or the Company relied in formulating the depreciation proposals.

RESPONSE:

13. On an account-by-account basis, which accounting method is reflected in the life studies; “location-life” or “cradle-to-grave.”

RESPONSE:

14. Please explain how the following are treated for purposes of (1) depreciation and (2) salvage and cost of removal:

- a. Customer advances and contributions-in-aid of construction,
- b. Third party reimbursements for moving or replacing plant,
- c. Insurance reimbursements for damage or destruction of Company plant.

RESPONSE:

15. If possible by plant account, please provide the record for the most recent five years of

- a. Customer advances and contributions-in-aid of construction,
- b. Third party reimbursements for moving or replacing plant,
- c. Insurance reimbursements for damage or destruction of Company plant.

Please separate, wherever possible, reimbursements for removing old plant from reimbursements for constructing replacement plant.

RESPONSE:

16 Please provide a copy of the depreciation study underlying the current depreciation rates.

RESPONSE:

17. Please identify the depreciation expense that the Company is proposing to include in its test year revenue requirement in this rate case. Please provide all calculations in electronic format, with formulae intact, which underlie this expense. The calculations should show the depreciation rates, the plant balances to which those rates are applied, the date(s) of those balances, and the resultant depreciation charges.

RESPONSE:

18. Please explain fully the procedure by which the Company establishes the value of retirements from its mass property accounts. Please provide specific examples of the valuation of the 2006 and 2007 retirements from the three largest mass property accounts.

RESPONSE:

19. Please provide all data, studies, memoranda or other documentation that supports the selection of amortization periods for the accounts subject to amortization.

RESPONSE:

20. Please provide the following annual amounts for all plant accounts for the last 10 years (up to, and including, 2007). If the requested data is not available for the last 10 years, please provide the data for as many years as are available. Please provide data in both hard copy and electronic format (Excel or .txt).

- a. Beginning and ending reserve balances,
- b. Annual depreciation expense,

- c. Annual retirements,
- d. Annual cost of removal and gross salvage,
- e. Annual third party reimbursements.

RESPONSE:

21. At what level (e.g. functional category, plant account) does the Company maintain its book reserves? If the Company does not maintain book reserves by account, please provide, in Microsoft Excel or comparable format with all formulas intact, the calculations underlying the book reserve amounts in column (5) of the summary table of the Depreciation Study.

RESPONSE:

22. If not provided elsewhere, please provide all workpapers, studies, statistics or other documentation supporting terminal retirement dates and net salvage (decommissioning) estimates for each account for which the life span technique as used. Please include all calculations in electronic format (Excel), with all formulas intact.

RESPONSE:

23. Please identify any unusual salvage receipts or removal costs during the last ten years. For each such unusual event, please explain its nature, the affected accounts, and its impact on the net salvage amounts shown in the Depreciation Study.

RESPONSE:

24. For each distribution account, please explain how costs relating to plant replacements are allocated between cost of removal and new additions. At a minimum, please provide:

- a. An explanation of the allocation,
- b. All manuals, instructions or other directives relating to this allocation,
- c. Specific examples of this allocation.

RESPONSE:

28. For the year ending November 30, 2007, please identify the amount and proportion of each account's depreciation that was capitalized as overhead to construction and the proportion and amount that was treated as an annual expense.

RESPONSE:

29. Provide the following information for all final retirements during the last 15 years of any major items included in the life span accounts. If the requested data are not available for the last 15 years, provide the data for as many years as are available.

- a. Description of the retirement
- b. Date of retirement
- c. Dollar value of the retirement
- d. Accounts affected
- e. Reason for retirement
- f. Whether or not retirement was excluded from historical interim retirement rate studies.

RESPONSE:

30. Please provide a sample work order showing the retirement of
- a. a section of main,
 - b. a customer service line,
 - c. a water meter.

RESPONSE:

31. Describe any plant replacement programs that the company has undertaken or plans to undertake. Describe how, if at all, such programs have affected the service lives and depreciation rates recommended by Mr. Spanos.

RESPONSE:

32. Please provide a narrative description of each of the major facilities in the life span accounts.

RESPONSE:

33. Please identify, describe and quantify any major planned investments in the Company's gas production or storage facilities. State whether, and if so, how such investments have influenced the service lives and depreciation rates recommended by Mr. Clarke.

RESPONSE:

34. Please identify, describe and quantify all Asset Retirement Obligations (“ARO’s”) that the Company recognizes pursuant to Statement of Financial Accounting Standards No. 143 (SFAS No. 143). Provide all workpapers and calculations used in the calculation of these amounts. Provide this information in Microsoft Excel or comparable format with all formulas intact.

RESPONSE:

35. State whether TAWC or its parent, American Water Company, recognizes regulatory liabilities for removal cost obligations. If it does recognize them, please provide:

- a. The Tennessee amounts as of the beginning and end of the year ending November 30, 2007 and/or the beginning and end of calendar year 2007.
- b. The amount of liabilities that are legal obligations and non-legal obligations.
- c. The plant account breakdown of these obligations.
- d. All studies, workpapers, calculations and other documentation associated with the quantification of these liabilities.

RESPONSE:

36. On an account-by-account basis, which accounting method is reflected in the life studies; “location-life” or “cradle-to-grave”?

RESPONSE:

37. Please provide explanatory examples of the debits and credits relating to:

- a. Customer advances and contributions-in-aid of construction,
- b. Third party reimbursements for moving or replacing plant,
- c. Insurance reimbursements for damage or destruction of Company plant.

