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April 15, 2011

Mary Freeman, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

filed electronically in docket office on 04/15/11

Attention: Sharla Dillon

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

Dear Chairman Freeman:

Enclosed please find for filing in the above-referenced proceeding the Utility Workers Union of America, AFL-CIO and UWUA Local 121's Reply to TAWC's Response in Opposition to Objection to "Notice of Filing Amended Tariffs." The original and four (4) copies will be sent via U.S. Mail.

Please feel free to contact either of the undersigned if you have any questions. Thank you for your attention to this matter.

Sincerely,



Scott H. Strauss
Katharine M. Mapes

Attorneys for UWUA Intervenors

Enclosures

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

**REPLY TO TAWC'S RESPONSE IN OPPOSITION TO UWUA'S OBJECTION TO
NOTICE OF FILING AMENDED TARIFFS**

The Utility Workers Union of America, AFL-CIO and UWUA Local 121 (collectively, "UWUA" or "the Union") reply briefly to the response of Tennessee American Water Company ("TAWC" or "the Company") to the Union's objections to TAWC's Notice of Filing Amended Tariffs. The Union objected to the Company's tariffs because they failed to include the reporting obligations imposed by the Authority in this proceeding. The Company states (Response at 1) that it is "agreeable to filing" these reports, but is not agreeable to have its reporting obligations stated in its Tariff. The Company's position should be rejected. TAWC has failed to explain why inclusion of the reporting obligation in the Tariff: (1) poses any additional burden or expense; (2) violates a regulatory or statutory requirement; or (3) otherwise complicates compliance.

There should be no dispute as to the significance of the reporting obligations. The Company nonetheless argues (Response at 2) that the Tariff is not the proper home for these obligations because the staffing and valve maintenance reports "do not define the extent or

character of the service to be given to TAWC's customers." TAWC confuses the informational reports themselves with the obligation to file them. The obligation to report to the TRA semi-annually on the status of staffing and valve maintenance efforts is part of the "service" provided by the Company to customers. Among other benefits, this service will facilitate the TRA's ability to exercise additional oversight of the Company's operations when and as necessary, which will presumably result in service improvements when and as necessary.¹

This ongoing reporting requirement is unlike the previously-imposed, one-time obligation to engage a Management Consultant. Response at 2. Because the reports in question must be prepared every six months, they constitute a long-term modification to the character of service provided by the Company.

¹ TAWC also argues (Response at 1) that its rates are not "contingent upon the information contained in these reports." The Union does not argue that TAWC's rates are contingent upon the *information* contained in its staffing and valve maintenance reports; the Union's point was that the rate relief approved in this proceeding included the imposition of the reporting obligations.

Finally, we note that the Company registered no objection to our assertion that the reporting obligations were effective on the same date as the new rates (April 5, 2011). We renew our request that the Authority direct that the first of the semi-annual reports on staffing and valve maintenance are to be submitted within six (6) months (roughly October 5, 2011).

Respectfully submitted,

/s/ Mark Brooks

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April 15, 2011

CERTIFICATE OF SERVICE

I, Scott H. Strauss, counsel for UWUA Intervenors, hereby certify that on the 15th day of April, 2011, caused a true and correct copy of the foregoing Reply to be served upon all parties of record via U.S. mail or facsimile.

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