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December 2, 2010

Via Hand-Delivery

Chairman Mary W. Freeman
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

**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. 10-00189

Dear Chairman Freeman:

Enclosed please find the original and five (5) copies of Tennessee American Water Company's First Supplemental Responses to the First Discovery Request of the Utility Workers Union of America, AFL-CIO and UWUA Local 121 to Tennessee American Water Company, Questions 23 through 36. In addition, these responses are being filed today by way of email to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon.

Please file the original and four copies of this material and stamp the additional copy as "filed". Then please return the stamped copies to me by way of our courier.

Should you have any questions concerning this matter, please do not hesitate to contact me at the email address or telephone number listed above.

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

RDG:smb
Enclosures

Chairman Mary Freeman

December 2, 2010

Page 2

cc: Hon. Sara Kyle (*w/o enclosure*)
Hon. Eddie Roberson (*w/o enclosure*)
Mr. David Foster, Chief of Utilities Division (*w/o enclosure*)
Richard Collier, Esq. (*w/o enclosure*)
Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division (*w/o enclosure*)
Ryan McGehee, Esq. (*w/enclosure*)
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Katharine M. Mapes, Esq. (*w/enclosure*)
Donald L. Scholes, Esq. (*w/enclosure*)

**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**

Docket No. 10-00189

**TENNESSEE AMERICAN WATER COMPANY'S FIRST SUPPLEMENTAL
RESPONSES TO THE FIRST DISCOVERY REQUEST OF THE UTILITY WORKERS
UNION OF AMERICA, AFL-CIO AND UWUA LOCAL 121
TO TENNESSEE AMERICAN WATER COMPANY**

The Tennessee American Water Company ("TAWC") hereby responds as follows to the remaining requests contained in the First Discovery Request of the Utility Workers Union of America, AFL-CIO and UWUA Local 121 ("UWUA") to TAWC:

GENERAL OBJECTIONS

(1) TAWC objects to all requests that seek information protected by the attorney-client privilege, the work product doctrine and/or any other applicable privilege or restriction on disclosure.

(2) TAWC objects to the definitions and instructions accompanying the requests to the extent the definitions and instructions contradict, are inconsistent with, or impose any obligations beyond those required by applicable provisions of the Tennessee Rules of Civil Procedure or the rules, regulations or orders of the Tennessee Regulatory Authority.

(3) TAWC objects to the definitions of the words “company,” “TAWC,” “document,” “documents,” “you,” “yours,” and “UWUA Local No. 121,” that accompany the data requests because such definitions are overbroad and unduly burdensome.

(4) The specific responses set forth below are based upon information now available to TAWC, and TAWC reserves the right at any time to revise, correct, add to or clarify the objections or responses and supplement the information and/or documents produced.

(5) TAWC is providing its responses herein without waiver of, or prejudice to, its right at any later time to raise objections to: (a) the competence, relevance, materiality, privilege, or admissibility of the response, or the subject matter thereof; and (b) the use of any response, or subject matter thereof, in any subsequent proceedings.

(6) TAWC objects to each request to the extent that it is unreasonably cumulative or duplicative, or seeks information obtainable from some other source that is more convenient, less burdensome or less expensive.

(7) TAWC objects to each request to the extent it seeks information outside TAWC’s custody or control.

(8) TAWC objects to requests that call upon TAWC to create, categorize, manipulate, customize or otherwise organize data regarding time periods outside of TAWC’s historical test year. TAWC objects to all such requests because they are unduly burdensome, seek to have TAWC create work product and seek information that is not relevant to this rate case.

(9) TAWC’s specific objections to each request are in addition to the General Objections set forth in this section. These General Objections form a part of each discovery response, and they are set forth here to avoid the duplication and repetition of restating them for each discovery response. The absence of a reference to a General Objection in response to a

particular request does not constitute a waiver of any General Objection with respect to that discovery request. All responses are made subject to and without waiver of TAWC's general and specific objections.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "R. Dale Grimes", written over a horizontal line.

R. Dale Grimes (#006332)

E. Steele Clayton (#017298)

C. David Killion (#026412)

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Counsel for Petitioner

Tennessee American Water Company

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: **John Watson**

Question:

23. With reference to the direct testimony of witness John S. Watson, at page 25, lines 9-11, please (a) state when the Company was notified that the referenced Master Maintenance Mechanic in the Production Department would be retiring, (b) describe the status of the Company's efforts to fill the position vacated due to retirement; and (c) provide any related documents.

Response:

The Company incorporates its responses to UWUA-01-Q05 and UWUA-01-Q10.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: John Watson

Question:

24. With reference to the direct testimony of witness John S. Watson, at page 25, line 27 through 26, line 1, please state how many of the referenced 28 “booster stations” “must operate continuously.”