RESPONSE:

38. To the extent possible, please separate the contribution and reimbursements identified in response to the previous request by:

- a. Payments for new plant (not replacement),
- b. Payments for replacement plant, and
- c. Payments for the removal or dismantlement of old plant.

RESPONSE:

39. Please provide explanatory examples of the debits and credits relating to the accounts for which depreciation is charged to clearing accounts.

RESPONSE:

40. Please identify and explain all changes since the last depreciation study that might affect depreciation rates.

RESPONSE:

41. Please provide a copy of the Company's 2006 and 2007 annual reports to the Tennessee

Regulatory Authority. Please reconcile the differences between the plant balances in the 2007 report with those in the depreciation study.

RESPONSE:

42 Please explain what consideration, if any, Gannett Fleming gave to any changes in annual maintenance expenses in estimating service lives, dispersion patterns and net salvage.

RESPONSE:

43. Please provide on diskette or CD all tabulations included in the Depreciation Study and all data necessary to recreate in their entirety, all analyses and calculations performed for the preparation of the Depreciation Study. Please provide this and all electronic data in Excel (or .txt format if appropriate), with all formulae intact. Please provide any record layouts necessary to interpret the data.

RESPONSE:

44. For each plant account, and for each year since the inception of the account up to and including 2007, please provide the following standard depreciation study data as identified at pages 30-33 of the August 1996 NARUC Public Utility Depreciation Practices Manual ("NARUC Manual"). Please provide the data in electronic format (Excel or .txt). Provide aged vintage data if available. Use the codes identified for each type of data, unless the Company regularly uses other codes. In those circumstances, identify and explain the Company's coding system.

Code	Data Type
9	Addition
0	Ordinary Retirement
1	Reimbursement
2	Sale
3	Transfer - In
4	Transfer - Out
5	Acquisition
6	Adjustment
7	Final retirement of life span property (see NARUC Manual, Chapter X)
8	Balance at Study Date
	Initial Balance of Installation

If the depreciation study data provided are not the exact set of data used for the Depreciation Study submitted in this case, please explain all differences and reconcile the amounts provided to those used in the Depreciation Study.

RESPONSE:

45. If not provided elsewhere, please provide all amortization workpapers and calculations (general plant) in electronic format (Excel) with all formulae intact.

RESPONSE:

46. If not provided elsewhere, please provide the cost of removal and gross salvage data used in the Depreciation Study net salvage analyses. If this data differs from that reflected on the Company's books, please explain the differences and provide a reconciliation. Please provide this data in electronic (Excel or .txt) format.

RESPONSE:

47. Please provide the depreciation rates applicable to the Service Company plant. Provide all studies, analyses, workpapers, data and other documentation that support these depreciation rates.

RESPONSE:

48. If not provided elsewhere, please provide the calculation of the proposed depreciation rates in electronic format (Excel) with all formulae intact.

RESPONSE:

49. Please provide the proposed depreciation rates split into three separate components: capital recovery, gross salvage and cost of removal.

RESPONSE:

50. If not provided elsewhere, provide electronic (Excel) versions of the net salvage studies included in the Depreciation Study, with all formulae intact.

RESPONSE:

51. If not provided elsewhere, please provide on diskette or CD all workpapers supporting terminal net salvage (decommissioning) estimates for each account for which terminal net salvage is a factor. Please include all calculations in electronic format (Excel), with all formulae intact.

RESPONSE:

52. Please identify any unusual salvage receipts or removal costs during the last ten years.

For each such unusual event, please explain its nature, the affected accounts, and its impact on the net salvage amounts shown in the Depreciation Study.

RESPONSE:

53. Were any retirements, classified as sales or reimbursements, excluded from the life studies? If yes, were the retirements and related gross salvage and cost of removal also excluded from the net salvage studies?

RESPONSE:

54. Please identify and explain the Company's expectations with respect to future removal requirements and markets for retired equipment and materials. Please provide the basis for these expectations.

RESPONSE:

55. Please identify and explain the Company's expectations with respect to future removal requirements and markets for retired equipment and materials. Please provide the basis for these expectations.

RESPONSE:

56. Provide the calculation of the annual amount of future net salvage incorporated into the Company's proposed depreciation rates by account as of November 30, 2007. If the amount is

reduced by the total amount of legal AROs included in year-end accumulated depreciation, show that calculation.

RESPONSE:

57. Please provide all manuals, guidelines, memoranda or other documentation that deal with the Company's policies with regard to the physical removal of plant in the following accounts:

RESPONSE:

58. Please provide a summary of Main and Service Replacement projects during 2006 and 2007. Separately identify all major costs, including the removal of the existing Main and/or Service.

RESPONSE:

59. With respect to each of the mass property accounts for which there is net salvage, please provide, for each of the last 10 years:

- a. The number of plant units retired each year, and
- b. The total number of plant units in the Company's system.

RESPONSE:

60. Please provide all workpapers, studies, memoranda or any other documentation supporting the Company's quantification of AROs, ARCs, and ARO annual expense pursuant to SFAS No. 143.

RESPONSE:

61. If not already provided, please provide the “credit adjusted risk free rate” used for any and all ARO calculations under FASB Statement No. 143.

RESPONSE:

62. Please provide the accounting entries (debits and credits) used to implement SFAS No. 143, along with all workpapers supporting those entries. Please provide all these workpapers and calculations in electronic format (Excel) with all formulae intact.

