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January 14, 2011

Via Hand-Delivery

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

filed electronically in docket office on 01/14/11

**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 you will find an original and five (5) copies of Tennessee American Water Company's Second Set of Discovery Requests to the Chattanooga Regional Manufacturers' Association. This document is being filed today by way of email to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon also.

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

January 14, 2011

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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*)
Mary L. White, Esq. (*w/enclosure*)
David C. Higney, Esq. (*w/enclosure*)
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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*)

**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 SECOND SET
OF DISCOVERY REQUESTS TO THE
CHATTANOOGA REGIONAL MANUFACTURERS ASSOCIATION**

Petitioner Tennessee American Water Company ("Petitioner" or "TAWC") serves this second set of discovery requests on the Chattanooga Regional Manufacturers Association ("CRMA"), and asks that CRMA provide responses to each request separately, fully, and in writing. The CRMA is also called upon to produce all documents and evidence requested herein. Furthermore, the CRMA is called upon to fulfill its duty to supplement its answers as far in advance of the beginning of any hearing as is reasonably possible if it is learned that any response is in any material respect incomplete, incorrect or has changed.

In these discovery requests, the terms "document" or "documents" or "documentation" refers to all written, reported, recorded or graphic matter (including all drafts, originals and nonconforming copies that contain deletions, insertions, handwritten notes or comments, and the like) however produced or reproduced to any tangible or intangible, permanent or temporary record and, without limitation, shall include the following: all letters, correspondence, records of conferences or meetings, memoranda, notes, printed electronic mail ("e-mail"), telegrams, telephone logs, teletypes, telexes, banking records, notices of wire transfer of funds, canceled

checks, books of account, budgets, financial records, contracts, agreements, invoices, speeches, transcripts, depositions, press releases, affidavits, communications with government bodies, interoffice communications, working papers, newspaper or magazine articles, computer data, tax returns, vouchers, papers similar to any of the foregoing, and any other writings of every kind and description (whether or not actually used) and any other records from which information can be obtained and translated into reasonably usable form, including without limitation, e-mail, voice recordings, video and audio recordings, photographs, films, tapes, data compilations and any other electronically stored information.

As used herein, the term “identify” in reference to any individual requires you to provide that individual's name, occupation, current and last known residential and business addresses, and current or last known residential and business telephone numbers. In reference to any other place, thing, concept, fact, or occurrence, the term “identify” requires you to provide all significant information concerning the subject matter of the interrogatory or request, in clear and unambiguous terms, to the fullest extent reasonably calculated to convey the requested information. As used herein, the term “CRMA” includes the Chattanooga Manufacturers Association (or “CMA”).

Pursuant to the Procedural Schedule in this matter, please respond to all discovery requests by January 24, 2011.

DISCOVERY REQUEST NO. 1:

Please provide any studies, documents, CRMA Minutes, or correspondence from 2008 to present possessed by the CRMA or the TAWC customers represented by the CRMA that address the impact of the cost of water on their business.

RESPONSE:

DISCOVERY REQUEST NO. 2:

Please provide any studies, documents, CRMA Minutes, or correspondence from 2008 to present possessed by the CRMA or by the TAWC customers represented by the CRMA that address the level of service or reliability of service provided by TAWC.

RESPONSE:

DISCOVERY REQUEST NO. 3:

Please provide any agreements or correspondence from 2008 to present between the CRMA and the TAWC customers represented by the CRMA addressing the CRMA's participation in TAWC rate proceedings.

RESPONSE:

DISCOVERY REQUEST NO. 4:

Please provide the Return on Equity and Profit Margin for each customer represented by the CRMA. If any of those customers represented by the CRMA are segments of a larger business, please provide the ROE (if applicable) and the Profit Margin for the Chattanooga-based operation.

RESPONSE:

DISCOVERY REQUEST NO. 5:

Please provide all the engagement letters, contracts, correspondence and fee schedules paid by the CRMA to Michael Gorman or Brubaker Associates, Inc. during the last five years.

