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January 28, 2011

Mary Freeman, Chairman
Tennessee Regulatory Authority
c/o Sharla Dillon, Docket Clerk
460 James Robertson Parkway
Nashville, TN 37243

filed electronically in docket office on 01/28/11

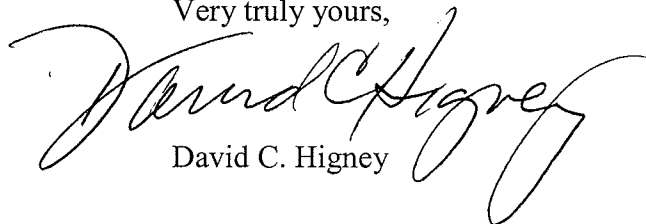
Re: In re Petition of Tennessee American Water Company for a General Rate Increase
TRA Docket No. 10-00189

Dear Chairman Freeman:

Enclosed are the original and five (5) copies of Chattanooga Regional Manufacturers Association's Supplemental Responses and Objections to Tennessee American Water Company's Second Set of Data Requests.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



David C. Higney

Enclosure

cc: Counsel for All Parties
Henry M. Walker, Esq. (via email)
Timothy L. Spires (via email)

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

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PETITION OF TENNESSEE-
AMERICAN WATER COMPANY TO
CHANGE AND INCREASE CERTAIN
RATES AND CHARGES

DOCKET NO. 10-00189

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

The Chattanooga Regional Manufacturers Association ("CRMA"), by and through its attorneys, submits the following supplemental responses and objections to the Tennessee American Water Company's ("TAWC" or the "Company") Second Set of Data Requests propounded upon CRMA. CRMA adopts and incorporates by reference all objections contained in all prior responses including, but not limited to, its January 21, 2011 responses. CRMA has no supplemental response to TAWC Data Request Nos. 4, 5, 6, 8, 9, 10, 11, 13 and 18, at this time.

**RESPONSES AND ADDITIONAL OBJECTIONS
TO SPECIFIC DATA REQUESTS**

Subject to and without waiving the foregoing, CRMA responds as follows:

REQUEST NO. 1:

Please provide any studies, documents, CRMA Minutes, or correspondence from 2008 to present possessed by the CRMA or the TAWC customers represented by the CRMA that address the impact of the cost of water on their business.

CRMA – 1 RESPONSE:

The burden of proof in this matter is on the public utility, TAWC, to demonstrate (if it can) that the rate increases the Company has requested are just and reasonable. CRMA is not a public utility, nor a regulated monopoly, almost annually seeking millions of dollars in increased rates to

be paid by customers. Considering that burden of proof, CRMA objects to the request on the grounds that it is unduly burdensome, overbroad, ambiguous, vague, retaliatory, oppressive and appears to be designed to deter CRMA, and/or its member companies and their employees, from participating in this and future rate cases.

CRMA further objects to this request on the basis that it could be construed to seek materials, if any, subject to the Attorney-Client Privilege, Attorney Work Product doctrine, other applicable privileges which are not waived, and/or that have been made or undertaken in anticipation of (or during) litigation. CRMA further objects to the request on the on the basis that CRMA minutes also are proprietary. CRMA further objects to Request No. 1 as vague and ambiguous relative to the phrase "address the impact of the cost of water" and, additionally, on the grounds that it may be construed as seeking confidential and proprietary business information of CRMA's members. CRMA further objects to the request to the extent it calls for materials or data already in the possession, custody or control of TAWC or its affiliates, since such data (if any) is at least as readily available to TAWC as to CRMA. For example, TAWC already possesses the invoicing for all TAWC customers to the extent such invoices address the impact of the cost of water on CRMA member businesses.

Subject to and without waiving all prior objections, and in an attempt to avoid being delayed or distracted further by anticipated motions to compel or other dilatory tactics by TAWC that will escalate rate case expenses and interfere further in CRMA's, TRA and its Staff's, and other Intervenor's preparation for the hearing in this matter whether the proposed rates are just and reasonable, CRMA refers the Company to pre-filed direct testimony, exhibits, schedules, work papers, other materials previously filed with the TRA relative to TAWC's rate cases and responsive documents attached hereto as CRMA (2nd) Attachment 1.

CRMA 1 - SUPPLEMENTAL RESPONSE:

Subject to and without waiving all previous objections and responses, CRMA refers TAWC to previously produced documents and the additional documents produced with these responses and CRMA further states that after its diligent and good faith review, other than those materials previously produced, supplemented herewith or otherwise in possession of TAWC, it has not located other responsive non-privileged communications or CRMA board minutes addressing the impact of the cost of water on member businesses in this case, addressing the level of service or reliability of service provided by TAWC, addressing CRMA's participation or relating to this rate case. CRMA reserves the right to supplement its responses further.

CRMA is withholding and not providing documents regarding or relating to CRMA members' participation/contributions relative to TAWC's 2010 request to increase ratepayers' rates or CRMA's attorney-client communications concerning the appeal of the 2008 rate case.

