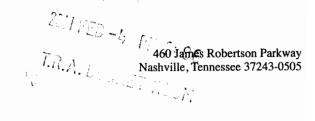
TENNESSEE REGULATORY AUTHORITY





VIA FAX AND US MAIL

February 4, 2011

R. Dale Grimes
Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, TN 37201

RE: Docket No. 10-00189 – 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

Dear Mr. Grimes:

To further the Staff's investigation of the reasonableness of the rates filed with this Authority on September 17, 2010 by Tennessee American Water Company, it is requested that you furnish additional information on the attached Staff Data Request No. 4. Please pay particular attention to the directions provided in the first section labeled "Administrative." If you have questions regarding any item number in the attached request, please contact Paul Greene (extension 156) or Pat Murphy (extension 178) for clarification before responding.

Thank you for your attention to this matter. Please provide all responses by February 18, 2011.

Sincerely,

David Foster

Chief

Utilities Division

Enclosure

C: John S. Watson

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TRA DATA REQUEST NO. 4

ADMINISTRATIVE

- ⇒The Tennessee Regulatory Authority ("TRA") requires an original and thirteen (13) copies of the filing (an original and four (4) copies of electronic filings).
- ⇒All schedules requested as an electronic file are to be provided in Microsoft Excel (with working formulas) or Microsoft Word readable format.
- ⇒Please respond fully to each question, even if the data has been partially supplied in prior filings or dockets. Do not simply reference data provided in response to other data requests.
- ⇒Each copy of the responses should be placed in loose-leaf binders with each item tabbed. Each response should begin by restating the item request. If several sheets are required to answer an item, each sheet should be appropriately labeled and indexed, for example, Item 1(a), Sheet 1 of 4.
- ⇒For each item responded to, indicate the witness whose testimony would encompass the information requested, where applicable.
- ⇒For data requested that is also supplied in summary form on the PSC 3.06 reports for the test period only, please reconcile your response to these reports if a variance exists.
- ⇒Unless otherwise specifically requested, information shall be required for the Tennessee operations only.
 - 147. Does John Watson perform any marketing, supervisory or managerial functions on behalf of AWR in the sale and/or provision of water line protection contracts, sewer line protection contracts and home plumbing contracts in Tennessee? If so, what functions are provided and what portion of his salary and associated benefits was allocated to AWR for the twelve months ended December 31, 2010 or the latest twelve months data available?
 - 148. Do any TAWC personnel provide any functions in the sale and/or provision of water line protection contracts, sewer line protection contracts and home plumbing contracts in Tennessee? If so, what functions are provided and how are the employee-related expenses allocated between TAWC and AWR? Please provide the amount allocated between the two companies and include supporting journal entries for twelve months ended December 31, 2010 or the latest twelve months data available.

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- 149. Provide the monthly journal entries and general ledger sub-account print outs to which any direct expenses for the water line protection contracts, sewer line protection contracts and home plumbing contracts in Tennessee were recorded by TAWC for twelve months ended December 31, 2010 or the latest twelve months data available.
- 150. Provide financial statements for AWR for the year ending December 31, 2010, or the latest twelve months available. If not specifically detailed on these statements provide the individual net earnings realized from the water line protection contracts, sewer line protection contracts and home plumbing contracts in Tennessee.
- 151. Does TAWC receive any royalties from AWR related to the sale or provision of water line protection contracts, sewer line protection contracts and home plumbing contracts in Tennessee (royalties related to the benefit derived from the use of TAWC's name, president's signature, logo, reputation, goodwill and corporate image, etc)? If so, please provide amount received for the twelve months ending December 31, 2010 or the latest twelve month period available. Please provide detailed justification if no royalties were assessed or received.
- 152. Provide any written contracts between TAWC and AWR for the provisioning of water line protection contracts, sewer line protection contracts and home plumbing contracts to TAWC customers.