RESPONSE:

63. Does TAWC consider that it is bound by SEC regulations to record accruals for future costs of removal as regulatory liabilities?

- a. If so, please provide a record of those accruals in as much account detail as is available along with the workpapers used to develop those accruals.
- b. If not, please explain why not.
- c. State whether the Company proposes to separate retirement cost accounting from depreciation accounting, with separate rates and reserves. If the Company does not propose such separation, please state fully the reasons for not doing so.

RESPONSE:

64. State whether PSE has forecast any non-legal removal costs that it does not regard as

regulatory liabilities. Please describe these costs in detail, state fully the reason(s) for your belief that such forecast costs are not regulatory liabilities, and identify the forecast amounts of such removal costs in as much detail as is available. Provide the supporting documentation for each forecast amount.

RESPONSE:

65. Please identify and describe fully any administrative, accounting, computational or conceptual objections that PSE has to the treatment of non-legal plant retirement cost obligations in similar manner as legal asset retirement obligations are treated under SFAS 143.

RESPONSE:

**PART III: QUESTIONS & REQUESTS REGARDING COST OF CAPITAL &
MISCELLANEOUS**

1. Regarding Dr. Vilbert's testimony filed in this docket, provide copies of the following items referenced in Dr. Vilbert's testimony:

- a Electronic copies of all documents, testimony and comments listed by Dr. Vilbert at page A-7 of 7 in Appendix A.
- b Provide legible source pages for all references to Value Line Standard Edition, Value Line Plus Edition, Bloomberg, Blue Chip Economic Indicators, and Mergent Bond Record.
- c Provide legible copies pages of workpapers given by Tennessee-American or its parent, American Water Works to Dr. Vilbert, which Dr. Vilbert relied on to prepare his testimony.

RESPONSE:

2. Provide TAWC's current credit rating, with documentation, and identify the holders of any General Mortgage Bonds, any Capital Leases, any subordinated capital on TAWC's books, and provide copies of the terms and conditions of each.

RESPONSE:

3. In TRA Docket No. 06-00119, TAWC received the Tennessee Regulatory Authority's approval for a change of control. In that Docket, TAWC stated on p. 8 of the Petition for Approval of Change in Control filed on 4/21/2006 that "The Proposed Transaction will not impair the ability of the Petitioner to maintain a reasonable capital structure that is representative of other utilities."

Also, on May 6, 2008 American Water Works filed with the SEC a Registration Statement stating that the Company may issue \$750 million of debt. Included in the filing was Exhibit 23.1, a consent statement by Price Waterhouse Coopers:

Consent Of Independent Registered Public Accounting Firm. We hereby consent to the use in this Registration Statement on Amendment No. 1 to Form S-4 (No. 333-148284) of our report dated February 28, 2008 relating to the consolidated financial statements of American Water Works Company, Inc. and Subsidiary Companies (formerly Thames Water Aqua US Holdings, Inc. and Subsidiary Companies), which appears in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

- a Provide the consolidated financial statements prepared by Price Water House Coopers and all American Water Work's workpapers relied on by Price Water House Coopers to prepare the consolidated financial statements.

- b. Provide American Water Work's current credit rating.
- c. Provide copies of all audited financial statements of American Water Works and Subsidiary Companies which were performed between April 28, 2007 and April 28, 2008.
- d. Provide copies of all minutes taken between May 12, 2007, and May 12, 2008, for the Audit Committee of American Water Works.
- e. Provide copies of all studies, working papers, and other documents issued by the Audit Committee or which the Audit Committee caused to be issued between May 12, 2007, and May 12, 2008.
- f. Produce a record of those portions of American Water Work's Charter or Bylaws where the Charter or the Bylaws address capitalization;
- g. Provide the book value of equity which AWW will have once the underwriters exercise their options.

RESPONSE:

4. In the Registration statement filed with the Securities and Exchange Commission ("SEC") on May 6, 2008, American Water Works made this statement: "In order to obtain the state PUC approvals to consummate the proposed RWE Divestiture we were required to accept certain conditions and restrictions that could increase our costs."

- a. Identify those costs, provide the amounts of each cost, and identify the "State PUC(s)" which imposed the costs.

RESPONSE:

5. In the Registration statement filed with the SEC on May 6, 2008, American Water Works made this statement:

The RWE acquisition resulted in certain changes in our business. For example, our operations and management were managed through Thames Water. Also, we agreed not to file rate cases with some state PUCs for specified periods of time as a condition of the acquisition. As of December 31, 2007, all rate stay-out provisions associated with the RWE acquisition had expired.

- a. Identify those states where there were stay-out provisions, identify the terms and conditions of those provisions and provide copies of orders , decisions or other material to substantiate your reply.

RESPONSE:

6. If American Water Works' current amount of equity is subject to any claims or liability via capital assigned to AWW from RWE or its subsidiaries and where such capital may be withdrawn from AWW by RWE, its subsidiaries or assignees, identify by class of equity and amount any such claims, including common equity and all other equity classes, such as assigns or other items of value.

RESPONSE:

7. In its S-1 Registration statement filed May 6 with the SEC, American Water Works stated: "RWE intends to fully divest its ownership of American Water through the consummation of one or more public offerings of common stock of American Water as soon as reasonably

practicable, subject to market conditions.” Provide any study, document, emails and all written material where RWE or RWE Aqua Holdings GmbH consider what circumstances financial, and otherwise, constitute conditions that “are reasonably practicable, subject to market conditions” for the public offerings of common stock.

