

Before the

TENNESSEE REGULATORY AUTHORITY

IN RE:

**PETITION OF TENNESSEE AMERICAN WATER COMPANY TO CHANGE AND
INCREASE CERTAIN RATES AND CHARGES SO AS TO PERMIT IT TO EARN A
FAIR AND ADEQUATE RATE OF RETURN ON ITS PROPERTY USED AND USEFUL
IN FURNISHING WATER SERVICE TO ITS CUSTOMERS**

DOCKET NO. 06-00290

**DIRECT TESTIMONY
OF
TERRY BUCKNER**

March 5, 2007

1 **Q. Please state your name for the record.**

2 A. My name is Terry Buckner.

3

4 **Q. By whom are you employed and what is your position?**

5 A. I am employed by the Consumer Advocate and Protection
6 Division (“CAPD”) in the Office of the Attorney General for the state
7 of Tennessee (“Office”) as a Regulatory Analyst.

8

9 **Q. How long have you been employed in conjunction with the public**
10 **utility industry?**

11 A. Approximately twenty-eight years. Before my current
12 employment with the Office, I was employed by the Comptroller’s
13 Office for the state of Tennessee for nearly two years as the Assistant
14 Director responsible for public utility audits after approximately eight
15 years of prior employment with the Office. Formerly, I was employed
16 with the Tennessee Public Service Commission (“Commission”) in
17 the Utility Rates Division as a financial analyst for approximately six
18 years. My responsibilities included testifying before the Commission
19 as to the appropriate cost of service for public utilities operating in
20 Tennessee. Prior to my employment with the Commission, I was
21 employed by TDS Telecom for eight years and the First Utility
22 District of Knox County for three years.

1 **Q. What is your educational background and what degrees do you**
2 **hold?**

3 A. I have a Bachelors degree in Business Administration from the
4 University of Tennessee, Knoxville with a major in Accounting. I am
5 also a Tennessee Certified Public Accountant and a member of the
6 American Institute of Certified Public Accountants.

7
8 **Q. Would you briefly describe your responsibilities as a Regulatory**
9 **Analyst with the CAPD?**

10 A. I prepare testimony and financial exhibits in rate proceedings
11 as an employee with the CAPD. Additionally, I review tariff filings
12 by Tennessee utilities, which are subject to the jurisdiction of the
13 Tennessee Regulatory Authority ("TRA").

14
15 **Q. What is the purpose of your testimony?**

16 A. The purpose of my testimony is to represent the forecasted
17 financial exhibits prepared by the CAPD ("Exhibit CAPD-RTB") and
18 provide my exhibit of work papers ("Exhibit CAPD Workpapers") for
19 forecasted Operation and Maintenance expenses, forecasted
20 Depreciation Expense, forecasted Taxes Other Than Income, and
21 forecasted Income Taxes, and forecasted Rate Base for Tennessee
22 American Water Company ("TAWC") for the attrition year ending

1 February 28, 2008.

2
3 **Q. Please summarize the results of the CAPD forecast of TAWC's**
4 **earnings for the attrition year.**

5 A. The CAPD forecast of TAWC's earnings for the attrition year
6 results in a recommended decrease in rates of at least \$579,349¹. The
7 CAPD forecast is based on an overall rate of return of 6.50%² as
8 recommended by CAPD economist, Dr. Steve Brown.

9
10 **OPERATION AND MAINTENANCE EXPENSES:**

11 **Q. Please describe your forecasting methodology for Operation and**
12 **Maintenance Expenses.**

13 A. There are 17 Operation and Maintenance Expense categories
14 subject to forecast in this docket. The first category is forecasted
15 Operation and Maintenance Labor and was calculated using actual
16 employee levels as of January 31, 2007, actual wage rates per
17 employee, and prospective pay raises per the employee bargaining
18 unit and TAWC's policy. The total Operation and Maintenance
19 Labor amount was derived from the calculated total labor dollars

¹Exhibit CAPD-RTB, Schedule 1, Line 8.

²Exhibit CAPD-RTB, Schedule 9, Line 11.

1 minus labor dollars charged to capitalization³. The labor
2 capitalization rate was calculated using TAWC's actual rolling
3 average capitalization rate for the twelve months ended January 31,
4 2007.

5 In two categories, Fuel and Power and Chemicals, the CAPD
6 has not taken issue with TAWC's forecasted amounts. Since there is
7 a direct correlation between TAWC's forecasted revenues and the
8 volume of water filtration expenses accounted for in these two
9 Operation and Maintenance Expense categories, the CAPD does not
10 dispute the forecasted Fuel and Power and Chemicals expense.

11 For the categories of Pension Expense and Management Fees,
12 the CAPD has forecasted these amounts based on TRA precedent and
13 the history of Operations and Maintenance Expenses for TAWC.

14 For twelve categories, the CAPD primarily adopted the
15 amounts per account for the twelve months ended October 31, 2006
16 and grew each amount for customer growth and inflation growth.
17 The combined growth rate from October 31, 2006 through February
18 29, 2008 is approximately 4.4%.

³Capitalized Labor is accounted for as an addition to rate base.

1 **Q. What are the significant differences between TAWC and the**
2 **CAPD in Operation and Maintenance Expenses for the forecasted**
3 **attrition year?**

4 A. In Exhibit CAPD Workpapers, work paper REC-1⁴ provides a
5 reconciliation of the differences in the calculation of Operation and
6 Maintenance Expenses.

7 The significant differences in Operation and Maintenance
8 Expense for the attrition year are: (1) \$305,589 in lower labor costs
9 for the CAPD forecast; (2) \$1,043,310 in lower Management Fees for
10 the CAPD forecast; (3) \$583,136 in lower Pension Expense for the
11 CAPD forecast; and (4) \$360,342 primarily due to test period
12 differences for the remaining categories for the CAPD forecast.
13 Accordingly, the CAPD's total Operation and Maintenance Expense
14 forecast is \$2,292,633 lower than TAWC's forecast.

15
16 **Q. Please explain the differences in the calculation of Operation and**
17 **Maintenance Labor.**

18 A. In Exhibit CAPD Workpapers, work paper PAY-6⁵ provides a
19 reconciliation of the differences in the calculation of Operation and
20 Maintenance Labor. In summary, Operation and Maintenance Labor

⁴CAPD Work Papers, Index of Workpapers, P1.

⁵CAPD Work Papers, Index of Workpapers, P8.

1 as forecasted by TAWC for the attrition year is overstated by
2 \$305,589.

3 The significant differences in the calculation of Operation and
4 Maintenance Labor are attributable to the following:

5 (1) TAWC's forecast includes 111 employees for the attrition
6 year. CAPD Work Papers E-PAY-1, E-PAY-2, and E-PAY-3⁶ provide
7 a price out of all employees for the attrition period. The CAPD
8 adopted the actual employee level of 105 as of January 31, 2007;⁷

9 (2) The CAPD utilized actual pay rates at January 31, 2007 for
10 each employee and increased these rates in accordance with TAWC's
11 union bargaining agreement. The forecasted overtime hours for each
12 employee were based on the actual overtime hours for the twelve
13 months ended January 31, 2007.⁸

14
15 **Q. Why did the CAPD use current employee levels in its forecast**
16 **rather than TAWC's projection of future employee levels?**

17 **A.** The CAPD used current employee levels because TAWC has a
18 history of inflating its employee costs by including in rates
19 speculative employee levels that are not achieved.

⁶CAPD Work Papers, Index of Workpapers, P2-P6.

⁷TAWC response to CAPD First Set of Discovery, Part II, Question 2.

⁸TAWC response to CAPD First Set of Discovery, Part II, Question 6.

1 CAPD Work Paper E-PAY-5⁹ compares the actual employee
2 levels of TAWC with the forecasted employees levels by TAWC. A
3 CAPD chart¹⁰ from this data demonstrates that TAWC has repetitively
4 maintained employee levels below their forecasted employee levels
5 included in their rate filings before the TRA. In fact, from August
6 2003 to January 2007, TAWC has averaged 103 employees. Given
7 their employment history, TAWC has consistently operated for over
8 three years with less employees than the level requested in this
9 docket, as well as the level built into customer rates.

10 Accordingly, the TRA should reject the Operations and
11 Maintenance Labor Expense forecast of TAWC and set rates on
12 actual employee levels, not on speculative employment levels.
13 Indeed, the employment history clearly demonstrates that such
14 speculative levels are not achieved and therefore are not proper for
15 ratemaking purposes. TAWC's employment history also
16 demonstrates that the current employee level is sufficient for
17 operation of the company.

⁹CAPD Work Paper, Index of Workpapers, P6.

¹⁰CAPD Work Paper, Index of Workpapers, P7.

1 **Q. Are there any other differences in Operations and Maintenance**
2 **Labor that you wish to discuss?**

3 A. Yes. The CAPD also has disallowed thirty percent or \$29,390
4 of Operations and Maintenance Labor for “incentive payroll.” The
5 incentive payroll is based on three performance goals: (1) Financial;
6 (2) Operational; and (3) Individual.¹¹ Thirty percent of the incentive
7 payroll is based on the financial operating results of TAWC. Under
8 the incentive plan, TAWC increases the compensation to its
9 employees for increasing TAWC’s regulated earnings. Because there
10 is no mechanism under the incentive plan for TAWC’s ratepayers to
11 share in these increased earnings, TAWC’s employees and
12 shareholders will reap all of the financial rewards of these higher
13 earnings. Additionally, ratepayers are the sole source of TAWC’s
14 regulated earnings; therefore, the incentive plan is a circular one
15 whose success is built into this docket, rewarding TAWC’s
16 employees and shareholders for merely increasing water rates charged
17 to ratepayers. Additionally, there are years when an accrual for
18 incentive pay expense occurs, but in fact, may not be paid due to
19 TAWC’s failure to reach their performance goals. For these reasons,
20 there is no reasonable basis to charge this portion of the cost of the
21 incentive plan to ratepayers, as these plan benefits will inure entirely

¹¹TAWC response to TRA Data Request #37.

1 to TAWC's employees and shareholders whereas the incentive plan's
2 associated burdens will fall directly on ratepayers. As a result, thirty
3 percent of the incentive amount has been excluded and should be
4 borne solely by TAWC's shareholders. The CAPD's treatment of
5 incentive payroll is in accord with established TRA precedent.¹²
6

7 **Q. Please explain the difference in the calculation of forecasted**
8 **Management Fees.**

9 A. In TRA Docket #04-00288, TAWC included a 22% increase of
10 \$555,664 in Management Fees which brought the total forecasted
11 2005 Management Fees to \$3,062,940. TAWC represented that this
12 increase would "enable the Company to operate more efficiently and
13 cost effectively while at the same time improving and enhancing the
14 service that the Company provides."¹³ However, TAWC has booked
15 \$4,258,346 in 2005 and \$4,793,908 in 2006 for Management Fees.¹⁴
16 In this docket, TAWC is forecasting \$4,064,421 for the attrition year,
17 a 33% increase over the 2005 forecast amount. This level of
18 Management Fees is simply **not** just and reasonable for the ratepayers
19 of TAWC. While TAWC's other expenses continue to rise, there is

¹²TRA Dockets #05-00258 and #06-00175.

¹³TRA Docket #04-00288, Direct Testimony of Mike Miller, Pages 14-15, Lines 15-16 and Lines 2-4.

¹⁴CAPD Work Paper E-MANAGEMENT FEES, Index of Workpapers P17.

1 no offset anywhere in TAWC's forecast to account for the dramatic
2 rise in Management Fees. Therefore, contrary to TAWC's position,
3 the Management Fees do not allow a more efficient operation. A
4 33% increase without any offset is also unreasonable and out of step
5 with TAWC's current growth indicators such as inflation and
6 customer growth. Thus, TAWC's stated justification for its
7 Management Fees is simply without support. Before the TRA
8 continues to allow such hefty increases in Management Fees, it
9 should look behind the allocated numbers and require TAWC to
10 demonstrate that the cost allocation is just, reasonable, and necessary
11 for providing utility service in Tennessee.

12 Therefore, the CAPD took the forecasted 2005 Management
13 Fee amount in TRA Docket #04-00288 of \$3,062,940 grown at an
14 annual rate of 3.75% adjusted for non-recurring costs and allocated
15 incentive pay to arrive at its forecasted amount of \$3,021,111.

16 TAWC's forecasted Management Fees and do not represent
17 cost efficiency to the ratepayers and should be rejected by the TRA.
18
19
20
21
22

1 **Q. Please explain the difference in the calculation of Pension**
2 **Expense.**

3 A. The CAPD has adopted the Pension funding amount as
4 prescribed in the latest actuarial report filed by TAWC.¹⁵
5 Historically, in Tennessee, only actual pension contributions have
6 been recognized for setting rates. In the latest actuarial filed report, it
7 states, “American Water’s funding policy is to contribute an amount
8 equal to the minimum required contribution under ERISA....the
9 minimum required contribution is \$971,408.”¹⁶ The report also states
10 that its ERISA funding is 102.3% of its actuarial accrued liability as
11 of July 1, 2004.¹⁷

12 Based on this latest known level of contribution, Tennessee’s
13 portion of funded Pension Expense net of capitalization is \$12,662.
14 TAWC has forecasted an amount of \$595,798 or a difference of
15 \$583,136. Since TAWC’s pension amount is internally estimated and
16 cannot be validated by an independent actuarial report, then it should
17 be rejected by the TRA. The CAPD’s accounting for TAWC’s
18 pension expense is in accordance with established TRA precedent and

¹⁵Company Response to TRA Data Request, #36.

¹⁶Company Response to TRA Data Request, #36, Page MS9, Page 15 of 68.

¹⁷Ibid.

1 its findings for recent rate filings.¹⁸

2
3 **Q. Please explain the other Operation and Maintenance Expense**
4 **differences primarily due to different test periods.**

5 A. The CAPD's forecast is a net \$360,342 lower than the forecast
6 of TAWC primarily due to a difference in test periods. The CAPD
7 used a more recent test period ending October 31, 2006, while TAWC
8 built their forecast on a test period ending June 30, 2006. The
9 different test periods were applied to eleven of the Operation and
10 Maintenance Expense categories.¹⁹ The use of a more recent test
11 period should enhance the accuracy of the forecast for the attrition
12 year and more fairly reflect current operations.

13
14 **DEPRECIATION EXPENSE:**

15 **Q. Please explain the calculation of CAPD Depreciation Expense.**

16 A. The CAPD applied the currently approved depreciation rates²⁰
17 to the actual December 31, 2006 Plant in Service balances net of the
18 non-Tennessee (Walden Ridge) Plant in Service and the net monthly

¹⁸TRA Dockets #05-00258 and #06-00175.

¹⁹CAPD Work Papers, Index of Workpapers, P9, P15, P18, P21, P23, P26, P30, P43, P45, P48, P69, and P112.

²⁰Company Response to CAPD Discovery Request, Part II, Question #23.

1 plant additions and retirements²¹ through February 28, 2008.²² The
2 CAPD's Depreciation Expense is \$85,787 greater than TAWC's
3 forecast amount.

4
5 **TAXES OTHER THAN INCOME:**

6 **Q. What are the significant differences from TAWC in Taxes Other**
7 **Than Income for the forecasted attrition year?**

8 A. The significant differences in Taxes Other Than Income for the
9 attrition year are: (1) \$82,522 in lower Property Taxes for the CAPD
10 forecast; (2) \$8,870 in net lower Gross Receipts Tax and State
11 Franchise Tax for the CAPD forecast; and (3) \$9,975 in lower Payroll
12 Taxes for the CAPD forecast. The total difference amounts to
13 \$101,618.

14
15 **Q. Please explain the CAPD's calculation of Property Taxes.**

16 A. In Exhibit CAPD Workpapers, work paper T-OTAX1²³
17 provides a historical summary of property taxes paid by TAWC, their
18 gross assessment values, their composite tax rate, and their reported
19 rate base amounts. This schedule reflects an increase in the property

²¹Company Response to CAPD Discovery Request, Part II, Question #24.

²²CAPD Work Papers, Index of Workpapers, P135.

²³CAPD Work Papers, Index of Workpapers, P133.

1 taxes due by TAWC for the years 2005-2006. Also, the gross
2 assessment values for the years 2004-2006 indicate increases.
3 Consequently, the forecasted tax amount for 2007 is \$2.553 million,
4 which is based on the estimated gross assessment value at the 2005
5 composite tax rate.
6

7 **Q. Please explain the CAPD's calculation of Gross Receipts Tax and**
8 **State Franchise Tax.**

9 A. In Exhibit CAPD Workpapers, work papers T-OTAX7 and T-
10 OTAX8²⁴ provide calculations for the attrition year. The CAPD
11 forecasted amount is based on one-third of the actual Gross Receipts
12 Tax Return amount of \$405,308 as filed with the Tennessee
13 Department of Revenue.²⁵ This return is for the tax period July 1,
14 2006 through June 30, 2007. The remaining two-thirds of the Gross
15 Receipts Tax were based on 12 months to date revenues as of
16 November 30, 2006. The State Franchise Tax was calculated using
17 actual plant in service and accumulated depreciation net of forecasted
18 plant additions and retirements. This forecasting technique
19 appropriately matches the Gross Receipts Tax and State Franchise
20 Tax tax years with the attrition period in this docket.

²⁴CAPD Work Papers, Index of Workpapers, P123 and P124.

²⁵TAWC response to TRA Discovery, Question 47, Page 127 of 399.

1 **Q. Please explain the CAPD's calculation of Payroll Taxes.**

2 A. In Exhibit CAPD Workpapers, work paper T-OTAX3²⁶
3 provides a comparative summary of the differences in the calculation
4 of Payroll Taxes.

5 The work paper indicates lower payroll taxes of \$9,975. This
6 variance is primarily due to the differing employee levels and
7 capitalization rates as previously discussed in my testimony regarding
8 Operation and Maintenance Labor.

