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January 21, 2011

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 you will find an original and five (5) copies of Tennessee American Water Company's Responses to the Chattanooga Regional Manufacturers Association's Second Set of Data Requests to Tennessee American Water Company. This material is also 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

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*)
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*)

**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 RESPONSES TO THE
CHATTANOOGA REGIONAL MANUFACTURERS ASSOCIATION'S SECOND SET
OF DATA REQUESTS TO TENNESSEE AMERICAN WATER COMPANY**

The Tennessee American Water Company ("TAWC") hereby responds as follows to the Chattanooga Regional Manufacturers Association's ("CRMA") Second Set of Data Requests 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 "Tennessee-American," "Company," "TAWC," "you," "yours," "person," "document," "referring or relating to," "and,"

“or,” “affiliate,” “affiliated,” “identify,” “identifying,” and “identification,” 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.

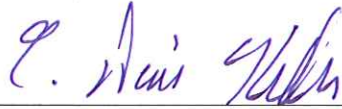
(7) TAWC objects to each request to the extent it seeks information outside TAWC’s custody or control.

(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,



R. Dale Grimes (#006332)

E. Steele Clayton (#017298)

C. David Killion (#026412)

BASS, BERRY & SIMS PLC

150 Third Ave. South, Suite 2800

Nashville, TN 37201

(615) 742-6200

Counsel for Petitioner

Tennessee American Water Company

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
SECOND SET OF DATA REQUESTS OF THE
CHATTANOOGA REGIONAL MANUFACTURERS ASSOCIATION**

Responsible Witness: **Sheila Miller/John Watson**

Question:

1. Referring to the first data request of TRA Staff, Item No. 19, and TAWC's response thereto, please provide for the same time period as used in the Company's response for each of the listed 25 largest customers: the aggregate volume (in gallons); aggregate revenue; and revenue per classification rate block. Please include any worksheets or excel spreadsheets maintained relative to the above and the listed largest 25 customers' revenue or volumetric usage.

Response:

See the attached file labeled as TN-CRMA-02-Q1-CONFIDENTIAL ATTACHMENT. The Excel version is also included on the enclosed CD and labeled as TN-CRMA-02-Q1-CONFIDENTIAL ATTACHMENT.xls.

The usage in Tennessee is billed in 100 CF and is shown on the attached schedule in 100 CF.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
SECOND SET OF DATA REQUESTS OF THE
CHATTANOOGA REGIONAL MANUFACTURERS ASSOCIATION**

Responsible Witness: Paul Herbert/Michael A. Miller

Question:

2. Please provide copies of all documents, communications, memoranda, materials, notes or directives relative to the Company Management's role in cost allocation or rate design as (a) described by Mr. Herbert's testimony, (b) provided to Mr. Herbert, or (c) relative to the class cost of service study (CCOSS) undertaken by Mr. Herbert and supplied by the Company in this matter.

Response:

The Company objects to this question on the grounds that it is overly broad. In addition, per the agreement of the Company and the intervenors, communications with expert witnesses are not subject to discovery. Without waiving these objections, the Company has previously produced information relied on by Mr. Herbert in forming his opinions on rate design as set forth in his direct testimony and the exhibits thereto (*See* TN-TRA-01-Q13, subfolder "Paul Herbert").

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
SECOND SET OF DATA REQUESTS OF THE
CHATTANOOGA REGIONAL MANUFACTURERS ASSOCIATION**

Responsible Witness: Paul Hebert/Michael A. Miller

Question:

3. Please provide copies of all documents, communications, memoranda, materials, notes or workpapers the Company or any Company witness contends support the rate design it has requested the Authority adopt in this matter.

Response:

The Company objects to this question on the grounds that it is overly broad. In addition, per the agreement of the Company and the intervenors, communications with expert witnesses are not subject to discovery. Without waiving these objections, the Company has previously produced information relied on by Mr. Herbert in forming his opinions on rate design as set forth in his direct testimony and the exhibits thereto (*See* TN-TRA-01-Q13, subfolder “Paul Herbert”). The Company will likewise produce anything additional relied upon by Mr. Herbert in any rebuttal testimony he may file.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
SECOND SET OF DATA REQUESTS OF THE
CHATTANOOGA REGIONAL MANUFACTURERS ASSOCIATION**

Responsible Witness: Paul Herbert/Michael A. Miller

Question:

4. Please provide copies of all documents, communications, memoranda, materials, notes or workpapers the Company or any Company witness contends or relies upon as support for the development of the rate design it has requested the Authority adopt in this matter.

Response:

The Company objects to this question on the grounds that it is overly broad. In addition, per the agreement of the Company and the intervenors, communications with expert witnesses are not subject to discovery. Without waiving these objections, the Company has previously produced information relied on by Mr. Herbert in forming his opinions on rate design as set forth in his direct testimony and the exhibits thereto (*See* TN-TRA-01-Q13, subfolder “Paul Herbert”). The Company will likewise produce anything additional relied upon by Mr. Herbert in any rebuttal testimony he may file.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
SECOND SET OF DATA REQUESTS OF THE
CHATTANOOGA REGIONAL MANUFACTURERS ASSOCIATION**

Responsible Witness: Paul Herbert/Michael A. Miller

Question:

5. Please provide copies of all documents, communications, memoranda, materials, notes or workpapers the Company or any Company witness contends contradicts Mr. Gorman's analysis of the rate design alternative he has requested the Authority consider and adopt in this matter.

Response:

The Company objects to this request to the extent it seeks material protected by the work product doctrine. In addition to Mr. Herbert's pre-filed testimony, exhibits and supporting papers, the Company will produce any rebuttal testimony to Mr. Gorman's analysis in accordance with the Scheduling Order in this case.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
SECOND SET OF DATA REQUESTS OF THE
CHATTANOOGA REGIONAL MANUFACTURERS ASSOCIATION**

Responsible Witness: Paul Herbert/Michael A. Miller

Question:

6. Please provide copies of all documents, communications, memoranda, materials, notes or workpapers the Company or any Company witness contends contradicts Mr. Gorman's analysis of the CCOSS in this matter.

Response:

The Company objects to this request to the extent it seeks material protected by the work product doctrine. In addition to Mr. Herbert's pre-filed testimony, exhibits and supporting papers, the Company will produce any rebuttal testimony to Mr. Gorman's analysis in accordance with the Scheduling Order in this case.

**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 Second Set of Data Requests of the Chattanooga Regional Manufacturer's Association were prepared by me or under my supervision and are true and accurate to the best of my knowledge and information.

DATED this 21st day of January, 2011.

Michael A. Miller
(signature)

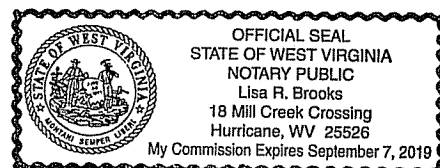
Michael A. Miller
(printed name)

Sworn to and subscribed before me this 21st day of January, 2011.

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 21st day of January, 2011, 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
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Nashville, TN 37201