REQUEST NO. 2:

Please provide any studies, documents, CRMA Minutes, or correspondence from 2008 to present possessed by the CRMA or by the TAWC customers represented by the CRMA that address the level of service or reliability of service provided by TAWC.

CRMA – 2 RESPONSE:

CRMA objects to Discovery Request No. 2 as being vague and ambiguous relative to the phrase “TAWC customers represented by the CRMA that address the level of service or reliability of service provided by TAWC.” CRMA also objects to this request to the extent it calls for responsive information materials or data already in the possession, custody or control of TAWC or its affiliates, since such data (if any) is at least as readily available to TAWC as to CRMA.

Subject to and without waiving all prior objections, please see CRMA-1 Response, above, which is incorporated herein by reference as if fully restated. See also CRMA Responses and Objections to TAWC Discovery Request No. 3 in TRA Docket No. 08-00039.

CRMA 2 - SUPPLEMENTAL RESPONSE:

Subject to and without waiving all previous objections and responses, CRMA refers TAWC to previously produced documents and the additional documents produced with these responses and CRMA further states that after its diligent and good faith review, other than those materials previously produced, supplemented herewith or otherwise in possession of TAWC, it has not located other responsive non-privileged communications or CRMA board minutes addressing the impact of the cost of water on member businesses in this case, addressing the level of service or reliability of service provided by TAWC, addressing CRMA’s participation or relating to this rate case. CRMA reserves the right to supplement its responses further.

REQUEST NO. 3:

Please provide any agreements or correspondence from 2008 to present between the CRMA and TAWC customers represented by the CRMA addressing the CRMA's participation in TAWC rate proceedings.

CRMA – 3 RESPONSE:

CRMA objects to Discovery Request No. 3 as being vague and ambiguous, or overbroad, relative to the phrase "addressing the CRMA's participation in TAWC rate proceedings." CRMA also objects on the grounds that the request is spurious and irrelevant to this proceeding. It is TAWC's burden to prove as a public utility regulated by the Authority that the multi-million dollar rate increases it seeks repeatedly are "just and reasonable" – a burden the Company has failed to satisfy in recent cases. Attempts by the Company through discovery to thwart communications and chill discussion and dialogue between CRMA member ratepayers, CRMA officers and CRMA's Board, cannot and should not be condoned knowing that for their business livelihood CRMA members rely upon appropriate levels of service at a fair price without interruption or intimidation or retribution from TAWC or its management.

This Company request is an example of the waste of TRA Staff and ratepayer resources. - Subject to and without waiving all prior objections please see CRMA-1 Response, above, incorporated herein by reference as if fully restated and responsive documents attached hereto as CRMA (2nd) Attachment 1.

CRMA 3 - SUPPLEMENTAL RESPONSE:

Subject to and without waiving all previous objections and responses, CRMA refers TAWC to previously produced documents and additional documents produced as CRMA (2nd) Attachment 1 (Supplement) and CRMA further states that after its diligent and good faith review, other than those materials previously produced, supplemented herewith or otherwise in possession

of TAWC, it has not located other responsive non-privileged communications or CRMA board minutes addressing the impact of the cost of water on member businesses in this case, addressing the level of service or reliability of service provided by TAWC, addressing CRMA's participation or relating to this rate case. CRMA reserves the right to supplement its responses further.

CRMA is withholding and not providing documents regarding or relating to CRMA members' participation/contributions relative to TAWC's 2010 request to increase ratepayers' rates or CRMA's attorney-client communications concerning the appeal of the 2008 rate case.

REQUEST NO. 7:

Identify and/or produce all communications between the CRMA and its members, or between CRMA members, regarding, relating or referring to this rate case.

CRMA – 7 RESPONSE:

CRMA objects to this request on the grounds that it is overbroad, vague, ambiguous, and unduly burdensome. CRMA further objects to the request to the extent it calls for materials or data already in the possession, custody or control of TAWC or its affiliates, since such data (if any) is at least as readily available to TAWC as to CRMA. For example, TAWC already possesses the invoicing for all TAWC customers to the extent such invoices have been reviewed or may be construed to address the impact of the cost of water on CRMA member businesses. Subject to and without waiving all previously stated objections, CRMA refers the Company to see CRMA's responses to Discovery Request Nos. 1 and 4, above, and attached responsive materials.

CRMA 7 - SUPPLEMENTAL RESPONSE:

Subject to and without waiving all previous objections and responses, CRMA refers TAWC to previously produced documents and the additional documents produced with these responses and CRMA further states that after its diligent and good faith review, other than those materials previously produced, supplemented herewith or otherwise in possession of TAWC, it has not located other responsive non-privileged communications or CRMA board minutes addressing the impact of the cost of water on member businesses in this case, addressing the level of service or reliability of service provided by TAWC, addressing CRMA's participation or relating to this rate case. CRMA reserves the right to supplement its responses further.

CRMA is withholding and not providing documents regarding or relating to CRMA members' participation/contributions relative to TAWC's 2010 request to increase ratepayers' rates or CRMA's attorney-client communications concerning the appeal of the 2008 rate case.

