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Paul T. Diskin
Manager
Rates & Regulation

November 5, 2004

Timothy C. Phillips
Senior Counsel
Office of the Tennessee Attorney General
425 Fifth Avenue North
Nashville, TN 37202-0207

**RE: Interrogatories and Requests for Production of Documents by the Attorney General (First Set) To Tennessee-American Water Company
Rate Case No. 04-00288**

Dear Mr. Phillips

Enclosed are 3 copies of the above Interrogatories for Tennessee American's petition to increase rates which was filed on September 10, 2004. Please note that the Questions 8, 9, 10, 13, 19, 22, 25, and 36 will be responded to at a later date.

Sincerely,

A handwritten signature in cursive script that reads "Paul T. Diskin".

Paul T. Diskin

Enclosures

Cc

M. Miller/w enclosures
D. Grimes w/enclosures
S. Dillon w/enclosures

Pennsylvania American Water

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**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

- 1 Q STATE EACH FACT YOU RELY ON TO SUPPORT YOUR CONTENTIONS(S), POSITION(S) OR BELIEF(S) THAT THE REQUEST(S) FOR RELIEF, INCLUDING ANY INCREASE IN RATES, MADE BY TAWC ON TRA DOCKET NO 04-00288 SHOULD BE APPROVED BY THE TENNESSEE REGULATORY AUTHORITY ("TRA")

Response:

- A. Please refer to petition filed on September 10 at the above docketed proceeding.

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

2. Q IDENTIFY ALL PERSONS KNOWN TO YOU, YOUR ATTORNEY, OR OTHER AGENT WHO HAVE KNOWLEDGE, INFORMATION OR POSSESS ANY DOCUMENT(S) OR CLAIM TO HAVE KNOWLEDGE, INFORMATION OR POSSESS ANY DOCUMENT(S) WHICH SUPPORT YOUR ANSWER TO INTERROGATORY NUMBER ONE (1) ABOVE

Response:

A Please refer to response to question 1.

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

- 3 Q. IDENTIFY EACH DOCUMENT, PHOTOGRAPH, OR ANY OTHER ARTICLE OR THING WHATSOEVER, WHICH YOU RELY ON TO CORROBORATE ANY PART OF YOUR CONTENTION(S), POSITION(S) OR BELIEF(S) THAT THE REQUEST(S) FOR RELIEF, INCLUDING ANY INCREASE IN RATES, MADE BY TAWC IN TRA DOCKET NO 04-00288 SHOULD BE APPROVED, WHETHER AS TO THE ISSUES OF CREDIBILITY OR ANY OTHER ISSUE, OR WHICH IS ADVERSE TO THESE SAME CONTENTION(S), POSITION(S) OR BELIEF(S)

Response:

- A. Please refer to the petition and exhibits filed on September 10, 2004.

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

4. Q. With respect to each person you expect to call as a witness, including any expert witness, regarding this matter, state:
- a their full name and work address
 - b each subject matter about which such witness is expected to testify
 - c the substance of the facts and opinions to which any expert is expected to testify
 - e. a summary of the grounds or basis of each opinion to which such witness is expected to testify
 - f whether or not the expert has prepared a report, letter of memorandum of his findings, conclusions or opinions

Response:

- A. a Mr Paul Herbert, 207 Senate Avenue, Camp Hill, PA
Dr. James H Vander Weide, 3606 Stoneybrook Drive,
Durham, NC
Dr. Edward L. Spitznagel, Jr, Professor, Washington State
University, St. Louis, Missouri
- b Each of the witnesses identified above have filed direct testimony in this proceeding
 - c. The information requested has been addressed in the direct testimonies of the Company's expert witnesses listed above in response to item 1 (a)
 - e. Attached to Mr. Herbert's Direct Testimony is a complete list of cases, including docket numbers.
 - f Exhibits supporting testimony or opinions were attached to the Direct Testimonies

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

- 5 Q. PROVIDE A DEFINITION OF "REPLACEMENT COSTS", I.E., COSTS INVOLVED WITH "INFRASTRUCTURE REPLACEMENT COSTS" DESCRIBE THE DIFFERENCE BETWEEN "REPLACEMENT" OF CURRENT FACILITIES VS. COST NECESSARY FOR "NEW BUSINESS" DESCRIBE THE CRITERIA USED IN THE DETERMINATION OF "REPLACEMENT" VS "NEW BUSINESS" PLANT, INCLUDING THE BASIS FOR THE DETERMINATION

Response:

"Replacement cost" is the actual cost, in today's dollars, associated with replacement of used and useful plant, equipment and network (distribution) infrastructure systems

Replacement of **"current facilities"** would include anything currently in service which is used and useful and required for the day-to-day operation of the business.

"Costs necessary for new 'business'" would be the costs associated with providing the necessary tools, equipment, manpower, and infrastructure to provide service to a previously non-existing customer or business segment

The criteria used to determine **"replacement"** vs **"new business"** can be deduced by two simple questions: (1) does the required capital spend involve existing facilities infrastructure or equipment? (2) Is the proposed capital spend needed to add additional infrastructure, facilities or equipment to reach customers or a market which the company previously did not serve?

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

- 6 Q PROVIDE A SUMMARY OF "TDOT REIMBURSABLE PROJECTS" DETAILING THE TOTAL COST OF THE PROJECT, THE COST REIMBURSABLE BY THE TDOT, AND THE BALANCE TO BE PAID BY RATEPAYERS.

Response: The costs associated with non-reimbursable TDOT projects is shown below. This reflects the cost of projects, which are either partially reimbursable or non-reimbursable. The Company will provide a list of projects by name, including costs to date, and total projected project costs. TDOT projects are ongoing and new projects are added each year.

Investment Project Number	Task Number	Description	Estimated Cost	Starting Date	Completion Date
26020205		TDOT Relocations - Chattanooga			
	50025359	Install 3,160 feet 12" DI Signal Mountain Blvd	\$550,056	1/20/2003	12/1/2004
	50025360	Install 750 feet 8" DI Signal Mountain Blvd	\$89,796	1/20/2003	12/1/2004
	50025361	Relocate 11 Fire Hydrants Signal Mountain Blvd	\$49,239	1/20/2003	12/1/2004
	50042125	Ringgold Road Utility Relocation	\$125,291	11/7/2003	7/1/2005
	50053218	Ashland Terrace - Engineering Design	\$8,000	3/5/2004	12/15/2005
	50053219	Manufacturers Road	\$36,610	3/5/2004	3/1/2005
	50062437	Relocate 12" Main Bonny Oaks Drive	\$88,576	8/3/2004	10/15/2004
	50062438	Relocate 3 Fire Hydrants Bonny Oaks Drive	\$5,513	8/3/2004	10/15/2004
	50063272	Relocate 240 feet 8" Main Bonny Oaks Drive	\$31,203	8/19/2004	10/15/2004
		Total	\$984,284		

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

- 7 Q. DETAIL THE CALCULATIONS FOR REVENUE LOSS ESTABLISHED IN PROPOSED 6TH REVISION OF SHEET NO. 5 (SCHEDULE OF RATES FOR QUALIFYING LOW-INCOME CUSTOMERS) REFLECTING A 25% DISCOUNT FOR SERVICE CHARGE. PLEASE DETAIL THE ADJUSTMENT THROUGH THE REVENUE REQUIREMENT CALCULATION.

Response:

- A. An amount was calculated for revenue loss associated with the reduction of the service charge, but was not included in the Company's claim. Based upon the experience we have seen in Pennsylvania American Water, approximately 1.3 percent of customers may qualify. If this was the case, the revenue loss would be \$26,590 ($70,000 * 1.3\% * (9.74 * 25) * 12$). The final application of rates will include the reduced service charge and the recovery of the revenue loss from the remaining customers in the residential class.

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

- 11 Q. PLEASE EXTEND THE HISTORICAL TEST YEAR (SIX MONTHS) TO INCORPORATE UPDATED EXHIBITS REFLECTING THE LATEST ACTUAL DATA, I.E , MAKING THE HISTORICAL TEST YEAR ENDING 9/30/04 AND THE ATTRITION YEAR ENDING 12/31/05

Response:

- A. Please refer to attached revised exhibits.

Operating Revenues Per Books for the Test Year and
for the Attrition Year under both Present and Proposed Rates

Test Year Twelve Months Ended September 30, 2004
Exhibit No 2, Schedule 2
Page 1 of 1

Line No	Description	Per Books 12 Months Ended 9/30/2004	-Test Year Adjustments Present Rates	Normalized Test Year	Attrition Year Adjustments	Attrition Year at Present Rates	Adjustments for Proposed Rates	Attrition Year at Proposed Rates
1	Sales of Water							
2								
3	Metered Sales to General Customers							
4								
5	Residential	\$12,666,462	\$672,671	\$13,339,133	\$19,585	\$13,358,718	\$1,066,420	\$14,425,138
6								
7	Commercial	9,658,868	(388,632)	9,270,236	81,198	9,351,434	867,029	10,218,463
8								
9	Industrial	3,137,990	(18,605)	3,119,385	0	3,119,385	310,607	3,429,992
10								
11	Other Public Authorities	2,237,554	95,204	2,332,758	29,072	2,361,830	228,910	2,590,740
12								
13	Sales for Resale	1,065,951	(40,163)	1,025,788	0	1,025,788	84,148	1,109,936
14								
15	Private Fire Service	1,227,682	101,914	1,329,596	69,279	1,398,875	124,025	1,522,900
16								
17	Public Fire Service	868,711	253,671	1,122,382	1,500	1,123,882	(897,285)	226,597
18								
19	Total Sales of Water	30,863,218	676,060	31,539,278	200,634	31,739,912	1,783,854	33,523,766
20								
21	Other Operating Revenues							
22								
23	Activity / New Service Fees	50,885	0	50,885	0	50,885	0	50,885
24								
25	Late Payment Penalty	578,790	12,678	591,468	3,763	595,231	33,453	628,684
26								
27	Rents from Water Property	109,426	0	109,426	0	109,426	0	109,426
28								
29	Sewer Billing Revenues	338,336	2,115	340,451	832	341,283	0	341,283
30								
31	Miscellaneous	24,960	0	24,960	0	24,960	0	24,960
32								
33	Reconnection Fee	73,373	0	73,373	0	73,373	0	73,373
34								
35	Total Other Operating Revenues	1,175,770	14,793	1,190,563	4,595	1,195,158	33,453	1,228,611
36								
37								
38								
39	Total Operating Revenues	32,038,988	690,853	32,729,841	205,229	32,935,070	1,817,307	34,752,377
40								
41								
42								
43								
44								
45								

Summary of Adjustments to Operation and Maintenance Expenses

Test Year Twelve Months Ended September 30, 2004
Exhibit No 2, Schedule 3
Page 1 of 1

Line No	Adjustment Number	Description	Per Books 12 Months Ended 9/30/2004	Test Year Adjustments Present Rates	Normalized Test Year	Attrition Year Adjustments	Attrition Year at Present Rates	Adjustments for Proposed Rates	Attrition Year at Proposed Rates
1	1	Operation and Maintenance Labor	\$4,131,245	\$1,305,190	\$5,436,435	(\$1,052,551)	\$4,383,883	\$0	\$4,383,883
2	2	Purchased Water	\$13,076	0	13,076	0	13,076	0	13,076
3	3	Fuel and Power	\$1,625,959	125,967	1,751,926	3,754	1,755,680	0	1,755,680
4	4	Chemicals	\$719,393	140,015	859,408	2,452	861,861	0	861,861
5	5	Waste Disposal	\$131,563	1,412	132,975	463	133,438	0	133,438
6	6	Management Fees	\$3,474,746	0	3,474,746	(411,806)	3,062,940	0	3,062,940
7	7	Group Insurance	\$1,366,410	178,106	1,544,516	(158,512)	1,386,004	0	1,386,004
8	8	Pensions	\$177,724	722,888	900,612	(7,822)	892,790	0	892,790
9	9	Regulatory Expense	\$170,463	(170,463)	0	58,000	58,000	0	58,000
10	10	Insurance Other than Group	\$629,146	(44,146)	585,000	72,000	657,000	0	657,000
11	11	Customer Accounting	\$476,778	86,725	563,503	9,390	572,893	0	572,893
12	12	Uncollectible Expense	\$492,669	6,287	498,956	1,866	500,822	16,901	517,723
13	13	Rents	\$37,650	636	38,286	0	38,286	0	38,286
14	14	General Office Expense	\$221,232	(34,279)	186,953	6,169	193,122	0	193,122
15	15	Miscellaneous Expense	\$1,689,669	(53,350)	1,636,319	25,651	1,661,970	0	1,661,970
16	16	Other Maintenance Expense	\$513,228	209,553	722,781	23,851	746,632	0	746,632
17	17	Interest on Customer Deposits	0	0	0	0	0	0	0
18	18	AFUDC		(28,791)	(28,791)	0	(28,791)	0	(28,791)
Total Operation and Maintenance Expenses			15,870,951	2,445,750	18,316,701	(1,427,095)	16,889,606	16,901	16,906,507