9
10 **RATE BASE:**

11 **Q. Please summarize the calculation of Plant in Service²⁷ and**
12 **Accumulated Depreciation²⁸ amounts for the attrition year.**

13 A. The CAPD's forecast of Plant in Service and Accumulated
14 Depreciation was calculated based on the actual balances as of
15 December 31, 2006 plus the monthly additions and retirements by
16 account as provided by TAWC²⁹ and the calculated depreciation
17 expense for the fourteen months ended February 28, 2008. As a
18 result, the CAPD's forecast of net Plant in Service and Accumulated

²⁶CAPD Work Papers, Index of Workpapers, P131.

²⁷CAPD Work Papers, Index of Workpapers, P117-P122.

²⁸CAPD Work Papers, Index of Workpapers, P116.

²⁹Company Response to CAPD Discovery Request, Part II, Question #24.

1 Depreciation is approximately \$4.7 million greater TAWC's forecast.
2 However, it should be noted that the monthly plant additions provided
3 to the CAPD are significantly greater than the total amount of plant
4 additions provided to the TRA.³⁰ The TRA response amounts were
5 for the period of July 1, 2006 through February 28, 2008, but lacked
6 detailed plant account information. If the amount in the response to
7 the TRA is more accurate, then the CAPD reserves the right to correct
8 its forecast of Rate Base. At the time of filing this testimony, the
9 CAPD has been unable to ascertain which set of plant additions
10 should be used for ratemaking purposes. The CAPD, however, will
11 continue to investigate the discrepancy between the plant additions
12 provided to the CAPD and the TRA. The CAPD will revise its rate
13 base forecast if this investigation concludes that the plant additions
14 provided to the TRA should be used. Furthermore, in the event that
15 the CAPD revises its rate base forecast to reflect corrected plant
16 additions, the CAPD will also revise its Depreciation Expense
17 forecast since it is a function of Plant in Service balances.

18
19 **Q. Please summarize the comparison of Accumulated Investment**
20 **Tax Credit ("ITC") amounts for the attrition year.**

21 **A.** Apparently, TAWC has only included the Accumulated ITC

³⁰Company Response to TRA Discovery Request, Question #53.

1 balance found in account #255101. Yet, TAWC's amortization of
2 ITC for income tax calculation purposes includes accounts, #255101,
3 #255102, and #255103. Therefore, it is necessary to include the
4 unamortized balances for all of the Accumulated ITC accounts in the
5 forecast of Rate Base.³¹ As a consequence, the CAPD's forecast of
6 Accumulated ITC is \$1.1 million higher than TAWC's forecast.

7
8 **Q. Please summarize the comparison of the forecasts of TAWC and**
9 **CAPD.**

10 A. TAWC is asking the TRA for a staggering 20%³² increase in
11 their tariffed rates. According to TAWC, the primary reasons for the
12 increase are: (1) Increased Rate Base; (2) Increased Operation and
13 Maintenance Expenses; (3) Increased Cost of Capital and (4)
14 Declining growth in Revenues.³³ As previously discussed, the CAPD
15 forecast takes issue with TAWC's forecast of Operation and
16 Maintenance Expenses and TAWC's Cost of Capital (See Dr. Steve
17 Brown's direct testimony). Therefore, the CAPD asks the TRA to
18 adopt its forecast of Operation and Maintenance Expenses and deny
19 TAWC's forecast as unjust and unreasonable for the ratepayers.

³¹CAPD Work Paper RB-ITC, Index of Workpapers, P115.

³²M. Miller, direct testimony, Page 2, Lines 12-13.

³³M. Miller direct testimony, Exhibit MAM-2.

1 **Q. What is TAWC currently earning?**

2 A. The December 2006 TRA 3.06 surveillance report for TAWC
3 indicates a 5.15%³⁴ rate of return for the twelve months ended
4 December 2006. It is the CAPD's contention that TAWC's reported
5 return is prospectively understated due to non-recurring Operations
6 and Maintenance Expenses and excessive Management Fees.

7 Also, in TRA Docket #03-00118, the 2003 rate filing of
8 TAWC, the TRA authorized a revenue increase of \$2,745,274. This
9 increase resulted in an average rate increase of 9.48% for water
10 service. In TRA Docket #04-00288, the TRA authorized a .93%
11 increase in tariffed rates amounting to \$297,005. In this docket,
12 TAWC requests an additional revenue increase of \$6,379,867, which,
13 if granted, would cause an average rate increase of 19.67% for water
14 service. Based on the sum of the three rate filings by TAWC,
15 Chattanooga ratepayers would see an average increase of 30% in a
16 little more than three years.

17

18 **Q. Does this conclude your testimony?**

19 A. Yes, it does.

20

21

³⁴Page 2, Line 42.

BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

IN RE:

PETITION OF TENNESSEE AMERICAN WATER COMPANY TO CHANGE AND
INCREASE CERTAIN RATES AND CHARGES SO AS TO PERMIT IT TO EARN A
FAIR AND ADEQUATE RATE OF RETURN ON ITS PROPERTY USED AND USEFUL
IN FURNISHING WATER SERVICE TO ITS CUSTOMERS

DOCKET NO. 06-00290

AFFIDAVIT

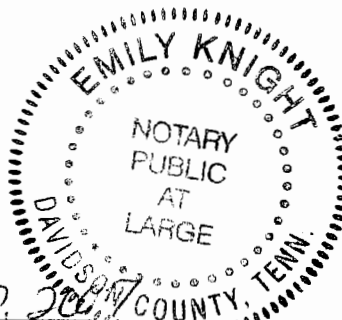
I, Terry Buckner, Regulatory Analyst, for the Consumer Advocate Division of the
Attorney General's Office, hereby certify that the attached Direct Testimony represents my
opinion in the above-referenced case and the opinion of the Consumer Advocate Division.



TERRY BUCKNER

Sworn to and subscribed before me
this 5th day of March, 2007.


NOTARY PUBLIC



My commission expires:

Sept. 22, 2007

My Commission Expires SEPT. 22, 2007

Before the

TENNESSEE REGULATORY AUTHORITY

IN RE:

**PETITION OF TENNESSEE AMERICAN WATER COMPANY TO CHANGE AND
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FAIR AND ADEQUATE RATE OF RETURN ON ITS PROPERTY USED AND USEFUL
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DOCKET NO. 06-00290

**EXHIBITS
OF
TERRY BUCKNER**

March 5, 2007

Tennessee-American Water
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For the 12 Months Ending February 29, 2008

	<u>Schedule No.</u>
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Tennessee-American Water
Revenue Deficiency
For the 12 Months Ending February 29, 2008

Line No.		CAPD		Company		Difference
1	Rate Base	104,169,393	A/	100,583,193	A/	3,586,200
2	Operating Income at Present Rates	7,123,777	B/	4,795,615	B/	2,328,162
3	Earned Rate of Return (Line 2/Line 1)	6.84%		4.77%		2.07%
4	Cost of Capital	6.50%	C/	8.466%	E/	-1.97%
5	Required Operating Income (Line 1*Line 4)	6,771,011		8,515,373		(1,744,363)
6	Operating Income Deficiency (Line 5-Line 2)	(352,767)		3,719,758		(4,072,525)
7	Gross Revenue Conversion Factor	<u>1.642301</u>	D/	<u>1.71513466</u>	E/	<u>(0.072833)</u>
8	Revenue Deficiency (Line 6*Line 7)	<u>(579,349)</u>		<u>6,379,886</u>		<u>(6,959,235)</u>

A/ Schedule 2

B/ Schedule 3

C/ Schedule 9

D/ Schedule 8

E/ Sheila Miller Exhibit 1, Schedule 1

Tennessee-American Water
Comparative Rate Base
For the 12 Months Ending February 29, 2008

Line No.		CAPD	A/	Company	A/	Difference
1	Utility Plant in Service	189,828,780		185,005,497		4,823,283
2	Construction Work in Progress	2,608,585		2,608,585		-
3	Utility Plant Capital Lease	-		1,590,500		(1,590,500)
4	Limited-Term Utility Plant - Net	(20,953)		(20,953)		-
5	Working Capital	962,583		962,583		-
6	Def. Maint.	-		-		-
7	Total Additions	<u>193,378,995</u>		<u>190,146,212</u>		<u>3,232,783</u>
8	Accumulated Depreciation	54,713,939		56,170,309		(1,456,370)
9	Accumulated Amort. of Utility Capital Lease	980,808		980,808		-
10	Accumulated Deferred Income Taxes	18,833,369		18,833,369		-
11	Customer Advances for Construction	5,593,604		5,593,604		-
12	Contributions In Aid of Construction	7,946,162		7,946,162		-
13	Unamortized Investment Tax Credit	1,141,720		38,767		1,102,953
14	RWIP	-		-		-
15	Total Deductions	<u>89,209,602</u>		<u>89,563,019</u>		<u>(353,417)</u>
16	Rate Base	<u>104,169,393</u>		<u>100,583,193</u>		<u>3,586,200</u>

A/ Company Exhibit 1, Sch. 2

Tennessee-American Water
Income Statement at Current Rates
For the 12 Months Ending February 29, 2008

Line No.		CAPD		Company		Difference
1	Operating Revenues	33,432,287	A/	33,432,287	A/	-
2	Operations and Maintenance Expense	16,360,699	B/	18,586,767	B/	(2,226,068)
3	Depreciation and Amortization Expense	4,936,937	C/	4,851,150	C/	85,787
4	Taxes Other Than Income	3,646,966	D/	3,748,584	G/	(101,618)
5	State Excise Tax	342,374	E/	269,706	H/	72,668
6	Federal Income Tax	1,171,845	E/	1,264,212	H/	(92,367)
7	Total Operating Expense	26,458,822		28,720,419		(2,261,597)
8	AFUDC	150,312	F/	83,747	F/	66,565
9	Net Operating Income for Return	7,123,777		4,795,615		2,261,597

A/ Sheila Miller Exhibit 2, Sch. 2

B/ Schedule 5

C/ Sheila Miller Exhibit 2, Sch. 1

D/ Schedule 6

E/ Schedule 7

F/ Sheila Miller Exhibit 2, Sch. 3

G/ Sheila Miller Exhibit 2, Sch. 1, but does not tie to Company's supporting workpapers (See Sch. 6)

H/ Sheila Miller Exhibit 2, Sch. 6

Tennessee-American Water
Income Statement at Proposed Rates
For the 12 Months Ending February 29, 2008

Line No.		Current Rates	A/ B/	Adjustments	C/ Rates
1	Operating Revenues	33,067,566	B/	(579,349)	32,488,217
2	Forfeited Discount Revenues	364,721	B/	(6,547)	358,174
3	Total Revenues	<u>33,432,287</u>		<u>(585,896)</u>	<u>32,846,391</u>
4	Operations and Maintenance Expense	16,360,699		(5,449)	16,355,250
5	Depreciation and Amortization Expense	4,936,937			4,936,937
6	Taxes Other Than Income	3,646,966			3,646,966
7	State Excise Tax	342,374		(37,729)	304,645
8	Federal Income Tax	<u>1,171,845</u>		(189,951)	<u>981,894</u>
9	Total Operating Expense	<u>26,458,822</u>			<u>26,225,693</u>
10	AFUDC	<u>150,312</u>			<u>150,312</u>
11	Net Operating Income for Return	<u>7,123,777</u>			<u>6,771,011</u>

A/ Schedule 3

B/ Company Exhibit 2, Sch. 2

C/ Schedule 1, Line 8 x appropriate factor from Schedule 8

Tennessee-American Water
Operation & Maintenance Expenses
For the 12 Months Ending February 29, 2008

Line No.		CAPD	A/	Company	B/	Difference
1	Salaries and Wages	4,397,377		4,702,966		(305,589)
2	Purchased Water	49,660		52,331		(2,671)
3	Fuel and Power	1,734,958		1,734,958		-
4	Chemicals	952,795		952,795		-
5	Waste Disposal	153,521		174,265		(20,744)
6	Management Fees	3,021,111		4,064,421		(1,043,310)
7	Group Insurance	1,386,168		1,513,667		(127,499)
8	Pensions	12,662		595,798		(583,136)
9	Regulatory Expense	191,333		269,298		(77,965)
10	Insurance Other Than Group	462,968		523,940		(60,972)
11	Customer Accounting	719,633		606,702		112,931
12	Uncollectible Expense	558,836		621,265		(62,429)
13	Rents	39,896		38,011		1,885
14	General Office Expense	221,848		194,066		27,782
15	Miscellaneous Expense	1,710,268		1,792,405		(82,137)
16	Other Maintenance Expense	<u>747,665</u>		<u>749,879</u>		<u>(2,214)</u>
17	Total O&M Expense	<u>16,360,699</u>		<u>18,586,767</u>		<u>(2,226,068)</u>

A/ CAPD Workpapers

B/ Sheila Miller Exhibit 2, Sch. 3

Tennessee-American Water
Taxes Other Than Income Taxes
For the 12 Months Ending February 29, 2008

Line No.		CAPD		Company	D/ Difference
1	Other General Taxes	-		-	-
2	Gross Receipts Tax	326,853	A/	384,576	(57,723)
3	TRA Inspection Fee	64,706		64,957	(251)
4	Property Taxes	2,552,758	B/	2,635,280	(82,522)
5	Franchise Tax	352,833		303,980	48,853
6	FICA Taxes	342,649	C/	352,445	(9,796)
7	Unemployment Taxes	<u>7,167</u>	C/	<u>7,346</u>	<u>(179)</u>
8	Total Taxes Other Than Income Taxes	<u>3,646,966</u>		<u>3,748,584</u>	<u>(101,618)</u>

A/ CAPD Workpaper T-OTAX2

B/ CAPD Workpaper T-OTAX1

C/ CAPD Workpaper T-OTAX3

D/ Sheila Miller Exhibit 2, Sch. 5 adjusted by Company Response to CAPD Data Request #17

Tennessee-American Water
Excise and Income Taxes
For the 12 Months Ending February 29, 2008

Line No.		Attrition Amount A/	
1	Operating Revenues	33,432,287	B/
2	Salaries and Wages	4,397,377	
3	Purchased Water	49,660	
4	Fuel and Power	1,734,958	
5	Chemicals	952,795	
6	Waste Disposal	153,521	
7	Service Company Charges	3,021,111	
8	Group Insurance	1,386,168	
9	Pensions	12,662	
10	Regulatory Expense	191,333	
11	Insurance Other Than Group	462,968	
12	Customer Accounting	719,633	
13	Uncollectible Expense	558,836	
14	Rents	39,896	
15	General Office Expense	221,848	
16	Miscellaneous Expense	1,710,268	
17	Other Maintenance Expense	747,665	
18	Depreciation and Amortization Expense	4,936,937	
19	Taxes Other Than Income	3,646,966	
20	NOI Before Excise and Income Taxes	8,487,685	
21	AFUDC	150,312	
22	Interest Expense	(4,791,792)	C/
23	Pre-tax Book Income	3,846,205	
24	Schedule M Adjustments	62,493	D/
25	Excise Taxable Income	3,908,698	
26	Excise Tax Rate	6.50%	
27	Excise Tax Payable	254,065	
28	Excise Tax Deferred	88,309	
29	Excise Tax Expense	342,374	
30	Pre-tax Book Income	3,846,205	
31	Preferred Dividend Credit	-	
32	Excise Tax	(342,374)	
33	Schedule M Adjustments	62,493	D/
34	FIT Taxable Income	3,566,323	
35	FIT Rate	35.00%	
36	Federal Income Tax Payable	1,248,213	
37	ITC Amortization	(76,363)	
38	Federal Income Tax Deferred	-	
39	Federal Income Tax Expense	1,171,845	

A/ Schedule 5

B/ Schedule 4

C/ Schedule 1, line 1 * Weighted Cost of Debt per Schedule 9

D/ This is the net difference of the Permanent Differences of \$2,950 and the Temporary Differences of \$4,482,640 shown on E/

Tennessee-American Water
Revenue Conversion Factor
For the 12 Months Ending February 29, 2008

Line No.		Amount	Balance
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.0113 A/	0.011300
3	Balance		1.011300
4	Uncollectible Ratio	0.0093 B/	0.009405
5	Balance		1.001895
6	State Excise Tax	0.0650 C/	0.065123
7	Balance		0.936772
8	Federal Income Tax	0.3500 C/	0.327870
9	Balance		0.608902
10	Revenue Conversion Factor (Line 1 / Line 11)		1.642301

A/ Sheila Miller Exhibit 2, Sch. 2 (\$364,721/\$32,167,052)
B/ Company Workpapers
C/ Statutory Rate

Tennessee-American Water
Cost of Capital
For the 12 Months Ending February 29, 2008

Line No.	Parent:	Ratio	Cost	Weighted Cost	Tax Deductible
1	Long Term Debt	70.0%	5.3%	3.7%	3.2%
2	Common Equity	30.0%	7.5%	2.3%	
3	Total	<u>100.0%</u>		<u>6.0%</u>	
	<u>Tennessee American:</u>	<u>Ratio</u>	<u>Cost</u>	<u>Weighted Cost</u>	
4	Long Term Debt	14.7%	9.3%	1.4%	1.4%
5	Common Equity	85.3%	6.0%	5.1%	
6	Total	<u>100.0%</u>		<u>6.5%</u>	<u>4.6%</u>
Final Capital Structure					
	<u>Parent:</u>	<u>Ratio</u>	<u>Cost</u>	<u>Weighted Cost</u>	<u>Tax Deductible</u>
7	Long Term Debt	59.7%	5.3%	3.2%	3.2%
8	Common Equity	25.6%	7.5%	1.9%	
	Total Parent	85.3%	6.0%	5.1%	
	<u>Tennessee American:</u>				
9	Long Term Debt	14.7%	9.3%	1.4%	1.4%
10	Total Subsidiary	14.7%	9.5%	1.4%	
11	Total	<u>100.0%</u>		<u>6.5%</u>	<u>4.6%</u>

Source: Exhibit CAPD-SB, Schedules __ and __

Before the

TENNESSEE REGULATORY AUTHORITY

IN RE:

**PETITION OF TENNESSEE AMERICAN WATER COMPANY TO CHANGE AND
INCREASE CERTAIN RATES AND CHARGES SO AS TO PERMIT IT TO EARN A
FAIR AND ADEQUATE RATE OF RETURN ON ITS PROPERTY USED AND USEFUL
IN FURNISHING WATER SERVICE TO ITS CUSTOMERS**

DOCKET NO. 06-00290

**WORK PAPERS
OF
TERRY BUCKNER**

March 5, 2007

TENNESSEE - AMERICAN WATER COMPANY
TRA DOCKET #06-00290
INDEX OF WORKPAPERS

LINE	WORKPAPER DESCRIPTION	WORKPAPER #	PAGE #
1	Attrition Year Operating Expense Reconciliation	E-REC-1	P1
2	Union Wages	E-PAY-1	P2
3	Non-Union Wages	E-PAY-2	P3
4	Salary Wages	E-PAY-3	P4
5	Capitalized Wages	E-PAY-4	P5
6	Employee Level Comparison	E-PAY-5	P6
7	Employee Level Comparison Chart		P7
8	Total Operations & Maintenance Labor	E-PAY-6	P8
9	Summary of Purchased Water	E-PW0	P9
10	Purchased Water Expense Account #510100	E-PW1	P10
11	Summary of Fuel & Power Expense	E-FP0	P11
12	Fuel & Power Expense Account #515100	E-FP1	P12
13	Summary of Chemicals Expense	E-CHEM0	P13
14	Chemicals Expense Account #518000	E-CHEM1	P14
15	Summary of Waste Disposal	E-WD-0	P15
16	Waste Disposal Expense Account #511100	E-WD-1	P16
17	Summary of Management Fees	E-MGT FEES	P17
18	Summary of Group Insurance	E-GI-0	P18
19	Group Insurance Expense Account #504100	E-GI-1	P19
20	Group Insurance Expense Account #505100	E-GI-2	P20
21	Summary of Pensions	E-PENS0	P21
22	Pension Expense Account #506100	E-PENS1	P22
23	Summary of Regulatory Expense	E-REG0	P23
24	Regulatory Expense Account #566100	E-REG1	P24
25	Regulatory Expense Account #566200	E-REG2	P25
28	Summary of Insurance Other than Group	E-OI-0	P26
29	Other Insurance Expense Account #557000	E-OI-2	P27
30	Other Insurance Expense Account #558000	E-OI-3	P28
31	Other Insurance Expense Account #559000	E-OI-4	P29

TENNESSEE - AMERICAN WATER COMPANY
 TRA DOCKET #06-00290
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2	Customer Accounting Expense Account #520100	E-CA-1	P31
3	Customer Accounting Expense Account #575743	E-CA-2	P32
4	Customer Accounting Expense Account #575000	E-CA-3	P33
5	Customer Accounting Expense Account #575100	E-CA-4	P34
6	Customer Accounting Expense Account #575200	E-CA-5	P35
7	Customer Accounting Expense Account #575320	E-CA-6	P36
8	Customer Accounting Expense Account #575500	E-CA-7	P37
9	Customer Accounting Expense Account #575620	E-CA-8	P38
10	Customer Accounting Expense Account #575660	E-CA-9	P39
11	Customer Accounting Expense Account #575740	E-CA10	P40
12	Customer Accounting Expense Account #575820	E-CA11	P41
13	Customer Accounting Expense Account #575420	E-CA13	P42
14	Summary of Uncollectible Expense	E-UNC-0	P43
15	Uncollectible Accounts Expense Account #570100	E-UNC-1	P44
16	Summary of Rents	E-RENT0	P45
17	Rent Expense Account #541000	E-RENT2	P46
18	Rent Expense Account #541400	E-RENT3	P47

TENNESSEE - AMERICAN WATER COMPANY
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4	General Office Expense Account #575100	E-GO-4	P51
5	General Office Expense Account #575260	E-GO-5	P52
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12	General Office Expense Account #575500	E-GO-13	P59
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21	General Office Expense Account #575880	E-GO-23	P68
22	Summary of Miscellaneous Expense	E-MISC0	P69
23	Miscellaneous Expense Account #504500	E-MISC1	P70
24	Miscellaneous Expense Account #504610	E-MISC2	P71
25	Miscellaneous Expense Account #504620	E-MISC3	P72
26	Miscellaneous Expense Account #504660	E-MISC4	P73
27	Miscellaneous Expense Account #504670	E-MISC5	P74
28	Miscellaneous Expense Account #507100	E-MISC6	P75
29	Miscellaneous Expense Account #508100	E-MISC7	P76
30	Miscellaneous Expense Account #520100	E-MISC8	P77
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34	Miscellaneous Expense Account #531000	E-MISC12	P81
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36	Miscellaneous Expense Account #550000	E-MISC16	P83
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3	Miscellaneous Expense Account #575545	E-MISC29	P94
4	Miscellaneous Expense Account #575620	E-MISC31	P95
5	Miscellaneous Expense Account #575625	E-MISC32	P96
6	Miscellaneous Expense Account #575680	E-MISC33	P97
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13	Miscellaneous Expense Account #575710	E-MISC40	P104
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23	Other Maintenance Expense Account #620000	E-MAIN2	P114
24	Other Maintenance Expense Account #635000	E-MAIN3	P142
25	Other Maintenance Expense Account #675000	E-MAIN4	P141
26	Other Maintenance Expense Account #675110	E-MAIN5	P140
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34	TRA Inspection Fee	T-OTAX2	P132
35	Payroll Taxes	T-OTAX3	P131
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TENNESSEE - AMERICAN WATER COMPANY
TRA DOCKET #06-00290
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TENNESSEE - AMERICAN WATER COMPANY
COMPARISON OF OPERATING EXPENSES
TRA DOCKET #08-00290
FOR THE ATTRITION YEAR ENDING FEBRUARY 28, 2008

E-REC-1

Line #	A/ (1) COMPANY TRA DOCKET #04-00288 12/31/05	(2) A/ 12 MONTHS 6/30/06	(3) A/ COMPANY ATTRITION YR	(4) EMPLOYEE POSITIONS	(5) GROWTH \$	(6) TEST PERIOD \$	(7) INCENTIVE PAY PLAN \$	(8) CAP PERCENTS \$	(9) NON-RECURRING	(10) CAPD AMOUNT B/ \$	(11) DIFFERENCE \$
1	O&M LABOR	\$ 4,383,883	\$ 4,001,872	\$ 4,702,966	\$ 373,485	(445)	\$ 29,390	(96,841)		\$ 4,397,377	\$ 305,589
2	PURCHASED WATER	15,330	52,331	52,331		(2,063)	\$ 4,754			49,660	2,671
3	FUEL AND POWER	1,755,680	1,819,430	1,734,958						1,734,958	
4	CHEMICALS	861,861	933,913	952,795						952,795	
5	WASTE DISPOSAL	133,438	143,948	174,265		23,877	(3,133)			153,521	20,744
6	MANAGEMENT FEES	3,062,940	4,006,278	4,061,421		1,007,116	36,194			3,021,111	1,043,310
7	GROUP INSURANCE	1,386,004	1,543,022	1,513,667		(66,080)	153,579			1,386,168	127,499
8	PENSIONS	892,790	699,154	595,798		583,136				12,662	583,136
9	REGULATORY EXPENSE	58,000	292,095	269,298		77,965				191,333	77,965
10	INSURANCE OTHER THAN GROUP	657,000	530,011	523,940		(25,493)	86,465			462,968	60,972
11	CUSTOMER ACCOUNTING	572,893	585,288	606,702		(23,172)	(89,759)			719,633	(112,931)
12	UNCOLLECTIBLE EXPENSE	289,530	616,171	621,265		(20,631)	83,060			558,836	62,429
13	RENTS	38,286	38,043	38,011		(1,674)	(211)			39,896	(1,885)
14	GENERAL OFFICE EXPENSE	193,122	575,179	194,066		(2,985)	(24,797)			221,848	(27,782)
15	MISCELLANEOUS EXPENSE	1,661,970	1,798,639	1,792,405		54,561	27,576			1,710,268	82,137
16	OTHER MAINTENANCE EXPENSE	746,632	1,110,461	749,879		(14,029)	16,243			747,665	2,214
17	AFUDC	(28,791)	(193,631)	(83,747)		66,565				(150,312) C/	66,565
18	TOTAL	\$ 16,680,568	\$ 18,552,210	\$ 18,503,020	\$ 373,485	\$ 360,312	\$ 65,584	\$ (96,841)	\$ -	\$ 16,210,367	\$ 2,292,633
19	PERCENT CHANGE		11.22%							-2.52%	

A/ Company Exhibit No 2, Schedule 3, Page 1 of 1
B/ CAPD Worksheets
C/ Per November 2006 12 MTD Surveillance Report

EMPLOYEE INFORMATION										ATTN PERIOD									
EMP #	EMP NAME	REG	OVERTIME	DYTIME	REG	OVERTIME	DYTIME	REG	OVERTIME	DYTIME	REG	OVERTIME	DYTIME	REG	OVERTIME	DYTIME	REG	OVERTIME	DYTIME
2488	David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
1	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
2	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
3	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
4	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
5	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
6	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
7	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
8	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
9	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
10	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
11	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
12	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
13	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
14	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
15	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
16	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
17	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
18	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
19	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
20	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
21	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
22	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
23	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
24	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
25	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
26	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
27	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
28	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
29	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
30	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
31	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
32	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
33	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
34	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
35	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
36	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
37	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
38	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
39	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
40	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
41	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
42	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
43	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
44	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
45	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
46	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
47	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
48	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
49	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
50	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
51	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
52	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
53	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
54	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
55	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18	4/18/18
56	Warren David T	2680	20.00	0.00	17.25	0.00	59.612	1	4/18/18	4/18/18</									

PAY.2

Av Company Response to TRA First Set of Data Requests, #30

TENNESSEE - AN WATER COMPANY
 TRA DCKET #06-00290
 SALARY AND WAGE PRICEOUT - SALARIED EMPLOYEES
 ATTITION YEAR 30/107 - 22808

WAGE INCREASE: 3%
 EFFECTIVE DATE: 04/01/07
 APPLIES TO ALL SALARIED EMPLOYEES

DISK NAME: ENSE 02/08/07
 FILE NAME: SALWAGE 03:51 PM

E:PAY:3

EMP #	EMP NAME	A/ YEARLY SALARY AT	1/31/07	MONTHLY SALARY AT	03/31/07	MONTHLY SALARY AT	04/01/07	ATTITION PERIOD PAY	EMP #	MAR 07	APR 07	MAY 07	JUN 07	JUL 07	AUG 07	SEP 07	OCT 07	NOV 07	DEC 07	JAN 08	FEB 08	ATTITION PERIOD PAY		
1	Cummings, Pamela B	\$	76,650	\$	6,386	\$	6,579	\$	78,758	1	\$	6,386	\$	6,579	\$	6,579	\$	6,579	\$	6,579	\$	6,579	\$	78,758
2	Barley, Rachel	\$	87,050	\$	7,254	\$	7,472	\$	85,444	2	\$	7,254	\$	7,472	\$	7,472	\$	7,472	\$	7,472	\$	7,472	\$	89,444
3	Turley, Mark	\$	58,850	\$	4,938	\$	4,860	\$	58,413	3	\$	4,738	\$	4,860	\$	4,860	\$	4,860	\$	4,860	\$	4,860	\$	58,413
4	McDay, David E	\$	47,600	\$	3,967	\$	4,086	\$	48,909	4	\$	3,967	\$	4,086	\$	4,086	\$	4,086	\$	4,086	\$	4,086	\$	48,909
5	Bishop, Monty	\$	58,250	\$	4,833	\$	8,433	\$	100,952	5	\$	3,967	\$	4,086	\$	4,086	\$	4,086	\$	4,086	\$	4,086	\$	100,952
6	Seall, Virginia B	\$	55,200	\$	4,600	\$	4,738	\$	56,718	6	\$	4,600	\$	4,738	\$	4,738	\$	4,738	\$	4,738	\$	4,738	\$	56,718
7	Bennette, Michael	\$	69,400	\$	5,763	\$	5,957	\$	71,308	7	\$	5,783	\$	5,957	\$	5,957	\$	5,957	\$	5,957	\$	5,957	\$	71,308
8	Zinnanti, Mark	\$	85,58	\$	6,558	\$	6,755	\$	80,864	8	\$	6,558	\$	6,755	\$	6,755	\$	6,755	\$	6,755	\$	6,755	\$	80,864
9	Narley, Kate	\$	50,000	\$	4,167	\$	4,292	\$	51,375	9	\$	4,167	\$	4,292	\$	4,292	\$	4,292	\$	4,292	\$	4,292	\$	51,375
10	Holmes, Susan T	\$	79,200	\$	6,600	\$	6,798	\$	81,378	10	\$	6,600	\$	6,798	\$	6,798	\$	6,798	\$	6,798	\$	6,798	\$	81,378
11	Partridge, Adrien	\$	43,000	\$	3,583	\$	3,691	\$	44,183	11	\$	3,583	\$	3,691	\$	3,691	\$	3,691	\$	3,691	\$	3,691	\$	44,183
12	Bratcher, Neil F	\$	62,550	\$	5,213	\$	5,369	\$	64,270	12	\$	5,213	\$	5,369	\$	5,369	\$	5,369	\$	5,369	\$	5,369	\$	64,270
13	Norwood, R Gary	\$	68,050	\$	5,604	\$	5,669	\$	67,866	13	\$	5,504	\$	5,669	\$	5,669	\$	5,669	\$	5,669	\$	5,669	\$	67,866
14	Thornson, Rebecca	\$	71,500	\$	5,958	\$	6,137	\$	73,466	14	\$	5,958	\$	6,137	\$	6,137	\$	6,137	\$	6,137	\$	6,137	\$	73,466
15	Hornison, Leah	\$	59,700	\$	4,975	\$	5,124	\$	61,342	15	\$	4,975	\$	5,124	\$	5,124	\$	5,124	\$	5,124	\$	5,124	\$	61,342
16	Hightsmith, Kevin	\$	59,650	\$	4,971	\$	5,120	\$	61,290	16	\$	4,971	\$	5,120	\$	5,120	\$	5,120	\$	5,120	\$	5,120	\$	61,290
17	Banks, Kathleen	\$	58,750	\$	4,895	\$	5,043	\$	60,366	17	\$	4,896	\$	5,043	\$	5,043	\$	5,043	\$	5,043	\$	5,043	\$	60,366
18	Dillon, Kimberly M	\$	55,000	\$	4,657	\$	4,807	\$	57,540	18	\$	4,657	\$	4,807	\$	4,807	\$	4,807	\$	4,807	\$	4,807	\$	57,540
19	Taylor, Randal D	\$	80,250	\$	6,688	\$	6,888	\$	82,457	19	\$	6,688	\$	6,888	\$	6,888	\$	6,888	\$	6,888	\$	6,888	\$	82,457
20	Watson, John S	\$	113,550	\$	9,463	\$	9,746	\$	116,673	20	\$	9,463	\$	9,746	\$	9,746	\$	9,746	\$	9,746	\$	9,746	\$	116,673
21	Billy, Steven W	\$	52,500	\$	3,591	\$	3,691	\$	44,183	21	\$	3,583	\$	3,691	\$	3,691	\$	3,691	\$	3,691	\$	3,691	\$	44,183
22		\$	1,422,400	\$	117,742	\$	121,274	\$	1,451,755		\$	117,742	\$	121,274	\$	121,274	\$	121,274	\$	121,274	\$	121,274	\$	1,451,755

A/ Company Response to CAPD First Set of Data Request, Part II, #2

TENNESSEE AMERICAN WATER COMPANY
TRA DOCKET #06-00290
CAPITALIZED LABOR BY MONTH

E-PAY-4

P5

<u>MONTH</u>	<u>YEAR</u>		<u>PERCENT TO TOTAL</u>	<u>ROLLING 12 MONTH AVERAGE</u>	<u>12 MONTH AVERAGE JAN-DEC</u>
JAN	2003	A/	14.33%	-	
FEB		A/	14.31%	-	
MAR		A/	15.05%	-	
APR		A/	15.65%	-	
MAY		A/	15.89%	-	
JUN		A/	16.23%	-	
JUL		A/	16.39%	-	
AUG		A/	16.71%	-	
SEP		A/	16.78%	-	
OCT		A/	17.12%	-	
NOV		A/	17.93%	-	
DEC		A/	18.22%	16.22%	
JAN	2004	A/	18.00%	16.52%	
FEB		A/	19.08%	16.92%	
MAR		A/	20.37%	17.36%	
APR		A/	20.83%	17.80%	
MAY		A/	20.75%	18.20%	
JUN		A/	20.97%	18.60%	
JUL		A/	20.83%	18.97%	
AUG		A/	20.87%	19.31%	
SEP		A/	20.99%	19.66%	
OCT		A/	21.19%	20.00%	
NOV		A/	20.93%	20.25%	
DEC		A/	20.80%	20.47%	
JAN	2005	A/	18.32%	20.49%	
FEB		A/	19.33%	20.52%	
MAR		A/	19.61%	20.45%	
APR		A/	19.62%	20.35%	
MAY		A/	19.72%	20.27%	
JUN		A/	19.31%	20.13%	
JUL		A/	19.20%	19.99%	
AUG		A/	22.13%	20.10%	
SEP		A/	19.19%	19.95%	
OCT		A/	19.16%	19.78%	
NOV		A/	19.59%	19.67%	
DEC		A/	19.68%	19.57%	
JAN	2006	A/	16.03%	19.38%	
FEB		A/	18.36%	19.30%	
MAR		A/	19.81%	19.32%	
APR		A/	21.05%	19.44%	
MAY		A/	21.76%	19.61%	
JUN		A/	21.84%	19.82%	
JUL		B/	21.83%	20.04%	
AUG		B/	22.13%	20.04%	
SEP		B/	22.18%	20.29%	
OCT		B/	21.95%	20.52%	
NOV		B/	21.89%	20.71%	
DEC		B/	21.67%	20.88%	
JAN	2007	B/	17.47%	21.00%	

A/ Company Response to TRA First Set of Data Requests, #31.

