

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

May 2, 2013

IN RE:

**JOINT PETITION OF TENNESSEE-AMERICAN WATER
COMPANY, THE CITY OF WHITWELL, TENNESSEE,
AND THE TOWN OF POWELLS CROSSROADS,
TENNESSEE, FOR APPROVAL OF A PURCHASE
AGREEMENT AND A WATER FRANCHISE
AGREEMENT AND FOR THE ISSUANCE OF A
CERTIFICATE OF CONVENIENCE AND NECESSITY**

**DOCKET NO.
12-00157**

PRE-HEARING ORDER

This matter came before the Hearing Officer of the Tennessee Regulatory Authority ("Authority" or "TRA") for a Pre-Hearing Conference with the parties, Tennessee American Water Company ("TAWC") and the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"), held on April 30, 2013, and conducted in accordance with Tenn. Code Ann. § 4-5-306.

PRE-HEARING CONFERENCE

Notice of the Pre-Hearing Conference was provided through the *Notice of Hearing* filed in the docket on April 26, 2013. The date of the Pre-Hearing Conference was established in the *Amended Procedural Schedule* provided to the parties on April 9, 2013, and subsequently entered in the docket file April 30, 2013. The Hearing Officer convened the Pre-Hearing Conference on April 30, 2013, in the Hearing Room on the Ground Floor of the TRA at 460 James Robertson Parkway, Nashville, Tennessee. The parties in attendance were as follows:

For TAWC:

Via telephone, Melvin J. Malone, Esq., and Junaid A. Odubeko, Esq., Butler, Snow, O'Mara, Stevens & Cannada, PLLC, 1200 One Nashville Place, 150 Fourth Avenue North, Nashville, Tennessee 37219; and

For Consumer Advocate:

Charlena S. Aumiller, Esq., and Ryan McGehee, Esq., Office of the Attorney General, Consumer Advocate and Protection Division, P.O. Box 20207, Nashville, Tennessee 37202.

In accordance with Tenn. Code Ann. § 4-5-306 and TRA Rule 1220-1-2-.12, a pre-hearing conference was held to resolve certain matters prior to the commencement of the hearing on the merits, including any outstanding procedural matters or pending motions, and to establish the orderly conduct of the hearing. As neither TAWC nor the Consumer Advocate had filed any pre-hearing motions in the docket file prior to the Pre-Hearing Conference, the primary matters for determination by the Hearing Officer involved the order of proof and general conduct of the hearing on the merits.

PROCEDURAL HEARING MATTERS

A. Opening Statements

In the interests of efficiency, TAWC proposed waiving Opening Statements and proceeding directly with the presentation of witnesses. The Consumer Advocate had no objection to TAWC's proposal. Therefore, the Hearing Officer agreed to forgo the scheduling of Opening Statements, subject to the discretion of the Directors.

B. Witnesses

After the Hearing is convened and following introductions and other miscellaneous or pre-hearing matters are considered, if any, TAWC will call its witnesses and present its case. TAWC stated that it expects to call its witnesses in the following order:

TAWC Witnesses

- ***Deron E. Allen***, President TAWC
- ***Daniel P. Bickerton***, Dir. Business Development, American Water Works Service Co. (AWWSC)
- ***Cindy Easterly***, Mayor of Whitwell (adopting the testimony of Steve Hudson, former Mayor of Whitwell, Tennessee)
- ***Ralph Chapin***, Mayor of Town of Powells Crossroads (not anticipated to present live testimony)

In addition, TAWC stated that Mr. Chapin may not be available to testify during the May 6, 2013 Hearing. As a result, the parties are discussing a possible stipulation that would move Mr. Chapin's pre-filed testimony into the record in lieu of his personal appearance and testimony during the Hearing.

The Consumer Advocate is the sole Intervenor in the proceedings and will call one witness:

Consumer Advocate Witness

- ***William H. Novak***, President of WHN Consulting

During direct examination, all witnesses will limit the summary of their pre-filed direct testimony to ten (10) minutes. In addition, the parties were advised that all witnesses are subject to recall for rebuttal purposes and, therefore, should remain available throughout the length of the proceedings.