REQUEST NO. 12:

Provide copies of all reports, studies, testimony, exhibits, work papers and presentations prepared by Mr. Gorman and filed in any other water utility rate cases, regarding water loss adjustments, power costs or water treatment chemical costs.

CRMA – 12 RESPONSE:

CRMA objects to this request as unduly burdensome, overly broad, and irrelevant to this proceeding. CRMA avers, upon information and belief, that other American Water operating affiliates have not issued similar data requests to Mr. Gorman relative to his qualification to present expert testimony. Subject to and without waiving all of the above, CRMA provides the following response.

As indicated by Mr. Gorman's list of cases in which he has testified as an expert witness across the country, which was sent to the Company months ago (CRMA-4 Response to TAWC's First Set of Discovery Requests, request number 4, served November 15, 2010), it is evident that a request for all reports, studies, testimony, exhibits, workpapers, and presentations by CRMA's expert, Mr. Gorman, concerning water loss adjustments, power costs, or water treatment chemical costs is clearly designed to harass or unduly burden an intervenor.

TAWC, or its affiliates, has in its possession or available to it copies of testimony, exhibits, and workpapers prepared in numerous prior rate cases before the TRA and other similar agencies in which Mr. Gorman or a BAI consultant under Mr. Gorman's supervision has testified as an expert regarding water loss adjustments, fuel and power costs, or water treatment chemical costs. CRMA avers, upon information and belief, such materials are equally or more accessible to TAWC, or its affiliate(s), as they would be to CRMA and are available on electronic public dockets for which CRMA has provided the docket number (where available) in its response.

In addition to TAWC's last rate case, Mr. Gorman and other BAI consultants reviewed cost of service issues (revenue, expenses, rate base and rate of return) and class cost of service studies in many rate proceedings around the country. The following is a list of water cases in which Mr. Gorman, or a BAI consultant under Mr. Gorman's supervision, has addressed these issues over the last 18 months:

1. Indiana-American Water Company, Indiana Utility Regulatory Commission Cause No. 43680
2. Missouri-American Water Company, Missouri Public Service Commission Case No. WR-2010-0131
3. Illinois-American Water Company, Illinois Commerce Commission Docket No. 09-0319
4. Indianapolis Water Company, Indiana Utility Regulatory Commission Cause No. 43645
5. Kansas City, Kansas Board of Public Utilities water rate filing 2010 (no docket number)
6. Milwaukee Water Works rate filing 2010, Public Service Commission of Wisconsin Docket No. 3720-WR-107
7. Artesian Water Company, Delaware Public Service Commission Docket No. 08-96

CRMA 12 - SUPPLEMENTAL RESPONSE:

Subject to and without waiving all previous objections and in addition to its previous responses, from the date of TAWC's 2008 rate case CRMA states Mr. Gorman and other BAI consultants under his supervision have addressed such issues in the following additional rate case(s): Missouri-American Water Company, Missouri Public Service Commission Case No. WR-2008-0311.

CRMA has provided a copy of the reasonably available testimony in the above cases and encloses that testimony within the enclosed CD marked as "CRMA (2nd) Attachment 12."

REQUEST NO. 14:

Please state all facts that support Mr. Gorman's qualifications to testify as an expert witness with respect to Lost or Unaccounted for Water.

CRMA – 14 RESPONSE:

CRMA reincorporates and refers TAWC to Mr. Gorman's testimony, workpapers, and exhibits including, but not limited to, Mr. Gorman's CV. CRMA also incorporates and refers TAWC to CRMA's response to Request No. 12, Mr. Gorman's expert testimony as recognized before this Authority numerous times and Mr. Gorman's list of cases in which he has testified as an expert witness across the country that was sent to the Company months ago (CRMA-4 Response to TAWC's First Set of Discovery Requests, request number 4, served November 15, 2010). CRMA avers, upon information and belief, that other American Water operating affiliates have not issued similar data requests to Mr. Gorman relative to his qualification to present expert testimony.

CRMA 14 - SUPPLEMENTAL RESPONSE¹:

Subject to and without waiving all previous objections and in addition to its previous response, CRMA avers that in question and answer format at Exhibit A, pages 1-4, of Mr. Gorman's Prefiled Direct Testimony, Mr. Gorman's CV information was provided. A *curriculum vitae* in the form sought by TAWC for Mr. Gorman does not exist; however, for convenience, CRMA provides on the enclosed CD as CRMA (2nd) Attachment 14 Mr. Gorman's biographical data found on the BAI website.

¹ To the extent a CRMA Supplemental Response to TAWC Requests Nos. 15, 16, 17, 19 and 20 is deemed necessary; CRMA adopts and incorporates by reference for each such request the same language as that contained in CRMA 14 – Supplemental Response.

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By: 

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- and -

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By:  *by DCH*
w/ permission

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*Attorneys for the
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CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of January, 2011, a true and correct copy of the foregoing document was served either by fax, overnight delivery service or first class mail-postage prepaid, to all parties of record at their addresses shown below:

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