

# BASS

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December 17, 2010

**VIA HAND DELIVERY**

filed electronically in docket office on 12/17/10

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

**Re: Docket No. 10-00189: *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 Chairman Freeman:

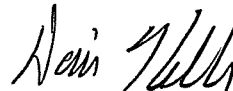
Enclosed please find an original and five (5) sets of copies of Tennessee American Water Company's December 17th Supplemental Responses to the City of Chattanooga's Discovery Requests.

A compact disk has been provided for each set which contains copies of the responses and attachments in their native file formats. In addition, we are including a disk marked "Docket Manager Disk," which contains the entire filing in PDF format.

Please file the original and four copies of these Responses and stamp the additional copy as "filed." Then please return the stamped copy 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.

Sincerely,



David Killion

Enclosures

December 17, 2010

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cc: Mr. David Foster, Chief of Utilities Division (w/o enclosure)  
Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division (w/o enclosure)  
Ryan McGehee, Esq. (w/enclosure)  
Mary L. White, Esq. (w/enclosure)  
David C. Higney, Esq. (w/enclosure)  
Henry M. Walker, Esq. (w/enclosure)  
Michael A. McMahan, Esq. (w/enclosure)  
Valerie L. Malueg, Esq. (w/enclosure)  
Frederick L. Hitchcock, Esq. (w/enclosure)  
Harold L. North, Jr., Esq. (w/enclosure)  
Mark Brooks, Esq. (w/enclosure)  
Scott H. Strauss, Esq. (w/enclosure)  
Katharine M. Mapes, Esq. (w/enclosure)  
Donald L. Scholes, Esq. (w/enclosure)

9060388.1

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 10-00189  
FIRST DISCOVERY REQUEST OF THE  
CITY OF CHATTANOOGA**

**Responsible Witness: Michael A. Miller**

**Other Participating Employees: George Conroy**

**Question:**

43. Please *Identify* all monthly amounts paid by *TA WC* since January 1, 2007, to *AWWC* or any *AWWC* subsidiary or affiliate, and provide the information as to each such amount in the following format:

Payment Date	Amount of Payment	Purpose of Payment	If Payment for Services, Amount of Time Reflected in Charge	Hourly Rate Change	If for Equipment of Materials, Description of Each Piece of Equipment or Material	Unit Charge for Each Piece of Equipment or Material	Agreement Under Which Provided (89 Service Agreement or Other)

**Response:**

The Company objects to this question on the grounds that it is unduly burdensome, requests information neither readily available nor in the format requested, and in part is not relevant to the current proceeding.

COC's request involves a voluminous amount of data, which was already provided to the COC in the previous case. Please see the response to TN-COC-01-10 in Docket No. 08-00039.

Also, see the response to TRA-01-Q014, which provides additional information about payments to AWWSC, AWCC and AWR (formerly known as American Anglian Technologies). In addition, see the response to TN-COC-01-Q61 that also provides data responsive to this request.

Please see the attached file identified as TN-COC-01-Q43-ATTACHMENT which presents total Service Company hours and charges for TAWC for the years 2005 through September 2010 and the associated full-time equivalent positions allocated to TAWC by function. TN-COC-01-Q43 Attachment includes a summary schedule that shows the yearly totals and FTE's by function. The other schedules provide a breakdown of the charges by month for the years 2005 through 2010.

**December 8, 2010 Supplemental Response:**

Attachment(s) previously provided in response to this request in PDF format that are Excel files are enclosed on the accompanying CD labeled as TN-COC-01-Q43.xlsx.

**December 17, 2010 Supplemental Response:**

The Company has discovered an error in the original response to this question. The third paragraph of the original response therefore should read as follows:

Also, see the response to TRA-01-Q014, which provides additional information about payments to AWWSC, AWCC and American Anglian Technologies. In addition, see the response to TN-COC-01-Q61 that also provides data responsive to this request.

The Company is also supplementing this request to explain that as can be seen in TN-COC-01-Q44-ATTACHMENT, the Company entered into leases in 2000 and 2003 with AWR d/b/a American Carbon Services for carbon. In 2009 those leases ended and the Company instead entered into the current contracts with American Anglian Environmental Technologies, L.P. ("AAET") for the Company's carbon needs.