RESPONSE:

8. Provide any study, document, emails and all written material where RWE, RWE Aqua Holdings GmbH, or American Water Works has performed or caused to be performed a study of American Water Works' expected market value between now and 2010.

RESPONSE:

9. Provide any study, document, emails and all written material where RWE, RWE Aqua Holdings GmbH, or American Water Works has performed or caused to be performed a study where a second class of stock is, has, would be or will be issued for American Water Works.

RESPONSE:

10. Provide any study, document, emails and all written material where RWE, RWE Aqua Holdings GmbH, or American Water Works has performed or caused to be performed a study of

the dividends which American Water Works should, will or consider paying to its stockholders.

RESPONSE:

**PART IV: QUESTIONS & REQUESTS REGARDING REVENUES, EXPENSES,
TAXES, RATE BASE & MISCELLANEOUS**

1. Provide the “billing determinates” (billing determinates include all information needed to compute, but not confined to customer meters, customer volumes by rate class by location) as shown on Exhibit No. 4 Schedule 2 for the 12 months ended March 31, 2008. Provide all work papers, documentation, i.e. billing determinants, by customer class, by location supporting any normalization adjustments for the period.

RESPONSE:

2. Provide the billing determinates by customer class, by location for all normalization adjustments, corrections, and allowances for the test year ended February 2008. Include in your response the business reasons for each normalization adjustment, correction, and allowance.

RESPONSE:

3. Provide the number of meters by meter type, by customer class, by location and the volume usage by usage rate schedule, by customer class, by location for the years ended

December 31, 2003-2007 and the twelve months ended March 31, 2008.

RESPONSE:

4. Provide a “mapping” (mapping means to reconcile or trace the data on the exhibits to its source or supporting calculations in the work papers) of each revenue adjustment of TN-TRA-Q013-REVENUES, on page 17 of 99 to the Company’s Exhibit No. 4, Schedules 1 and 2 by customer class, by location, by test period, and by attrition year at present rates.

RESPONSE:

5. Provide the name, the business address, the date on which service began and if applicable, the date on which the service was terminated, the billing determinates for each industrial customer for the years ended December 31, 2003-2007 by year and the twelve months ended March 31, 2008.

RESPONSE:

6. Provide the current contracts in effect for each utility purchasing water for resale from the Company: Ft. Oglethorpe, Catoosa Utility District, Walden’s Ridge Utility District, and Signal Mountain.

RESPONSE:

7. Provide the Private Fire Revenues per Books for the twelve months ended November 2007, February 2008, and March 2008 by billing determinate at present rates.

RESPONSE:

8. Provide a forecast of billing determinants for the Walden's Ridge Utility District for the attrition period ending August 2009. Include all work papers and documentation supporting the forecast.

RESPONSE:

9. Provide a reconciliation of the attrition year billing determinates and revenues at present rates by class from Exhibit 4, Schedule 1 to the attrition year billing determinates and revenues at present rates by class by location from Exhibit 4, Schedule 2. Include in your reconciliation an explanation of which Schedule reflects the correct forecasted amounts and why.

RESPONSE:

10. Provide the business reasons for the proposed reduction in residential rates for Lone Oak and Suck Creek and the percent variance from 13.60% to 28.26% in proposed residential rate increases for Chattanooga, Lookout Mountain, and Lakeview per TN-TRA-01-Q013-REVENUES, Page 15 of 99.

RESPONSE:

EXPENSES

11. Provide the hourly pay rate by TAWC employee, (union, non-union, and salary) as of March 31, 2008.

RESPONSE:

12. Provide the hiring date and termination date by employee from February 2007 through March 2008.

RESPONSE:

13. Provide the number of employees, (union, non-union, and salary) by month from February 2007 through March 2008 in the format of Exhibit JSW-2. Also, provide the name, position, and business contact information for each employee.

RESPONSE:

14. Provide a payroll distribution by NARUC account for the 12 months ended March 2008.

RESPONSE:

15. Provide the payroll capitalization rate for the 4 months ended March 2008 by month.

RESPONSE:

16. Identify each employee as either full-time or part-time for the 12 months ended March 2008 by month.

RESPONSE:

17. Provide the shift differential pay for the 12 months ended February 2008 and March 2008 by employee.

RESPONSE:

18. Provide the total salaries and wages, exclusive of AIP compensation, by employee for the 12 months ended February 2008 and March 2008 in the format of TN-TRA-01-Q013-LABOR, pages 25 and 26 of 102.

RESPONSE:

19. Provide a mapping of all amounts Per Books 12 Months ended 11/30/2007, Company's Accounting Exhibit No. 2, Schedule 3, Lines 1 through 35 by line totaling \$20,820,445 to the November 30, 2007 TRA 3.06 Surveillance Report 12 months to date for this year lines 6 through 11 by line by NARUC account.

RESPONSE:

20. Provide the total salaries and wages by employee, total overtime hours by employee, and total capitalized salaries and wages for the twelve months ended February 2008.

RESPONSE:

21. Provide the Fuel and Power Expense for the test year ended March 2008 in the format of TN-TRA-Q013-FUEL & POWER, pages 10-11 of 49.

RESPONSE:

22. Provide the Fuel and Power Expense for the attrition year ended August 2009 in the format of TN-TRA-Q013-FUEL & POWER, pages 10-11 of 49 for only water sales volumes.

