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January 21, 2011

Via Hand Delivery

Chairman Mary W. Freeman

C/O Sharla Dillon

Tennessee Regulatory Authority filed electronically in docket office on 01/21/11
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:

Tennessee American Water Company (the "Company") submits this letter in response to the Consumer Advocate's letter filed on January 20, 2011. As the company has previously stated, the Company believes that it is important for its customers to have the opportunity to attend a public hearing and present their views on the Company's requested rate increase. This is why the Company has stated throughout these proceedings that it has no opposition to holding a one-day public comment hearing in Chattanooga so that interested citizens could voice their opinions.

As to the hearing on the merits, however, the Company believes that the hearing should be held in Nashville. The great expense for travel, lodging and meals for the Directors, the TRA staff, the Company's counsel, the Consumer Advocate's attorneys and local witnesses, and the CRMA and UWUA's Nashville attorneys if the evidentiary hearing is held in Chattanooga is undeniable. Given the fact that members of the public did not attend the actual evidentiary hearing in Chattanooga during the last two TAWC rate cases, moving the hearing from the usual venue of the TRA's Nashville offices unnecessarily increases the expense of this case.

The Company has proposed a solution that will both save considerable rate case expense and will allow interested members of the public to share their opinion on the Company's provision of water service. The Company's proposal is identical to the procedure followed by

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the TRA in the recent Chattanooga Gas Company rate case (Docket No. 09-00183). In that case, the TRA also set a one-day public hearing in Chattanooga and kept the evidentiary hearing in Nashville at the offices of the TRA. Accordingly, the Company reiterates its request that the TRA follow the same procedure in this case.

With kindest regards, I remain

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Dale Grimes". The signature is written in a cursive, flowing style.

R. Dale Grimes