Total Operation and Maintenance Expenses

Summary of Adjustments to Depreciation and Amortization Expenses

Test Year Twelve Months Ended September 30, 2004
Exhibit No 2, Schedule 4
Page 1 of 2

Tennessee Regulatory Authority
Company Tennessee-American Water Company
Docket No

Line No	Adjustment Number Reference	Description	Per Books 12 Months Ended 9/30/2004	Test Year Adjustments Present Rates	Normalized Test Year	Attrition Year Adjustments	Attrition Year at Present Rates	Adjustments for Proposed Rates	Attrition Year at Proposed Rates
1	1	Depreciation Expense	\$3,936,023	\$148,046	\$4,084,069	\$386,307	\$4,470,376	\$0	\$4,470,376
2	2	Amortization of Utility Plant Acquisition Adjustment	0	0	0	0	0	0	0
3	3	Amortization of Utility Capital Lease	\$120,601	0	120,601	0	120,601	0	120,601
4	4	Amortization of Leased Alteration Expense	0	0	0	0	0	0	0
5	5	Amortization of Accumulated Depreciation on CIAC	0	0	0	0	0	0	0
6									
7									
8									
9									
10									
11									
12									
13									
14									
			4,056,624	148,046	4,204,670	386,307	4,590,977	0	4,590,977

**Attrition Year Provision for Depreciation Expense
For Utility Plant in Service**

Test Year Twelve Months Ended September 30, 2004
Exhibit No 2, Schedule 4
Page 2 of 2

Tennessee Regulatory Authority
Company Tennessee-American Water Company
Docket No

Line No.	Account Number	Account Description	Depreciable Property at 9/30/2004	Normalized Test Year Depreciation Expense	ADDITIONS	RETIREMENTS	Depreciable Property at Mid-Point of Attrition Year	Depreciation Rate	Attrition Year Depreciation Expense
1	303 99	Comprehensive Planning Study	\$405,132	\$91,026	0	0	\$405,132	20.00%	\$81,026
2	304 22	Pumping Structures	1,872,283	72,270	0	0	1,872,283	3.86%	72,270
3	304 31	Water Treatment Structures	1,706,175	77,972	0	0	1,706,175	4.57%	77,972
4	304 32	Water Treatment Structures-Painting	1,700,789	170,079	0	0	1,700,789	10.00%	170,079
5	304 40	T & D Structures	502,632	17,642	0	0	502,632	3.51%	17,642
6	304 51	Office Structures	151,528	6,031	0	0	151,528	3.98%	6,031
7	304 52	Stores, Shop, & Garage Structures	319,733	14,868	151,450	0	471,183	4.65%	21,910
8	304 53	Miscellaneous Structures	383,138	21,609	0	0	383,138	5.64%	21,609
9	306 20	Lakes, Rivers, & Other Intakes	281,452	9,569	0	0	281,452	3.40%	9,569
10	310 20	Power Generation Equipment	222,196	7,644	0	0	222,196	3.44%	7,644
11	311 22	Electric Pumping Equipment	5,676,202	98,198	0	0	5,676,202	1.73%	98,198
12	311 23	Diesel Pumping Equipment	119,296	2,350	0	0	119,296	1.97%	2,350
13	311 27	Other Pumping Equipment	5,145	203	0	0	5,145	3.94%	203
14	320 31	Water Treatment Equipment	12,260,372	523,518	0	0	12,260,372	4.27%	523,518
15	320 33	Granular Activated Carbon	0	0	190,000	0	190,000	36.42%	69,198
16	330 41	T & D Reservoirs & Standpipes	4,840,436	87,128	1,590,000	0	6,430,436	1.80%	115,748
17	330 42	T & D Reservoirs & Standpipes-Painting	551,948	55,195	0	0	551,948	10.00%	55,195
18	330 43	Elevated Tanks & Standpipes	170,895	3,076	0	0	170,895	1.80%	3,076
19	331 40	330400 Clearwell	680,784	28,081	2,916,187	75,400	4,832,349	1.41%	68,136
20	331 41	T & D Mains not Classified	1,991,562	65,240	0	0	4,027,181	1.62%	65,240
21	331 44	T & D Mains - Mains (4" or less)	826	11	0	0	826	1.36%	11
22	331 42	T & D Mains - Mains (6" - 8")	49,612,792	674,734	0	0	49,612,792	1.36%	674,734
23	331 45	T & D Mains - Mains (6" - 10")	3,171,336	45,033	564,972	12,758	3,723,550	1.42%	52,874
24	331 43	T & D Mains - Mains (10" - 16")	19,833,993	281,843	0	0	19,833,993	1.42%	281,843
25	333 40	Services	15,350,693	349,996	438,083	0	15,788,776	2.28%	359,984
26	334 41	Meters	2,482,422	24,328	1,802,851	0	4,285,273	0.98%	41,996
27	334 42	Meters-Metal Case/Old Style	0	0	558,517	0	558,517	2.45%	13,684
28	334 43	Meters - Plastic Case	91,620	14,064	0	0	91,620	15.35%	14,064
29	334 44	Meters - Metal Case/New Style	130,726	1,281	56,000	59,339	127,387	0.98%	1,248
30	334 45	Meter Installations	6,992,162	114,671	0	0	6,992,162	1.64%	114,671
31	335 40	Hydrants	6,122,518	135,308	329,370	61,000	6,390,888	2.21%	141,239
32	339 00	Other P/E SS	8,526	505	0	0	8,526	5.92%	505
33	340 51	Office Furniture	504,821	13,782	0	0	504,821	2.73%	13,782
34	340 53	Computer & Peripheral Equipment	82,686	13,147	735,000	0	817,686	15.90%	130,012
35	340 56	Computer & Periph Personal	1,094,953	172,508	447,573	30,000	1,502,526	15.90%	238,902
36	340 57	Computer & Periph Other	192,291	30,574	0	0	192,291	15.90%	30,574
37	340 55	Computer Software	3,795,218	603,599	0	0	3,795,218	15.90%	603,599
38	340 58	Computer Software Personal	206,245	32,793	0	0	206,245	15.90%	32,793
39	340 59	Computer Software Other	71,496	11,368	0	0	71,496	15.90%	11,368
40	340 54	Other Office Equipment	134,002	5,454	127,200	0	261,202	4.07%	10,631
41	341 52	Light Trucks	1,125,855	105,380	0	33,500	1,092,355	9.36%	102,244
42	341 53	Heavy Trucks	697,241	69,654	0	0	697,241	9.95%	69,654
43	341 54	Automobiles	148,897	15,894	0	0	148,897	10.54%	15,894
44	341 55	Transportation-Other	35,388	248	0	0	35,388	0.70%	248
45	342 50	Stores Equipment	43,392	2,161	0	0	43,392	4.98%	2,161
46	343 50	Tools, Shop, & Garage Equipment	771,389	29,688	187,445	0	958,834	3.85%	36,915
47	344 50	Laboratory Equipment	352,342	39,180	0	0	352,342	11.12%	39,180
48	345 50	Power Operated Equipment	229,342	21,122	0	0	229,342	9.21%	21,122
49	346 51	Communication Equipment	321,298	14,234	0	0	321,298	4.43%	14,234
50	346 53	Communication Equipment-Telephone	141,250	21,060	0	0	141,250	14.91%	21,060
51	347 51	Miscellaneous Equipment	258,043	7,457	0	0	258,043	2.89%	7,457
52		Amortization of CIAC	(108,317)		0	0			(114,521)
53		Total Plant in Service	151,965,671	4,084,069	10,094,648	271,997	161,005,509		4,470,376

Summary of Adjustments to Taxes Other than Income

Test Year Twelve Months Ended September 30, 2004
Exhibit No 2, Schedule 5
Page 1 of 1

Line No	Adjustment Number Reference	Description	Per Books 12 Months Ended 9/30/2004	Test Year Adjustments Present Rates	Normalized Test Year	Attrition Year Adjustments	Attrition Year at Present Rates	Adjustments for Proposed Rates	Attrition Year at Proposed Rates
1	1	Property Taxes	\$2,595,029	(\$290,865)	\$2,304,164	\$199,465	\$2,503,629	\$0	\$2,503,629
2	2	Other General Taxes	682,076	0	682,076	(66,532)	615,544	50,037	665,581
3	3	F U T A Taxes	4,987	1,140	6,127	(1,550)	4,577	0	4,577
4	4	F I C A Taxes	314,344	86,358	400,702	(67,703)	332,999	0	332,999
5	5	S U T A Taxes	3,335	(3,028)	307	(79)	228	0	228
Total			3,599,771	(206,395)	3,393,376	63,601	3,456,977	50,037	3,507,014

Summary of Income Taxes

Tennessee Regulatory Authority
Company: Tennessee-American Water Company
Docket No.

Test Year Twelve Months Ended September 30, 2004
Exhibit No. 2, Schedule 6
Page 1 of 2

Line No	Description	Per Books 12 Months Ended 9/30/2004	Test Year Adjustments Present Rates	Normalized Test Year	Attrition Year Adjustments	Attrition Year at Present Rates	Adjustments for Proposed Rates	Attrition Year at Proposed Rates
1	Federal Income Tax - Current	\$544,240	(\$458,930)	\$85,310	\$142,998	\$228,308	\$516,821	\$745,129
2								
3	State Income Tax - Current	250,077	(232,679)	17,398	26,079	43,477	147,183	190,660
4								
5	Deferred Federal Income Tax	1,215,108		1,215,108	380,850	1,595,958	0	1,595,958
6								
7	Deferred State Income Tax	269,263	0	269,263	0	269,263	0	269,263
8								
9	Amortization of ITC	(76,368)	0	(76,368)	0	(76,368)	0	(76,368)
10								
11	Adjustment of Prior Years - FIT	0	0	0	0	0	0	0
12								
13	Adjustment of Prior Years - SIT	0	0	0	0	0	0	0
14								
15	Total	2,530,414	(691,609)	1,510,711	549,927	2,060,638	664,004	2,724,642
16								