RESPONSE:

23. Provide the Chemicals Expense for the test year ended March 2008 in the format of TN-TRA-Q013-CHEMICALS, page 3 of 7.

RESPONSE:

24. Provide the Chemicals Expense for the attrition year ended August 2009 in the format of TN-TRA-Q013-CHEMICALS, page 6 of 7 for only water sales volumes.

RESPONSE:

25. Provide all Walden's Ridge operating expenses such as fuel and power expense, chemicals, etc. reported on the TRA 3.06 Surveillance Reports by month for the 17 months ended March 31, 2008 by NARUC account.

RESPONSE:

26. Provide the Chemicals Expense for Walden's Ridge for the attrition year ended August 2009 in the format of TN-TRA-Q013-CHEMICALS, page 6 of 7.

RESPONSE:

27. Provide the Fuel and Power Expense for Walden's Ridge for the attrition year ended August 2009 in the format of TN-TRA-Q013-FUEL & POWER, pages 10-11 of 49.

RESPONSE:

28. Provide the estimated amount by payee for the \$550,000 cost of preparing and presenting the current rate filing.

RESPONSE:

29. Provide the amounts for the STEP Project, the STAR project, the Business Change project, the Divestiture, and the implementation costs related to Sarbanes Oxley compliance by NARUC account, by month, by project for the seventeen months ended March 31, 2008. See M. Miller's direct testimony, page 11, lines 7-9.

RESPONSE:

30. Provide the amounts, payees, and business reasons for penalties and lobbying expense by NARUC account, by month for the 17 months ended March 31, 2008. See R. Shiltz's direct testimony, page 5, lines 21-22.

RESPONSE:

31. Provide the amount for net negative salvage expense by JDE account, by month for the 17 months ended March 31, 2008. See R. Shiltz's direct testimony, page 6, lines 1-2.

RESPONSE:

32. Provide the "total amount of charges subject to allocation to all affiliates" from the Company's Corporate Office, Shared Services Center ("SSC"), Southeast Region, and other affiliated utility service companies by month for the 15 months ended March 2008 by month, by affiliated entity, by NARUC account.

RESPONSE:

33. Provide the "total amount of allocated charges to TAWC" from the Company's Corporate Office, Shared Services Center ("SSC"), Southeast Region, and other affiliated utility service companies by month for the 15 months ended March 31, 2008 by NARUC account, by affiliated entity.

RESPONSE:

34. Provide the “forecasted total amount of charges subject to allocation” from the Company’s Corporate Office, Shared Services Center (“SSC”), Southeast Region, and other affiliated utility service companies by month for the period ending August 31, 2009, by NARUC month, by affiliated entity.

RESPONSE:

35. Provide the “forecasted total amount of allocated charges to TAWC” from the Company’s Corporate Office, Shared Services Center (“SSC”), Southeast Region, and other affiliated utility service companies by month for the period ending August 31, 2009, by NARUC month, by affiliated entity.

RESPONSE:

36. Provide the “total operating expenses charged to Tennessee American for all Call Centers, Alton/Pensacola” for the year ended December 2007 and the test year ended March 2008 by NARUC account, by month, by Call Center.

RESPONSE:

37. Provide the “total amount of charges subject to allocation to all affiliates from the Call Centers, Alton/Pensacola” for the year ended December 2007 and the test year ended March 2008 by NARUC account, by month, by call center.

RESPONSE:

38. Provide the actual FAS 87 pension expense amount for the seventeen months ended March 2008 by month, by NARUC account. Also, provide the forecasted FAS 87 pension expense amount included in the Company’s filing for the twelve months ended August 31, 2009.

RESPONSE:

39. Provide the actual ERISA pension contributions amount for the 17 months ended March 2008 by month. Also, provide the forecasted ERISA pension contributions amount included in the Company’s filing for the twelve months ended August 31, 2009 by month.

RESPONSE:

40. Provide a schedule of OPEB expenses charged to or paid by TAWC by calendar year for the years 2003 through 2007.

RESPONSE:

41. Provide all NARUC accounts 601-through 675 by month, by account and show the actual or forecasted gross amount and net expense after deducting salaries and wages for the 34 months ended August 2009.

RESPONSE:

42. Provide a voucher summary for any expense amount paid by TAWC or charged to TAWC by Corporate Office, Shared Services Center (“SSC”), Southeast Region, and other affiliated utility service companies exceeding \$1,000 for the period from January 1, 2006 through March 31, 2008 in the following format:

(1) (2) (3) (4) (5) (6)

Month Year Payee Amount USOA Account Business Reason

RESPONSE:

43. Provide all employee expense reports with invoices and receipts for the 27 months ended March 31, 2008 for the Corporate Office, Shared Services Center (“SSC”), Southeast Region, and other affiliated utility service companies by month.

RESPONSE:

44. Provide the amounts on the TRA 3.06 Surveillance Reports for December 2007, January 2008, February 2008, and March 2008 for Operations and Maintenance Expense by NARUC account, which are out of period, non-recurring, or should be normalized.

RESPONSE:

45. Provide the TAWC Uncollectible Expense amounts in the following format from January 2007 through March 2008 by month:

(1)	(2)	(3)
-----	-----	-----

<u>Total Write Offs</u>	<u>Cust. Payments</u>	<u>Net Write Offs</u>
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RESPONSE:

46. Provide the amount of rate cases costs by NARUC account, by month, by payee in TRA Docket #06-00290. See M. Miller, Direct Testimony, page 21, lines 1-15. Reconcile your response to TN-TRA-Q013-DEFERRED RATE CASE EXPENSE, page 2 of 2.