B/ Company Response to CAPD First Set of Data Requests, Part II, #7.

Tennessee - American Water Company ("TAWC")
 Comparison of Employee Levels
 For the 49 months ended January 31, 2007

	A/ Actual	B/ Docket #03-00118	C/ Docket #04-00288	D/ Docket #06-00290
Jan-03	124			
Feb-03	125			
Mar-03	124			
Apr-03	123			
May-03	123			
Jun-03	123			
Jul-03	108			
Aug-03	110	119		
Sep-03	110	119		
Oct-03	108	119		
Nov-03	108	119		
Dec-03	109	119		
Jan-04	107	119		
Feb-04	107	119		
Mar-04	107	119		
Apr-04	106	119		
May-04	106	119		
Jun-04	104	119		
Jul-04	103	119		
Aug-04	99	119		
Sep-04	96	119		
Oct-04	95	119		
Nov-04	94	119		
Dec-04	94	119		
Jan-05	91		106	
Feb-05	93		106	
Mar-05	98		106	
Apr-05	100		106	
May-05	100		106	
Jun-05	101		106	
Jul-05	102		106	
Aug-05	101		106	
Sep-05	102		106	
Oct-05	101		106	
Nov-05	101		106	
Dec-05	101		106	
Jan-06	100			
Feb-06	100			
Mar-06	103			
Apr-06	104			
May-06	105			
Jun-06	106			
Jul-06	105			
Aug-06	105			
Sep-06	106			
Oct-06	109			
Nov-06	108			
Dec-06	107			
Jan-07	107			
Feb-07				
Mar-07				111
Apr-07				111
May-07				111
Jun-07				111
Jul-07				111
Aug-07				111
Sep-07				111
Oct-07				111
Nov-07				111
Dec-07				111
Jan-08				111
Feb-08				111

A/ Per Company Responses, September 2004 through January 2007 in Docket #06-00290, Part II, Question #4.

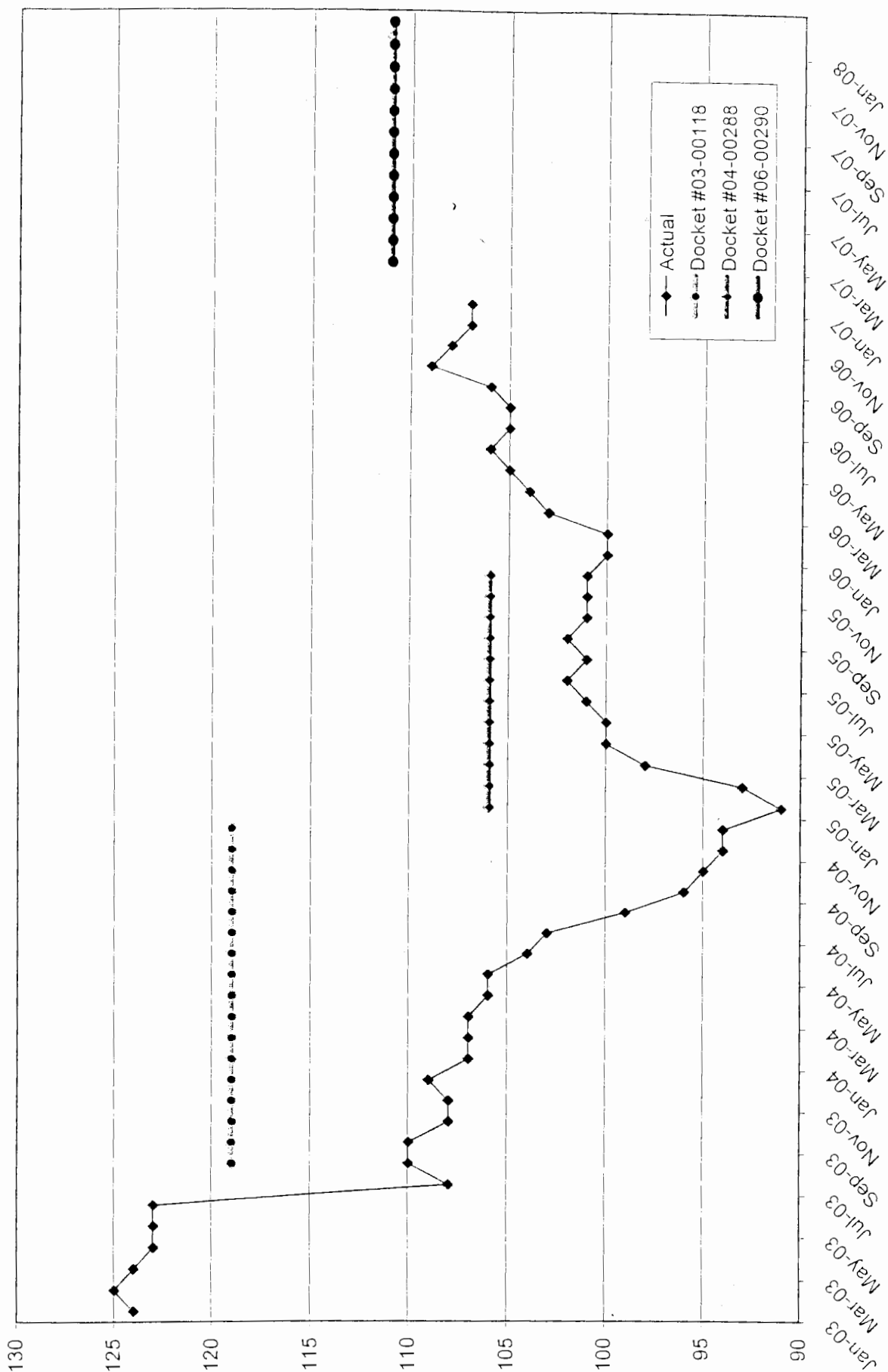
B/ Per Company Direct Testimony, M. Miller, Page 14, Lines 16-17.

C/ Per Company Direct Testimony, M. Miller, Page 14, Lines 16-17.

D/ Per Company Response, TRA Data Request #13, Page 5 of 68 Labor, Book 2 of 2.

Actual Employee Levels vs. TAW Projections

E-PAY-S ✓



TENNESSEE AMERICAN WATER COMPANY
TRA DOCKET #06-00290
OPERATIONS AND MAINTENANCE LABOR
FOR ATTRITION YEAR ENDING 2/28/08

P8

E-PAY-6

	<u>PAYROLL (CAPD)</u>		<u>PAYROLL (COMPANY)</u>	<u>F/</u>	<u>DIFFERENCE</u>
UNION EMPLOYEES	4,003,124	A/	4,180,780		(177,656)
NON-UNION HOURLY EMPLOYEES	42,843	B/	43,051		(208)
SALARIED EMPLOYEES	1,451,755	C/	1,647,376		(195,621)
INCENTIVE PAY	<u>68,578</u>	D/	<u>97,968</u>		<u>(29,390)</u>
TOTAL	5,566,300		5,969,174		(402,875)
CAPITALIZATION %	21.00%	E/	21.21%		-0.21%
NON UTILITY %	0.00%				0.00%
CAPITALIZED PORTION	<u>1,168,923</u>		<u>1,265,763</u>		<u>(96,841)</u>
NON UTILITY PORTION	<u>0</u>		<u></u>		<u>0</u>
EXPENSED PORTION	<u>4,397,377</u>		<u>4,703,411</u>		<u>(306,033)</u>
AMOUNT PER COMPANY EXHIBIT	<u>4,397,377</u>		<u>4,702,966</u>		<u>(305,588)</u>

A/ CAPD WORKPAPER E-PAY-1

B/ CAPD WORKPAPER E-PAY-2

C/ CAPD WORKPAPER E-PAY-3

D/ Company Response to TRA First Set of Data Requests, #37, Page 5 of 13. (Less 30% for Operating Results)

E/ CAPD WORKPAPER E-PAY-4

F/ Company Response to TRA First Set of Data Requests, #13, Page 2 of 68, Book 2 of 2.

06-00290

DISK NAME:

FILE NAME: PURCH. WATER

RUN DATE: 02/16/07

RUN TIME: 01:26 PM

ACCOUNT	ACCOUNT NUMBER	TEST PERIOD AMOUNT	INFLATION ADJUSTMENT	GROWTH ADJUSTMENT	ATTRITION AMOUNT	COMPANY AMOUNT
PURCHASED WATER-OUTSIDE	510100	47,577	1,720	364	49,660	52,331
		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	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	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	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	0	0	0
		0	0	0	0	0
		0	0	0	0	0
	TOTAL	47,577	1,720	364	49,660	52,331

TN AMERICAN WATER COMPANY TB
06-00290

WORKPAPER: E-PW1
DISK NAME:
FILE NAME: PURCH. WATER

P10

ACCOUNT #: 510100
TITLE: PURCHASED WATER-OUTSIDE

RUN DATE: 02/16/07
RUN TIME: 01:26 PM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	4,478	-
APR		3,474	-
MAY		3,605	-
JUN		3,797	-
JUL		5,001	-
AUG		3,939	-
SEP		4,711	-
OCT		4,838	-
NOV		3,499	-
DEC		3,767	-
JAN	2006	2,524	-
FEB		10,042	53,675
MAR		4,676	53,874
APR		2,492	52,892
MAY		2,779	52,066
JUN		4,062	52,330
JUL		3,692	51,020
AUG		4,414	51,495
SEP		3,834	50,617
OCT		1,797	47,577
NOV		0	44,078
DEC		0	40,311
JAN	2007	0	37,787
FEB		0	27,745
MAR		0	23,069
APR		0	20,576
MAY		0	17,798
JUN		0	13,736
JUL		0	10,045
AUG		0	5,631
SEP		0	1,797
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		81,421	

10,000
MATERIALITY

AVG BAL: 7,721

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	47,577
------------	--------

INF INCREASE	1,720
GROW INCREA	364

ATTR AMOUNT	49,660
-------------	--------

06-00290

DISK NAME:

FILE NAME: FUEL & POWER

RUN DATE: 02/21/07

RUN TIME: 05:41 PM

[illegible]

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-FP1
DISK NAME:
FILE NAME: FUEL & POWER

P12

ACCOUNT #: 515100
TITLE: PURCHASED POWER

RUN DATE: 02/21/07
RUN TIME: 05:40 PM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	113,626	-
APR		121,023	-
MAY		143,614	-
JUN		115,735	-
JUL		160,586	-
AUG		149,125	-
SEP		127,120	-
OCT		153,588	-
NOV		165,500	-
DEC		170,723	-
JAN	2006	123,505	-
FEB		150,101	1,694,244
MAR		179,189	1,759,807
APR		147,078	1,785,862
MAY		120,361	1,762,610
JUN		168,043	1,814,918
JUL		353,123	2,007,455
AUG		255,429	2,113,759
SEP		216,829	2,203,468
OCT		167,249	2,088,274
NOV		0	2,051,629
DEC		0	1,880,906
JAN	2007	0	1,757,401
FEB		0	1,607,301
MAR		0	1,428,112
APR		0	1,281,034
MAY		0	1,160,673
JUN		0	992,629
JUL		0	639,506
AUG		0	384,078
SEP		0	167,249
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		3,301,544	

50,000
MATERIALITY

AVG BAL: 504,440

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
-100.00%	107.73%

TEST 1 PASSED 1
TEST 2 FAILED 1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0043

TP BALANCE 2,088,274 A/

INF INCREASE	75,475
GROW INCREA	8,987

ATTR AMOUNT 2,172,736
=====

A/ Less \$128,855 for Walden Ridge
Expense per Company Response
to CAPD Request, Part II, #13.

P13

RUN TIME: 05:39 PM

ACCOUNT	ACCOUNT NUMBER	TEST PERIOD AMOUNT	INFLATION ADJUSTMENT	GROWTH ADJUSTMENT	ATTRITION AMOUNT	COMPANY AMOUNT
CHEMICALS	518000	955,477	0	0	952,796	952,795
		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	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	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	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	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
		0	0	0	0	0
		0	0	0	0	0
		0	0	0	0	0
		0	0	0	0	0
TOTAL		955,477	0	0	952,796	952,795

TENN AMER WATER COMPANY TB
06-00290

ACCOUNT #: 518000
TITLE: CHEMICALS

WORKPAPER: E-CHEM1
DISK NAME:
FILE NAME: CHEMICALS

P14

RUN DATE: 02/21/07
RUN TIME: 05:39 PM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	59,407	-
APR		65,124	-
MAY		68,116	-
JUN		83,177	-
JUL		81,504	-
AUG		95,394	-
SEP		94,317	-
OCT		62,284	-
NOV		53,424	-
DEC		55,180	-
JAN	2006	80,508	-
FEB		74,009	872,444
MAR		61,276	874,313
APR		78,317	887,506
MAY		91,063	910,453
JUN		106,638	933,913
JUL		95,094	947,504
AUG		69,762	921,872
SEP		111,359	938,914
OCT		78,847	955,477
NOV		0	902,053
DEC		0	846,872
JAN	2007	0	766,364
FEB		0	692,356
MAR		0	631,079
APR		0	552,763
MAY		0	461,700
JUN		0	355,062
JUL		0	259,968
AUG		0	190,206
SEP		0	78,847
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		1,564,800	

55,000
MATERIALITY

AVG BAL: 210,802

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
-100.00%	107.81%

TEST 1 PASSEI	1
TEST 2 FAILED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	955,477
------------	---------

INF INCREASE	34,533
GROW INCREA	7,305

ATTR AMOUNT	997,315
=====	

06-00290

DISK NAME:

FILE NAME: WASTE DISPOSAL

RUN DATE: 02/16/07

RUN TIME: 02:23 PM

ACCOUNT	ACCOUNT NUMBER	TEST PERIOD AMOUNT	INFLATION ADJUSTMENT	GROWTH ADJUSTMENT	ATTRITION AMOUNT	COMPANY AMOUNT
WASTE DISPOSAL	511100	147,081	5,316	1,125	153,521	174,265
		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	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	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	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	0	0	0
		0	0	0	0	0
		0	0	0	0	0
TOTAL		147,081	5,316	1,125	153,521	174,265

TENN AMER WATER COMPANY TB
06-00290

ACCOUNT #: 511100
TITLE: WASTE DISPOSAL

WORKPAPER: E-WD-1
DISK NAME:
FILE NAME: WASTE DISPOSAL

P16

RUN DATE: 02/16/07
RUN TIME: 02:22 PM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	23,614	-
APR		11,809	-
MAY		12,204	-
JUN		19,890	-
JUL		28,339	-
AUG		13,771	-
SEP		2,347	-
OCT		2,654	-
NOV		311	-
DEC		24,295	-
JAN	2006	11,284	-
FEB		10,525	161,043
MAR		12,120	149,549
APR		8,857	146,598
MAY		13,250	147,644
JUN		16,194	143,948
JUL		17,640	133,250
AUG		10,768	130,247
SEP		10,921	138,820
OCT		10,914	147,081
NOV		0	146,770
DEC		0	122,475
JAN	2007	0	111,191
FEB		0	100,665
MAR		0	88,545
APR		0	79,688
MAY		0	66,438
JUN		0	50,244
JUL		0	32,603
AUG		0	21,835
SEP		0	10,914
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		261,709	
		=====	

55,000
MATERIALITY

AVG BAL: 29,189

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

-----	-----
INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	147,081
------------	---------

INF INCREASE	5,316
GROW INCREA	1,125

ATTR AMOUNT	153,521
=====	

TENNESSEE AMERICAN WATER COMPANY
 TRA DOCKET #06-00290
 SUMMARY OF MANAGEMENT FEES
 FOR THE ATTRITION YEAR ENDED FEBRUARY 28, 2008

E-MANAGEMENT FEES

	2004	2005	2006	2007	2008	ATTRITION YEAR
TOTAL	\$ 98,876,416 A/	\$ 183,402,583 B/	\$ 192,505,606 C/	\$ 199,724,566	\$ 207,214,237	\$ 200,972,845
ALLOCATED TO TN	2,129,911 D/	4,258,346 E/	4,793,908 F/			
PERCENT OF TOTAL	2.15%	2.32%	2.49%			
FORECAST PER TRA DOCKET #04-00288		3,062,940 G/	3,177,800	3,296,968	3,420,604	3,317,574
PERCENT OF TOTAL		1.67%	1.65%	1.65%	1.65%	
CAPD ANNUAL GROWTH RATE			3.75% H/	3.75%	3.75%	
GROSS ATTRITION YEAR MANAGEMENT FEES						\$ 3,317,574
LESS: 30% OF ALLOCATED ANNUAL INCENTIVE PAY						36,194 I/
LESS: STEP, PROJECT STAR, BUSINESS CHANGE, SARBANES-OXLEY AND DIVESTITURE						260,268 J/
NET ATTRITION YEAR MANAGEMENT FEES						<u>\$ 3,021,111</u>

A/ Company Response to CAPD First Set of Data Requests, Part II, #18, Page 1 of 18.

B/ Company Response to CAPD First Set of Data Requests, Part II, #18, Page 2 of 18.

C/ Company Response to CAPD First Set of Data Requests, Part II, #18, Page 3 of 18.

D/ Company Response to CAPD First Set of Data Requests, Part II, #19, Page 1 of 5.

E/ Company Response to CAPD First Set of Data Requests, Part II, #19, Page 3 of 5.

F/ Company Response to CAPD First Set of Data Requests, Part II, #19, Page 5 of 5.

G/ Company Exhibit No. 2, Schedule 3, Page 1 of 1, Line 11, TRA Docket #04-00288.

H/ Per CAPD Work Paper E-GDP plus one half of customer growth rate of 1.31%.

I/ Company Response to CAPD First Set of Data Requests, Part II, #26.

J/ Company Response to TRA First Set of Data Requests, #13, Management Fees, Page 1 of 2.