**TENNESSEE AMERICAN WATER COMPANY  
DOCKET NO. 10-00189  
FIRST DISCOVERY REQUEST OF THE  
CITY OF CHATTANOOGA**

**Responsible Witness:** Michael A. Miller/John Watson

**Other Participating Employees:** None

**Question:**

44. Please provide all *Documents* that constitute, relate to, or refer to the terms of any contracts (including all attachments and amendments thereto) in effect at any time since January 1, 2006 between *TAWC* and *AWWC*, *AWWSC*, *AWR*, *AWCC*, or any subsidiary or affiliate of any of them.

**Response:**

The Company objects to this question on the grounds that it is overly broad and unduly burdensome and seeks information that is not relevant nor reasonably likely to lead to the discovery of admissible evidence. Without waiving these objections see the attached document labeled as TN-COC-01-Q44-ATTACHMENT that includes the current contracts between TAWC and AWWSC, AWCC and AWE. The current contract for third party billing of charges related to AWR was provided in the response to TN-COC-01-Q39.

**December 17, 2010 Supplemental Response:**

The Company is supplementing its response to explain that the reference to AWE in the Company's original answer was a typographical error and that the reference should instead be to American Anglian Environmental Technologies, L.P. ("AAET"). As can be seen in TN-COC-01-Q44-ATTACHMENT, the Company entered into leases in 2000 and 2003 with AWR d/b/a American Carbon Services for carbon. In 2009 those leases ended and the Company instead entered into the current contracts with AAET for the Company's carbon needs.

**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 First Supplemental Response to the City of Chattanooga's Data Request #44 and the Second Supplemental Response to #43 were prepared by me or under my supervision and are true and accurate to the best of my knowledge and information.

DATED this 17<sup>th</sup> day of December, 2010.

Michael A. Miller  
(signature)

Michael A. Miller  
(printed name)

Sworn to and subscribed before me this 17<sup>th</sup> day of December, 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 by way of the method(s) indicated, on this the 17<sup>th</sup> day of December, 2010, upon the following:

<input checked="" type="checkbox"/> Hand-Delivery	Ryan McGehee, Esq.
<input type="checkbox"/> U.S. Mail	Mary L. White, Esq.
<input type="checkbox"/> Facsimile	Counsel for the Consumer Advocate
<input type="checkbox"/> Overnight	and Protection Division
<input checked="" type="checkbox"/> Email	OFFICE OF THE ATTORNEY GENERAL
	425 5th Avenue North, 2nd Floor
	Nashville, TN 37243-0491
<input type="checkbox"/> Hand-Delivery	David C. Higney, Esq.
<input type="checkbox"/> U.S. Mail	Counsel for Chattanooga Regional
<input type="checkbox"/> Facsimile	Manufacturers Association
<input checked="" type="checkbox"/> Overnight	GRANT, KONVALINKA & HARRISON, P.C.
<input checked="" type="checkbox"/> Email	633 Chestnut Street, 9th Floor
	Chattanooga, TN 37450
<input checked="" type="checkbox"/> Hand-Delivery	Henry M. Walker, Esq.
<input type="checkbox"/> U.S. Mail	Counsel for Chattanooga Regional
<input type="checkbox"/> Facsimile	Manufacturers Association
<input type="checkbox"/> Overnight	BRADLEY, ARANT, BOULT, CUMMINGS, PLC
<input checked="" type="checkbox"/> Email	1600 Division Street, Suite 700
	Nashville, TN 37203
<input type="checkbox"/> Hand-Delivery	Michael A. McMahan, Esq.
<input type="checkbox"/> U.S. Mail	Valerie L. Malueg, Esq.
<input type="checkbox"/> Facsimile	City of Chattanooga (Hamilton County)
<input checked="" type="checkbox"/> Overnight	OFFICE OF THE CITY ATTORNEY
<input checked="" type="checkbox"/> Email	100 East 11 <sup>th</sup> Street, Suite 200
	Chattanooga, TN 37402
<input type="checkbox"/> Hand-Delivery	Frederick L. Hitchcock, Esq.
<input type="checkbox"/> U.S. Mail	Harold L. North, Jr., Esq.
<input type="checkbox"/> Facsimile	Counsel for City of Chattanooga
<input checked="" type="checkbox"/> Overnight	CHAMBLISS, BAHNER & STOPHEL, P.C.
<input checked="" type="checkbox"/> Email	1000 Tallan Building
	Two Union Square
	Chattanooga, TN 37402

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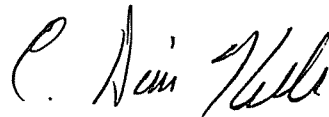
Mark Brooks, Esq.  
Counsel for Utility Workers Union of America,  
AFL-CIO and UWUA Local 121  
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Katharine M. Mapes, Esq.  
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