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January 26, 2011

*Via E-Mail & U.S. Mail*

David C. Higney, Esq.  
GRANT, KONVALINKA & HARRISON, P.C.  
633 Chestnut Street, 9th Floor  
Chattanooga TN 37450

filed electronically in docket office on 01/26/11

**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 David:

This letter is intended to memorialize the parties' agreements reached during the January 24, 2011 status conference "meet and confer" session with respect to resolving any issues with the parties' responses to the second round of discovery. The CRMA agreed to further investigate and supplement Tennessee American Water Company's ("TAWC") Second Data Requests as follows:

***TAWC Request Nos. 1, 2, 3, 7***

In addition to CRMA's previous responses, CRMA will investigate whether there are any further communications or CRMA board minutes responsive to these requests and will timely supplement if necessary. If any communications are being withheld on any privilege or protection grounds, the CRMA will indicate as such and identify the communication(s) withheld.

***TAWC Request No. 12***

In addition to CRMA's previous responses, CRMA will list all of the water utility rate cases in which Mr. Gorman has prepared and submitted reports, studies, testimony, exhibits, work papers or presentations from the date of TAWC's 2008 rate case to present. For these identified rate cases, the CRMA will provide a copy of Mr. Gorman's testimony reasonably available to it. After reviewing the testimony provided, should TAWC need copies of particular

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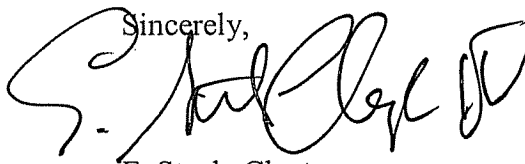
work papers referred to in those cases, the CRMA will, in good faith, work with TAWC to provide those materials.

***TAWC Request Nos. 14, 15, 16, 17, 19, 20***

In addition to CRMA's previous responses, CRMA will provide TAWC with a complete curriculum vitae for Mr. Gorman, if one exists.

TAWC agreed to designate Attachment 1 to its Response to CRMA Second Data Request No. 1 as confidential pursuant to the Protective Order and re-file the attachment with the TRA.

The parties have both agreed that the contents of this letter accurately represent the parties' agreement. Thank you for your efforts to resolve these issues promptly.

Sincerely,  
  
E. Steele Clayton

cc: Hon. Sara Kyle  
Hon. Eddie Roberson  
Mr. David Foster, Chief of Utilities Division  
Richard Collier, Esq.  
Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division  
Ryan McGehee, Esq.  
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