

# BASS

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April 14, 2011

**VIA HAND DELIVERY**

filed electronically in docket office on 04/14/11

Chairman Mary W. Freeman  
c/o Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

**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***

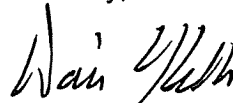
Dear Chairman Freeman:

Enclosed please find Tennessee American Water Company's Response in Opposition to the UWUA's Objection to TAWC's Notice of Filing Amended Tariffs.

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

Enclosures

cc: Mr. David Foster, Chief of Utilities Division (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)

Chairman Mary Freeman

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**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**

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**TENNESSEE AMERICAN WATER COMPANY'S RESPONSE IN OPPOSITION TO  
UWUA'S OBJECTION TO NOTICE OF FILING AMENDED TARIFFS**

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Tennessee American Water Company ("TAWC"), by and through counsel, hereby responds to the objection filed by the Utility Workers Union of America, AFL-CIO and UWUA Local 121 (collectively, "UWUA") to TAWC's Notice of Filing Amended Tariffs.

While TAWC is agreeable to filing the reports the Authority has ordered in October and April, the UWUA's objection and request for additional language to be included in TAWC's tariffs should be dismissed. First, the information the UWUA is requesting be inserted into TAWC's tariffs is not appropriate under the TRA's rules. TRA Rule 1220-4-1-.03 governs the content of tariffs filed with this Authority. That rule states only that "[r]ules and regulations of the utility that in any manner affects the rates charged or to be charged or that define the extent or character of the service to be given shall be included with each tariff." Chairman Freeman's motion only required TAWC to file semi-annual informational reports with the Utility Division Chief regarding TAWC's current employee count and the status of its valve program. The motion did not, as the UWUA had requested, make TAWC's rates contingent upon the information contained in these reports. In addition, these informational reports do not define the

extent or character of the service to be given to TAWC's customers. Accordingly, because the requirement to file semi-annual informational reports does not affect the rates charged or define the extent or character of the service to be given to TAWC's customers, this requirement is not appropriate for inclusion in TAWC's tariff pursuant to the Authority's rules.

In addition to being inappropriate under the TRA's rules, inclusion of the information the UWUA proposes would be inconsistent with the Authority's previous practice. For example, the Authority's order that TAWC undergo a management audit in the 2008 rate case was not included in the previous TAWC tariffs. Likewise, the "service metrics" that TAWC was required to prepare after the 2004 rate case were not made part of TAWC's tariffs. TAWC also currently reports operational and financial information monthly, quarterly and annually to the Authority, but such information also has never been required to be included in TAWC's tariffs.

Moreover, adding this superfluous information in TAWC's tariffs would create no direct benefit to TAWC's customers. Under the Authority's rules the primary purpose of tariffs has historically been focused on addressing the terms and conditions of service, and the rates and charges to be billed. Such information aids customers in applying to receive, being billed for and paying for service in accordance with rules and regulations relating to the provision of water service specific to TAWC. The inclusion of the Authority's new employee level and valve system reporting requirements does not relate to the terms and conditions of service or the rates and charges to be billed, so the inclusion of these reporting requirements in TAWC's tariffs is neither necessary nor beneficial to TAWC's customers.

### CONCLUSION

For the foregoing reasons, the Authority should dismiss the UWUA's Objection to TAWC's Notice of Filing Amended Tariffs.

Respectfully submitted,



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### 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 14<sup>th</sup> day of April, 2011, upon the following:

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