Line No.	Description	Per Books Test Year Present Rates		Normalized Year Present Rates		Attribution Year Present Rates		Attribution Year Proposed Rates	
		Federal	State	Federal	State	Federal	State	Federal	State
1	Operating Revenues	\$32,038,984	\$32,038,984	\$32,729,837	\$32,729,841	\$32,935,070	\$32,935,070	\$34,752,954	\$34,752,954
2									
3									
4	Operation and Maintenance Expenses	15,870,951	15,870,951	18,316,701	18,316,701	18,889,606	18,889,606	16,906,507	16,906,507
5	Operation and Maintenance Expenses	4,056,624	4,056,624	4,204,670	4,204,670	4,590,977	4,590,977	4,590,977	4,590,977
6	Taxes Other than Income	3,599,771	3,599,771	3,393,376	3,393,376	3,456,977	3,456,977	3,507,014	3,507,014
7	State Income Taxes - Current	250,077	250,077	88,501	88,501	43,477	43,477	190,660	190,660
8	State Income Taxes - Deferred	269,263	269,263	269,263	269,263	269,263	269,263	269,263	269,263
9	Federal Income Taxes - Current	544,240	544,240	86,904	86,904	86,904	86,904	745,129	745,129
10	Federal Income Taxes - Deferred	1,215,108	1,215,108	1,215,108	1,215,108	1,595,958	1,595,958	1,595,958	1,595,958
11	Imputation Tax Credit	(76,368)	(76,368)	(76,368)	(76,368)	(76,368)	(76,368)	(76,368)	(76,368)
12	Subtotal	25,729,655	25,729,655	27,498,155	27,498,155	28,856,793	28,856,793	27,729,139	28,856,793
13	Total Income Before Deductions	6,309,318	6,309,318	5,231,682	5,231,688	6,078,277	6,078,277	7,023,815	7,853,065
14									
15	Total Other Income	106,020	106,020						
16									
17	Total Other Deductions	33,809	33,809						
18									
19	Total Taxes Applicable to Other Income and Deductions	4,475	4,475						
20									
21	Total Interest Charges	2,609,366	2,609,366	2,763,212	2,763,212	2,763,212	2,763,212	2,763,212	2,763,212
22									
23	Net Income	3,797,688	3,797,688	2,438,470	2,438,474	3,285,065	3,285,065	4,230,603	5,059,853
24									
25	State Income Taxes	418,124	418,124	17,398	17,398	312,740	312,740	332,793	332,793
26	Federal Income Taxes	1,666,754	1,666,754	1,225,644	1,225,644	1,606,494	1,606,494	2,264,719	2,264,719
27									
28	Prefixed Income	5,872,568	5,872,568	3,681,512	3,681,516	5,204,299	5,204,299	6,828,115	7,657,365
29	Statutory Additions (Deductions)								
30	Permanent Difference	2,427	2,427	2,427	2,427	2,427	2,427	2,427	2,427
31	617 001 Book Over Tax Travel and Entertainment	352	352	352	352	352	352	352	352
32	618 006 Non-deductible Dues	0	0	0	0	0	0	0	0
33	618 008 Lobbying Expenses	171	171	171	171	171	171	171	171
34	638 006 Non-deductible Penalties								
35	Total Permanent Differences	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950
36									
37	Financial Taxable Income	5,875,516	5,875,516	3,684,462	3,684,466	5,207,249	5,207,249	6,831,065	7,660,315
38									
39									
40	Temporary Differences								
41	604 004 Contributions and Advances	74,046	74,046	74,046	74,046	74,046	74,046	74,046	74,046
42	606 001 Book Over Tax Depreciation	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176
43	612 001 Book Over Tax Bad Debts	4,756	4,756	4,756	4,756	4,756	4,756	4,756	4,756
44	618 002 Amortization of Regulatory Assets - AFUDC	14,568	14,568	14,568	14,568	14,568	14,568	14,568	14,568
45	618 019 Cost of Service Study	(26,743)	(26,743)	(26,743)	(26,743)	(26,743)	(26,743)	(26,743)	(26,743)
46	618 023 Supplemental Pension	432	432	432	432	432	432	432	432
47	618 028 Accrued OPEB Expense	(85,164)	(85,164)	(85,164)	(85,164)	(85,164)	(85,164)	(85,164)	(85,164)
48	618 029 Incentive Plan Expense	(265,848)	(265,848)	(265,848)	(265,848)	(265,848)	(265,848)	(265,848)	(265,848)
49	618 030 Regulatory Pension Expense (Pension 2 & 3)	16,130	16,130	16,130	16,130	16,130	16,130	16,130	16,130
50	618 032 Miscellaneous Deferred Expenses	150,457	150,457	150,457	150,457	150,457	150,457	150,457	150,457
51	618 036 Vacation Pay	(1,252)	(1,252)	(1,252)	(1,252)	(1,089,396)	(1,089,396)	(1,089,396)	(1,089,396)
52	626 001 Tax Over Book Depreciation	(1,097,563)	(1,097,563)	(1,097,563)	(1,097,563)	(1,097,563)	(1,097,563)	(1,097,563)	(1,097,563)
53	638 014 Cost of Removal	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144
54	638 015 AFUDC over Interest Capitalized for Taxes	(186,461)	(186,461)	(186,461)	(186,461)	(186,461)	(186,461)	(186,461)	(186,461)
55	638 019 Deferred Maintenance Expense	3,981	3,981	3,981	3,981	3,981	3,981	3,981	3,981
56	638 027 Abandonment Losses	(627,068)	(627,068)	(627,068)	(627,068)	(627,068)	(627,068)	(627,068)	(627,068)
57	638 034 Regulatory Study Expense	0	0	0	0	0	0	0	0
58	638 036 Regulatory Pension (Pension 1)	(342,639)	(342,639)	(342,639)	(342,639)	(342,639)	(342,639)	(342,639)	(342,639)
59	638 036 Miscellaneous Deferred Expenses	(1,044,983)	(1,044,983)	(1,044,983)	(1,044,983)	(1,044,983)	(1,044,983)	(1,044,983)	(1,044,983)
60	638 041 Rate Case Expense	(189,312)	(189,312)	(189,312)	(189,312)	(189,312)	(189,312)	(189,312)	(189,312)
61	638 055 Deferred Security Costs	14,243	14,243	14,243	14,243	14,243	14,243	14,243	14,243
62	638 056 Deferred Customer Service Center Costs	169,784	169,784	169,784	169,784	169,784	169,784	169,784	169,784
63	638 057 Deferred Financial Services Costs	21,820	21,820	21,820	21,820	21,820	21,820	21,820	21,820
64	Total Temporary Differences	(3,384,496)	(3,384,496)	(3,384,496)	(3,384,496)	(4,482,640)	(4,482,640)	(4,482,640)	(4,482,640)
65	Federal Taxable Income Before SIT	2,481,020	2,481,020	289,966	289,970	724,609	724,609	2,348,425	3,177,675
66	Preferred Dividend Credit			(28,824)				(28,824)	
67	State Income Tax	148,861	148,861	17,398	17,398	43,477	43,477	190,660	190,660
68	Taxable Income	2,332,159	2,481,020	243,744	289,970	681,132	724,609	2,128,941	3,177,675
69	Computation of Taxes								
70	State Income Tax @ 6.00%	148,861	148,861	17,398	17,398	43,477	43,477	190,660	190,660
71	Federal Income Tax @ 35.00%	816,256	816,256	85,310	85,310	228,308	228,308	745,129	745,129
72	Less Tax Credits	(76,368)	(76,368)	(76,368)	(76,368)	(76,368)	(76,368)	(76,368)	(76,368)
73	Total Current Income Tax	739,889	148,861	8,942	17,398	151,940	43,477	668,761	190,660
74	Deferred SIT								
75	Deferred FIT Including ITC	623,062							

Overall Financial Summary

Line No	Description	Reference to Supporting Exhibit	Proposed Test Year
1			
2			
3			
4			
5			
6			
7			
8	Rate Base	Exhibit 1, Schedule 2	\$87,616,425
9	Operating Income at Attrition Year Present Rates	Exhibit 2, Schedule 1	5,936,869
10			
11	Earned Rate of Return		6.780%
12			
13	Rate of Return	Exhibit 3, Schedule 1	7.997%
14			
15	Required Operating Income		7,006,686
16			
17	Operating Income Deficiency		1,069,817
18			
19	Gross Revenue Deficiency Factor		1.69890763
20			
21	Revenue Deficiency		1,817,521
22			
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Computation of Attrition Year Rate Base

150299728
\$2,207,207

Line No	Additions	Footnote Reference	Per Books Rate Base @ 9/30/2004	Adjustments	Rate Base at Mid-Point of Attrition Year
1	Utility Plant in Service (UPIS)	(1)	-\$152,506,935	\$7,714,398	\$160,221,333
2	Construction Work in Progress	(2)	5,192,826	(4,391,167)	801,659
3	Utility Plant Capital Lease		1,590,500		1,590,500
4	Deferred Maintenance		10,286	(4,645)	5,641
5	Limited-Term Utility Plant - Net	(3)	0	0	0
6	Working Capital		1,385,205	0	1,385,205
7	Total Additions		160,685,752	3,318,586	164,004,339
8	Deductions				
9	Accumulated Provision for Depreciation UPIS	(4)	47,733,345	4,195,069	51,928,414
10	RWIP		(74,680)	0	(74,680)
11	Accumulated Amortization of Utility Plant Capital Lease	(5)	680,380	123,706	804,086
12	Deferred Income Taxes	(6)	14,013,738	(527,319)	13,486,419
13	Customer Advances for Construction	(7)	3,373,388	(940,537)	2,432,851
14	Contributions in Aid of Construction	(8)	7,581,399	183,693	7,765,092
15	Unamortized Investment Tax Credit	(9)	47,539	(1,806)	45,733
16	Utility Plant Acquisition Adjustment	(10)	0	0	0
17	Total Deductions		73,355,109	3,032,805	76,387,914
18	Rate Base		87,330,643	285,782	87,616,425

Line No.	FOOTNOTE REFERENCE	DESCRIPTION	AMOUNT
1	(1)	Net Additions to UPIS through December 31, 2005	\$7,714,398
2	(2)	Adjustment to CWIP through December 31, 2005	(4,391,167)
3	(3)	Adjustment to Deferred Maintenance	(4,645)
4	(4)	Adjustment to Limited -Term Utility Plant - Net	0
5	(5)	Adjustment to Accumulated Provision for Depreciation of UPIS	4,195,069
6	(6)	Adjustment to Accumulated Amortization of Utility Plant - Capital Lease	123,706
7	(7)	Adjustment to Deferred Income Taxes	(527,319)
8	(8)	Change in Customer Advances	(940,537)
9	(9)	Change in Contributions in Aid of Construction	183,693
10	(10)	Change in Unamortized Investment Tax Credit	(1,806)
11	(11)	Adjustment to Utility Plant Acquisition Adjustment	0
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Tennessee Regulatory Authority
Company Tennessee American Water
Docket No

Line No.	Account Number	Account Description	4/1/2004 to 12/31/2004 Additions	1/1/2005 to 12/31/2005 Additions	4/1/2004 to 12/31/2004 Retirements	1/1/2005 to 12/31/2005 Retirements	Net Additions to Utility Plant in Service 8/1/02-9/30/03
1	301 00	Organization	\$0	\$0	\$0	\$0	\$0
2	301 00	Land & Land Rights	\$0	\$0	\$0	\$0	\$0
3	303 00	Comprehensive Planning Study	\$0	\$0	\$0	\$0	\$0
4	303 99	Pumping Structures	\$0	\$0	\$0	\$0	\$0
5	304 22	Water Treatment Structures	\$0	\$0	\$0	\$0	\$0
6	304 31	Water Treatment Structures-Painting	\$0	\$0	\$0	\$0	\$0
7	304 32	T & D Structures	\$0	\$0	\$0	\$0	\$0
8	304 40	Office Structures	\$0	\$0	\$0	\$0	\$0
9	304 51	Stores Shop & Garage Structures	\$0	\$0	\$0	\$0	\$0
10	304 52	Miscellaneous Structures	\$111,000	\$40,450	\$0	\$0	\$151,450
11	304 53	Lakes, Rivers, & Other Intakes	\$0	\$0	\$0	\$0	\$0
12	306 20	Power Generation Equipment	\$0	\$0	\$0	\$0	\$0
13	310 20	Electric Pumping Equipment	\$0	\$0	\$0	\$0	\$0
14	311 22	Other Pumping Equipment	\$0	\$0	\$0	\$0	\$0
15	311 23	Water Treatment Equipment	\$0	\$0	\$0	\$0	\$0
16	311 27	Granular Activated Carbon	\$0	\$0	\$0	\$0	\$0
17	320 31	T & D Reservoirs & Standpipes	\$175,000	\$15,000	\$0	\$0	\$190,000
18	320 33	T & D Reservoirs & Standpipes-Painting	\$0	\$1,590,000	\$0	\$0	\$1,590,000
19	330 41	Elevated Tanks & Standpipes	\$2,043,693	\$872,752	\$62,300	\$13,100	\$2,841,045
20	330 42	T & D Mains - Mains (4" or less)	(\$230,548)	\$0	\$0	\$0	(\$230,548)
21	331 41	T & D Mains - Mains (6" - 8")	(\$788,482)	\$0	\$0	\$0	(\$788,482)
22	331 42	T & D Mains - Mains (10" - 16")	\$480,910	\$0	\$12,758	\$0	\$468,152
23	331 43	T & D Mains - Mains (12" or More)	(\$20,981)	\$0	\$0	\$0	(\$20,981)
24	331 44	Services	\$438,083	\$0	\$0	\$14,500	\$423,583
25	333 40	Measures	\$1,040,074	\$762,777	\$0	\$40,000	\$1,762,851
26	334 41	Meters - Metal Case/Old Style	\$27,047	\$0	\$6,500	\$0	\$20,547
27	334 42	Meters - Plastic Case	\$5,357	\$0	\$0	\$0	\$5,357
28	334 43	Meters - Metal Case/New Style	(\$0)	\$0	\$3,500	\$0	\$1,857
29	334 44	Meter Installations	\$214,000	\$115,370	\$11,000	\$9,500	\$308,870
30	335 40	Hydrants	\$0	\$0	\$0	\$0	\$0
31	339 00	Other P/E SS	\$0	\$0	\$0	\$0	\$0
32	340 51	Office Furniture	(\$383,479)	\$0	\$0	\$0	(\$383,479)
33	340 53	Computer & Peripheral Equipment	\$500,000	\$235,000	\$0	\$0	\$735,000
34	340 58	Computer & Periph Personal	\$305,026	\$50,000	\$0	\$30,000	\$325,026
35	340 57	Computer & Periph Other	\$0	\$0	\$0	\$0	\$0
36	340 55	Computer Software	\$0	\$0	\$0	\$0	\$0
37	340 58	Computer Software Personal	\$0	\$0	\$0	\$0	\$0
38	340 59	Computer Software Other	\$0	\$0	\$0	\$0	\$0
39	340 54	Other Office Equipment	\$127,200	\$0	\$0	\$0	\$127,200
40	341 52	Light Trucks	\$14,206	\$0	\$33,500	\$0	(\$19,292)
41	341 53	Heavy Trucks	\$59,916	\$0	\$0	\$0	\$59,916
42	341 54	Automobiles	\$48,947	\$0	\$0	\$0	\$48,947
43	341 55	Transportation-Other	(\$55,082)	\$0	\$0	\$0	(\$55,082)
44	342 50	Stores Equipment	(\$12,614)	\$0	\$0	\$0	(\$12,614)
45	343 50	Tools, Shop & Garage Equipment	\$84,842	\$62,500	\$0	\$0	\$147,342
46	344 50	Laboratory Equipment	\$18,095	\$0	\$0	\$0	\$18,095
47	345 50	Power Operated Equipment	\$3,194	\$0	\$0	\$0	\$3,194
48	346 51	Communication Equipment	\$1,801	\$0	\$0	\$0	\$1,801
49	346 53	Communication Equipment-Telephone	\$0	\$0	\$0	\$0	\$0
50	347 51	Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$0
51		Total Plant in Service	3,769,124	4,181,932	129,558	107,100	7,714,398

