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June 15, 2009

Via Hand-Delivery

Chairman Eddie Roberson  
c/o Ms. Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

filed electronically in docket office on 06/15/09

**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 Hargett:

Enclosed please find an original and seven (7) copies of filing of Tennessee American Water Company's Comments Concerning Procedure.

Please return three copies of this document, which I would appreciate you stamping as "filed," and returning to me by way of our courier.

Should you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely,

R. Dale Grimes

RDG/lfr  
Enclosure

Sharla Dillon, Clerk

June 15, 2009

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cc: Hon. Sara Kyle (*w/o enclosure*)  
Hon. Mary Freeman (*w/o enclosure*)  
Ms. Darlene Standley, Chief-Utilities Division (*w/o enclosure*)  
Ms. Kelly Grams (*w/o enclosure*)  
Frederick L. Hitchcock, Esq. (*w/enclosure*)  
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Timothy C. Phillips, Esq. (*w/enclosure*)  
Vance L. Broemel, Esq. (*w/enclosure*)  
Ryan L. McGehee, Esq. (*w/enclosure*)

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**BEFORE 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 EARN A FAIR AND  
ADEQUATE RATE OF RETURN ON ITS  
PROPERTY USED AND USEFUL IN  
FURNISHING WATER SERVICE TO ITS  
CUSTOMERS**

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**Docket No. 08-00039**

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**TENNESSEE AMERICAN WATER COMPANY'S  
COMMENTS CONCERNING PROCEDURE**

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Tennessee American Water Company ("TAWC") respectfully files these comments in response to Chairman Roberson's Motion filed in this docket on Friday, June 12, 2009. TAWC respectfully reserves other comments until the appropriate time, but at this point would note its concern that the procedure proposed in Chairman Roberson's Motion does not contain any time frame or deadlines to advance the process to the time when the Authority will deliberate on whether to approve the proposed Request for Proposal ("RFP"). TAWC respectfully requests that the TRA shorten the time for comments on the RFP to two weeks with a deadline of June 29, 2009, and that the Authority set the approval of the RFP for deliberation at the next Directors' Conference after that date.

TAWC would show that the draft RFP prepared by TAWC with strong input by designated members of the TRA staff was filed on March 23, 2009, and has thus already been on file for nearly three months. Yet no comments about the proposed RFP have been filed by any

interested party or person. The changes now proposed to TAWC's draft RFP are not such that would require extensive additional time for comments to be filed. Moreover, TAWC submits that it is important to complete this phase of the process – the approval of the RFP – as soon as possible so the RFP can be put out for bids and the process can move to a conclusion. Since May 2007, when Director Pat Miller filed his motion in Docket No. 06-00290 requiring TAWC to conduct a management audit, TAWC has endeavored to comply with that requirement and resolve questions that have been raised about the management fees TAWC pays to its service company affiliate, American Water Works Service Company. TAWC respectfully submits that its inability to resolve this matter in the ensuing two years by completing a management audit that is acceptable to the TRA is detrimental to the Company and its ability to conduct its affairs in the most efficient and effective manner. TAWC believes that imposing the deadlines requested herein would help to bring this issue to a satisfactory conclusion in a more timely manner.

TAWC respectfully reserves further comments on the modified proposed RFP as filed on June 12, 2009, until the appropriate time ordered by the TRA.

Respectfully submitted,

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Ross I. Booher (#019304)  
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*Attorneys 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 15th day of June, 2009, upon the following:

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