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January 24, 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 01/24/11

**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 Notice of Filing of Michael Miller's Affidavit and Affidavit. This material 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 24, 2011

Page 2

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:

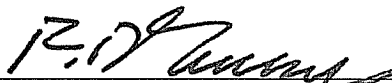
PETITION OF TENNESSEE AMERICAN
WATER COMPANY TO CHANGE AND
INCREASE CERTAIN RATES AND
CHARGES SO AS TO PERMIT IT TO
EARN A FAIR AND ADEQUATE RATE
OF RETURN ON ITS PROPERTY USED
AND USEFUL IN FURNISHING WATER
SERVICE TO ITS CUSTOMERS

Docket No. 10-00189

NOTICE OF FILING OF MICHAEL MILLER'S AFFIDAVIT

Tennessee American Water Company ("TAWC") hereby provides this notice of filing of
Michael Miller's affidavit.

Respectfully submitted this 24th day of January, 2011.


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

*Attorneys for Tennessee American
Water Company*

**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
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SERVICE TO ITS CUSTOMERS**

Docket No. 10-00189

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

I, MICHAEL MILLER, Treasurer/Comptroller for Tennessee American Water Company,
do hereby certify the following is true and accurate to the best of my knowledge:

1. In Tennessee American Water Company's 2008 rate case the Authority ordered the Company to conduct an independent management audit to determine whether its management fees were reasonable and prudent.

2. At that time, TRA Director Roberson explicitly stated that if the management audit determined that the fees allocated for management service are prudent, either the Authority or the parties could revisit the issues of management fees in the 2008 rate case by motion.

3. After a thorough and deliberate process, the Authority selected Schumaker & Company as its independent management auditor on December 14, 2009.

4. Employees of the Company and their agents, as well as personnel of American Water Works, American Water Works Service Company and their agents ("Company Personnel") discussed, prepared, and transmitted documents internally in response to information

requests from the independent management auditor and in response to the management audit generally.

5. At all times relating to the management audit, Company Personnel discussed and prepared documents anticipating that the management audit would be the subject of litigation in Docket 09-00086, Docket 08-00039, or in a future rate case given the fact that the Company's management fees have been one of the primary contested issues in past rate cases filed in Tennessee.

6. Accordingly, items listed on the Company log of documents withheld from production were prepared in connection with the Schumaker & Company audit and in anticipation of litigation.

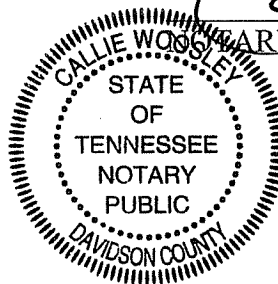
Further Affiant Saith Not.

Michael F. Miller

Sworn to and subscribed before me this 24th day of January, 2011.

My Commission Expires:

8-23-11



Callie Woodsley

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 24th 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.
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<input type="checkbox"/> Overnight	and Protection Division
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