RESPONSE:

DISCOVERY REQUEST NO. 6:

For each CRMA member testifying in this docket on behalf of the CRMA or making public comments in this docket for any purpose, please provide a schedule listing the total annual amount their Chattanooga operations spent from 2008 to present on each of the following: water, electricity, natural gas, sewer, and local property tax; and individually for each of the foregoing costs, calculate what percent of total operating costs and budgeted costs each of the foregoing costs represents for their Chattanooga operations.

RESPONSE:

DISCOVERY REQUEST NO. 7:

Identify and/or produce all communications between the CRMA and its members, or between CRMA members, regarding, relating or referring to this rate case.

RESPONSE:

DISCOVERY REQUEST NO. 8:

Please provide all underlying data and all computations, in native format, supporting Exhibit MPG-3 of Mr. Gorman's direct testimony.

RESPONSE:

DISCOVERY REQUEST NO. 9:

With respect to Mr Gorman's work papers and Exhibit MPG-1, please produce all detailed underlying calculations that support this exhibit. With respect to the electric power costs contained on Exhibit MPG-4, please explain how many EPB tariffs were considered for the booster station portion of the water loss adjustment and how this portion of the adjustment would change if actual demand and kWh charges were applied.

RESPONSE:

DISCOVERY REQUEST NO. 10:

With respect to MPG Exhibits 1-3, please provide a detailed explanation for how Mr. Gorman calculated all numerical values contained on the worksheets "WP CITICO Pwr (Lost Wtr Adj)" and "WP Booster Pwr (Lost Wtr Adj)." Include all underlying calculations and source data supporting the numerical values contained on these exhibits.

RESPONSE:

DISCOVERY REQUEST NO. 11:

With respect to the work paper "WP Chem (Lst Wtr Adjstmnt)," provide a detailed explanation of how Mr. Gorman calculated all "Cost/CCF" values.

RESPONSE:

DISCOVERY REQUEST NO. 12:

Provide copies of all reports, studies, testimony, exhibits, work papers and presentations prepared by Mr. Gorman and filed in any other water utility rate cases, regarding water loss adjustments, power costs or water treatment chemical costs.

RESPONSE:

DISCOVERY REQUEST NO. 13:

Provide all reports, studies, calculations and any other documents that were relied upon by, and referenced in the direct testimony of Mr. Gorman, including but not limited to the 2002 Janice A. Beecher survey.

RESPONSE:

DISCOVERY REQUEST NO. 14:

Please state all facts that support Mr. Gorman's qualifications to testify as an expert witness with respect to Lost or Unaccounted for Water.

RESPONSE:

DISCOVERY REQUEST NO. 15:

Please state all facts that support Mr. Gorman's qualifications to testify as an expert witness with respect to Normal Sales Revenue.

RESPONSE:

DISCOVERY REQUEST NO. 16:

Please state all facts that support Mr. Gorman's qualifications to testify as an expert witness with respect to Working Capital Adjustment.

RESPONSE:

DISCOVERY REQUEST NO. 17:

Please state all facts that support Mr. Gorman's qualifications to testify as an expert witness with respect to the Other Revenue Requirement Issues (including but not limited to rate of return and service company fees) addressed on pages 21-24 of Mr. Gorman's pre-filed testimony.

RESPONSE:

DISCOVERY REQUEST NO. 18:

Please provide a copy of the CRMA's current organizational documents, including but not limited to the organization's charter and bylaws.

RESPONSE:

DISCOVERY REQUEST NO. 19:

Please state all facts that support Mr. Gorman's qualifications to testify as an expert witness with respect to cost of service.

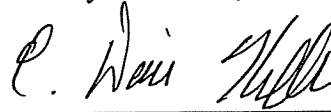
RESPONSE:

DISCOVERY REQUEST NO. 20:

Please state all facts that support Mr. Gorman's qualifications to testify as an expert witness with respect to rate design.

RESPONSE:

Respectfully submitted,



R. Dale Grimes (#006332)
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*Counsel for Petitioner
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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 14th day of January, 2010, upon the following:

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