Response:

All booster stations are operated continuously on a day-to day basis, and the frequency of actual pumping activity is dependent upon the characteristics and demands of its customers’ water usage and seasonal use.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: **John Watson**

Question:

25. With reference to the direct testimony of witness John S. Watson, at page 29, lines 21 through 30, line 13, please state whether the Company has limited the use of flowable fill for backfilling excavations to the excavation of paved streets in the City of Chattanooga or is using the same backfilling procedure more broadly, *i.e.* in areas not covered by the Chattanooga ordinance referenced at page 29, lines 16-19.

Response:

As a general rule the Company limits the use of flowable fill to the City limits of Chattanooga, except where flowable fill is required due to the soil conditions and other operational considerations. In addition, because the exact city limits are not always evident, flowable fill may have been inadvertently used outside the city limit boundary of Chattanooga.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: John Watson

Question:

26. Please provide all documents generated in the past two years that reflect communications among TAWC personnel, or TAWC and AWWC, that address, evaluate, concern or relate to (a) staffing of the TAWC; or (b) the impact of staffing decisions upon the ability of TAWC to “meet the day-to-day needs” of its customers.

Response:

The Company objects to this request on the grounds that it is overly broad, unduly burdensome, seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence, and objects to the extent it seeks information that is subject to Attorney Client Privilege and/or the work product doctrine. Without waiving these objections, see the responses to UWUA-01-Q9 and UWUA-01-Q18. The Company has no additional documents responsive to this question other than what has already been filed in this case or what has already been filed in discovery.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: **John Watson**

Question:

27. With reference to the direct testimony of witness John S. Watson, at page 33, lines 6-16, please provide, for each of the last five years: (a) the amount of emergency work performed on an overtime basis; and (b) the overall amount of work performed on an overtime basis.

Response:

The Company objects to this request on the grounds that it is unduly burdensome and seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving these objections, the Company does not track the amount of emergency work performed on overtime versus regular time. Please see the response to TN-CMA-01-Q20 which provides historical information on overtime hours and dollars, and a breakdown of the information between operations & maintenance and capital.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: **John Watson**

Question:

28. With reference to the direct testimony of witness John S. Watson, at page 33, lines 6-16, please provide all documents that assess, concern or relate to the impact of the Company's decision to limit the amount of work performed on an overtime basis upon the ability of the Company to meet the day-to-day service needs of its customers.

Response:

The Company objects to this question on the grounds that it is vague and ambiguous, overly broad, unduly burdensome and seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving these objections, the Company has no documents responsive to this request.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: **John Watson**

Question:

29. With reference to the direct testimony of witness John S. Watson, at page 33, lines 6-16, please provide all documents prepared by or for the Company that assess the impact of approval of the Company's request to hire seven (7) additional hourly employees on the use of overtime.

Response:

The Company objects to this question on the grounds that it is vague and ambiguous, overly broad, unduly burdensome and seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving these objections, the Company has produced all documents that support the 110 employees the Company is requesting in this case.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: **John Watson**

Question:

30. With reference to the direct testimony of witness John S. Watson, at page 33, lines 6-16, please provide all documents that assess or quantify the impact (including the dollar impact) that the Company's decision to defer certain repairs until normal working hours has had on (a) the level of expense incurred for water treatment chemicals; and (b) the expense associated with the operation of "booster stations."

Response:

The Company objects to this question on the grounds that it is vague and ambiguous, overly broad, unduly burdensome and seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving these objections, the Company has no documents responsive to this request.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: **John Watson**

Question:

31. With reference to the direct testimony of witness John S. Watson, at page 34 line 26 through page 35, line 8, please identify, by job classification, each instance over the past twenty-four (24) months in which the Company has not (a) replaced an employee “who left the business in Tennessee” or (b) filled a vacancy even if the result was more overtime work. For each such instance, please provide all documents that concern, relate to, or assess the impact of the Company’s decision.

Response:

The Company objects to this request on the grounds that the request seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence and is unduly burdensome and overly broad. Without waiving these objections, the Company’s workforce authorization reports are provided in response to TN-CAPD-01-PART III-Q23 and are responsive to part (a) of the request. The Company has no additional information about the subject of subpart (b).

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: **John Watson**

Question:

32. With reference to the direct testimony of witness John S. Watson, at page 35 lines 1-8, please provide a listing of all instances during the past two years in which (a) overtime was required but there was no employee to perform the overtime; or (b) “the Company chose not to complete all customer service orders assigned to an FSR because the work would require overtime or there were less than the number of FSRs required to perform the work on a given day.”