06-00290

DISK NAME:

FILE NAME: GROUP INS

RUN DATE: 02/23/07

RUN TIME: 07:49 AM

ACCOUNT	ACCOUNT NUMBER	TEST PERIOD AMOUNT	INFLATION ADJUSTMENT	GROWTH ADJUSTMENT	ATTRITION AMOUNT	COMPANY AMOUNT
GROUP INSURANCE	504100	770,984	27,865	5,895	804,744	1,513,667
PBOP	505100	749,978	27,106	5,734	581,424	0
MANAGEMENT FEES-PBOP	534141	0	0	0	0	0
MANAGEMENT FEES-GROUP INS.	534140	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	0	0
		0	0	0	0	0
		0	0	0	0	0
		0	0	0	0	0
		0	0	0	0	0
		0	CALCULATED	CALCULATED	0	0
		0	CALCULATED	CALCULATED	0	0
		0	CALCULATED	CALCULATED	0	0
		0	0	0	0	0
		0	0	0	0	0
		0	CALCULATED	CALCULATED	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	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	CALCULATED	CALCULATED	0	0
		0	0	0	0	0
		0	0	0	0	0
SUB-TOTAL		1,520,962	54,971	11,629	1,386,168	1,513,667

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GI-1
DISK NAME:
FILE NAME: GROUP INS

P19

ACCOUNT #: 504100
TITLE: GROUP INSURANCE

RUN DATE: 02/23/07
RUN TIME: 07:48 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	55,326	-
APR		63,287	-
MAY		61,375	-
JUN		55,389	-
JUL		62,206	-
AUG		61,059	-
SEP		64,014	-
OCT		61,128	-
NOV		56,579	-
DEC		60,019	-
JAN	2006	62,459	-
FEB		64,550	727,391
MAR		65,933	737,997
APR		63,711	738,421
MAY		56,952	733,999
JUN		70,096	748,705
JUL		71,689	758,189
AUG		67,669	764,798
SEP		58,382	759,166
OCT		72,946	770,984
NOV		0	714,406
DEC		0	654,386
JAN	2007	0	591,927
FEB		0	527,377
MAR		0	461,444
APR		0	397,733
MAY		0	340,781
JUN		0	270,686
JUL		0	198,997
AUG		0	131,328
SEP		0	72,946
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

1,254,768
=====

50,000
MATERIALITY

AVG BAL: 156,159

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
-100.00%	71.74%

TEST 1 PASSED 1
TEST 2 FAILED 1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE 770,984

INF INCREASE	27,865
GROW INCREA	5,895

ATTR AMOUNT 804,744 A/

=====
A/ Plus \$520 for setting rates per
Company response to CAPD request
Part II, Item 11, Page 1 of 4.

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GI-2
DISK NAME:
FILE NAME: GROUP INS

P20

ACCOUNT #: 505100
TITLE: PBOP

RUN DATE: 02/23/07
RUN TIME: 07:49 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	71,812	-
APR		71,347	-
MAY		71,392	-
JUN		68,072	-
JUL		72,617	-
AUG		71,523	-
SEP		72,352	-
OCT		72,054	-
NOV		68,010	-
DEC		70,322	-
JAN	2006	67,250	-
FEB		56,228	832,978
MAR		63,027	824,194
APR		61,450	814,297
MAY		56,107	799,011
JUN		63,377	794,316
JUL		62,920	784,619
AUG		61,609	774,705
SEP		55,756	758,110
OCT		63,923	749,978
NOV		0	681,968
DEC		0	611,646
JAN	2007	0	544,397
FEB		0	488,169
MAR		0	425,141
APR		0	363,692
MAY		0	307,585
JUN		0	244,208
JUL		0	181,288
AUG		0	119,679
SEP		0	63,923
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		1,321,147	

50,000
MATERIALITY:

AVG BAL: 142,126

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
-100.00%	106.73%

TEST 1 PASSED	1
TEST 2 FAILED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	749,978
------------	---------

INF INCREASE	27,106
GROW INCREA	5,734

ATTR AMOUNT	581,424 A/
-------------	------------

A/ Less \$201,394 for setting rates per
Company response to CAPD request
Part II, Item 11, Page 1 of 4.

TN AMERICAN WATER COMPANY
06-00290
ATTRITION EXPENSES

AUDITOR: TB

WORKPAPER: E-PENS0
DISK NAME:
FILE NAME: PENSIONS
RUN DATE: 02/21/07
RUN TIME: 03:37 PM

P21

ACCOUNT	ACCOUNT NUMBER	TEST PERIOD AMOUNT	INFLATION ADJUSTMENT	GROWTH ADJUSTMENT	ATTRITION AMOUNT	COMPANY AMOUNT
EMPLOYEE PENSIONS & BENEFITS A	506100	0	0	0	12,662	595,798
SERP EXPENSE	504300	0	0	0	0	0
		0	0	0	0	0
		0	0	0	0	0
		0	0	0	0	0
ACCOUNT TITLE 6	6	0	0	0	0	
ACCOUNT TITLE 7	7	0	0	0	0	
ACCOUNT TITLE 8	8	0	0	0	0	
ACCOUNT TITLE 9	9	0	0	0	0	
ACCOUNT TITLE 10	10	0	0	0	0	
ACCOUNT TITLE 11	11	0	0	0	0	
ACCOUNT TITLE 12	12	0	0	0	0	
ACCOUNT TITLE 13	13	0	0	0	0	
ACCOUNT TITLE 14	14	0	0	0	0	
ACCOUNT TITLE 15	15	0	0	0	0	
ACCOUNT TITLE 16	16	0	0	0	0	
ACCOUNT TITLE 17	17	0	0	0	0	
ACCOUNT TITLE 18	18	0	0	0	0	
ACCOUNT TITLE 19	19	0	0	0	0	
ACCOUNT TITLE 20	20	0	0	0	0	
ACCOUNT TITLE 21	21	0	0	0	0	
ACCOUNT TITLE 22	22	0	0	0	0	
ACCOUNT TITLE 23	23	0	0	0	0	
ACCOUNT TITLE 24	24	0	0	0	0	
ACCOUNT TITLE 25	25	0	0	0	0	
ACCOUNT TITLE 26	26	0	0	0	0	
ACCOUNT TITLE 27	27	0	0	0	0	
ACCOUNT TITLE 28	28	0	0	0	0	
ACCOUNT TITLE 29	29	0	0	0	0	
ACCOUNT TITLE 30	30	0	0	0	0	
		=====	=====	=====	=====	=====
TOTAL		0	0	0	12,662	595,798
		=====	=====	=====	=====	=====

TN AMERICAN WATER COMPANY TB
06-00290

WORKPAPER: E-PENS1
DISK NAME:
FILE NAME: PENSIONS

P22

ACCOUNT #: 506100
TITLE: EMPLOYEE PENSIONS & BENEFITS AG

RUN DATE: 02/21/07
RUN TIME: 03:38 PM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	59,676	-
APR		26,976	-
MAY		27,039	-
JUN		22,352	-
JUL		28,769	-
AUG		27,225	-
SEP		28,395	-
OCT		27,975	-
NOV		22,264	-
DEC		25,528	-
JAN	2006	32,593	-
FEB		164,061	492,851
MAR		76,344	509,520
APR		90,097	572,640
MAY		83,387	628,988
JUN		92,517	699,154
JUL		91,943	762,329
AUG		90,297	825,401
SEP		82,947	879,954
OCT		93,541	945,521
NOV		0	923,257
DEC		0	897,729
JAN	2007	0	865,135
FEB		0	701,074
MAR		0	624,731
APR		0	534,634
MAY		0	451,246
JUN		0	358,729
JUL		0	266,786
AUG		0	176,489
SEP		0	93,541
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		1,193,926	

10,000
MATERIALITY

AVG BAL: 208,846

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
-100.00%	106.72%

TEST 1 PASSED	1
TEST 2 FAILED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0388
CUST GROW:	1.0082

TP BALANCE	945,521
------------	---------

INF INCREASE	36,661
GROW INCREA	7,748

ATTR AMOUNT	12,662 A/
-------------	-----------

A/ ACTUARIAL STUDY AMOUNT
OF \$971,408 @ 1.65% TN ALLOCATION
LESS 21% CAPITALIZATION

TN AMERICAN WATER COMPANY
06-00290
ATTRITION EXPENSES

AUDITOR: TB

WORKPAPER: E-REG0
DISK NAME:
FILE NAME: REG
RUN DATE: 02/21/07
RUN TIME: 05:00 PM

P23

ACCOUNT	ACCOUNT NUMBER	TEST PERIOD AMOUNT	INFLATION ADJUSTMENT	GROWTH ADJUSTMENT	ATTRITION AMOUNT	COMPANY AMOUNT
REG COMM AMORT RATE CASE	566100	239,848	0	0	183,333	269,298
REG COMM AMORT COST STUDY	566200	6,172	0	0	8,000	0
		0	0	0	0	0
		0	0	0	0	0
		0	0	0	0	0
ACCOUNT TITLE 6	6	0	0	0	0	
ACCOUNT TITLE 7	7	0	0	0	0	
ACCOUNT TITLE 8	8	0	0	0	0	
ACCOUNT TITLE 9	9	0	0	0	0	
ACCOUNT TITLE 10	10	0	0	0	0	
ACCOUNT TITLE 11	11	0	0	0	0	
ACCOUNT TITLE 12	12	0	0	0	0	
ACCOUNT TITLE 13	13	0	0	0	0	
ACCOUNT TITLE 14	14	0	0	0	0	
ACCOUNT TITLE 15	15	0	0	0	0	
ACCOUNT TITLE 16	16	0	0	0	0	
ACCOUNT TITLE 17	17	0	0	0	0	
ACCOUNT TITLE 18	18	0	0	0	0	
ACCOUNT TITLE 19	19	0	0	0	0	
ACCOUNT TITLE 20	20	0	0	0	0	
ACCOUNT TITLE 21	21	0	0	0	0	
ACCOUNT TITLE 22	22	0	0	0	0	
ACCOUNT TITLE 23	23	0	0	0	0	
ACCOUNT TITLE 24	24	0	0	0	0	
ACCOUNT TITLE 25	25	0	0	0	0	
ACCOUNT TITLE 26	26	0	0	0	0	
ACCOUNT TITLE 27	27	0	0	0	0	
ACCOUNT TITLE 28	28	0	0	0	0	
ACCOUNT TITLE 29	29	0	0	0	0	
ACCOUNT TITLE 30	30	0	0	0	0	
TOTAL		246,020	0	0	191,333	269,298
		=====	=====	=====	=====	=====

ACCOUNT #: 566100
TITLE: REG COMM AMORT RATE CASE

RUN DATE: 02/21/07
RUN TIME: 05:01 PM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	13,553	-
APR		32,153	-
MAY		23,699	-
JUN		23,819	-
JUL		23,822	-
AUG		23,822	-
SEP		23,822	-
OCT		23,822	-
NOV		23,822	-
DEC		23,822	-
JAN	2006	23,822	-
FEB		23,822	283,799
MAR		23,822	294,069
APR		23,822	285,738
MAY		23,876	285,915
JUN		23,827	285,923
JUL		23,827	285,928
AUG		10,274	272,380
SEP		5,110	253,668
OCT		10,002	239,848
NOV		0	216,026
DEC		0	192,204
JAN	2007	0	168,382
FEB		0	144,560
MAR		0	120,738
APR		0	96,916
MAY		0	73,040
JUN		0	49,213
JUL		0	25,387
AUG		0	15,113
SEP		0	10,002
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		428,360	

10,000
MATERIALITY

AVG BAL: 32,534

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
-100.00%	125.48%

TEST 1 PASSED 1
TEST 2 FAILED 1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0388
CUST GROW:	1.0082

TP BALANCE 239,848

INF INCREASE	9,300
GROW INCREA	1,965

ATTR AMOUNT	183,333 A/
	=====

A/ \$50,000 Per TRA Docket #04-00288,
P. Diskin direct testimony, P. 13,
Lines 11-12 plus \$133,333 per
TRA Docket #06-00290.

TN AMERICAN WATER COMPANY TB
06-00290

WORKPAPER: E-REG2
DISK NAME:
FILE NAME: REG

P25

ACCOUNT #: 566200
TITLE: REG COMM AMORT COST STUDY

RUN DATE: 02/21/07
RUN TIME: 05:01 PM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	514	-
APR		514	-
MAY		514	-
JUN		514	-
JUL		514	-
AUG		514	-
SEP		514	-
OCT		514	-
NOV		514	-
DEC		514	-
JAN	2006	514	-
FEB		514	6,172
MAR		514	6,172
APR		514	6,172
MAY		514	6,172
JUN		514	6,172
JUL		514	6,172
AUG		514	6,172
SEP		514	6,172
OCT		514	6,172
NOV		0	5,657
DEC		0	5,143
JAN	2007	0	4,629
FEB		0	4,114
MAR		0	3,600
APR		0	3,086
MAY		0	2,572
JUN		0	2,057
JUL		0	1,543
AUG		0	1,029
SEP		0	514
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

		10,286	
		=====	

10,000
MATERIALITY:

AVG BAL: 1,200

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0388
CUST GROW:	1.0082

TP BALANCE	6,172
------------	-------

INF INCREASE	239
GROW INCREA	51

ATTR AMOUNT	8,000 A/
	=====

A/ \$8,000 Per TRA Docket #04-00288,
P. Diskin direct testimony, P. 13,
Lines 15-16.

RUN TIME: 07:26 AM

ACCOUNT	ACCOUNT NUMBER	TEST PERIOD AMOUNT	INFLATION ADJUSTMENT	GROWTH ADJUSTMENT	ATTRITION AMOUNT	COMPANY AMOUNT
MANAGEMENT FEES-INSURANCE OTHEI	534170	0	0	0	0	0
INSURANCE GENERAL LIABILITY	557000	205,255	7,418	1,569	214,243	523,940
INSURANCE WORKMAN'S COMP	558000	154,828	5,596	1,184	161,607	0
INSURANCE OTHER	559000	83,463	3,017	638	87,117	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	0	0	0
		0	0	0	0	0
		0	0	0	0	0
		0	0	0	0	0
		0	CALCULATED	CALCULATED	0	0
		0	CALCULATED	CALCULATED	0	0
		0	CALCULATED	CALCULATED	0	0
		0	0	0	0	0
		0	0	0	0	0
		0	CALCULATED	CALCULATED	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	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	CALCULATED	CALCULATED	0	0
		0	0	0	0	0
		0	0	0	0	0
TOTAL		443,546	16,031	3,391	462,968	523,940

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-OI-2
DISK NAME:
FILE NAME: OTHER INS

P27

ACCOUNT #: 557000
TITLE: INSURANCE GENERAL LIABILITY

RUN DATE: 02/23/07
RUN TIME: 07:29 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	19,297	-
APR		19,692	-
MAY		16,774	-
JUN		19,108	-
JUL		19,108	-
AUG		19,108	-
SEP		19,108	-
OCT		19,108	-
NOV		19,108	-
DEC		19,108	-
JAN	2006	19,108	-
FEB		25,889	234,516
MAR		22,779	237,997
APR		73,583	291,889
MAY		23,368	298,483
JUN		(2,979)	276,396
JUL		22,880	280,168
AUG		22,880	283,940
SEP		(63,349)	201,483
OCT		22,880	205,255
NOV		0	186,147
DEC		0	167,039
JAN	2007	0	147,931
FEB		0	122,042
MAR		0	99,264
APR		0	25,680
MAY		0	2,313
JUN		0	5,291
JUL		0	(17,589)
AUG		0	(40,469)
SEP		0	22,880
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		356,558	

50,000
MATERIALITY :

AVG BAL: 8,114

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	205,255
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INF INCREASE	7,418
GROW INCREA	1,569

ATTR AMOUNT	214,243
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-OI-3
DISK NAME:
FILE NAME: OTHER INS

P28

ACCOUNT #: 558000
TITLE: INSURANCE WORKMAN'S COMP

RUN DATE: 02/23/07
RUN TIME: 07:30 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	14,159	-
APR		13,986	-
MAY		14,002	-
JUN		12,760	-
JUL		14,461	-
AUG		14,052	-
SEP		14,362	-
OCT		14,250	-
NOV		12,737	-
DEC		13,602	-
JAN	2006	13,485	-
FEB		13,655	165,511
MAR		13,481	164,833
APR		12,935	163,783
MAY		10,753	160,533
JUN		13,500	161,272
JUL		13,377	160,189
AUG		12,735	158,872
SEP		10,739	155,250
OCT		13,828	154,828
NOV		0	142,091
DEC		0	128,489
JAN	2007	0	115,004
FEB		0	101,349
MAR		0	87,867
APR		0	74,932
MAY		0	64,179
JUN		0	50,680
JUL		0	37,303
AUG		0	24,567
SEP		0	13,828
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		266,860	

50,000
MATERIALITY :

AVG BAL: 29,446

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	154,828
------------	---------

INF INCREASE	5,596
GROW INCREA	1,184

ATTR AMOUNT	161,607
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-OI-4

P29

DISK NAME:

FILE NAME: OTHER INS

ACCOUNT #: 559000

ITLE: INSURANCE OTHER

RUN DATE: 02/23/07

RUN TIME: 07:30 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	8,544	-
APR		6,517	-
MAY		7,258	-
JUN		7,258	-
JUL		8,069	-
AUG		7,374	-
SEP		7,371	-
OCT		7,374	-
NOV		7,374	-
DEC		7,374	-
JAN	2006	4,336	-
FEB		11,527	90,373
MAR		4,034	85,863
APR		11,457	90,803
MAY		8,189	91,735
JUN		7,866	92,343
JUL		5,326	89,601
AUG		5,326	87,554
SEP		5,326	85,510
OCT		5,326	83,463
NOV		0	76,089
DEC		0	68,716
JAN	2007	0	64,380
FEB		0	52,852
MAR		0	48,818
APR		0	37,361
MAY		0	29,172
JUN		0	21,306
JUL		0	15,979
AUG		0	10,653
SEP		0	5,326
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		143,225	

50,000

MATERIALITY

AVG BAL: 14,051

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	83,463
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INF INCREASE	3,017
GROW INCREA	638

ATTR AMOUNT	87,117
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06-00290

DISK NAME:

FILE NAME: CUST. ACCT.