Computation of Working Capital

Line No.	Item	Amount
1		
2		
3		
4		
5		
6		
7	Average Cash	366,929
8		
9	Prepaid Insurance	92,558
10		
11	Prepaid Taxes	234,228
12		
13	Materials & Supplies	346,535
14		
15	Deferred Regulatory Expenses	223,500
16		
17	Unamortized Debt Expense	106,689
18		
19	Other Deferred Debits	1,452,847
20		
21	Lead - Lag Study	543,000
22		
23	Total	3,366,286
24		
25	Less	
26		
27	Customer Deposits	0
28		
29	Incidental Collections	1,981,081
30		
31	Total	1,981,081
32		
33	Working Capital Requirement	1,385,205
34		
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Computation of Working Capital
Lead/Lag Study

Line No.	Description	Days	Amount
1			
2			
3			
4	Net Operating Funds		30,485,321
5			
6	Average Daily Operating Funds		83,521
7			
8	Composite Average Days Interval Between		
9			
10	(A) Date Service Furnished and Date Collections Deposited	42 07	
11			
12	(B) Date Expenses Incurred and Date of Payment	35 57	
13			
14	(C) Net Interval	6 5	
15			
16	Operating Funds Advanced		542,887
17			
18	Lead/Lag Study Capital		542,887
19			
20	Use		543,000
21			
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Composite Average Days Interval between Date Expenses
are Incurred and Date of Payment

Line No	Description	Amount	Post Payment or (Lead) Days	Dollar Days
1	Payrolls Charged to Expense - Hourly	3,107,510	5 50	17,091,305
2	Payrolls Charged to Expense - Salary	1,871,463	14 02	26,237,915
3	Fuel and Power	1,551,622	50 65	78,589,653
4	Chemicals	740,531	28 27	20,934,819
5	Waste Disposal	179,951	31 23	5,619,870
6	AWWS Charges	2,507,276	(4 46)	(11,182,451)
7	Group Insurance	862,753	(1 31)	(1,130,207)
8	Pensions	387,895	0 00	0
9	Insurance Other than Group	709,886	(21 72)	(15,414,380)
10	Rents	28,624	9 24	264,486
11	Telephone Expense	153,334	(2 73)	(418,602)
12	Postage Expense	265,193	24 77	6,568,832
13	Amortizations	0	0 00	0
14	Stock E	51,951	23 77	1,234,875
15				
16				
17				
18				
19				
20	Other Operating and Maintenance Expenses	3,694,318	20 51	75,774,559
21	Total O & M Expenses	16,112,307		
22				
23	Depreciation and Amortization	4,121,753	0 00	0
24	Taxes, Other than Income			
25	Payroll	457,400	10 61	4,853,016
26	Other	3,276,201	174 52	571,762,599
27	FIT-Current	224,991	37 00	8,324,667
28	SIT-Current	42,872	58 63	2,513,585
29	Deferred Taxes	1,092,221	0 00	0
30	Interest Expense	3,255,531	87 97	286,389,062
31	Preferred Dividends	70,000	89 48	6,263,600
32	Net Earnings	1,832,045	0 00	0
33	Net Operating Funds	30,485,321		1,084,277,203
34				
35				
36				
37	Average Days Interval between Date Expenses are Incurred and Date of Payment		35 57	
38				
39				
40				
41				
42				
43				
44				
45				

Average Days Interval between Number of Days
From Date Services are Furnished to Date Collections are Received

Line No.	Revenues Amount	Median Service Days	Dollar Days
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12	Revenues less private fire 28,082,480	15 21	427,134,524
13			
14	Private Fire billed in advance 1,048,596	(45 63)	(47,847,435)
15			
16	Total 29,131,076		379,287,089
17			
18			
19			
20			
21			
22			
23			
24	Average Median Service Days	13 02	
25			
26	Number of Days between the Reading Date and		
27	the Date the Bills are Mailed	4 62	
28			
29	Number of Days between the Reading Date and		
30	the Date the Bills are Mailed	24 43	
31			
32	Total Average Days' Interval between Number of		
33	Days from Date Services are Furnished to		
34	Date Collections are Received	42 07	
35			
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Notes private fire Quarterly is billed in advance
All monthly customers are billed in arrears

Computation of Average Materials & Supplies Paid

Tennessee Regulatory Authority
Company Tennessee American Water
Docket No

Line No.	Date	End of Month	Amount
1	Jul-01		440,599
2	Aug-01		494,423
3	Sep-01		469,586
4	Oct-01		389,330
5	Nov-01		339,416
6	Dec-01		389,297
7	Jan-02		405,581
8	Feb-02		412,027
9	Mar-02		361,829
10	Apr-02		358,597
11	May-02		368,397
12	Jun-02		362,666
13	Jul-02		364,209
14	Total		5,155,957
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16			
17			
18			
19			
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Average Balance

396,612

Computation of Average Materials and Supplies Unpaid

Line No	End of Month	
	Date	Amount
1	Jul-01	49,999
2		
3	Aug-01	51,015
4		
5	Sep-01	80,838
6		
7	Oct-01	52,586
8		
9	Nov-01	18,040
10		
11	Dec-01	38,256
12		
13	Jan-02	66,200
14		
15	Feb-02	42,800
16		
17	Mar-02	72,819
18		
19	Apr-02	37,813
20		
21	May-02	44,500
22		
23	Jun-02	41,302
24		
25	Jul-02	54,837
26		
27	Total	651,005
28		
29		
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31		
32		
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34		
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Average Balance 50,077

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

12. Q. PROVIDE A WORKSHEET OF THE NUMBER OF EMPLOYEES BY DEPARTMENT, BY JOB TITLE, BUT MONTH, FOR THE THREE YEARS ENDING 9/30/04

Response:

- A. The Company does not have the information requested by job title. It does have the information by department for the months of September of 2001 through July 2003 and for the month of September of 2004. A report which contained this information was discontinued effective August of 2003. A similar report has just begun to provide this same data. Please refer to attached schedule.

Tennessee American Water
Number of Employees by Department
September 2001 - September 2004

2001	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Production									24	24	24	25
Distribution									43	43	43	43
Commercial									43	43	43	44
A&G									22	22	21	19
Total									132	132	131	131
2002	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Production	25	25	25	25	25	25	25	25	25	25	25	24
Distribution	43	42	42	41	41	41	41	41	41	40	40	39
Commercial	44	44	43	42	42	42	42	42	42	43	43	42
A&G	18	18	18	18	18	18	19	19	19	19	19	18
Total	130	129	128	126	126	126	127	127	127	127	127	123
2003	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Production	24	24	24	24	24	24	24					
Distribution	39	39	38	38	38	38	37					
Commercial	43	44	44	43	43	43	30					
A&G	18	18	18	18	18	18	17					
Total	124	125	124	123	123	123	108	110	110	108	108	109
2004	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Production									21			
Distribution									32			
Commercial									29			
A&G									13			
Total	107	107	107	106	106	104	103	99	95	0	0	0

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

14. Q PROVIDE THE HOURLY PAY RATE BY COMPANY EMPLOYEE
(UNION, NON-UNION AND SALARY) AS OF SEPTEMBER 30, 2004.

Response:

A Please see attached schedule

Hourly Rate	Job Title	Non-Union Union
23 946	Communication & CSR Speciali	N Non-Union
25 311	Executive Assistant	N Non-Union
25 934	Lab Analyst	N Non-Union
41 691	Network Operations Supervisor	N Non-Union
34 531	Network Operations Supervisor	N Non-Union
26 341	Network Operations Supervisor	N Non-Union
45 043	Network Superintendent	N Non-Union
25 407	Operations Spec-Cross Connec	N Non-Union
26 341	Operations Specialist	N Non-Union
42 337	Operations Superintendent	N Non-Union
27 466	Production Supervisor	N Non-Union
37 692	Production Supervisor	N Non-Union
36 015	Project Manager	N Non-Union
19 253	Sr Secretary	N Non-Union
31 034	Network Operations Supervisor	N Non-Union
26 341	Network Operations Supervisor	N Non-Union
29 646	Network Operations Supervisor	N Non-Union
18 71	CAD Drafter	U Union
18 67	Distribution Clerk	U Union
18 67	Distribution Clerk	U Union
18 67	Engineering Clerk	U Union
18 67	Engineering Clerk	U Union
18 67	Engineering Clerk	U Union
20 27	Field Service Person	U Union
20 27	Field Service Person	U Union
20 27	Field Service Records Speciali	U Union
20 27	Field Service Records Speciali	U Union
20 27	Field Service Records Speciali	U Union
20 27	Field Service Records Speciali	U Union
20 27	Field Service Records Speciali	U Union
20 27	Field Service Records Speciali	U Union
20 27	Field Services Representative	U Union
20 27	Field Services Representative	U Union
20 27	Field Services Representative	U Union
20 27	Field Services Representative	U Union
20 27	Field Services Representative	U Union
20 27	Field Services Representative	U Union
20 27	Field Services Representative	U Union
20 27	Field Services Representative	U Union
20 01	Heavy Equipment Operator	U Union
20 01	Heavy Equipment Operator	U Union
20 01	Heavy Equipment Operator	U Union
20 01	Heavy Equipment Operator	U Union
20 01	Heavy Equipment Operator	U Union
20 01	Heavy Equipment Operator	U Union
18 63	Laboratory Worker	U Union
18 63	Laborer	U Union
19 98	Laborer/Relief Process Tech	U Union
19 98	Laborer/Relief Process Tech	U Union

19 98 Laborer/Relief Process Tech	U Union
21 83 Maintenance Mechanic	U Union
21 83 Maintenance Mechanic	U Union
21 83 Maintenance Mechanic	U Union
21 83 Maintenance Mechanic	U Union
22 66 Master M Mechanic	U Union
22 66 Master M Mechanic	U Union
22 66 Master M Mechanic	U Union
19 93 Meter Reader	U Union
19 93 Meter Reader	U Union
19 93 Meter Reader	U Union
19 93 Meter Reader	U Union
19 93 Meter Repairer	U Union
20 09 On & Off Man	U Union
20 09 On & Off Man	U Union
20 09 On & Off Man	U Union
18 67 Outside Commercial Clerk	U Union
22 82 Process Technician	U Union
22 82 Process Technician	U Union
22 82 Process Technician	U Union
18 67 Production Clerk	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
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19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 85 Truck Driver/Utility Worker	U Union
19 93 Meter Reader	U Union
22 82 Process Technician	U Union
19 85 Truck Driver/Utility Worker	U Union

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

15. Q PLEASE EXPLAIN WHY THE COMPANY ADOPTED 2,088 REGULAR HOURS IN ITS CALCULATION OF HOURLY PAYROLL FOR THE ATTRITION YEAR RATHER THAN THE STANDARD 2,080 HOURS.