Response:

The Company objects to this request on the grounds the question is overly broad and unduly burdensome. Without waiving the objections, the Company does not maintain a list that is responsive to this request.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: **John Watson**

Question:

33. With reference to the direct testimony of witness John S. Watson, at page 38, lines 2-8, please explain fully how customers contribute to TAWC's "Non Revenue Water" or "Unaccounted For Water usage" when they "ran their water to prevent freezing in their service lines."

Response:

Due to the extremely cold weather this past winter there were times when customer service lines were frozen and other situations where due to cold weather, the Company installed "jumpers" (straight connections un-metered) or bypassed the meter with temporary lines to maintain service to customers. In certain instances, customers were asked to let the water run in their home to prevent further freezing. In these situations, the Company would issue a credit adjustment to the customer's account. This water is considered "authorized usage" and a reduction to the net water sales. These situations contribute to unaccounted for water due to the fact the usage by the customers was not metered and therefore not counted in water sales.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: **Michael A. Miller**

Question:

34. With reference to the direct testimony of Michael A. Miller, at page 9, lines 18-19, please provide all documents generated in the past three years, whether prepared by or for TAWC or AWWC, in which the “parent company” “evaluates the Company’s financial performance.”

Response:

The Company objects to this request on the grounds that it is overly broad, unduly burdensome and seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving these objections, the Company periodically presents information to management of AWWC. Copies of those reports have been provided in response to TN-TRA-01-Q055, and copies of the Company’s budgets relevant to the Company’s historical test-year and attrition year have been provided in response to TN-TRA-01-Q018 and TN-TRA-01-Q055.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness:

Question:

35. With reference to the direct testimony of Michael A. Miller, at page 12, line 1, please describe in detail the “resources and training” currently provided to employees that is “necessary to “provide high-quality, reliable service.”

Response:

The Company objects to this request on the grounds that it is overly broad, unduly burdensome and seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving these objections, below is a list of topics of recent training programs provided to various employees or groups of employees of TAWC.

1. Company Code of Ethics
2. Performance/Development Reviews
3. Stepping Up Supervisor Training
4. Strengths Based Leadership
5. Power Plant V9 (capital projects accounting system)
6. SharePoint Software Training
7. Advantex Software Training (service orders and meter reading)
8. ArcFlash-Blast Hazard Training
9. Chlorine Safety Training
10. Confined Space Entry Training
11. Defensive Driving Training
12. Ergonomics Training
13. Excavation and Shoring Training

14. Flagger (traffic) Training
15. Forklift Training
16. FSR Refresher Training/Customer Service
17. Incident/Injury Reporting
18. Work Zone Training
19. Cross Connection Training
20. Operator Certification Training.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO AND UWUA LOCAL 121**

Responsible Witness: **Michael A. Miller**

Question:

36. With reference to the direct testimony of Michael A. Miller, at page 13, lines 3-4, please explain fully why the Company is operating with an employee complement that is fewer than the number of employees granted by the Authority in the 2008 Rate Case Order.

Response:

The Company objects to this request on the grounds that it is argumentative and mischaracterizes the facts of the case. The Company also objects on the grounds the requested information is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving the objections, see the Company's responses to UWUA-01-Q05 and UWUA-01-Q10.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

**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. 10-00189

AFFIDAVIT

STATE OF WEST VIRGINIA

COUNTY OF KANAWHA

I, MICHAEL A. MILLER, Treasurer/Comptroller for Tennessee American Water Company, do hereby certify that the foregoing responses to the Supplemental Data Requests to the Utility Workers Union of America, AFL-CIO and UWUA Local 121 were prepared by me or under my supervision and are true and accurate to the best of my knowledge and information.

DATED this 30th day of November, 2010.

Michael A. Miller
(signature)

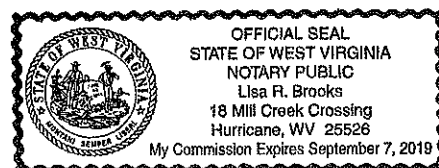
Michael A. Miller
(printed name)

Sworn to and subscribed before me this 30th day of November, 2010.

Lisa R. Brooks
NOTARY PUBLIC

My Commission Expires:

September 7, 2019



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 1st day of December, 2010, upon the following:

<input checked="" type="checkbox"/> Hand-Delivery	T. Jay Warner, Esq.
<input type="checkbox"/> U.S. Mail	Ryan McGehee, Esq.
<input type="checkbox"/> Facsimile	Mary L. White, Esq.
<input type="checkbox"/> Overnight	Counsel for the Consumer Advocate and Protection Division
<input checked="" type="checkbox"/> Email	Office of the Attorney General
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