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September 7, 2012

VIA EMAIL AND USPS

Chairman Kenneth C. Hill, Ed. D.
c/o Ms. Sharla Dillon
Tennessee Regulatory Authority
460 James Robinson Parkway
Nashville, TN 37243

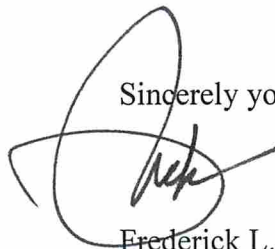
Re: TRA Docket No. 12-00049

Dear Ms. Dillon:

Enclosed please find an original and five (5) copies of the City of Chattanooga's Second Discovery Requests to Petitioner Tennessee American Water Company. I would appreciate you stamping the extra copy of the documents as "filed," and returning it to me in the enclosed, self-addressed and stamped envelope.

With best regards, I am

Sincerely yours,



Frederick L. Hitchcock

FLH:pgh
Enclosures

cc: Mr. Melvin Malone
Mr. Lindsey W. Ingram, III
Mr. Ryan L. McGehee
Mr. Phillip A. Noblett
Mr. William H. Horton
Mr. David C. Higney
Mr. Michael A. McMahan
Mr. Tom Greenholtz (via email)

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

IN RE:

**PETITION FOR A GENERAL RATE
INCREASE, IMPLEMENTATION OF A
DISTRIBUTION SYSTEM
INFRASTRUCTURE CHARGE AND THE
ESTABLISHMENT OF TRACKING
MECHANISMS FOR PURCHASED
POWER, PENSIONS AND CHEMICAL
EXPENSES**

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Docket No. 12-00049

**CITY OF CHATTANOOGA'S SECOND DISCOVERY REQUESTS TO PETITIONER
TENNESSEE AMERICAN WATER COMPANY**

Intervenor, the City of Chattanooga (Chattanooga), by and through counsel, submits the following Second Discovery Requests (the “Requests”) to Petitioner, Tennessee American Water Company (“*TAWC*”) pursuant to TRA Rule 1220-1-2-.11. The responses to the Requests shall be delivered to the offices of the City Attorney, 100 East 11th Street, Suite 200, Chattanooga, Tennessee.

INSTRUCTIONS AND DEFINITIONS

A. These Requests are to be deemed as continuing, and you are requested to provide, by way of supplemental responses, such additional information as may be hereafter obtained by you or any person on your behalf which augment, supplement, or otherwise modify responses to these Requests.

B. The word “*Document*” shall include and mean, without limitation, the original and each draft and copy of any kind of written, printed, typed, recorded, or graphic matter, however produced or reproduced, of any kind or description, whether sent or received or neither. The term shall further include, without limitation, originals, all copies, all images, all backup or

archived copies, and all drafts of: papers, books, writings, memoranda, letters, electronic messages, electronic files, computer files, emails, correspondence, telegraphs, notes, book entries, accounts, statements of accounts, checks, cancelled checks, minutes of meetings, contracts, cables, telex messages, intra-office communications, intra-departmental communications, recordings or notes of telephone conversations, recordings or notes of other conversations, or meetings, affidavits, schedules, tabulations, calculations, computer files, and all other written or electronic records. The term “**Document**” includes the term “**Communication**”.

C. The term “**Communication**” means any oral or written statement conveyed by one person or entity to another person or entity by whatever means, including electronic **Communications**, emails, and computer files.

D. If any **Document** called for by any request herein is to be withheld pursuant to any purported privilege or immunity:

(1) State the basis for such claim of privilege or immunity (e.g., attorney-client privilege, work product doctrine);

(2) **Identify** the **Document** being withheld by stating the name or title of the **Document**; the type of **Document**; its date, author, addressee, and all recipients of copies; a general description of its subject matter; its present location(s) and custodian(s); and each person who, to your knowledge, has seen it; and

(3) State the number and/or portion of the request to which each such **Document** would be responsive.

E. ***“Explain”*** means to provide a detailed explanation of the specified subject matter and to provide all ***Documents*** reflecting, recording, referring to, reporting, or relating to the subject matter or the response.

F. ***“Identify”*** means: (i) when used with reference to an individual person, to state his/her full name, employer, job title, present or last known residence address and telephone number, and present or last known business address and telephone number: and (ii) when used with reference to a ***Document***, means to state the type of the ***Document***, its date, author, addressee, any other recipient(s), general subject matter, present location, and custodian. If any ***Document*** to be identified was, but no longer is, in your possession, state the disposition that was made of it and the reasons, facts, or circumstances associated with its disposition.

G. All other terms used herein that are defined in the City of Chattanooga’s First Discovery Requests in this proceeding shall have the meaning ascribed to them in those Requests.

DISCOVERY REQUESTS

1. Please ***Identify*** each person who was involved in preparing the responses to these Requests, specifying the Request(s) for which each such person was involved and the nature of the information provided by her or him.

RESPONSE:

2. Please refer to Petitioner's Exhibit RB-9-Deferred Taxes-LCB, from the direct testimony of TAWC witness Linda C. Bridwell.

- a. For each regulatory asset, regulatory liability and amortization, provide a detailed explanation of how the amount was calculated, the circumstances that required recognition of the balance and the reason(s) why it is appropriate to recognize these balances in the determination of rate base and revenue requirement.
- b. *Identify* which balance(s) include FIN 48 amounts.
- c. For each FIN 48 item, provide the amount, an explanation of the circumstances that required the amount appearing on the Exhibit to be recognized and an explanation regarding any change(s) in these circumstances and the effect on the Exhibit amount.
- d. Please *Identify* and *Explain* whether TAWC was able to record bonus depreciation in 2011 and 2012, and if so, how did this impact its accumulated deferred income tax balance?

RESPONSE:

3. Please refer to Petitioner's Exhibit BT-1-Business Transformation Summary Costs-GMV, Schedule BT-1.1, pages 1-4, and the implementation dates on page 34 of the direct testimony of TAWC witness Gary M. VerDouw.

- a. Provide any available updates of the amounts shown on each page of the Exhibit and an explanation for the change.
- b. Provide TAWC's most current expected implementation date for each system.

RESPONSE:

Respectfully Submitted,

OFFICE OF THE CITY ATTORNEY

By: Michael A. McMahan by Felt w/ permission
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By: [Signature]
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(423) 508-1222 – Facsimile
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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing pleading was emailed and was served upon the following person(s) via ☐ hand delivery or ☒ United States first class mail with proper postage applied thereon to ensure prompt delivery:

Mr. Melvin J. Malone
Butler, Snow, O'Mara, Stevens & Cannada, PLLC
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Mr. David C. Higney
Grant Konvalinka & Harrison, P.C.
Republic Centre, Ninth Floor
633 Chestnut Street
Chattanooga, TN 37450

This 7th day of September, 2012.

By:  _____