RUN DATE: 02/23/07

RUN TIME: 07:56 AM

ACCOUNT	ACCOUNT NUMBER	TEST PERIOD AMOUNT	INFLATION ADJUSTMENT	GROWTH ADJUSTMENT	ATTRITION COMPANY AMOUNT	COMPANY AMOUNT
MATERIALS & SUPPLIES	520100	1,536	55	12	1,603	606,702
MISCELLANEOUS OPERATING EXPENSE	575743	7,485	271	57	7,812	0
MISCELLANEOUS OPERATING EXPENSE	575000	1,233	45	9	1,287	0
BANK SERVICE CHARGES	575100	250,208	9,043	1,913	261,164	0
COLLECTION AGENCIES	575200	27,637	999	211	28,847	0
ELECTRICITY	575320	(200)	(7)	(2)	(209)	0
JANITORIAL	575500	(136)	(5)	(1)	(142)	0
OFFICE & ADMINISTRATION SUPPLIES	575620	94	3	1	98	0
POSTAGE	575660	295,571	10,683	2,260	308,513	0
TELEPHONE	575740	16,894	611	129	17,634	0
UNIFORMS	575820	3,923	142	30	4,095	0
CONTRACT SERV. MGMT FEE CUST. ACCT.	534000	0	0	0	0	0
FORMS	575420	85,200	3,079	651	88,930	0
CELL PHONE	575741	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	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	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	0
TOTAL		689,444	24,918	5,271	719,633	606,702

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-CA-1
DISK NAME:
FILE NAME: CUST. ACCT.

P31

ACCOUNT #: 520100
TITLE: MATERIALS & SUPPLIES

RUN DATE: 02/23/07
RUN TIME: 07:57 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	241	-
APR		(212)	-
MAY		1,008	-
JUN		201	-
JUL		143	-
AUG		596	-
SEP		(620)	-
OCT		144	-
NOV		518	-
DEC		435	-
JAN	2006	(207)	-
FEB		578	2,826
MAR		(284)	2,301
APR		549	3,061
MAY		(511)	1,543
JUN		0	1,341
JUL		0	1,198
AUG		0	602
SEP		0	1,223
OCT		457	1,536
NOV		0	1,017
DEC		0	582
JAN	2007	0	790
FEB		0	211
MAR		0	496
APR		0	(54)
MAY		0	457
JUN		0	457
JUL		0	457
AUG		0	457
SEP		0	457
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		3,038	

50,000
MATERIALITY

AVG BAL: 227

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH > 6.00%	TP STD DEV > 7.00%

N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	1,536
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INF INCREASE	55
GROW INCREA	12

ATTR AMOUNT	1,603
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-CA-2
DISK NAME:
FILE NAME: CUST. ACCT.

P32

ACCOUNT #: 575743
ITLE: MISCELLANEOUS OPERATING EXPENSE

RUN DATE: 02/23/07
RUN TIME: 07:58 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	2,053	-
APR		1,361	-
MAY		680	-
JUN		680	-
JUL		63	-
AUG		680	-
SEP		680	-
OCT		680	-
NOV		0	-
DEC		1,361	-
JAN	2006	289	-
FEB		1,393	9,922
MAR		543	8,412
APR		61	7,112
MAY		435	6,867
JUN		680	6,867
JUL		680	7,485
AUG		680	7,485
SEP		680	7,485
OCT		680	7,485
NOV		0	7,485
DEC		0	6,124
JAN	2007	0	5,834
FEB		0	4,442
MAR		0	3,898
APR		0	3,837
MAY		0	3,402
JUN		0	2,722
JUL		0	2,041
AUG		0	1,361
SEP		0	680
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

14,364
=====

50,000
MATERIALITY >

AVG BAL: 1,495

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	7,485
------------	-------

INF INCREASE	271
GROW INCREA	57

ATTR AMOUNT	7,812
-------------	-------

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-CA-3
DISK NAME:
FILE NAME: CUST. ACCT.

P33

ACCOUNT #: 575000
TITLE: MISCELLANEOUS OPERATING EXPENSE

RUN DATE: 02/23/07
RUN TIME: 07:58 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	200	-
APR		2	-
MAY		579	-
JUN		144	-
JUL		10	-
AUG		371	-
SEP		762	-
OCT		75	-
NOV		163	-
DEC		747	-
JAN	2006	114	-
FEB		3	3,169
MAR		151	3,120
APR		6	3,124
MAY		(23)	2,523
JUN		72	2,450
JUL		0	2,440
AUG		0	2,069
SEP		0	1,308
OCT		0	1,233
NOV		0	1,070
DEC		0	323
JAN	2007	0	209
FEB		0	206
MAR		0	55
APR		0	49
MAY		0	72
JUN		0	72
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		3,375	

50,000
MATERIALITY:

AVG BAL: 21

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH > 6.00%	TP STD DEV > 7.00%
-----	-----
N/A	N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361
CUST GROW: 1.0076

TP BALANCE	1,233
------------	-------

INF INCREASE	45
GROW INCREA	9

ATTR AMOUNT	1,287
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-CA-4
DISK NAME:
FILE NAME: CUST. ACCT.

P34

ACCOUNT #: 575100
TITLE: BANK SERVICE CHARGES

RUN DATE: 02/23/07
RUN TIME: 07:58 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	11,007	-
APR		1,502	-
MAY		4,079	-
JUN		6,600	-
JUL		6,645	-
AUG		5,244	-
SEP		3,857	-
OCT		5,746	-
NOV		5,886	-
DEC		9,327	-
JAN	2006	2,285	-
FEB		36,743	98,921
MAR		(4,863)	83,052
APR		31,000	112,550
MAY		22,862	131,333
JUN		34,083	158,817
JUL		19,817	171,989
AUG		18,340	185,085
SEP		38,205	219,433
OCT		36,521	250,208
NOV		0	244,322
DEC		0	234,995
JAN	2007	0	232,710
FEB		0	195,966
MAR		0	200,829
APR		0	169,829
MAY		0	146,967
JUN		0	112,884
JUL		0	93,066
AUG		0	74,726
SEP		0	36,521
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		294,888	

50,000
MATERIALITY

AVG BAL: 69,569

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
-100.00%	102.50%
TEST 1 PASSED	1
TEST 2 FAILED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	250,208
------------	---------

INF INCREASE	9,043
GROW INCREA	1,913

ATTR AMOUNT	261,164
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-CA-5
DISK NAME:
FILE NAME: CUST. ACCT.

P35

ACCOUNT #: 575200
TITLE: COLLECTION AGENCIES

RUN DATE: 02/23/07
RUN TIME: 07:58 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	3,011	-
APR		823	-
MAY		(766)	-
JUN		1,610	-
JUL		2,771	-
AUG		724	-
SEP		2,833	-
OCT		713	-
NOV		2,670	-
DEC		2,737	-
JAN	2006	(959)	-
FEB		2,156	18,323
MAR		3,106	18,418
APR		1,947	19,542
MAY		4,143	24,451
JUN		1,987	24,828
JUL		3,472	25,529
AUG		1,021	25,826
SEP		3,331	26,324
OCT		2,026	27,637
NOV		0	24,967
DEC		0	22,230
JAN	2007	0	23,189
FEB		0	21,033
MAR		0	17,928
APR		0	15,981
MAY		0	11,837
JUN		0	9,850
JUL		0	6,378
AUG		0	5,357
SEP		0	2,026
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		39,356	

50,000
MATERIALITY

AVG BAL: 5,780

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	27,637
------------	--------

INF INCREASE	999
GROW INCREA	211

ATTR AMOUNT	28,847
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-CA-6
DISK NAME:
FILE NAME: CUST. ACCT.

P36

ACCOUNT #: 575320
TITLE: ELECTRICITY

RUN DATE: 02/23/07
RUN TIME: 07:59 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	492	-
APR		636	-
MAY		735	-
JUN		595	-
JUL		917	-
AUG		916	-
SEP		(84)	-
OCT		41	-
NOV		55	-
DEC		242	-
JAN	2006	(248)	-
FEB		27	4,324
MAR		(118)	3,714
APR		52	3,131
MAY		(210)	2,185
JUN		0	1,590
JUL		0	673
AUG		0	(243)
SEP		0	(159)
OCT		0	(200)
NOV		0	(255)
DEC		0	(496)
JAN	2007	0	(248)
FEB		0	(276)
MAR		0	(158)
APR		0	(210)
MAY		0	0
JUN		0	0
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		4,049	

50,000
MATERIALITY

AVG BAL: (31)

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361
CUST GROW: 1.0076

TP BALANCE (200)

INF INCREASE	(7)
GROW INCREA	(2)

ATTR AMOUNT (209)
=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-CA-7
DISK NAME:
FILE NAME: CUST. ACCT.

P37

ACCOUNT #: 575500
ITLE: JANITORIAL

RUN DATE: 02/23/07
RUN TIME: 07:59 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	416	-
APR		488	-
MAY		532	-
JUN		411	-
JUL		538	-
AUG		17	-
SEP		939	-
OCT		72	-
NOV		37	-
DEC		165	-
JAN	2006	(169)	-
FEB		19	3,465
MAR		(80)	2,969
APR		35	2,516
MAY		(143)	1,841
JUN		0	1,430
JUL		0	891
AUG		0	875
SEP		0	(64)
OCT		0	(136)
NOV		0	(173)
DEC		0	(338)
JAN	2007	0	(169)
FEB		0	(187)
MAR		0	(107)
APR		0	(143)
MAY		0	0
JUN		0	0
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		3,277	

50,000
MATERIALITY

AVG BAL: (21)

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE (136)

INF INCREASE	(5)
GROW INCREA	(1)

ATTR AMOUNT (142)
=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-CA-8
DISK NAME:
FILE NAME: CUST. ACCT.

P38

ACCOUNT #: 575620
ITLE: OFFICE & ADMINISTRATION SUPPLIES

RUN DATE: 02/23/07
RUN TIME: 07:59 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	0	-
APR		0	-
MAY		0	-
JUN		0	-
JUL		0	-
AUG		0	-
SEP		0	-
OCT		0	-
NOV		0	-
DEC		0	-
JAN	2006	0	-
FEB		0	0
MAR		0	0
APR		94	94
MAY		0	94
JUN		0	94
JUL		0	94
AUG		0	94
SEP		0	94
OCT		0	94
NOV		0	94
DEC		0	94
JAN	2007	0	94
FEB		0	94
MAR		0	94
APR		0	0
MAY		0	0
JUN		0	0
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		94	

50,000
MATERIALITY

AVG BAL: 8

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	94
------------	----

INF INCREASE	3
GROW INCREA	1

ATTR AMOUNT	98
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-CA-9
DISK NAME:
FILE NAME: CUST. ACCT.

P39

ACCOUNT #: 575660
ITLE: POSTAGE

RUN DATE: 02/23/07
RUN TIME: 07:59 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	23,333	-
APR		22,829	-
MAY		24,870	-
JUN		22,995	-
JUL		22,224	-
AUG		25,455	-
SEP		23,030	-
OCT		25,164	-
NOV		26,097	-
DEC		22,814	-
JAN	2006	22,392	-
FEB		27,143	288,345
MAR		23,961	288,973
APR		24,021	290,166
MAY		22,151	287,447
JUN		25,722	290,174
JUL		27,772	295,721
AUG		22,560	292,827
SEP		27,256	297,053
OCT		23,682	295,571
NOV		0	269,473
DEC		0	246,660
JAN	2007	0	224,268
FEB		0	197,125
MAR		0	173,163
APR		0	149,142
MAY		0	126,991
JUN		0	101,269
JUL		0	73,497
AUG		0	50,937
SEP		0	23,682
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

485,469
=====

50,000
MATERIALITY

AVG BAL: 58,223

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
-100.00%	106.90%

TEST 1 PASSED 1
TEST 2 FAILED 1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361
CUST GROW: 1.0076

TP BALANCE 295,571

INF INCREASE 10,683
GROW INCREA 2,260

ATTR AMOUNT 308,513
=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-CA-10
DISK NAME:
FILE NAME: CUST. ACCT.

P40

ACCOUNT #: 575740
TITLE: TELEPHONE

RUN DATE: 02/23/07
RUN TIME: 08:00 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	2,447	-
APR		3,052	-
MAY		2,796	-
JUN		2,298	-
JUL		1,564	-
AUG		2,379	-
SEP		2,183	-
OCT		5,358	-
NOV		451	-
DEC		3,870	-
JAN	2006	3,464	-
FEB		2,451	32,313
MAR		2,984	32,850
APR		1,724	31,521
MAY		981	29,706
JUN		757	28,165
JUL		211	26,812
AUG		0	24,433
SEP		2	22,252
OCT		0	16,894
NOV		0	16,443
DEC		0	12,573
JAN	2007	0	9,108
FEB		0	6,658
MAR		0	3,674
APR		0	1,950
MAY		0	970
JUN		0	213
JUL		0	2
AUG		0	2
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		38,970	

50,000
MATERIALITY

AVG BAL: 568

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	16,894
------------	--------

INF INCREASE	611
GROW INCREA	129

ATTR AMOUNT	17,634
-------------	--------

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-CA-11
DISK NAME:
FILE NAME: CUST. ACCT.

P41

ACCOUNT #: 575820
TITLE: UNIFORMS

RUN DATE: 02/23/07
RUN TIME: 08:00 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	377	-
APR		74	-
MAY		330	-
JUN		385	-
JUL		92	-
AUG		819	-
SEP		269	-
OCT		212	-
NOV		790	-
DEC		246	-
JAN	2006	202	-
FEB		469	4,265
MAR		(32)	3,857
APR		357	4,140
MAY		196	4,006
JUN		801	4,422
JUL		150	4,480
AUG		192	3,853
SEP		327	3,911
OCT		224	3,923
NOV		0	3,132
DEC		0	2,887
JAN	2007	0	2,685
FEB		0	2,215
MAR		0	2,247
APR		0	1,890
MAY		0	1,694
JUN		0	893
JUL		0	743
AUG		0	551
SEP		0	224
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

6,481

50,000
MATERIALITY

AVG BAL: 687

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	3,923
------------	-------

INF INCREASE	142
GROW INCREA	30

ATTR AMOUNT	4,095
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-CA-13
DISK NAME:
FILE NAME: CUST. ACCT.

P42

ACCOUNT #: 575420
TITLE: FORMS

RUN DATE: 02/23/07
RUN TIME: 08:00 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	3,380	-
APR		3,493	-
MAY		2,861	-
JUN		2,441	-
JUL		2,553	-
AUG		4,896	-
SEP		3,267	-
OCT		3,636	-
NOV		3,506	-
DEC		916	-
JAN	2006	3,496	-
FEB		1,790	36,235
MAR		(268)	32,587
APR		146	29,241
MAY		35,294	61,673
JUN		5,877	65,110
JUL		5,877	68,434
AUG		11,292	74,830
SEP		7,082	78,645
OCT		10,191	85,200
NOV		0	81,694
DEC		0	80,778
JAN	2007	0	77,282
FEB		0	75,492
MAR		0	75,760
APR		0	75,614
MAY		0	40,320
JUN		0	34,443
JUL		0	28,566
AUG		0	17,273
SEP		0	10,191
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

111,727
=====

50,000
MATERIALITY

AVG BAL: 23,514

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	85,200
------------	--------

INF INCREASE	3,079
GROW INCREA	651

ATTR AMOUNT	88,930
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P43

DISK NAME:

FILE NAME: UNC

RUN DATE: 02/16/07

RUN TIME: 05:44 PM

[illegible]

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-UNC-1
DISK NAME:
FILE NAME: UNC

P44

ACCOUNT #: 570100
TITLE: UNCOLLECTIBLE ACCOUNTS

RUN DATE: 02/16/07
RUN TIME: 05:45 PM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	30,490	-
APR		61,146	-
MAY		42,433	-
JUN		44,397	-
JUL		44,985	-
AUG		40,986	-
SEP		49,520	-
OCT		111,402	-
NOV		62,647	-
DEC		77,517	-
JAN	2006	18,338	-
FEB		15,586	599,447
MAR		64,713	633,670
APR		52,500	625,023
MAY		28,286	610,876
JUN		49,692	616,171
JUL		63,107	634,293
AUG		17,183	610,490
SEP		34,329	595,300
OCT		51,495	535,392
NOV		0	472,746
DEC		0	395,229
JAN	2007	0	376,891
FEB		0	361,304
MAR		0	296,591
APR		0	244,091
MAY		0	215,806
JUN		0	166,114
JUL		0	103,006
AUG		0	85,824
SEP		0	51,495
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

960,751
=====

50,000
MATERIALITY

AVG BAL: 96,911

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
-100.00%	107.25%

TEST 1 PASSED	1
TEST 2 FAILED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361
CUST GROW: 1.0076

TP BALANCE 535,392

INF INCREASE	19,350
GROW INCREA	4,094

ATTR AMOUNT	558,836
=====	

ACCOUNT	ACCOUNT NUMBER	TEST PERIOD AMOUNT	INFLATION ADJUSTMENT	GROWTH ADJUSTMENT	ATTRITION AMOUNT	COMPANY AMOUNT
MANAGEMENT FEES - RENTS	534190	0	0	0	0	0
RENTS - REAL PROPERTY	541000	1,630	59	12	1,701	0
RENTS - EQUIPMENT	541400	36,592	1,323	280	38,195	38,011
		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	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	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	0	0	
		0	0	0	0	
		0	0	0	0	
		0	0	0	0	
		0	0	0	0	
TOTAL		38,222	1,381	292	39,896	38,011

TN AMERICAN WATER COMPANY TB
06-00290

WORKPAPER: E-RENT2-

P46

DISK NAME:

FILE NAME: RENTS

ACCOUNT #: 541000

RUN DATE: 02/23/07

TITLE: RENTS - REAL PROPERTY

RUN TIME: 07:26 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	75	-
APR		0	-
MAY		0	-
JUN		298	-
JUL		0	-
AUG		0	-
SEP		0	-
OCT		164	-
NOV		0	-
DEC		0	-
JAN	2006	197	-
FEB		505	1,239
MAR		604	1,768
APR		0	1,768
MAY		0	1,768
JUN		75	1,545
JUL		148	1,693
AUG		0	1,693
SEP		101	1,794
OCT		0	1,630
NOV		0	1,630
DEC		0	1,630
JAN	2007	0	1,433
FEB		0	928
MAR		0	324
APR		0	324
MAY		0	324
JUN		0	249
JUL		0	101
AUG		0	101
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		2,167	

10,000

MATERIALITY

AVG BAL: 119

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI 1

TEST 2 PASSEI 1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE 1,630

INF INCREASE 59

GROW INCREA 12

ATTR AMOUNT 1,701

TN AMERICAN WATER COMPANY TB
06-00290

WORKPAPER: E-RENT3-
DISK NAME:
FILE NAME: RENTS

P47

ACCOUNT #: 541400
TITLE: RENTS - EQUIPMENT

RUN DATE: 02/23/07
RUN TIME: 07:26 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	3,417	-
APR		3,168	-
MAY		3,168	-
JUN		3,436	-
JUL		3,168	-
AUG		3,168	-
SEP		3,135	-
OCT		2,847	-
NOV		2,890	-
DEC		2,847	-
JAN	2006	3,122	-
FEB		3,100	37,467
MAR		2,868	36,918
APR		3,117	36,867
MAY		2,847	36,546
JUN		3,387	36,198
JUL		2,869	36,198
AUG		2,869	35,898
SEP		3,809	36,571
OCT		2,868	36,592
NOV		0	33,703
DEC		0	30,856
JAN	2007	0	27,734
FEB		0	24,634
MAR		0	21,766
APR		0	18,648
MAY		0	15,801
JUN		0	9,546
JUL		0	9,546
AUG		0	6,677
SEP		0	2,868
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		62,101	

10,000
MATERIALITY

AVG BAL: 7,071

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	36,592
------------	--------

INF INCREASE	1,323
GROW INCREA	280

ATTR AMOUNT	38,195
=====	

06-00290

DISK NAME:

FILE NAME: GEN. OFFICE

RUN DATE: 02/23/07

RUN TIME: 07:56 AM

ACCOUNT	ACCOUNT NUMBER	TEST PERIOD AMOUNT	INFLATION ADJUSTMENT	GROWTH ADJUSTMENT	ATTRITION AMOUNT	COMPANY AMOUNT
MATERIALS & SUPPLIES	520100	9,841	356	75	10,272	194,066
RELOCATION EXPENSES	575670	0	0	0	0	0
COLLECTION AGENCIES	575002	2,756	100	21	2,877	0
BANK SERVICE CHARGES	575100	8,079	292	62	8,433	0
CREDIT LINE FEES	575260	(2,039)	(74)	(16)	(2,129)	0
DUES/MEMBERSHIPS DEDUCTIBLE	575280	639	23	5	667	0
DUES/MEMBERSHIPS NON-DEDUCTIBLE	575281	0	0	0	0	0
ELECTRICITY	575320	24,416	882	187	25,486	0
EMPLOYEE EXPENSES	575340	27,875	1,007	213	29,096	0
MEALS & TRAVEL NON-DEDUCTIBLE	575351	6,241	226	48	6,514	0
MISC. CHARGES STEP	575881	0	0	0	0	0
HEAT - OIL/GAS	575480	4,937	178	38	5,153	0
JANITORIAL	575500	6,807	246	52	7,105	0
OFFICE & ADMINISTRATION	575620	2,842	103	22	2,967	0
POSTAGE	575660	1,469	53	11	1,534	0
TELEPHONE	575740	42,034	1,519	321	43,875	0
TRASH REMOVAL	575780	0	0	0	0	0
WATER & WASTE WATER	575830	6,779	245	52	7,075	0
MEALS & TRAVEL DEDUCTIBLE	575350	6,864	248	52	7,164	0
EMPLOYEE EXPENSES CONF/REGISTR.	575342	2,035	74	16	2,124	0
CELL PHONE	575741	35,664	1,289	273	37,226	0
CREDIT LINE FEES	575261	25,301	914	193	26,409	0
MISC. CHARGES	575880	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	0	0
		0	0	0	0	0
		0	0	0	0	0
TOTAL		212,541	7,682	1,625	221,848	194,066

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-1
DISK NAME:
FILE NAME: GEN. OFFICE

P49

ACCOUNT #: 520100
TITLE: MATERIALS & SUPPLIES

RUN DATE: 02/23/07
RUN TIME: 07:50 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	241	-
APR		2,345	-
MAY		513	-
JUN		904	-
JUL		215	-
AUG		341	-
SEP		680	-
OCT		1,152	-
NOV		310	-
DEC		1,738	-
JAN	2006	(283)	-
FEB		1,153	9,309
MAR		531	9,599
APR		2,202	9,456
MAY		1,010	9,953
JUN		1,054	10,102
JUL		536	10,424
AUG		544	10,626
SEP		663	10,610
OCT		383	9,841
NOV		0	9,531
DEC		0	7,793
JAN	2007	0	8,076
FEB		0	6,923
MAR		0	6,392
APR		0	4,190
MAY		0	3,181
JUN		0	2,127
JUL		0	1,590
AUG		0	1,047
SEP		0	383
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		16,232	
		=====	

50,000
MATERIALITY

AVG BAL: 1,576

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE 9,841

INF INCREASE	356
GROW INCREASE	75

ATTR AMOUNT 10,272
=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-3
DISK NAME:
FILE NAME: GEN. OFFICE

P50

ACCOUNT #: 575002
TITLE: COLLECTION AGENCIES

RUN DATE: 02/23/07
RUN TIME: 07:51 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	(26)	-
APR		798	-
MAY		222	-
JUN		170	-
JUL		225	-
AUG		205	-
SEP		174	-
OCT		210	-
NOV		214	-
DEC		268	-
JAN	2006	126	-
FEB		206	2,792
MAR		218	3,036
APR		341	2,579
MAY		175	2,531
JUN		242	2,603
JUL		242	2,620
AUG		242	2,656
SEP		242	2,725
OCT		242	2,756
NOV		0	2,543
DEC		0	2,274
JAN	2007	0	2,148
FEB		0	1,942
MAR		0	1,724
APR		0	1,384
MAY		0	1,209
JUN		0	967
JUL		0	725
AUG		0	484
SEP		0	242
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		4,734	

50,000
MATERIALITY

AVG BAL: 561

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	2,756
------------	-------

INF INCREASE	100
GROW INCREASE	21

ATTR AMOUNT	2,877
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-4
DISK NAME:
FILE NAME: GEN. OFFICE

P51

ACCOUNT #: 575100
TITLE: BANK SERVICE CHARGES

RUN DATE: 02/23/07
RUN TIME: 07:51 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	(450)	-
APR		0	-
MAY		478	-
JUN		(478)	-
JUL		1,650	-
AUG		521	-
SEP		(521)	-
OCT		0	-
NOV		545	-
DEC		885	-
JAN	2006	1,606	-
FEB		591	4,826
MAR		29,044	34,321
APR		(28,063)	6,258
MAY		1,400	7,180
JUN		0	7,658
JUL		0	6,008
AUG		0	5,487
SEP		2,071	8,079
OCT		0	8,079
NOV		0	7,534
DEC		0	6,649
JAN	2007	0	5,043
FEB		0	4,452
MAR		0	(24,592)
APR		0	3,471
MAY		0	2,071
JUN		0	2,071
JUL		0	2,071
AUG		0	2,071
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		9,278	

50,000
MATERIALITY

AVG BAL: (1,070)

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEC	1
TEST 2 PASSEC	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	8,079
------------	-------

INF INCREASE	292
GROW INCREA:	62

ATTR AMOUNT	8,433
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-5
DISK NAME:
FILE NAME: GEN. OFFICE

P52

ACCOUNT #: 575260
TITLE: CREDIT LINE FEES

RUN DATE: 02/23/07
RUN TIME: 07:51 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	292	-
APR		(955)	-
MAY		1,103	-
JUN		(183)	-
JUL		(1,225)	-
AUG		1,361	-
SEP		(963)	-
OCT		1,456	-
NOV		(1,065)	-
DEC		609	-
JAN	2006	(532)	-
FEB		519	418
MAR		362	487
APR		(2,122)	(680)
MAY		0	(1,783)
JUN		0	(1,600)
JUL		0	(375)
AUG		0	(1,736)
SEP		95	(678)
OCT		95	(2,039)
NOV		0	(974)
DEC		0	(1,584)
JAN	2007	0	(1,052)
FEB		0	(1,571)
MAR		0	(1,933)
APR		0	189
MAY		0	189
JUN		0	189
JUL		0	189
AUG		0	189
SEP		0	95
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		(1,153)	

50,000
MATERIALITY

AVG BAL: (74)

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	(2,039)
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INF INCREASE	(74)
GROW INCREASE	(16)

ATTR AMOUNT	(2,129)
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-6
DISK NAME:
FILE NAME: GEN. OFFICE

P53

ACCOUNT #: 575280
ITLE: DUES/MEMBERSHIPS DEDUCTIBLE

RUN DATE: 02/23/07
RUN TIME: 07:51 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	38	-
APR		47	-
MAY		(85)	-
JUN		0	-
JUL		0	-
AUG		0	-
SEP		0	-
OCT		0	-
NOV		0	-
DEC		0	-
JAN	2006	0	-
FEB		0	0
MAR		50	11
APR		196	161
MAY		(66)	180
JUN		0	180
JUL		0	180
AUG		316	496
SEP		143	639
OCT		0	639
NOV		0	639
DEC		0	639
JAN	2007	0	639
FEB		0	639
MAR		0	590
APR		0	393
MAY		0	459
JUN		0	459
JUL		0	459
AUG		0	143
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		639	

50,000
MATERIALITY

AVG BAL: 209

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	639
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INF INCREASE	23
GROW INCREASE	5

ATTR AMOUNT	667
-------------	-----

639
=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-8
DISK NAME:
FILE NAME: GEN. OFFICE

P54

ACCOUNT #: 575320
TITLE: ELECTRICITY

RUN DATE: 02/23/07
RUN TIME: 07:52 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	533	-
APR		656	-
MAY		753	-
JUN		665	-
JUL		1,004	-
AUG		964	-
SEP		1,873	-
OCT		1,873	-
NOV		2,048	-
DEC		1,726	-
JAN	2006	1,099	-
FEB		1,324	14,516
MAR		1,238	15,222
APR		1,465	16,032
MAY		1,563	16,842
JUN		1,828	18,005
JUL		4,918	21,920
AUG		2,225	23,180
SEP		3,274	24,581
OCT		1,708	24,416
NOV		0	22,369
DEC		0	20,642
JAN	2007	0	19,544
FEB		0	18,220
MAR		0	16,981
APR		0	15,516
MAY		0	13,953
JUN		0	12,125
JUL		0	7,207
AUG		0	4,982
SEP		0	1,708
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		32,736	

50,000
MATERIALITY

AVG BAL: 6,039

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	24,416
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INF INCREASE	882
GROW INCREASE	187

ATTR AMOUNT	25,486
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-9
DISK NAME:
FILE NAME: GEN. OFFICE

P55

ACCOUNT #: 575340
TITLE: EMPLOYEE EXPENSES

RUN DATE: 02/23/07
RUN TIME: 07:52 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	1,550	-
APR		1,912	-
MAY		2,352	-
JUN		8,507	-
JUL		1,397	-
AUG		(931)	-
SEP		3,084	-
OCT		1,505	-
NOV		3,282	-
DEC		12,136	-
JAN	2006	3,265	-
FEB		435	38,493
MAR		666	37,609
APR		249	35,946
MAY		(479)	33,115
JUN		3,852	28,460
JUL		(1,552)	25,510
AUG		1,811	28,252
SEP		1,247	26,416
OCT		2,964	27,875
NOV		0	24,594
DEC		0	12,458
JAN	2007	0	9,193
FEB		0	8,759
MAR		0	8,093
APR		0	7,843
MAY		0	8,322
JUN		0	4,470
JUL		0	6,023
AUG		0	4,211
SEP		0	2,964
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		47,252	

50,000
MATERIALITY

AVG BAL: 3,494

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	27,875
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INF INCREASE	1,007
GROW INCREASE	213

ATTR AMOUNT	29,096
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-10
DISK NAME:
FILE NAME: GEN. OFFICE

P56

ACCOUNT #: 575351
TITLE: MEALS & TRAVEL NON-DEDUCTIBLE

RUN DATE: 02/23/07
RUN TIME: 07:52 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	7	-
APR		62	-
MAY		170	-
JUN		276	-
JUL		269	-
AUG		76	-
SEP		142	-
OCT		232	-
NOV		267	-
DEC		760	-
JAN	2006	385	-
FEB		137	2,783
MAR		317	3,093
APR		120	3,152
MAY		686	3,668
JUN		428	3,820
JUL		141	3,693
AUG		363	3,980
SEP		665	4,502
OCT		1,971	6,241
NOV		0	5,974
DEC		0	5,213
JAN	2007	0	4,828
FEB		0	4,691
MAR		0	4,374
APR		0	4,254
MAY		0	3,568
JUN		0	3,139
JUL		0	2,998
AUG		0	2,635
SEP		0	1,971
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		7,475	

50,000
MATERIALITY

AVG BAL: 1,912

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSEC	1
TEST 2 PASSEC	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	6,241
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INF INCREASE	226
GROW INCREASE	48

ATTR AMOUNT	6,514
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-11 P57
DISK NAME:
FILE NAME: GEN. OFFICE

ACCOUNT #: 575881
TITLE: MISC. CHARGES STEP

RUN DATE: 02/23/07
RUN TIME: 07:53 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	0	-
APR		0	-
MAY		0	-
JUN		0	-
JUL		0	-
AUG		0	-
SEP		0	-
OCT		0	-
NOV		0	-
DEC		311,047	-
JAN	2006	0	-
FEB		40,753	351,801
MAR		0	351,801
APR		0	351,801
MAY		32	351,833
JUN		0	351,833
JUL		0	351,833
AUG		0	351,833
SEP		0	351,833
OCT		0	351,833
NOV		0	351,833
DEC		0	40,785
JAN	2007	0	40,785
FEB		0	32
MAR		0	32
APR		0	32
MAY		0	0
JUN		0	0
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

351,833
=====

50,000
MATERIALITY

AVG BAL: 5

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIR

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEC	1
TEST 2 PASSEC	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTOR

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE 351,833

INF INCREASE	12,716
GROW INCREASE	2,690

ATTR AMOUNT 0

A/ Excluded for setting rates per
Company direct testimony, S. Mil
P. 13, Lines 8-9.

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-12
DISK NAME:
FILE NAME: GEN. OFFICE

P58

ACCOUNT #: 575480
TITLE: HEAT - OIL/GAS

RUN DATE: 02/23/07
RUN TIME: 07:53 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	598	-
APR		440	-
MAY		66	-
JUN		32	-
JUL		41	-
AUG		9	-
SEP		(2)	-
OCT		25	-
NOV		265	-
DEC		1,132	-
JAN	2006	614	-
FEB		1,364	4,585
MAR		782	4,769
APR		547	4,875
MAY		(23)	4,786
JUN		110	4,864
JUL		61	4,884
AUG		9	4,884
SEP		24	4,910
OCT		52	4,937
NOV		0	4,671
DEC		0	3,539
JAN	2007	0	2,926
FEB		0	1,562
MAR		0	780
APR		0	233
MAY		0	256
JUN		0	146
JUL		0	85
AUG		0	76
SEP		0	52
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		6,147	

50,000
MATERIALITY

AVG BAL: 136

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	4,937
------------	-------

INF INCREASE	178
GROW INCREASE	38

ATTR AMOUNT	5,153
-------------	-------

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-13
DISK NAME:
FILE NAME: GEN. OFFICE

P59

ACCOUNT #: 575500
TITLE: JANITORIAL

RUN DATE: 02/23/07
RUN TIME: 07:53 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	416	-
APR		488	-
MAY		532	-
JUN		411	-
JUL		1,230	-
AUG		17	-
SEP		939	-
OCT		869	-
NOV		835	-
DEC		962	-
JAN	2006	629	-
FEB		980	8,308
MAR		718	8,610
APR		434	8,556
MAY		256	8,279
JUN		399	8,267
JUL		399	7,435
AUG		399	7,818
SEP		399	7,277
OCT		399	6,807
NOV		0	5,972
DEC		0	5,010
JAN	2007	0	4,381
FEB		0	3,401
MAR		0	2,684
APR		0	2,250
MAY		0	1,994
JUN		0	1,595
JUL		0	1,196
AUG		0	798
SEP		0	399
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		11,710	

50,000
MATERIALITY

AVG BAL: 910

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	6,807
------------	-------

INF INCREASE	246
GROW INCREASE	52

ATTR AMOUNT	7,105
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-14
DISK NAME:
FILE NAME: GEN. OFFICE

P60

ACCOUNT #: 575620
TITLE: OFFICE & ADMINISTRATION

RUN DATE: 02/23/07
RUN TIME: 07:53 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	48	-
APR		69	-
MAY		105	-
JUN		375	-
JUL		219	-
AUG		132	-
SEP		219	-
OCT		225	-
NOV		64	-
DEC		122	-
JAN	2006	(3,256)	-
FEB		(231)	(1,910)
MAR		4,214	2,257
APR		114	2,302
MAY		205	2,402
JUN		1,112	3,138
JUL		167	3,087
AUG		76	3,031
SEP		512	3,323
OCT		(256)	2,842
NOV		0	2,778
DEC		0	2,657
JAN	2007	0	5,913
FEB		0	6,144
MAR		0	1,929
APR		0	1,815
MAY		0	1,611
JUN		0	499
JUL		0	331
AUG		0	256
SEP		0	(256)
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		4,234	

50,000
MATERIALITY

AVG BAL: 515

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEC	1
TEST 2 PASSEC	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	2,842
------------	-------

INF INCREASE	103
GROW INCREA:	22

ATTR AMOUNT	2,967
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-15
DISK NAME:
FILE NAME: GEN. OFFICE

