

BASS

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March 16, 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 03/16/11

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*

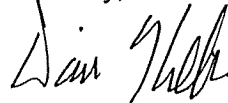
Dear Chairman Freeman:

Enclosed please find the Joint Motion for Approval of Rate Case Expense.

Please file the original and four copies of this material and stamp the additional copy as "filed." Then please return the stamped copy 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.

Sincerely,



David Killion

Enclosure

cc: Mr. David Foster, Chief of Utilities Division (w/o enclosure)
Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division (w/o enclosure)
Richard Collier, Esq. (w/ enclosure)
Ryan McGehee, Esq. (w/ enclosure)
Mary L. White, Esq. (w/ enclosure)
David C. Higney, Esq. (w/ enclosure)

Chairman Mary Freeman
March 16, 2011
Page 2

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)

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IN RE:)
)
PETITION OF TENNESSEE AMERICAN)
WATER COMPANY TO CHANGE AND)
INCREASE CERTAIN RATES AND)
CHARGES SO AS TO PERMIT IT TO) **Docket No. 10-00189**
EARN A FAIR AND ADEQUATE RATE)
OF RETURN ON ITS PROPERTY USED)
AND USEFUL IN FURNISHING WATER)
SERVICE TO ITS CUSTOMERS)

The parties in this docket have reached an agreement with respect to the rate case expenses sought by the Petitioner, Tennessee American Walter Company (the "Company"), for recovery in this rate request. The Company withdraws from consideration its updated proof of the cost of its "2010 Rate Filing" as shown on Rebuttal Exhibit MAM-11. The Intervenor do not oppose recovery of a rate case expense for this docket in the amount of \$645,000, subject to the following:

7/2570302.1

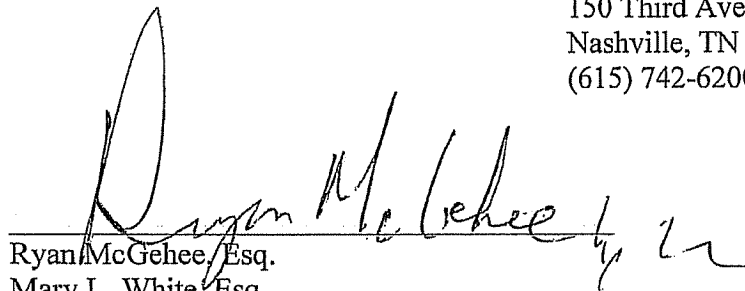
The parties have reached this agreement to expedite the completion of this docket and to avoid the implementation under bond of the full amount of the Company's requested rate increase as the Company is authorized to do under T.C.A. § 65-5-103 if the TRA does not make a final decision within six months after the Company filed its Petition. The parties submit that no further hearings on the issue of rate case expense are needed and Tennessee American Water Company has agreed to withhold implementation of any increase under bond until after 12:01 a.m., April 5, 2011.

Should the Authority not approve this joint motion, the parties' representations and agreements as described herein are withdrawn.

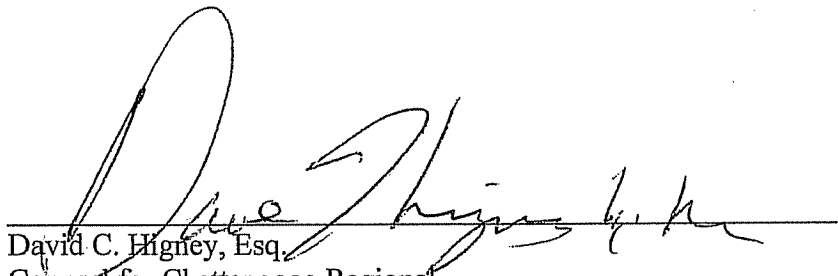
Respectfully submitted,



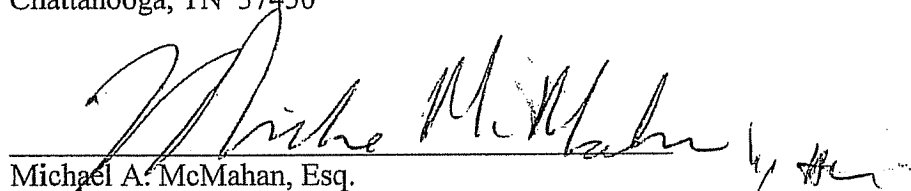
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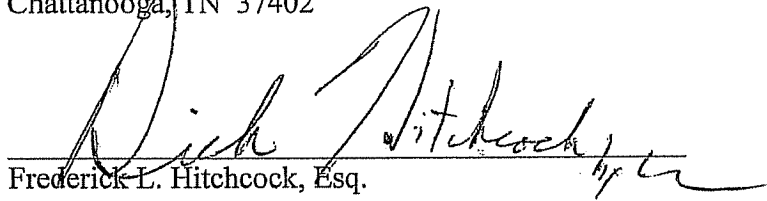
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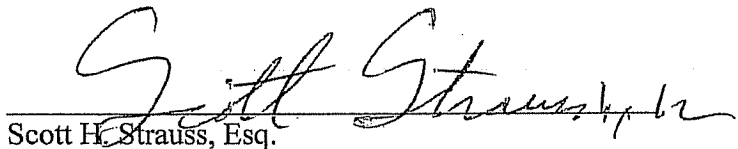
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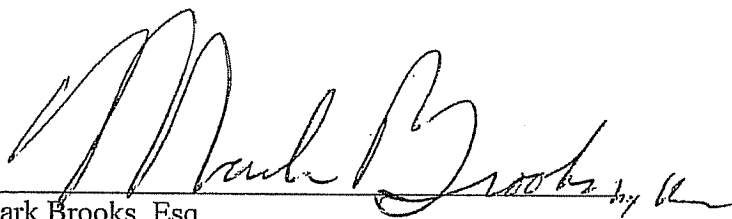
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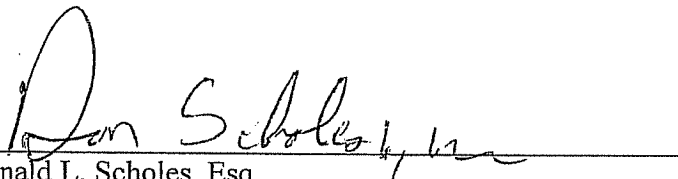
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A handwritten signature in cursive script, appearing to read "Mark Brooks".

Mark Brooks, Esq.
Counsel for Utility Workers Union of America,
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A handwritten signature in cursive script, appearing to read "Don Scholes".

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