RESPONSE:

47. Provide all amounts for Incentive Payroll (“AIP”) by AIP component: Financial, Operational, and Individual allocated and or directly charged to TAWC since its inception

through March 2008 by month for expense amounts in the following format:

Capitalized Amounts:

(1)	(2)	(3)	(4)	(5)	(6)	(7)
JDE	Account	Plant in Service	Depreciation	Accumulated	Net	
Year	Acct #	Description	Balance	Rate	Depreciation	Book Value

Expense Amounts:

(1)	(2)	(3)	(4)	(5)
		NARUC	Account	
Year	Month	Acct #	Description	Amount

RESPONSE:

48. Provide the forecasted Incentive Payroll (“AIP”) by AIP component: Financial, Operational, and Individual for the twelve months ended August 31, 2009, both allocated and or directly charged to TAWC amounts by NARUC account.

RESPONSE:

49. Provide all work papers, supporting documentation, and calculations used in the Company’s calculation of Depreciation and Amortization Expenses per the books 12

Months ended 11/30/2007; Normalized Test Year; and Attrition Year per the Company's Accounting Exhibit No.2, Schedule 4, Lines 1 through 9, Page 1 of 2 in the format of the Company's Accounting Exhibit No.2, Schedule 4, Lines 1 through 65, Page 2 of 2..

RESPONSE:

50. Provide all work papers, supporting documentation, and calculations used in the Company's calculation of Depreciation and Amortization Expenses for the twelve months ended March 2004, December 2005, and February 2008 in the format of the Company's Accounting Exhibit No.2, Schedule 4, Lines 1 through 65, Page 2 of 2. The total amount should reconcile to the TRA Surveillance 3.06 report amounts, line 12, column (f).

RESPONSE:

51. Provide the amount of net negative salvage for the twelve months ended March 2004, December 2005, and February 2008 in the format of the Company's Accounting Exhibit No.2, Schedule 4, Lines 1 through 65, Page 2 of 2.

RESPONSE:

52. Provide the following American Water Works Company, Inc. Pension Plan amounts by calendar or fiscal year solely for TAWC operations from December 1998 through December

2008:

Accumulated benefit obligation

Change in projected benefit obligation:

Benefit obligation at beginning of year

Service cost

Interest cost

Actuarial loss (gain)

Benefits paid

Benefit obligations at end of year

Change in plan assets:

Fair value of plan assets at beginning of year

Actual return on plan assets

Employer contributions

Benefits paid

Fair Value of plan assets at end of year

Reconciliation:

Funded status

Unrecognized prior service cost

Unrecognized net loss

Net amount recognized

RESPONSE:

53. Provide the contract documents and paid invoices for the Management Audit amount of \$285,000 described in TN-TRA-Q013-WORKING CAPITAL, on page 11 of 30. Include in your response the month and year starting date for the amortization of the Management Audit and the NARUC expense account charged for the monthly amortization.

RESPONSE:

54. Provide the contract documents and paid invoices for the Preliminary Survey - Customer Service amount of \$555,966 described in TN-TRA-Q013-WORKING CAPITAL, on page 11 of 30. Include in your response the month and year starting date for the amortization of the Preliminary Survey - Customer Service and the NARUC expense account charged for the monthly amortization.

RESPONSE:

55. Provide the contract documents and paid invoices for the Preliminary Survey -Financial Service amounts of \$208,308 described in TN-TRA-Q013-WORKING CAPITAL, on page 11 of 30. Include in your response the month and year starting date for the amortization of the Preliminary Survey - Financial Service and the NARUC expense account charged for the monthly amortization.

RESPONSE:

56. Provide the Deferred Rate Case Expense balance at 11/30/07 of \$894,951 described in TN-TRA-Q013-DEFERRED RATE CASE EXPENSE, on page 1 of 2 by TRA Docket. Include in your response the month and year starting date for the amortization of each TRA Docket Rate Case Expense.

RESPONSE:

TAXES OTHER THAN INCOME

57. Provide a schedule of all Ad Valorem property tax bills by jurisdiction by tax year of 2006 and 2007.

RESPONSE:

INCOME TAXES

58. Reconcile the income tax amounts of TN-TRA-Q013-INCOME TAXES, on pages 9-10 of 20 to the income tax amounts on the Company's Exhibit No. 2, Schedule 6, page 2 of 2 for the test year ended November 30, 2007.

RESPONSE:

59. Provide the basis and supporting documentation for the AMT amount of \$958,182 included in TN-TRA-Q013-INCOME TAXES, on page 10 of 20.

RESPONSE:

60. Provide a detailed reconciliation of the effective tax rate for the attrition year at present rates to the federal statutory tax rate of 35%.

RESPONSE:

61. Provide the detailed calculations of the Deferred Federal Income Tax amount and the Deferred State Income Tax amount for the attrition year at present rates as shown on the Company's Exhibit No.2, Schedule 6, page 2 of 2. Include in your response any allocated Deferred Federal Income Tax included in the company's exhibits and the basis for the allocated

amounts.