Response

A Most years have 261 days Therefore, we use the $261 \times 8 \text{ hours} = 2088$

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

- 16 Q PROVIDE A PRICE OUT BY EMPLOYEE OF THE ATTRITION YEAR PAYROLL AMOUNT AND THEN RECONCILE THE OPERATIONS AND MAINTENANCE LABOR AMOUNT OF \$4,383,883 PER EXHIBIT NO 2, SCHEDULE 3, ADJUSTMENT NUMBER REFERENCE 1 TO THE PERFORMED PRICE-OUT.

Response:

- A Please refer to attached schedules. The total gross payroll amount for those employees was \$5,151,802. The incentive payroll for those same employees was \$105,157, resulting in a total cost of \$5,256,959. After multiplying that amount by 83.39% (the percentage charge to operating and maintenance expenses) you arrive at \$4,383,883.

TENNESSEE-AMERICAN WATER COMPANY

ATTENTION YEAR PAYROLL STUDY

TEST YEAR MARCH 31 2004

ATTENTION YEAR

WAGE RATE

ADDRESS	EMPLOYEE NAME	TEST YEAR	WAGES	TOTAL	REGULAR	15	20	25	30	EFFECTIVE	WAGES	SHIFT	SHIFT	GOING	SUBJECT	BASE PAY	PAYROLL	1-ANNUAL	2-TERM	FULL TIME
					HOURS	X	HOURS	X	HOURS	HOURS	BEFORE	DIFF	PAY	LEVEL	TO FICA		CODE	REPLACE	NEW OR	EMPLOYEE
														TOTAL						COUNT
26000009	Akridge Napoleon B	0.00	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	19	0	0	0
26000049	Auty, Freddie L	20.59	42,442	2,085.0	2,085.0	30.5	15.0	0.0	2,163.8	44,552	44,552	0	44,552	44,552	44,552	42,992	19	0	0	1
26000068	Baggett, James L	20.59	42,033	2,050.5	2,050.5	36.3	0.0	0.0	2,104.9	43,339	43,339	19	43,339	43,339	42,992	42,992	19	0	0	1
26000119	Bail, Linda H	20.59	46,978	2,088.0	2,088.0	314.5	0.0	0.0	2,559.8	52,705	52,705	19	52,705	52,705	42,992	42,992	19	0	0	1
26000041	Betty, Steven W	20.59	48,331	2,088.0	2,088.0	36.0	11.8	0.0	2,165.5	44,588	44,588	19	44,588	44,588	42,992	42,992	19	0	0	1
26000091	Blackburn, Spence	20.59	45,301	2,088.0	2,088.0	10.0	2.0	0.0	2,107.0	43,383	43,383	19	43,383	43,383	42,992	42,992	19	0	0	1
26000088	Blevins, Marvin R	20.59	47,209	2,080.0	2,080.0	158.5	41.5	0.0	2,400.8	49,431	49,431	19	49,431	49,431	42,992	42,992	19	0	0	1
26000133	Borders, Stephen A	20.59	42,676	2,072.0	2,072.0	60.7	15.0	0.0	2,193.1	45,155	45,155	19	45,155	45,155	42,992	42,992	19	0	0	1
26000029	Bowen Deborah E	20.59	58,251	1,480.0	1,480.0	0.0	0.0	0.0	1,480.0	30,473	30,473	19	30,473	30,473	42,992	42,992	19	0	0	1
26000057	Bowling Stanley E	20.59	42,461	2,088.0	2,088.0	51.5	0.0	0.0	2,165.3	44,582	44,582	19	44,582	44,582	42,992	42,992	19	0	0	1
26000126	Calloway, Harold E	20.59	43,962	2,104.0	2,104.0	90.3	58.5	0.0	2,356.4	48,518	48,518	19	48,518	48,518	42,992	42,992	19	0	0	1
26000162	Camp, Debbie H	20.59	51,417	2,085.0	2,085.0	0.0	4.0	0.0	2,093.8	43,110	43,110	19	43,110	43,110	42,992	42,992	19	0	0	1
26000053	Christopher, Rudolph	20.59	20,932	2,088.0	2,088.0	42.3	9.3	0.0	2,169.9	44,678	44,678	19	44,678	44,678	42,992	42,992	19	0	0	1
26000118	Coates J David	20.59	46,840	2,088.0	2,088.0	35.0	0.0	0.0	2,132.5	27,848	27,848	19	27,848	27,848	42,992	42,992	19	0	0	1
26000110	Collins, Steven L	20.59	41,402	1,300.0	1,300.0	42.3	7.3	0.0	1,352.5	44,595	44,595	19	44,595	44,595	42,992	42,992	19	0	0	1
26000097	Cooke Jack B	20.59	46,561	2,088.0	2,088.0	42.3	7.3	0.0	2,318.9	47,746	47,746	19	47,746	47,746	42,992	42,992	19	0	0	1
26000155	Cordell, Terry L	20.59	52,244	1,552.0	1,552.0	0.5	0.0	0.0	1,552.8	31,971	31,971	19	31,971	31,971	42,992	42,992	19	0	0	1
26000060	Cotton Marilyn D	20.59	20,506	2,088.0	2,088.0	41.3	0.0	0.0	2,149.9	44,266	44,266	19	44,266	44,266	42,992	42,992	19	0	0	1
26000033	Crane Scott E	20.59	42,166	2,088.0	2,088.0	40.8	0.0	0.0	2,088.0	44,250	44,250	19	44,250	44,250	42,992	42,992	19	0	0	1
26000172	Cruikfield Palnck W	20.59	41,986	2,088.0	2,088.0	40.8	0.0	0.0	2,088.0	42,992	42,992	19	42,992	42,992	42,992	42,992	19	0	0	1
26000084	Davis, Bennie J	20.59	40,240	2,088.0	2,088.0	0.0	0.0	0.0	2,088.0	49,403	49,403	19	49,403	49,403	42,992	42,992	19	0	0	1
26000116	Delashmit, Charles W	20.59	40,899	2,088.0	2,088.0	0.0	0.0	0.0	2,088.0	42,992	42,992	19	42,992	42,992	42,992	42,992	19	0	0	1
26000092	Derryberry, Jack S	20.59	47,701	2,088.0	2,088.0	200.3	5.5	0.0	2,395.4	49,403	49,403	19	49,403	49,403	42,992	42,992	19	0	0	1
26000150	Duggan Robert E	20.59	41,609	2,088.0	2,088.0	40.3	5.0	0.0	2,158.4	44,441	44,441	19	44,441	44,441	42,992	42,992	19	0	0	1
26000074	Early, R Glenn	20.59	38,957	2,087.5	2,087.5	20.8	4.0	0.0	2,128.6	43,787	43,787	19	43,787	43,787	42,992	42,992	19	0	0	1
26000047	Edwards, Katherine	20.59	13,659	2,088.0	2,088.0	8.0	16.0	0.0	2,132.0	43,898	43,898	19	43,898	43,898	42,992	42,992	19	0	0	1
26000027	Freeman, Patricia A	20.59	12,069	2,029.0	2,029.0	0.3	0.0	0.0	2,029.4	41,785	41,785	19	41,785	41,785	42,992	42,992	19	0	0	1
26000061	Grace, Renee R	20.59	41,634	1,848.0	1,848.0	18.5	0.0	0.0	1,875.8	38,622	38,622	19	38,622	38,622	42,992	42,992	19	0	0	1
26000127	Hams Edward D	20.59	47,508	2,081.0	2,081.0	155.0	35.8	0.0	2,395.0	49,313	49,313	19	49,313	49,313	42,992	42,992	19	0	0	1
26000171	Harvey, Robbie G	20.59	40,058	2,088.0	2,088.0	49.3	0.0	0.0	2,161.9	44,513	44,513	19	44,513	44,513	42,992	42,992	19	0	0	1
26000129	Hayes, Samuel D	20.59	0	1,233.0	1,233.0	0.0	0.0	0.0	1,233.0	0	0	0	0	0	0	0	19	0	0	1
26000103	Hayes, Truman R	20.59	41,931	2,088.0	2,088.0	32.3	0.0	0.0	2,136.4	43,988	43,988	19	43,988	43,988	42,992	42,992	19	0	0	1
26000153	Hays Chris L	20.59	51,260	2,080.0	2,080.0	252.3	0.0	0.0	2,466.4	50,783	50,783	19	50,783	50,783	42,992	42,992	19	0	0	1
26000100	Head Nancy S	20.59	0	2,080.0	2,080.0	0.3	0.0	0.0	2,080.4	0	0	0	0	0	0	0	19	0	0	1
26000101	Henderson Frank W	20.59	41,350	2,088.0	2,088.0	4.3	0.0	0.0	2,056.0	43,123	43,123	19	43,123	43,123	42,992	42,992	19	0	0	1
26000081	Hicks Jr, Worn	20.59	42,886	2,088.0	2,088.0	57.8	0.0	0.0	2,094.4	44,776	44,776	19	44,776	44,776	42,992	42,992	19	0	0	1
26000108	Highsmith, Kevin B	20.59	0	2,088.0	2,088.0	0.0	0.0	0.0	2,088.0	0	0	0	0	0	0	0	19	0	0	1
26000070	Houts, Brady E	20.59	27,482	2,088.0	2,088.0	0.0	0.0	0.0	2,088.0	42,992	42,992	19	42,992	42,992	42,992	42,992	19	0	0	1
26000087	Hudson, Chris W	20.59	20,196	1,178.3	1,178.3	0.0	0.0	0.0	1,178.3	24,260	24,260	19	24,260	24,260	42,992	42,992	19	0	0	1
26000093	Hughes Jr James T	20.59	43,752	2,088.0	2,088.0	68.3	18.8	0.0	2,227.9	45,872	45,872	19	45,872	45,872	42,992	42,992	19	0	0	1
26000085	Hughes Jane B	20.59	48,052	2,088.0	2,088.0	353.0	0.0	0.0	2,617.5	53,894	53,894	19	53,894	53,894	42,992	42,992	19	0	0	1
26000164	Hughes Kendall W	20.59	45,794	2,089.0	2,089.0	123.3	29.0	0.0	2,331.9	48,013	48,013	19	48,013	48,013	42,992	42,992	19	0	0	1
26000113	Jacobs Margaret R	20.59	0	2,088.0	2,088.0	0.5	0.0	0.0	2,088.8	0	0	0	0	0	0	0	19	0	0	1
26000128	Jenkins Sammy R	20.59	43,923	2,088.0	2,088.0	75.0	18.5	0.0	2,237.5	46,070	46,070	19	46,070	46,070	42,992	42,992	19	0	0	1
26000056	Johnson Edward L	20.59	41,619	2,088.0	2,088.0	36.7	0.0	0.0	2,143.1	44,125	44,125	19	44,125	44,125	42,992	42,992	19	0	0	1
26000073	Jones Erleen W	20.59	0	2,088.0	2,088.0	3.5	0.0	0.0	2,093.3	0	0	0	0	0	0	0	19	0	0	1
26000096	Keith, Myra V	20.59	37,446	2,036.5	2,036.5	49.3	0.0	0.0	2,161.6	44,508	44,508	19	44,508	44,508	42,992	42,992	19	0	0	1
26000124	Kelley, Myra V	20.59	36,905	2,088.0	2,088.0	25.8	0.0	0.0	2,075.1	42,727	42,727	19	42,727	42,727	42,992	42,992	19	0	0	1
26000124	Kelton, Charles F	20.59	0	2,088.0	2,088.0	0.0	0.0	0.0	2,088.0	0	0	0	0	0	0	0	19	0	0	1
26000156	Ledford, Sandra C	20.59	38,871	2,049.0	2,049.0	23.8	0.0	0.0	2,084.6	42,922	42,922	19	42,922	42,922	42,992	42,992	19	0	0	1
26000106	Lee Ronald J	20.59	42,086	2,085.3	2,085.3	47.3	0.0	0.0	2,156.1	44,395	44,395	19	44,395	44,395	42,992	42,992	19	0	0	1
26000106	Martin Tolly E	20.59	48,085	2,088.0	2,088.0	161.3	45.8	0.0	2,423.4	49,897	49,897	19	49,897	49,897	42,992	42,992	19	0	0	1
26000082	Matthews, Larry H	20.59	52,497	2,073.0	2,073.0	348.8	31.0	0.0	2,658.1	54,731	54,731	19	54,731	54,731	42,992	42,992	19	0	0	1
26000071	Melton Brenda H	20.59	38,739	2,088.0	2,088.0	0.0	0.0	0.0	2,088.0	42,992	42,992	19	42,992	42,992	42,992	42,992	19	0	0	1

