BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

IN RE:	:	
	:	**DOCKET NO. 12-00049**
PETITION OF TENNESSEE-AMERICAN	:	
WATER COMPANY TO CHANGE AND	:	
INCREASE CERTAIN RATES AND CHARGES	:	

Comes the Town of Signal Mountain, Tennessee ("Signal Mountain"), by and through counsel, pursuant to Tenn. Code Ann. § 65-2-109 and Rule 12220-1-2-.08 of the Tennessee Regulatory Authority (the "Authority"),and respectfully submits the following Interrogatories and Requests for Admissions to Petitioner Tennessee American Water Company ("TAWC") pursuant to Rules 33 and 35 of the Tennessee Rules of Civil Procedure:

INTERROGATORY QUESTIONS TO TAWC

1. What has been the actual monthly cost to pump water from the bottom of Signal Mountain to the storage tanks of Walden's Ridge Utility District ("WRUD") at the top of Signal Mountain by TAWC during each month for the past five years? This monthly cost should include any electrical or capital costs incurred by TAWC during this time period for its pumping facilities and the construction costs of any water lines deemed necessary to facilitate the delivery of water to WRUD.
2. What has been the cost for construction of any pumping facilities by TAWC similar to the pumping facility operated by the Town of Signal Mountain during the past five years?
3. What is the estimated cost of constructing storage facilities for water such as those previously purchased and maintained by the Town of Signal Mountain at the top of the mountain as part of its utility services for its water customers?

4. What is the estimated cost of construction of new pumping facilities and land at the bottom of the mountain similar to those previously purchased and maintained by the Town of Signal Mountain as part of its utility services for its water customers?

5. What is the estimated cost of constructing water lines to service customers in the Town of Signal Mountain such as those previously purchased and maintained by the Town of Signal Mountain as part of its utility services for its water customers?

6. What credit has TWAC given to customers of the Town of Signal Mountain in any rate increase proposals for water services provided by the Town's utility during the past five years?

7. What interconnection of water utility of WRUD and Signal Mountain has been constructed by TWAC during the past five years?

8. What construction of water lines for WRUD during the past five years has provided any benefit to customers of the Town of Signal Mountain water utility?

9. What has been the cost of construction of new water lines by TAWC for WRUD for each year during the past five years?

10. What has been the cost of repairs to pumps or construction of new pumping facilities by TAWC for the Town of Signal Mountain customers for each year during the past five years?

REQUESTS FOR ADMISSIONS FROM SIGNAL MOUNTAIN TO TAWC

1. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), admit that TAWC considers the Town of Signal Mountain as one of its Sale for Resale ("SFR") customers along with the City of Fort Oglethorpe, GA, Walden's Ridge Utility District, and Catoosa County, GA). Page 22.

2. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), admit that these four SFR customers purchased $1,531,878.00 of water in 2011 representing 3.7% of TAWC total water sales. Page 22.

3. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), admit that TAWC signed an agreement with WRUD effective February 1, 2006, contingent upon spending an estimated $2.431 million to construct a pump station and infrastructure to supply water to WRUD customers. Page 22.

4. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), admit that TAWC rate case orders from the TRA imputed increases of 12.77% and 15.21% respectively to the WRUD special contract price. Page 22.

5. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), admit that that in 2011, WRUD purchased $493,773 of water which represented 1.2% of TAWC total water sales. Page 22.

6. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), admit that TAWC began sending a leak detection crew one day per month to survey WRUD's system to help them find leaks and reduce their nonrevenue loss. Page 22.

7. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), admit that TAWC management has kept in regular contact with WRUD by attending monthly board meetings and numerous other meetings and has provided invoice level details of the $4.5 million construction project that was required to provide services to WRUD and to ensure proper accounting and valuation of the project. Pages 22-23.

8. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), admit that the Town of Signal Mountain purchased $405,136 of water from TAWC in 2011, representing 1% of total water sold. Page 23.

9. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), admit that Signal Mountain has expressed concern that the 2010 rate order imputed the same increase on their special contract rate as other SFR customers, even though they own the pump station at the base of Signal Mountain and bear their own electrical pumping expense. Page 23.

10. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1),admit that the Town of Signal Mountain has the potential to purchase water from WRUD, rather than TAWC, if WRUD terminates its contract with TAWC. Page 23.

11. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), the loss of both Signal Mountain and WRUD customers would have a substantial impact on TAWC demand and revenues. Page 23.

12. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), TAWC's rate and tariff structure that has been proposed in this case attempts to address the concerns of its SFR customers such as the Town of Signal Mountain. Page 23.

13. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), admit that the lost of SRF customers such as Signal Mountain and WRUD would have a substantial impact on other TAWC rate payers. Page 24.

14. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), admit that in 2011 alone Signal Mountain and WRUD purchased $896,909 of water from TAWC. Page 24.

15. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1), admit that Signal Mountain and WRUD no longer view their contracts with general rate increases spread "on top" as "special". Page 24

16. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1),admit that SFR customers have the motive and the ability to by-pass TAWC and the loss of Signal Mountain and WRUD revenue will have to be recovered from other rate payers if water is provided to them by Hixson Utility District instead of from TAWC. Pages 24-25.

17. Pursuant to the Direct Testimony of Gary M. Verdouw (Petitioner's Exhibit GMV-1),admit that WRUD formally notified TAWC of its intent to terminate its contract with TAWC in September of 2011 and that it has engaged in preliminary negotiations to purchase its water from Hixson Utility District or another option is re-starting its water treatment plant. Page 25.

18. Admit that none of the services provided by TAWC to WRUD have been provided to the Town of Signal Mountain because it operates its own pumping station and has provided its own maintenance and utilities and infrastructure for that system since the 1940s to its citizens.

19. Admit that the proposed rate increases for SFR to the Town of Signal Mountain and WRUD on are identical and have not been reduced for the Town even though it bears all electrical, pumping, and infrastructure charges to get water to its citizens on top of the mountain.

20. Admit that the proposed rate increase in Docket No. 12-0049 would increase and change the wholesale water rates charged to the Town of Signal Mountain by 11% for under 45,000 CCF and by 93% for over 45,000 CCF.

21. Admit that the proposed increase for the Town of Signal Mountain does not credit the customers of Signal Mountain for all the construction costs and maintenance costs already paid by that utility even though TAWC does not and has not experienced any infrastructure costs to provide water services to Town residents.

22. Admit that there is currently no interconnection or cross connection of water lines constructed between WRUD and the Town of Signal Mountain.

Respectfully submitted,

TOWN OF SIGNAL MOUNTAIN, TENNESSEE

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing pleading was served via first class U.S. Mail and/or electronic mail with sufficient postage to carry same to its destination to all parties or their legal counsel in this case as follows:

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This 5th day of July, 2012.