RESPONSE:

RATE BASE

62. Provide the information for Plant in Service and Accumulated Depreciation by JDE account in the following format as of July 2002, March 2004, June 30, 2006:

(1)	(2)	(3)	(4)	(5)	(6)
JDE	Account	Plant in Service	Acc. Deprec.	Current Deprec.	Net
<u>Acct #</u>	<u>Description</u>	<u>Balance</u>	<u>Balance</u>	<u>Rate</u>	<u>Book Value</u>

The response should incorporate the format and subsidiary accounts of the Company's Accounting Exhibit No. 2, Schedule 4.

RESPONSE:

63. Provide the Plant in Service and Accumulated Depreciation by JDE account in the following format as of November 2007, December 2007, January 2008, February 2008, and March 2008:

(1)	(2)	(3)	(4)	(5)	(6)
-----	-----	-----	-----	-----	-----

JDE	Account	Plant in Service	Acc. Deprec.	Current Deprec.	Net
<u>Acct #</u>	<u>Description</u>	<u>Balance</u>	<u>Balance</u>	<u>Rate</u>	<u>Book Value</u>

The response should incorporate the format and subsidiary accounts of the Company's Accounting Exhibit No. 2, Schedule 4.

RESPONSE:

64. Provide the forecasted and/or actual, plant additions, plant retirements, salvage, costs of removal by JDE account, by month from January 2007 through August 2009.

RESPONSE:

65. Provide a summary of "TDOT Reimbursable Projects" from November 2006 through August 2009 detailing the total cost of each project, the reimbursable cost by the TDOT by project, amount reimbursed by JDE account and reimbursement amounts due, and the net amount due by the ratepayers. See J. Watson's direct testimony, pages 10-11.

RESPONSE:

66. The Direct Testimony of John Watson at page 13, lines 15-19, states in pertinent part that “The Company has excluded the rate base assets associated directly with service to the Walden’s Ridge Utility District.” Provide the Plant in Service and Accumulated Depreciation rate base amounts by subsidiary JDE account as of March 31, 2008 that are directly attributable to providing water services to Walden’s Ridge.

RESPONSE:

67. Provide the forecasted and or actual, plant additions, plant retirements, salvage, costs of removal by subsidiary JDE account, by month from January 2007 through August 2009 that are attributable to providing water services to Walden’s Ridge.

RESPONSE:

68. Provide all work papers, calculations, and documentation supporting the Payment or (Lead) Days on lines 4 through 32 of Exhibit No. 1, Schedule 3, Page 3 of 6 and lines 12 through 29 of Exhibit No. 1, Schedule 3, Page 4 of 6.

RESPONSE:

69. Reconcile the net additions of TN-TRA-Q013-RATE BASE BACK-UP, on page 40 of 52 for December 2007 by JDE Account to the net additions on page 31 of 52 for December 2007 by

JDE Account. Provide a detailed written explanation in your reconciliation.

RESPONSE:

70. Provide the basis for continuing depreciation expense in the Company's attrition year forecast on JDE Account 339200, JDE Account 340210, JDE Account 340310, JDE Account 340320, JDE Account 340330, and JDE Account 342000 when the net book value is zero and there are no forecasted plant additions to the account during the attrition year.

RESPONSE:

71. Reconcile the Accumulated Depreciation balances by JDE Account of TN-TRA-Q013-RATE BASE BACK-UP, on pages 47-48 of 52 for December 2007 with the Alloc. Book Reserve amounts in the Company's Depreciation Study, Pages III-144 through III-198. Include in your response a detailed explanation for each reconciliation amount.

RESPONSE:

72. Provide all cost documentation supporting the Citico Water Treatment Improvements for 2008 and 2009 by month. Include a detailed narrative of the Phase II construction start date, completion date, contractor name, and contract documents with supporting documentation.

RESPONSE:

73. Provide all work papers and documentation to calculate a 13 month average for CWIP for the attrition year i.e. end of month CWIP balances for the months July 2008 through August 2009.

RESPONSE:

74. Provide the forecasted JDE Account(s) for the budgeted \$2,000,000 extension deposits in 2008 (TN-TRA-01-Q018-ATTACHMENT Page 2 of 12).

RESPONSE:

75. Provide the basis for all allocated Accumulated Deferred Tax liabilities and assets to TAWC at March 31, 2008 and for the attrition year ended August 31, 2009.

RESPONSE:

76. The Direct Testimony of John Watson at page 14 indicates that certain capital projects are needed to meet current water quality regulations and address future water quality regulations of the Tennessee Department of Environment and Conservation and the United States Environment

Protection Agency. Please identify each capital project for 2008-2009 that is needed to meet such current and future regulations, including but not confined to, a description of the capital project, a description of the plant additions or improvements involved, identification of the particular current or future Tennessee or federal regulation associated with the project, and the amount of capital expenditure by JDE account number.

RESPONSE:

77. The Direct Testimony of John Watson at page 12, lines 16-27 and page 13, lines 1-13, lists six capital expenditures during 2007 totaling \$6.0 million. Provide a breakdown of the \$6.0 million in capital expenditures made during 2007 by month by JDE account number.

RESPONSE:

78. The Direct Testimony of John Watson at page 11, lines 23-27 and page 12, lines 1-14, lists five major capital investment projects completed during 2007. State the capital expenditure for each project and a breakdown of each projects' capital expenditures by month by JDE account number.

RESPONSE:

79. Four of the five major capital investment projects completed during 2007 as identified in the Direct Testimony of John Watson at pages 11-12 involve water mains (projects nos. 2-5) and one of the capital expenditures listed in the Direct Testimony of John Watson at pages 12-13 during 2007 involves the replacement of 27,200 feet of water mains (project no. 6) at an amount of \$2.529 million. Does the \$2.529 million in capital expenditures for water mains include any expenditures for any portion of the major capital investment projects completed during 2007 involving water mains? If so, please identify the amount of capital expenditure and the capital project involved.

