

R. DALE GRIMES  
TEL: (615) 742-6244  
FAX: (615) 742-2744  
dgrimes@bassberry.com

**BASS**  
**BERRY • SIMS**<sub>PLC</sub>  
A PROFESSIONAL LIMITED LIABILITY COMPANY  
ATTORNEYS AT LAW  
150 THIRD AVENUE SOUTH, SUITE 2800  
NASHVILLE, TN 37201  
(615) 742-6200  
www.bassberry.com

OTHER OFFICES:  
KNOXVILLE  
MEMPHIS

January 21, 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 01/21/11

**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 Motion for Leave to File a Reply to the Consumer Advocate and Protection Division's Response to TAWC's Motion to Call Schumaker & Company to Present Testimony Regarding Its Affiliate Audit Report. 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

Chairman Mary Freeman  
January 21, 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*)  
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**

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**TENNESSEE AMERICAN WATER COMPANY'S MOTION FOR LEAVE TO FILE A  
REPLY TO THE CONSUMER ADVOCATE AND PROTECTION DIVISION'S  
RESPONSE TO TENNESSEE AMERICAN WATER COMPANY'S MOTION TO CALL  
SCHUMAKER & COMPANY TO PRESENT TESTIMONY REGARDING ITS  
AFFILIATE AUDIT REPORT**

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Tennessee American Water Company ("TAWC"), by and through counsel, hereby respectfully requests permission to file a reply to the response of the Consumer Advocate and Protection Division ("CAPD") to TAWC's Motion to Call Schumaker & Company to Present Testimony Regarding its Affiliate Audit Report. For grounds, TAWC would show as follows:

1. The CAPD's response contains numerous errors and incorrect statements of fact that TAWC must correct.
2. Because of the importance of the Authority's ruling on this matter, TAWC believes it is necessary for the Hearing Officer to have a complete and accurate understanding of the facts with respect to TAWC's request to call Schumaker & Company as a witness in the event the TRA elects not to do so.
3. The reply, filed contemporaneously with this Motion, provides information necessary for the Hearing Officer to make an informed ruling.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "R. Dale Grimes", is written over a horizontal line.

R. Dale Grimes (#006223)

E. Steele Clayton (#017298)

C. David Killion (#026412)

BASS, BERRY & SIMS PLC

150 Third Avenue South, Suite 2800

Nashville, TN 37201

(615) 742-6200

*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 by way of the method(s) indicated, on this the 21<sup>st</sup> day of January, 2011, upon the following:

<input type="checkbox"/> Hand-Delivery	Ryan McGehee, Esq.
<input checked="" 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 checked="" type="checkbox"/> U.S. Mail	Counsel for Chattanooga Regional
<input type="checkbox"/> Facsimile	Manufacturers Association
<input type="checkbox"/> Overnight	Grant, Konvalinka & Harrison, P.C.
<input checked="" type="checkbox"/> Email	633 Chestnut Street, 9th Floor
	Chattanooga, TN 37450
<input type="checkbox"/> Hand-Delivery	Henry M. Walker, Esq.
<input checked="" 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 checked="" type="checkbox"/> U.S. Mail	Valerie L. Malueg, Esq.
<input type="checkbox"/> Facsimile	City of Chattanooga (Hamilton County)
<input type="checkbox"/> Overnight	Office of the City Attorney
<input checked="" type="checkbox"/> Email	100 East 11th Street, Suite 200
	Chattanooga, TN 37402
<input type="checkbox"/> Hand-Delivery	Frederick L. Hitchcock, Esq.
<input checked="" type="checkbox"/> U.S. Mail	Harold L. North, Jr., Esq.
<input type="checkbox"/> Facsimile	Counsel for City of Chattanooga
<input 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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☒ U.S. Mail  
☐ Facsimile  
☐ Overnight  
☒ Email

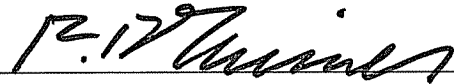
Mark Brooks, Esq.  
Counsel for Utility Workers Union of America,  
AFL-CIO and UWUA Local 121  
521 Central Avenue  
Nashville, TN 37211

☐ Hand-Delivery  
☒ U.S. Mail  
☐ Facsimile  
☐ Overnight  
☒ Email

Scott H. Strauss, Esq.  
Katharine M. Mapes, Esq.  
Counsel for UWUA, AFL-CIO and UWUA Local 121  
Spiegel & McDiarmid LLP  
1333 New Hampshire Avenue, NW  
Washington, DC 20036

☐ Hand-Delivery  
☒ U.S. Mail  
☐ Facsimile  
☐ Overnight  
☒ Email

Donald L. Scholes, Esq.  
Counsel for Walden's Ridge Utility District and Signal Mountain  
BRANSTETTER, STRANCH & JENNINGS PLLC  
227 Second Avenue North  
Fourth Floor  
Nashville, TN 37201

  
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