UNION EMPLOYEES

TENNESSEE-AMERICAN WATER COMPANY
ATTRITION YEAR PAYROLL STUDY
TEST YEAR MARCH 31 2004

[illegible]

TOTAL UNION EMPLOYEES

[illegible]

C

3 654 320

85

TENNESSEE-AMERICAN WATER COMPANY

ATTRITION YEAR
AVERAGE WAGES
TEST YEAR MARCH 31 2004

ADDRESS	EMPLOYEE NAME	WAGE RATE	TEST YEAR	REGULAR HOURS	1.5 HOURS	2.0 HOURS	2.5 HOURS	3.0 HOURS	EFFECTIVE HOURS	WAGES BEFORE SHIFT	SHIFT DIFF PAY	SHIFT PAY	GOING LEVEL WAGES TOTAL	SUBJECT TO FICA	BASE PAY	PAYROLL CODE	1-ANNUAL 2-TERM 3-NEW OR REPLACE	FULL TIME EMPLOYEE COUNT
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NON-UNION HOURLY EMP

26000045	Griffith, Vicki L	18.67	38,976	2,088 0	45 5	3 5		2 163 3	40 388	40 388	40 388	38,983	0	1
		0.00						0 0	0	0	0	0	0	0
		0.00						0 0	0	0	0	0	0	0
		0.00						0 0	0	0	0	0	0	0
		0.00						0 0	0	0	0	0	0	0
		0.00						0 0	0	0	0	0	0	0
		0.00						0 0	0	0	0	0	0	0
		0.00						0 0	0	0	0	0	0	0
TOTAL NON-UNION			38,976	2,088 0	45 5	3 5	0 0	2,163	40,388	0	40 388	38,983		1

SALARIED EMPLOYEES

26000079	Bachus, V Lon	51,037	49,273							52,847			52,847				0	1
26000082	Bailey, Daniel R	106,348	101,846														0	1
26000137	Banks, Kathleen A	51,397	49,391							53,943			53,943	51,397	51,397		0	1
26000028	Bartley, Rachel M	84,048	81,295							86,716			86,716	80,400	84,048		0	1
26000107	Bennette, Michael J	62,470	60,141							64,552			64,552				0	1
26000115	Bennington, R Lowell	62,830	61,751														0	1
26000022	Bishop, Monty L	90,640	83,682							93,690			93,690	80,400	90,640		0	1
26000048	Blevins, Robert R	62,470	60,141														0	1
26000121	Bratcher, Neil F	53,560	48,864							57,130			57,130				0	1
26000184	Caudle, Elizabeth L	62,676	59,470														0	1
26000144	Cummings, Pamela B	63,603	59,517							71,824			71,824	63,603	63,603		0	1
26000005	Dallan, Kimberly M	43,312	40,778							49,808			49,808	43,312	43,312		0	1
26000109	Durham, Kimberly E	53,457	51,722											53,457	53,457		0	1
26000095	Frazier, Shirley J	58,639	56,242														0	1
26000131	Haddock, Gerald L	54,178	52,289											54,178	54,178	2	0	1
26000147	Griffith, Vicki	85,284	81,694							40,046			40,046	80,400	85,284		0	1
26000044	Harris, Joseph D	68,341	65,708							0			0	68,341	68,341		0	1
26000075	Kevin Highsmith	56,547	54,556							54,789			54,789				0	1
26000186	Holmes, Susan T	75,577	72,026							78,897			78,897	75,577	75,577		0	1
26000148	Janow, Jr Henry A	62,470	59,915							0			0	62,470	62,470		0	1
26001698	John Watson	138,020	106,092							106,092			106,092	138,020	138,020		0	1
26000986	Leah Morrison	69,216	66,989							54,789			54,789				0	1
26000138	Mcatee, Jan D	45,166	42,361														0	1
26000046	Mccord, Anita F	59,843	57,624														0	1
26000031	Nonwood, R Gary	59,483	56,267														0	1
26000059	Ortega, Beth A	52,942	47,877							61,663			61,663	52,942	52,942		0	1
26000026	Rimann, Daniel E	0	26,122														2	0
26000083	Sceall, Virginia B	50,316	48,935							52,648			52,648	50,316	50,316		0	1
26001560	HR Manager	59,740	667							59,740			59,740	59,740	59,740		0	1
26000141	Schleifer, Ronald C	77,353	74,292							35,000			35,000	77,353	77,353		0	1
26000173	Stanley, Larry K	63,551	61,157							0			0	63,551	63,551		0	1
26000178	Taylor, Randall D	72,564	69,742							74,912			74,912	72,564	72,564		0	1
26000004	Turley D Mark	62,470	60,141							55,000			55,000	62,470	62,470		0	1
26000181	Walker, Donald L	62,470	61,716							78,398			78,398	75,757	75,757		0	1
26000182	Zinnanti, Mark J	75,757	74,776							60,000			60,000	60,000	60,000		0	1
	David McBay	0								0			0	0	0		0	0
		0								0			0	0	0		0	0
		0								0			0	0	0		0	0
		0								0			0	0	0		0	0

TOTAL SALARIED										2,164,869									33
Eliminated										1,342,484	0	1,342,484	1,426,428	1,445,200					21
TOTAL COMPANY										5,639,120	1,217	5,151,802	5,235,746	5,138,503					98

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

17 Q PLEASE RECONCILE THE OTHER GENERAL TAXES AMOUNT OF \$615,544 PER EXHIBIT NO 2, SCHEDULE 5, ADJUSTMENT NUMBER REFERENCE 2 TO THE COMPANY'S ATTRITION YEAR WORK PAPER AMOUNT OF \$886,846.

Response:

A The amount of \$615,544 is incorrect The actual amount as of March 31, 2004 should have been \$886,846

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

- 18 Q. PROVIDE A SCHEDULE OF OPERATIONS AND MAINTENANCE EXPENSES BY AMOUNT, ACCOUNT NUMBER, AND ACCOUNT DESCRIPTION, WHICH RECONCILES TO EVERY AMOUNT SHOWN ON EXHIBIT NO.2, SCHEDULE 3

Response:

A Please refer to attached schedules.

TENNESSEE AMERICAN WATER COMPANY

ACCOUNT NUMBER	DESCRIPTION	Use No.	PER BOOKS \$	Payroll Adjustments \$	Purchased Water Adjustments \$	Fuel and Power Adjustments	Chemicals Adjustments	Waste Disposal Adjustments	Management Fees Adjustments	Group Insurance Adjustments	Pensions Adjustments	Regulatory Expense Adjustments	Insurance Other Adjustments	Customer Accounting Adjustments	Rents Adjustments	General Office Adjustments	Miscellaneous Adjustments	Other Adjustments	Customer Deposits Adjustments	AFUDC Adjustments	TOTAL \$
SOURCE OF SUPPLY EXPENSES AND PUMPING																					
6011	OPERATION	6			0															0	0
6011	SS OPERATION LABOR	6			0															0	0
6011	SS OPERATION EXPENSE	21			0															0	0
6101	PURCHASED WATER	6	15,330		0															15,330	15,330
6011	POWER GENERATION ELEC	6	1,115,330	(88,660)																1,026,670	1,026,670
6011	GENERAL PUMP LABOR	6			0															0	0
6151	POWER PURCH FOR PUMP EL	10	1,519,538		0															1,519,538	1,519,538
6161	FUEL FOR POWER PROD \$S	10	1,127		0	234,831														1,127	1,127
6201	MISC PUMPING EXPENSES-CU	21	0		0													0		0	0
6501	SS & PUMP TRANSPORTATION	21	40		0															40	40
6751	MISC PUMPING EXP ELECTRIC	21	209		0															209	209
6751	MISC PUMPING EXP ELECTRIC	21			0													2		2	2
6202	OR MN SS STRICT & INP MAT	25	144,825		0													83,752		228,577	228,577
TOTAL SOURCE OF SUPPLY & PUMPING			2,796,405	(88,660)	0	234,831	0	0	0	0	0	0	0	0	0	0	2	83,752	0	3,028,125	3,028,125
WATER TREATMENT EXPENSES																					
6013	OPERATION	6		(2,419)																0	0
6013	WT OPERATION SUPERV & EN	6	31,054																	31,054	31,054
6183	GENERAL WT LABOR	11	0		0															0	0
6183	GENERAL CHEMICALS	11	723,833		0															723,833	723,833
6203	MISC WT EXPENSES-CURRENT	21	14,862		0		136,028													150,890	150,890
6333	WT OPER CONTRACT	21	3,520		0															3,520	3,520
6333	WT OPER CONTRACT	21	3,520		0															3,520	3,520
6333	WT OPER TRANSPORTATION	21	129,719		0			3,719												133,438	133,438
6753	WASTE DISPOSAL EXP (CUR)	12	57,252		0													2,378		59,630	59,630
6753	GENERAL WT EXPENSES	21	57,252		0													3,199		100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21	57,252		0															100,145	100,145
6753	GENERAL WT EXPENSES	21																			

ACCOUNT NUMBER	DESCRIPTION	Line No.	PER BOOKS \$	Payroll Adjustment \$	Purchased Water Adjustment \$	Fuel and Power Adjustment	Chemicals Adjustment	Waste Disposal Adjustment	Management Fees Adjustment	Group Insurance Adjustment	Pensions Adjustment	Regulatory Expense Adjustment	Insurance Other Adjustment	Customer Accounting Adjustment	Rents Adjustment	General Office Adjustment	Miscellaneous Adjustment	Other Adjustment	Interest on Customer Deposits Adjustment	AFUDC Adjustment	TOTAL \$
CUSTOMER ACCOUNTS EXPENSE																					
6017	METER READING LABOR	8	296 511	(23 093)																	273 418
6017	CONTRACTS & ORDERS LABO	8	0	0																	0
6017	BILLING & ACTING SALARIES	8	66 826	(5 225)																	61 621
6047	EMPLOYEE BENEFITS CA	21	200	0																	200
6207	MISC CA EXPENSES-CURREN	18	24 594	0																	24 594
6357	CA RENTS	19	106 671	0																	106 671
6427	CA RENTS	19	675	0																	675
6507	CA TRANSPORTATION	21	3 645	0																	3 645
6757	UNCOLLECTIBLE ACCOUNTS	18	289 726	0											19 784						289 530
6757	METER READING EXPENSES	18	0	0											0						0
6757	COLLECTING EXPENSES	18	43 448	0											1 434						44 882
6757	BILLING & ACTING COMPUTE	18	16 305	0											538						16 843
6757	CA RENTS	19	106 671	0											1 961						108 632
6757	MISC CUST ACTING EXPENSE	18	275 133	0											3 948						279 081
6757	MISC CUST ACTING EXPENSE	18	112 215	0											6 024						118 239
6757	MISC OPER CA CUST SERV	18	20 541	0											0						20 541
TOTAL CA EXPENSE			1,304,733	(28,296)	0	0	0	0	0	0	0	0	0	33,033	0	0	0	0	0	0	1,309,468
ADMINISTRATIVE & GENERAL EXPENSE																					
6016	ADM & GENERAL SALARIES	8	39 525	(3,329)																	36 196
6046	EMPLOYEE PENSIONS & BENE	14	2,060,062	0																	2,067,461
6206	OR MN GENERAL AG PLANT	25	1,224	0																	1,224
6338	CONTRACT SERVICES AUDIT	21	19,520	0																	19,520
6338	CONTRACT SERVICES LEGAL	21	44,112	0																	44,112
6338	CONTRACT SERVICES OTHER	21	2,469,191	0																	2,471,660
6338	CONTRACT SERVICES OTHER	21	53,391	0																	53,391
6428	ADM & GENERAL RENTS	19	3,714	0																	3,714
6508	AG TRANSPORTATION	21	241,369	0																	241,369
6578	GENERAL LIABILITY	17	212,578	0																	212,578
6588	WORKMENS COMP PREMIUM I	17	184,901	0																	184,901
6588	INSURANCE OTHER	17	252,934	0																	252,934
6606	ADVERTISING EXPENSES	71	71	0																	71
6606	COMMISSION EXPENSES	71	113,844	0																	113,844
6758	EXPENSES OF EMPLOYEES	20	118,670	0																	118,670
6758	MISC OFFICE EXPENSES	20	171,069	0																	171,069
6758	INJURIES & DAMAGES EXP	21	10,867	0																	10,867
6758	RESEARCH & DEV SERVICE C	21	0	0																	0
6758	OR MN AG STRUC & IMP MAT	25	77,184	0																	77,184
6758	MISCELLANEOUS GENERAL E	20	1,842,722	0																	1,842,722
TOTAL AGG EXPENSES			7,866,898	(3,329)	0	0	0	0	568,959	40,255	376,765	(55,644)	(13,413)	0	0	3,775	55,474	20,549	0	(28,791)	8,852,118
SUBTOTAL			15,444,029	(247,460)	0	234,631	138,078	3,719	569,959	40,255	376,765	(55,644)	(13,413)	33,033	0	3,775	65,367	116,303	0	(28,791)	16,060,548