RESPONSE:

80. The Direct Testimony of John Watson at pages 4-5 states: "Capital expenditures of the Company are planned and scrutinized to assure that needed facilities are identified, that facilities are scheduled for construction....The primary planning vehicle of this Company in this area is our least/cost comprehensive planning study." Please produce all documents, including but not confined to, capital budgets, analyses, and planning studies associated with the \$21.687 million in major capital investment projects planned for 2008-2009 discussed in the Direct Testimony of John Watson at pages 13-14.

RESPONSE:

81. The Direct Testimony of John Watson at page 22, lines 19-24 states: “A review has been made by the Company regarding the meters and pumping units that it has in service at its’ [sic] pumping stations. As a result of that review, the Company has determined that it needs to increase the expense for the programmed preventative maintenance on these pumps and motors if it is to maintain them properly.” Please provide all documents related to this review.

RESPONSE:

OTHER

82. Provide a historical and a forecast summary of Total Gallons of Water Treated; Total Gallons of Water Billed; and Total Gallons of Water Unaccounted For, by month for the period February 2007 through August 2009. Identify in your response the actual month amounts and the forecasted month amounts.

RESPONSE:

83. Provide the actual volume and percentage of unaccounted for water for TAWC for the year 2007 and forecasted percentage of unaccounted for water for TAWC for 2008 and 2009.

RESPONSE:

84. Provide the trial balances as of March 31, 2008 for TAWC, Corporate Office, Shared Services Center (“SSC”), Southeast Region, and other affiliated utility service companies.

RESPONSE:

85. Provide a detailed calculation showing each component of the Gross Revenue Deficiency Factor of 1.71974555 as found on Company Exhibit No. 1, Schedule 1, Page 1 of 1.

RESPONSE:

86. Provide a detailed explanation of why the Company budgeted Operating Revenues of \$36,800,173 for the calendar year 2008 (TN-TRA-01-Q018-ATTACHMENT Page 1 of 12) are less than the normalized test year ended November 30, 2007 amount of \$36,910,843 per Company Exhibit No. 2, Schedule 2, Page 1 of 1.

RESPONSE:

87. Provide documentation of management approval of the Company’s budget for the years 2008, 2009 and 2010 as provided (TN-TRA-01-Q018-ATTACHMENT Pages 1 - 12). Include in your response omitted budget Schedules 1 through 5 for each year.

RESPONSE:

88. Provide an explanation and detailed reconciliation of the Operating Revenues for 2007 of \$37,503,400 (TN-TRA-01-Q012-ATTACHMENT Page 2 of 10) to the \$37,142,460 for the attrition year at present rates as found on Company Exhibit No. 2, Schedule 1, Page 1 of 1.

RESPONSE:

89. Provide the details of each customer service request received for the years 2005 through 2007, including but not confined to, the class of customer and the reason for the request, the resolution of the request, whether the request was for termination of service and whether the request was for establishment of a new service.

RESPONSE:

90. Provide a detailed explanation for the average monthly number of service requests increasing from 5,097 in 2005 to 7,417 in 2007 (a two year increase of 45.5%) when customers increased only 2.53% over the same period according to TAWC's work papers TN-TRA-01-Q013-REVENUES, pages 78-79 of 99.

RESPONSE:

91. In its March 14, 2008 letter to County Mayor Ramsey and Representative McCormick, TAWC stated: "Since 1995, Tennessee American Water has invested \$106.222 million to

improve and enhance water service for our customers.” Provide a schedule showing the \$106.222 million invested by TAWC since 1995 by year by JDE account.

RESPONSE:

92. Provide a copy of all financial reports and statements, as well as, all budget summaries and reports, including but not confined to budget-to-actual comparisons, provided to the president and/or board of directors from January 1, 2006 through March 2008.

RESPONSE:

93. Provide a copy of all minutes of the board of directors related to all board meetings from January 1, 2006 through March 2008.

RESPONSE:

94. Provide all documents related to the monthly reviews of the Operations and Maintenance plan relative to current operating conditions, including but not confined to appropriate forecasts developed for the remainder of the year regarding any expected changes in revenues and expenses, for each month from January 2007 through March 2008. See Direct Testimony of John Watson at page 4, lines 15-18.

RESPONSE:

95. Provide all documents related to the planning of capital expenditures, including but not confined to, any least/cost comprehensive planning studies, prepared during the period ending January 2007 through March 2008. See Direct Testimony of John Watson at page 4, lines 26-27.

RESPONSE:

96. Provide all documents related to the review and analysis of electric and other utility service billings to analyze power usage at TAWC's treatment plant booster stations and office facilities, including but not confined to, trends in energy consumption, demand charges, unit costs, and how demand for water use at each location affects TAWC's expense. See Direct Testimony of John Watson at page 6, lines 9-16.

RESPONSE:

RESPECTFULLY SUBMITTED,

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

RYAN L. MCGEHEE
Assistant Attorney General
Office of the Attorney General and Reporter
Consumer Advocate and Protection Division
P.O. Box 20207
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(615) 532-5512

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing is being forwarded via U.S. mail, to:

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on this the 12 day of MAY, 2008.



Ryan L. McGehee