C. General Outline of Hearing/Presentation of Proof

- Hearing Convened by Chairman/Presiding Director & Introductions
- Any miscellaneous or pre-hearing matters considered, if any
- **Public comments, if any**
- Witness Testimony

TAWC witness**Deron E. Allen**

Oath Administered/Witness Sworn

*Witness Summary of Direct

Limited to 10 minutes

Cross-examination

Consumer Advocate

Questions

TRA Staff¹

Re-direct examination

TAWC

TAWC witness**Daniel P. Bickerton**

Oath Administered/Witness Sworn

*Witness Summary of Direct

Limited to 10 minutes

Cross-examination

Consumer Advocate

Questions

TRA Staff

Re-direct examination

TAWC

TAWC witness**Cindy Easterly**

Oath Administered/Witness Sworn

*Witness Summary of Direct

Limited to 10 minutes

Cross-examination

Consumer Advocate

Questions

TRA Staff

Re-direct examination

TAWC

Consumer Advocate witness**William H. Novak**

Oath Administered/Witness Sworn

*Witness Summary of Direct

Limited to 10 minutes

Cross-examination

TAWC

¹ While the Directors may ask questions at any time, the Staff of the TRA may directly question a witness between cross and re-direct examination.

Questions

TRA Staff

Re-direct examination

Consumer Advocate

- **Final public comments, if any**
- Hearing Adjourned

D. Redirect and Authority Staff Questions

Redirect examination of a witness may be permitted; however, the parties are cautioned that redirect examination should be limited to the matters elicited during cross-examination that require clarification. Redirect examination should not raise any new issues. Re-cross examination would be permitted only if a new issue is raised during redirect examination. Further, the Authority's Staff will ask their questions following the completion of cross-examination and before any redirect examination. The Directors will ask questions following cross-examination, but may interject questions to the witnesses at any time during their testimony.

E. Confidential Information

With regard to the disclosure of confidential information during the Hearing, the parties were instructed to notify the Chairman/Presiding Director before beginning a line of questioning with a particular witness that involves confidential information, and to focus on grouping their questions so as to reduce the times the panel would have to either clear the courtroom or take special measures. The parties were reminded to file all non-disclosure certifications as soon as possible.

F. Demonstrative Exhibits and Other Exhibits

In addition, the parties were instructed to exchange among themselves any demonstrative exhibits related to a witness's pre-filed testimony before that witness appears on the stand. In

addition, the parties should bring a sufficient number of copies of all exhibits that the party intends to reference or discuss with a witness. In general, at a minimum, copies of an exhibit should be provided to the court reporter, each Director, Legal Staff, and each Authority Division Chief. A party should use its own judgment and discretion in determining the total number of copies it has on hand, but fifteen (15) copies of each exhibit may be used as a starting guideline. Delaying or interrupting the proceedings in order to make copies is disfavored. The parties should have its own set of copies of all exhibits, including those appended to pre-filed testimony, available for reference during the Hearing.

G. Post-Hearing Briefs in lieu of Closing Arguments

In lieu of closing arguments, the parties have agreed to file post-hearing briefs in accordance with the *Amended Procedural Schedule*,² as reiterated below:

Due Date	Filing
May 6, 2013	Hearing on the Merits @ 10:00 a.m. CDT
10 days after receipt of Hearing Transcript	Initial Post-Hearing Briefs of the Parties*
5 days after Initial Post-Hearing Briefs or May 31, 2013 (whichever occurs sooner)	Reply Post-Hearing Briefs of the Parties* (LIMITED to 15 pages)

* To be filed in the docket file **no later than 4:00 p.m. CDT** on the designated due date.

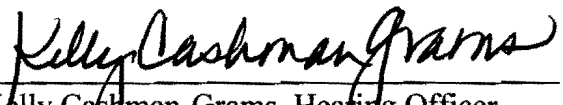
IT IS THEREFORE ORDERED THAT:

1. The Hearing scheduled to commence at **10:00 a.m. on May 6, 2013**, shall proceed in accordance with this Order unless otherwise ordered by the Panel or the Presiding

² On April 9, 2013, the parties were provided via email the *Amended Procedural Schedule*, also attached as Exhibit A to the Hearing Officer's Order issued April 30, 2013, and the docket has proceeded according to the deadlines set forth therein.

Director.

2. The post-hearing procedural deadlines, adopted in the *Amended Procedural Schedule* and reiterated herein above, are and remain in full force and effect.


Kelly Cashman-Grams, Hearing Officer