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

20. Q. PROVIDE A SCHEDULE BY ACCOUNT, BY AFFILIATED COMPANY FOR ALL CHARGES TO THE COMPANY FOR THE TEST YEAR ENDED MARCH 31, 2004 AND THE ATTRITION YEAR ENDED DECEMBER 31, 2005 INDICATE THE AMOUNT OF RETURN ON INVESTMENT AND INTEREST EXPENSE CHARGED TO THE COMPANY BY ACCOUNT BY AFFILIATED COMPANY FOR THE ATTRITION YEAR AND OR THE TEST YEAR. INCLUDE IN YOUR RESPONSE THE CALCULATION FOR EACH AMOUNT FOR THE TEST YEAR AND THE ATTRITION YEAR

Response:

- A. Please refer to the response to question 41, of TRA Set I for the schedule requested concerning the test year and attrition year. There is no amount of return on investment included on the schedule since the charges are operating and maintenance expense and not capital projects.

The interest expense amount for the test year was provided on the response to question 13 of TRA Set I. No change has been projected for that amount during the attrition year.

The amounts shown in those previous responses were taken from the actual journal entries recorded during each month of the test year. The monthly amount for the attrition year was arrived at by allocating the total annual amount.

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

21. Q. FOR ALL NARUC OR FERC ACCOUNTS 601 THROUGH 675, SHOW THE GROSS AND NET EXPENSE AFTER DEDUCTING SALARIES AND WAGES, BY ACCOUNT, BY MONTH FOR THE TWENTY-FOUR MONTHS ENDED SEPTEMBER 30, 2004 AND FOR THE ATTRITION YEAR ENDED DECEMBER 31, 2005

Response:

- A Please refer to attached schedules
B

DOCKET NO 04-00288
OCA - Question 21

TENNESSEE AMERICAN WATER COMPANY
NARUC ACCOUNTS 601 TO 675
GROSS & NET EXPENSES AFTER SALARIES AND WAGES

	OCTOBER 2002	NOVEMBER 2002	DECEMBER 2002	JANUARY 2003	FEBRUARY 2003	MARCH 2003	APRIL 2003	MAY 2003	JUNE 2003	JULY 2003	AUGUST 2003	SEPTEMBER 2003
Account 601 to 675 - Gross	1,315,351	1,179,971	1,104,246	1,041,275	1,278,117	1,686,599	1,258,983	1,404,279	1,621,204	1,415,676	1,319,973	1,359,477
Salaries & Wages	450,950	417,838	387,993	289,742	471,259	486,387	381,552	397,232	507,958	349,181	394,014	442,347
TOTAL ACCT 601 - 675 NET	864,401	762,133	716,253	751,533	806,858	1,200,212	877,431	1,007,047	1,113,246	1,066,495	925,959	917,130
	OCTOBER 2003	NOVEMBER 2003	DECEMBER 2003	JANUARY 2004	FEBRUARY 2004	MARCH 2004	APRIL 2004	MAY 2004	JUNE 2004	JULY 2004	AUGUST 2004	SEPTEMBER 2004
Account 601 to 675 - Gross	1,462,113	793,512	1,264,370	1,100,332	1,397,030	1,413,969	1,317,838	1,354,975	1,451,490	1,383,512	1,324,375	1,782,389
Salaries & Wages	375,041	301,192	326,251	378,296	374,955	403,582	332,301	328,259	394,002	490,774	345,104	348,748
TOTAL ACCT 601 - 675 NET	1,087,072	492,320	938,119	722,036	1,022,075	1,010,387	985,537	1,026,716	1,057,488	892,738	979,271	1,433,641

TENNESSEE AMERICAN WATER COMPANY
NARUC ACCOUNTS 601 TO 675
GROSS & NET EXPENSES AFTER SALARIES AND WAGES
ATTRITION YEAR - 2005

	JANUARY 2005	FEBRUARY 2005	MARCH 2005	APRIL 2005	MAY 2005	JUNE 2005	JULY 2005	AUGUST 2005	SEPTEMBER 2005	OCTOBER 2005	NOVEMBER 2005	DECEMBER 2005
Account 601 to 675 - Gross	1,263,692	1,316,797	1,582,629	1,414,420	1,448,600	1,590,520	1,472,649	1,582,265	1,584,240	1,457,265	1,456,338	1,709,482
Salaries & Wages	316,113	368,851	465,905	380,437	377,797	475,855	381,241	378,687	474,186	377,929	381,800	577,574
TOTAL ACCT 601 - 675 NET	947,579	947,946	1,116,724	1,033,983	1,070,803	1,114,665	1,091,408	1,203,578	1,110,054	1,079,336	1,074,538	1,131,908

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

- 23 Q PROVIDE A SCHEDULE BY MONTH, FROM APRIL 2004 THROUGH SEPTEMBER 2004, IDENTIFYING THE AMOUNT AND PERCENTAGE OF TOTAL PAYROLL CAPITALIZED BY THE COMPANY.

Response:

A

Tennessee American Water Company
Capitalized Payroll
April 2004 - September 2004

	Capitalized Payroll 2004	% of Total Payroll
April	\$89,472 92	21 21%
May	\$42,796 26	21 37%
June	\$118,423 15	19 38%
July	\$81,201 45	19 95%
August	\$83,241 92	18 27%
September	\$82,999 58	11 53%

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

- 24 Q. PROVIDE A DETAILED EXPLANATION AND BUSINESS REASONS FOR THE COSTS OF PREVENTATIVE PROGRAMS (HYDRANT MAINTENANCE AND PAINTING) TOTALING \$92,450 AS DESCRIBED IN MR DISKIN'S DIRECT TESTIMONY ON PAGE 14, LINES 40-41. INCLUDE IN YOUR EXPLANATION WHETHER THESE AMOUNTS ARE RECURRING OR NON-RECURRING IF RECURRING, THEN INDICATE THE TIME PERIOD OVER WHICH THE COSTS WILL OCCUR AND WHY THEY ARE NOT CONSIDERED NORMAL OPERATIONS AND MAINTENANCE

Response:

- A. The Company has two preventative maintenance programs, one for hydrant and valve maintenance and the second for hydrant painting. The first program consists of the annual inspection and testing of every hydrant and valve in the system. Repairs are made as necessary and the replacement of some units can also occur. Any repair cost will be charged to the Company's maintenance accounts, while the replacement of a hydrant or valve will be reflected in the utility plant accounts. The second program is to paint each of the hydrants in the Company's system after the inspection. No maintenance costs for these programs were recorded during the historic test year. These costs will occur annually going forward. These preventative programs are normal maintenance, but since no costs were recorded on the Company's books during the test year, the additional amount is included in the calculation of maintenance expense.

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

26. Q PROVIDE A SCHEDULE BY ACCOUNT, BY RWE AKTIENGESELLSCHAFT ("RWE") FOR ALL CHARGES TO AMERICAN WATER WORKS COMPANY, INC ("AWWC") FOR THE TEST YEAR ENDED MARCH 31, 2004 AND THE ATTRITION YEAR ENDED DECEMBER 31, 2004 INDICATE THE AMOUNT OF RETURN ON INVESTMENT AND INTEREST EXPENSE CHARGED TO THE COMPANY BY ACCOUNT FROM RWE FOR THE TEST YEAR AND THE ATTRITION YEAR INCLUDE IN YOUR RESPONSE THE CALCULATION FOR EACH AMOUNT FOR THE TEST YEAR AND THE ATTRITION YEAR.

Response:

- A The only charge by RWE to AWWC is interest expense. There is no return on investment The amount charged for interest expense to AWWC during the historic test year was \$3,346,321

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

27 Q PROVIDE THE TOTAL MANAGEMENT FEES SUBJECT TO ALLOCATION FOR THE TWELVE MONTHS ENDED MARCH 31, 2003, FOR THE TWELVE MONTHS ENDED MARCH 31, 2004, AND THE ATTRITION YEAR ENDED DECMEBER 31, 2005 AND THE SOURCES OF THE MANAGEMENT FEE.

Response:

A. The total management fees subject to allocation during the twelve months ended March 31, 2003 was \$1,749,298. The total management fees subject to allocation during the twelve months ended March 31, 2004 was \$2,336,623. To arrive at the projected amount of allocated dollars for the attrition year, the Company reviewed the percentage of allocated dollars to total dollars for the two years ended March 31, 2003 and 2004 and took the average of the two years $(82\% + 88\%)/2 = 85\%$. The amount projected for the attrition year would be \$2,610,299 or 85% of the \$3,062,940. The sources of the management fees (costs by functions) were provided in the response to TRA Set 1, question 41

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

- 28 Q PROVIDE THE TOTAL CHARGES SUBJECT TO ALLOCATION BY AFFILIATED COMPANY FOR THE TWELVE MONTHS ENDED MARCH 31, 2003, FOR THE TEST YEAR ENDED MARCH 31, 2004, AND THE ATTRITION YEAR ENDED DECEMBER 31, 2005. INCLUDE ONLY THE AFFILIATED COMPANIES FOR WHICH THE COMPANY IS SUBJECT TO THEIR CHARGES

Response:

- A Beside the services provided by the Service Company, there are three additional affiliated companies which provided services during the twelve months ended March 31 of 2003 and 2004. They are American Water Capital Corporation (AWCC), American Anglican Environmental (AAET) and American Carbon Services (ACS)

The charges for AWCC for years ended March 31, 2003 and 2004 were \$287,279 and \$814,582. All of these costs are allocated.

The charges for AAET for years ended March 31, 2003 and 2004 were \$253,153 and \$174,860. All of these costs are direct

The charges for ACS for years ended March 31, 2003 and 2004 were \$23,562 and \$94,248. All of these costs are direct

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

29. Q PROVIDE A SCHEDULE BY ACCOUNT, BY RWE FOR ALL THE AMORTIZATION OF GOODWILL AND/OR OF UTILITY PLANT ACQUISITION ADJUSTMENTS CHARGED TO AWWC FOR THE TEST YEAR ENDED MARCH 31, 2004 AND THE ATTRITION YEAR ENDED DECMEBER 31, 2005 INCLUDE IN YOUR RESPONSE THE CALCULATION FOR EACH AMOUNT FOR THE TEST YEAR AND THE ATTRITION YEAR CHARGED TO THE COMPANY.

Response:

- A. A monthly charge for the amortization of goodwill of \$2,083,333 was recorded on AWWC's books during the historic test year resulting in an annual amount of \$1 million. Since that same yearly amount will be recorded until the 40 year amortization period is completed, the attrition year amount would be the same. No amount for either time period is recorded on the books of Tennessee American.

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

30. Q PROVIDE A SCHEDULE BY ACCOUNT, BY AWWC FOR ALL THE AMORTIZATION OF GOODWILL AND/OR OF UTILITY PLANT ACQUISITION ADJUSTMENTS CHARGED TO THE COMPANY FOR THE TEST YEAR ENDED MARCH 31, 2004 AND THE ATTRITION YEAR ENDED DECEMBER 31, 2005. INCLUDE IN YOUR RESPONSE THE CALCULATION FOR EACH AMOUNT FOR THE TEST YEAR AND THE ATTRITION YEAR CHARGED TO THE COMPANY

Response:

- A. There have been no charges recorded to the books of Tennessee American Water during the historic test year for the amortization of goodwill or utility plant acquisition adjustments. There are also no charges to be recorded to the books of Tennessee American Water during the attrition year.

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

31 Q PROVIDE ANY AND ALL DOCUMENTS IDENTIFIED IN YOUR ANSWERS OR RESPONSES TO THE DISCOVERY REQUESTS, INCLUDING THE DATA REQUESTS FROM THE TRA STAFF, SERVED UPON YOU IN THIS MATTER

Response:

A All such documents have been supplied

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

32 Q PROVIDE ANY AND ALL DOCUMENTS AND THINGS RELIED UPON
BY ANY TAWC WITNESS IN SUBMISSION OF TESTIMONY IN THIS
MATTER.

Response:

A All such documents have been supplied with the exhibits.

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

33. Q PROVIDE ANY AND ALL EXPERT REPORTS WHICH HAVE BEEN
OBTAINED FROM ANY EXPERT

Response:

A No such reports have been obtained

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

34 Q PROVIDE EACH DOCUMENT, PHOTOGRAPH, OR ANY OTHER ARTICLE OR THING WHATSOEVER, UPON WHICH YOU RELY IN SUPPORT OF YOUR CONTENTIONS(S), POSITION(S) OR BELIEF(S) THAT THE REQUEST(S) FOR RELIEF, INCLUDING ANY INCREASE IN RATES, MADE BY TAWC IN TRA DOCKET NO 04-00288 SHOULD BE APPROVED.

Response:

A Please refer to petition and exhibits submitted on September 10, 2004

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

35 Q PROVIDE IN ELECTRONIC MEDIA AND IN HARD COPY ALL
WORKPAPERS AND OTHER DOCUMENTS, GENERATED BY OR
RELIED UPON BY ALL TAWC WITNESSES.

Response:

A All such information has been provided in the workpapers sent by overnight
delivery on September 21, 2004 or in the responses accompanying the
requests for information made by the TRA

**Interrogatories and Requests for Production
Of Documents by the
Attorney General (First Set)
To Tennessee-American Water Company
Rate Case No. 04-00288**

- 37 Q PROVIDE THE SUPPORTING DOCUMENTATION FOR THE 83.39% PAYROLL CHARGED TO OPERATIONS FOR THE ATTRITION YEAR. IDENTIFY THE PERCENT PAYROLL CHARGED TO NON-UTILITY AND THE PERCENT CHARGED TO CAPITALIZATION.

Response:

- A. Please see attached schedules

TENNESSEE-AMERICAN WATER COMPANY
 ATTRITION YEAR PAYROLL STUDY
 TEST YEAR JULY 31, 2002

<u>ADDRESS</u>	<u>TITLE</u>	<u>RATE CASE</u> <u>WAGES</u> <u>TOTAL</u> \$	<u>2003 PLAN</u> <u>WAGES</u> <u>TOTAL</u> \$	<u>DIFFERENCE</u> \$
<u>UNION EMPLOYEES</u>				
26000060	Customer Service Representativ	8,853	18,113	(9,260)
26000027	Customer Service Representativ	8,604	18,113	(9,509)
26000100	Customer Service Representativ	8,821	18,113	(9,292)
26000101	Customer Service Representativ	8,717	18,113	(9,396)
26000113	Customer Service Representativ	8,857	18,113	(9,256)
26000073	Customer Service Representativ	8,875	18,113	(9,238)
26000112	Customer Service Representativ	8,799	18,113	(9,314)
26000110	Customer Service Representativ	10,464	18,113	(7,649)
26000149	Customer Service Representativ	8,851	18,113	(9,262)
26000132	Customer Service Representativ	9,186	18,113	(8,927)
26000166	Customer Service Representativ	9,318	18,113	(8,795)
26000009	Heavy Equipment Operator	0	41,106	(41,106)
26000049	Truck Driver/Utility Worker	44,552	49,338	(4,786)
26000068	On & Off Man	43,339	42,415	924
26000119	Distribution Clerk	52,705	38,337	14,368
26000041	Meter Repairer	44,588	41,625	2,963
26000091	Maintenance Mechanic	43,383	45,604	(2,221)
26000088	Truck Driver/Utility Worker	49,431	49,338	93
26000133	Utility Worker	45,155	40,243	4,912
26000029	Meter Reader	30,473	0	30,473
26000057	Truck Driver/Utility Worker	44,582	49,338	(4,756)
26000126	Truck Driver/Utility Worker	42,992	49,338	(6,346)
26000162	Laborer/Relief Process Tech	48,518	44,302	4,216
26000053	Utility Worker	43,110	40,243	2,867
26000118	Maintenance Mechanic	44,678	45,604	(926)
26000010	Off Shift Utility Worker	27,848		27,848
26000097	Maintenance Mechanic	44,595	45,604	(1,009)
26000155	Process Technician	47,746	54,951	(7,205)
26000033	Truck Driver/Utility Worker	44,266	49,338	(5,072)
26000172	Utility Worker	44,250	40,243	4,007
26000084	Meter Reader	42,992	45,690	(2,698)
26000116	On & Off Man	42,992	42,415	577
0	Truck Driver/Utility Worker	49,403	49,338	65
26000092	Laborer	42,992		42,992
26000150	On & Off Man	44,441	46,589	(2,148)
26000074	Outside Commercial Clerk	43,787	38,336	5,451
26000047	Laborer	43,898	38,254	5,644
26000061	Heavy Equipment Operator	38,622	41,106	(2,484)
26000127	Heavy Equipment Operator	49,313	41,106	8,207
26000171	CAD Drafter	44,513	38,421	6,092
26000129	Truck Driver/Utility Worker	0	0	0
26000103	Meter Reader	43,988	45,690	(1,702)

26000153	Truck Driver/Utility Worker	50,783	49,338	1,445
26000081	On & Off Man	43,123	42,415	708
26000108	Heavy Equipment Operator	44,776	41,106	3,670
26000102	Engineering Clerk	0	38,337	(38,337)
26000070	On & Off Man	42,992	42,415	577
26000087	Customer Service Representativ	24,260	0	24,260
26000093	Truck Driver/Utility Worker	45,872	49,338	(3,466)
26000085	Distribution Clerk	53,894	38,337	15,557
26000164	Truck Driver/Utility Worker	48,013	49,338	(1,325)
26000128	Truck Driver/Utility Worker	46,070	49,338	(3,268)
26000056	Meter Reader	44,125	45,690	(1,565)
26000096	Meter Reader	44,508	45,690	(1,182)
26000124		0	0	0
26000156	Heavy Equipment Operator	42,922	41,106	1,816
26000037	Outside Commercial Clerk	44,395	38,336	6,059
26000106	Meter Repairer	49,897	43,179	6,718
26000082	Truck Driver/Utility Worker	54,731	49,338	5,393
26000071	Truck Driver/Utility Worker	42,992	49,338	(6,346)
26000086	Meter Reader	0	45,690	(45,690)
26000143	Customer Service Representativ	43,702	18,113	25,589
26000078	Field Services Representative	42,930	38,337	4,593
26000090	Field Services Representative	0	41,625	(41,625)
26000160	Distribution Clerk	53,176	38,337	14,839
26000006	Truck Driver/Utility Worker	47,429	49,338	(1,909)
26000065	Process Technician	42,992	54,951	(11,959)
26000120	On & Off Man	45,766	42,415	3,351
26000058	Meter Repairer	42,992	43,179	(187)
26000038	Maintenance Mechanic	43,973	45,604	(1,631)
26000114	Truck Driver/Utility Worker	0	49,338	(49,338)
26000104	Truck Driver/Utility Worker	43,988	0	43,988
26000169	Heavy Equipment Operator	43,157	41,106	2,051
26000163	Laborer/Relief Process Tech	43,664	41,038	2,626
26000151	Meter Reader	46,042	45,690	352
26000062	Laborer	46,940	38,257	8,683
26000984	Master M Mechanic	44,667	51,631	(6,964)
26000157	Field Services Representative	0	41,625	(41,625)
26000140	Process Technician	0	54,951	(54,951)
26000985	On & Off Man	45,710	42,415	3,295
26000152	Truck Driver/Utility Worker	43,738	49,338	(5,600)
26000077	Meter Reader	44,624	45,690	(1,066)
26000105	Truck Driver/Utility Worker	44,009	49,338	(5,329)
26000179	Truck Driver/Utility Worker	42,992	49,338	(6,346)
26000051	Customer Service Representativ	44,186	8,842	35,344
26000034	Truck Driver/Utility Worker	44,567	49,338	(4,771)
26000007	Engineering Clerk	43,031	38,337	4,694
26000158	Laboratory Worker	43,085	38,421	4,664
26000180	Production Clerk	42,603	38,338	4,265
26000055	Master M Mechanic	50,759	51,631	(872)
26001419	Heavy Equipment Operator	43,077	41,106	1,971
26000069	Field Services Representative	44,585	41,625	2,960
26000174	Maintenance Mechanic	0	45,604	(45,604)

26000117	Meter Reader	43,614	45,690	(2,076)
26000136	Truck Driver/Utility Worker	47,921	49,338	(1,417)
26000076	Process Technician	43,393	54,951	(11,558)
0	Relief Process Tech in Train	0	39,841	(39,841)
26000045		42,992		42,992
0		0		0
26000079		42,992		42,992
26000002		42,992		42,992

NON-UNION HOURLY EMP

26000045	Sr Secretary	40,388		40,388
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SALARIED EMPLOYEES

26000079	Maint Service Specialist	52,847		52,847
26000002	Business Manager	0		0
26000137	Lab Analyst	53,943		53,943
26000028	Customer Service Superintenden	86,716		86,716
26000107	Maint Service Supervisor	64,552		64,552
26000115	Operations Specialist	0		0
26000022	Operations Manager	93,690		93,690
26000048	Operations Supervisor	0	66,013	(66,013)
26000121	Operations Supervisor	57,130		57,130
26000184	Customer Service Supervisor	0		0
26000144	Business Development Specialist	71,824		71,824
26000005	Communications Specialist	49,808		49,808
26000109	Lab Analyst	0		0
26000095	Operations Supervisor	0		0
26000131	Computer Support Specialist	0		0
26000147	Operations Superintendent	40,046		40,046
26000044	Operations Supervisor	0		0
26000075	Customer Service Supervisor	54,789		54,789
26000186	Water Quality Superintendent	78,897		78,897
26000148	Maint Service Supervisor	0		0
26001688	President	106,092		106,092
26000986	Communications Manager	54,789		54,789
26000138	Human Resources Specialist	0		0
26000046	Office Supervisor	0		0
26000031	Operations Supervisor	61,663		61,663
26000059	Lab Analyst	0		0
26000026	Operations Manager	0		0
26000083	Executive Assistant	52,648		52,648
50041560	Human Resources Manager	59,740		59,740
26000141	Operations Superintendent	35,000		35,000
26000173	Operations Supervisor	0		0
26000178	Operations Engineer	74,912		74,912
26000004	Operations Supervisor	55,000		55,000
26000181	Operations Supervisor	0		0
26000182	Operations Superintendent	78,398		78,398

<u>105,157</u>		<u>105,157</u>
4,996,167	3,732,213	1,263,954
<u>83.392%</u>		<u>83.39%</u>
<u>4,166,404</u>		<u>3,112,367</u>

2.76%

2003 PLAN