P61

ACCOUNT #: 575660
ITLE: POSTAGE

RUN DATE: 02/23/07
RUN TIME: 07:54 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	95	-
APR		260	-
MAY		63	-
JUN		520	-
JUL		78	-
AUG		332	-
SEP		145	-
OCT		291	-
NOV		106	-
DEC		183	-
JAN	2006	192	-
FEB		190	2,456
MAR		(17)	2,344
APR		218	2,301
MAY		(99)	2,140
JUN		244	1,864
JUL		26	1,812
AUG		43	1,523
SEP		345	1,723
OCT		38	1,469
NOV		0	1,363
DEC		0	1,181
JAN	2007	0	988
FEB		0	798
MAR		0	815
APR		0	597
MAY		0	696
JUN		0	452
JUL		0	426
AUG		0	383
SEP		0	38
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		3,254	

50,000
MATERIALITY

AVG BAL: 284

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEC	1
TEST 2 PASSEC	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	1,469
------------	-------

INF INCREASE	53
GROW INCREA:	11

ATTR AMOUNT	1,534
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-16
DISK NAME:
FILE NAME: GEN. OFFICE

P62

ACCOUNT #: 575740
ITLE: TELEPHONE

RUN DATE: 02/23/07
RUN TIME: 07:54 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	3,332	-
APR		4,478	-
MAY		4,132	-
JUN		2,324	-
JUL		3,752	-
AUG		3,831	-
SEP		2,855	-
OCT		6,640	-
NOV		1,639	-
DEC		7,241	-
JAN	2006	3,156	-
FEB		2,885	46,265
MAR		4,113	47,046
APR		2,179	44,747
MAY		2,026	42,642
JUN		3,717	44,035
JUL		3,588	43,871
AUG		4,095	44,135
SEP		4,499	45,779
OCT		2,895	42,034
NOV		0	40,395
DEC		0	33,154
JAN	2007	0	29,998
FEB		0	27,113
MAR		0	23,000
APR		0	20,821
MAY		0	18,795
JUN		0	15,077
JUL		0	11,490
AUG		0	7,394
SEP		0	2,895
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		73,378	

50,000
MATERIALITY

AVG BAL: 8,289

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEC	1
TEST 2 PASSEC	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	42,034
------------	--------

INF INCREASE	1,519
GROW INCREA:	321

ATTR AMOUNT	43,875
-------------	--------

=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-18
DISK NAME:
FILE NAME: GEN. OFFICE

P63

ACCOUNT #: 575830
TITLE: WATER & WASTE WATER

RUN DATE: 02/23/07
RUN TIME: 07:54 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	201	-
APR		222	-
MAY		0	-
JUN		279	-
JUL		533	-
AUG		565	-
SEP		433	-
OCT		657	-
NOV		7	-
DEC		848	-
JAN	2006	133	-
FEB		284	4,162
MAR		202	4,162
APR		311	4,252
MAY		178	4,430
JUN		437	4,588
JUL		499	4,554
AUG		693	4,682
SEP		690	4,939
OCT		2,496	6,779
NOV		0	6,772
DEC		0	5,924
JAN	2007	0	5,791
FEB		0	5,507
MAR		0	5,305
APR		0	4,994
MAY		0	4,816
JUN		0	4,379
JUL		0	3,879
AUG		0	3,186
SEP		0	2,496
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		9,669	

50,000
MATERIALITY

AVG BAL: 2,421

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	6,779
------------	-------

INF INCREASE	245
GROW INCREASE	52

ATTR AMOUNT	7,075
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-19
DISK NAME:
FILE NAME: GEN. OFFICE

P64

ACCOUNT #: 575350
TITLE: MEALS & TRAVEL DEDUCTIBLE

RUN DATE: 02/23/07
RUN TIME: 07:54 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	17	-
APR		60	-
MAY		161	-
JUN		286	-
JUL		260	-
AUG		75	-
SEP		187	-
OCT		228	-
NOV		261	-
DEC		734	-
JAN	2006	314	-
FEB		133	2,716
MAR		349	3,048
APR		118	3,107
MAY		784	3,729
JUN		428	3,872
JUL		141	3,753
AUG		363	4,041
SEP		665	4,519
OCT		2,572	6,864
NOV		0	6,603
DEC		0	5,868
JAN	2007	0	5,554
FEB		0	5,421
MAR		0	5,071
APR		0	4,953
MAY		0	4,169
JUN		0	3,741
JUL		0	3,600
AUG		0	3,237
SEP		0	2,572
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		8,137	

50,000
MATERIALITY:

AVG BAL: 2,279

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH > 6.00%	TP STD DEV > 7.00%
-----	-----
N/A	N/A

TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	6,864
------------	-------

INF INCREASE	248
GROW INCREASE	52

ATTR AMOUNT	7,164
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-20
DISK NAME:
FILE NAME: GEN. OFFICE

P65

ACCOUNT #: 575342
TITLE: EMPLOYEE EXPENSES CONF/REGISTR.

RUN DATE: 02/23/07
RUN TIME: 07:55 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	0	-
APR		250	-
MAY		0	-
JUN		60	-
JUL		0	-
AUG		0	-
SEP		60	-
OCT		320	-
NOV		60	-
DEC		0	-
JAN	2006	0	-
FEB		0	750
MAR		0	750
APR		315	815
MAY		(90)	725
JUN		1,750	2,415
JUL		0	2,415
AUG		0	2,415
SEP		0	2,355
OCT		0	2,035
NOV		0	1,975
DEC		0	1,975
JAN	2007	0	1,975
FEB		0	1,975
MAR		0	1,975
APR		0	1,660
MAY		0	1,750
JUN		0	0
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		2,725	

50,000
MATERIALITY

AVG BAL: 449

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEC	1
TEST 2 PASSEC	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	2,035
------------	-------

INF INCREASE	74
GROW INCREASE	16

ATTR AMOUNT	2,124
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-21
DISK NAME:
FILE NAME: GEN. OFFICE

P66

ACCOUNT #: 575741
TITLE: CELL PHONE

RUN DATE: 02/23/07
RUN TIME: 07:55 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	1,768	-
APR		1,741	-
MAY		1,737	-
JUN		1,372	-
JUL		2,318	-
AUG		1,914	-
SEP		1,712	-
OCT		2,056	-
NOV		2,447	-
DEC		2,893	-
JAN	2006	3,193	-
FEB		2,571	25,722
MAR		(475)	23,479
APR		5,338	27,076
MAY		4,718	30,057
JUN		4,311	32,996
JUL		2,790	33,468
AUG		2,702	34,255
SEP		2,517	35,060
OCT		2,661	35,664
NOV		0	33,217
DEC		0	30,324
JAN	2007	0	27,131
FEB		0	24,560
MAR		0	25,035
APR		0	19,697
MAY		0	14,979
JUN		0	10,668
JUL		0	7,879
AUG		0	5,177
SEP		0	2,661
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		50,282	

50,000
MATERIALITY:

AVG BAL: 7,175

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

-----	-----
N/A	N/A
TEST 1 PASSEC	1
TEST 2 PASSEC	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	35,664
------------	--------

INF INCREASE	1,289
GROW INCREA:	273

ATTR AMOUNT	37,226
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-22
DISK NAME:
FILE NAME: GEN. OFFICE

P67

ACCOUNT #: 575261
TITLE: CREDIT LINE FEES

RUN DATE: 02/23/07
RUN TIME: 07:55 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	109	-
APR		404	-
MAY		1,795	-
JUN		1,448	-
JUL		217	-
AUG		300	-
SEP		1,811	-
OCT		101	-
NOV		743	-
DEC		62	-
JAN	2006	108	-
FEB		347	7,445
MAR		885	8,221
APR		1,031	8,848
MAY		1,472	8,525
JUN		7,279	14,356
JUL		0	14,139
AUG		3,562	17,402
SEP		2,684	18,274
OCT		7,128	25,301
NOV		0	24,558
DEC		0	24,496
JAN	2007	0	24,387
FEB		0	24,040
MAR		0	23,156
APR		0	22,124
MAY		0	20,652
JUN		0	13,373
JUL		0	13,373
AUG		0	9,811
SEP		0	7,128
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		31,485	

50,000
MATERIALITY

AVG BAL: 9,135

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEC	1
TEST 2 PASSEC	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	25,301
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INF INCREASE	914
GROW INCREA:	193

ATTR AMOUNT	26,409
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-GO-23
DISK NAME:
FILE NAME: GEN. OFFICE

P68

ACCOUNT #: 575880
TITLE: MISC. CHARGES

RUN DATE: 02/23/07
RUN TIME: 07:55 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	10,914	-
APR		240,111	-
MAY		322	-
JUN		0	-
JUL		0	-
AUG		0	-
SEP		0	-
OCT		0	-
NOV		21,020	-
DEC		6,638	-
JAN	2006	1,139	-
FEB		0	280,144
MAR		205	269,435
APR		0	29,325
MAY		0	29,002
JUN		0	29,002
JUL		0	29,002
AUG		55,948	84,950
SEP		0	84,950
OCT		0	84,950
NOV		0	63,930
DEC		0	57,292
JAN	2007	0	56,153
FEB		0	56,153
MAR		0	55,948
APR		0	55,948
MAY		0	55,948
JUN		0	55,948
JUL		0	55,948
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		336,297	

50,000
MATERIALITY

AVG BAL: 23,312

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEC	1
TEST 2 PASSEC	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	84,950
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INF INCREASE	3,070
GROW INCREASE	650

ATTR AMOUNT	0 A/
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A/ Excluded for setting rates per
Company direct testimony, S. Miller,
P. 13, Lines 8-9.

ACCOUNT	ACCOUNT NUMBER	TEST PERIOD AMOUNT	INFLATION ADJUSTMENT	GROWTH ADJUSTMENT	ATTRITION AMOUNT	COMPANY AMOUNT
OTHER WELFARE EXPENSE	504500	11,844	428	91	12,363	1,792,405
EMPLOYEE AWARDS	504610	8,364	302	64	8,730	0
EMPLOYEE PHYSICAL EXAMS	504620	2,540	92	19	2,651	0
TUITION AID	504660	9,700	351	74	10,125	0
TRAINING	504670	17,037	616	130	17,783	0
401 K	507100	67,353	2,434	515	70,303	0
ESOP/508101-508102	508100	40,245	1,455	308	42,007	0
MATERIALS & SUPPLIES	520100	99,710	3,604	762	104,076	0
CONTRACT SERVICES - ACCOUNTING	532000	45,266	1,636	346	47,248	0
CONTRACT SERVICES - LEGAL	533000	29,371	1,062	225	30,657	0
LEASE FUEL	550002	188,903	6,827	1,444	197,175	0
CONTRACT SERVICES - ENGINEERING	531000	2,115	76	16	2,208	0
CONTRACT SERVICES - OTHER	535000	216,843	7,837	1,658	226,338	0
CONTRACT SERVICES - TEMP EMP	535001	0	0	0	0	0
CONTRACT SERVICES - LAB TESTING	536000	0	0	0	0	0
TRANSPORTATION	550000	(26,980)	(975)	(206)	(28,162)	0
MISCELLANEOUS OPERATING EXP	575000	142,962	5,167	1,093	149,222	0
ADVERTISING	575030	27,972	1,011	214	29,197	0
COMMUNITY RELATIONS	575220	0	0	0	0	0
COMPANY DUES/DEDUCTIBLE	575240	21,548	779	165	22,492	0
COMPANY DUES/NON-DEDUCTIBLE	575241	0	0	0	0	0
COMPANY DUES/DEDUCTIBLE AWWA	575242	4,735	171	36	4,942	0
DIRECTORS FEES	575270	14,743	533	113	15,388	0
DIRECTORS EXPENSES	575271	(543)	(20)	(4)	(567)	0
ELECTRICITY	575320	66,617	2,408	509	69,534	0
HEAT - OIL/GAS	575480	10,839	392	83	11,313	0
INJURIES & DAMAGES	575490	14,499	524	111	15,133	0
JANITORIAL	575500	13,822	500	106	14,428	0
LAB SUPPLIES	575545	27,198	983	208	28,389	0
LOBBYING EXPENSES	575560	0	0	0	0	0
OFFICE & ADMINISTRATION	575620	4,176	151	32	4,358	0
OVERNIGHT SHIPPING	575625	3,250	117	25	3,393	0
RESEARCH & DEVELOPMENT	575680	16,068	581	123	16,772	0
TELEPHONE	575740	42,618	1,540	326	44,484	0
TRASH REMOVAL	575780	4,771	172	36	4,980	0
TRUSTEE FEES	575790	(144)	(5)	(1)	(150)	0
UNIFORMS	575820	7,161	259	55	7,475	0
PURCHASING CARD	575998	194	7	1	203	0
BUSINESS SERVICES PROJECT EXP.	575400	112,393	4,062	859	117,315	0
SECURITY SERVICE	575710	178,612	6,455	1,366	186,433	0
SOFTWARE LICENSES & SUPPORT	575715	2,163	78	17	2,257	0
GROUPS KEEPING	575460	0	0	-	0	0
PENALTIES NON-DEDUCTIBLE	575640	0	0	0	0	0
TRANSPORTATION LEASE COST	550001	13,373	483	102	13,959	0
TRANSPORTATION LEASE MAINT	550003	201,188	7,271	1,538	209,998	0
CELL PHONE/575743	575741	(160)	(6)	(1)	(167)	0
DISCOUNTS AVAILABLE	575275	(4,071)	(147)	(31)	(4,249)	0
DISCOUNTS LOST	575276	224	8	2	234	0
SAFETY INCENTIVE	504640	0	0	0	0	0
TOTAL		1,638,520	59,219	12,528	1,710,268	1,792,405

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC1
DISK NAME:
FILE NAME: MISC. EXP.

P70

ACCOUNT #: 504500
TITLE: OTHER WELFARE EXPENSE

RUN DATE: 02/23/07
RUN TIME: 07:31 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	119	-
APR		41	-
MAY		(6)	-
JUN		1,149	-
JUL		596	-
AUG		149	-
SEP		201	-
OCT		381	-
NOV		854	-
DEC		2,262	-
JAN	2006	6,921	-
FEB		0	12,668
MAR		519	13,068
APR		(184)	12,843
MAY		201	13,050
JUN		123	12,024
JUL		58	11,485
AUG		60	11,396
SEP		55	11,250
OCT		975	11,844
NOV		0	10,990
DEC		0	8,728
JAN	2007	0	1,807
FEB		0	1,807
MAR		0	1,288
APR		0	1,472
MAY		0	1,271
JUN		0	1,148
JUL		0	1,090
AUG		0	1,030
SEP		0	975
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

14,475
=====

50,000
MATERIALITY

AVG BAL: 689

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	11,844
------------	--------

INF INCREASE	428
GROW INCREA	91

ATTR AMOUNT	12,363
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC2
DISK NAME:
FILE NAME: MISC. EXP.

P71

ACCOUNT #: 504610
TITLE: EMPLOYEE AWARDS

RUN DATE: 02/23/07
RUN TIME: 07:32 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	537	-
APR		819	-
MAY		197	-
JUN		(227)	-
JUL		217	-
AUG		791	-
SEP		944	-
OCT		97	-
NOV		1,206	-
DEC		2,364	-
JAN	2006	(241)	-
FEB		162	6,866
MAR		1,092	7,421
APR		168	6,771
MAY		1,751	8,325
JUN		223	8,775
JUL		186	8,744
AUG		222	8,176
SEP		864	8,095
OCT		366	8,364
NOV		0	7,158
DEC		0	4,794
JAN	2007	0	5,035
FEB		0	4,873
MAR		0	3,781
APR		0	3,613
MAY		0	1,861
JUN		0	1,638
JUL		0	1,452
AUG		0	1,230
SEP		0	366
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		11,739	

50,000
MATERIALITY

AVG BAL: 1,162

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH > 6.00%	TP STD DEV > 7.00%
-----	-----
N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361
CUST GROW: 1.0076

TP BALANCE	8,364
INF INCREASE	302
GROW INCREA	64

ATTR AMOUNT	8,730
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC3
DISK NAME:
FILE NAME: MISC. EXP.

P72

ACCOUNT #: 504620
TITLE: EMPLOYEE PHYSICAL EXAMS

RUN DATE: 02/23/07
RUN TIME: 07:32 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	52	-
APR		892	-
MAY		318	-
JUN		(318)	-
JUL		719	-
AUG		0	-
SEP		0	-
OCT		112	-
NOV		207	-
DEC		790	-
JAN	2006	112	-
FEB		143	3,027
MAR		153	3,127
APR		2,034	4,270
MAY		(1,755)	2,196
JUN		806	3,321
JUL		0	2,602
AUG		0	2,602
SEP		25	2,627
OCT		25	2,540
NOV		0	2,333
DEC		0	1,543
JAN	2007	0	1,431
FEB		0	1,288
MAR		0	1,136
APR		0	(899)
MAY		0	856
JUN		0	50
JUL		0	50
AUG		0	50
SEP		0	25
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		4,315	

50,000
MATERIALITY:

AVG BAL: 106

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

-----	-----
INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	2,540
------------	-------

INF INCREASE	92
GROW INCREA	19

ATTR AMOUNT	2,651
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC4
DISK NAME:
FILE NAME: MISC. EXP.

P73

ACCOUNT #: 504660
TITLE: TUITION AID

RUN DATE: 02/23/07
RUN TIME: 07:32 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	90	-
APR		835	-
MAY		0	-
JUN		2,631	-
JUL		0	-
AUG		5,637	-
SEP		4,265	-
OCT		0	-
NOV		15	-
DEC		30	-
JAN	2006	1,414	-
FEB		3,500	18,417
MAR		(151)	18,177
APR		(546)	16,795
MAY		2,567	19,362
JUN		0	16,731
JUL		0	16,731
AUG		2,871	13,965
SEP		0	9,700
OCT		0	9,700
NOV		0	9,685
DEC		0	9,655
JAN	2007	0	8,241
FEB		0	4,741
MAR		0	4,892
APR		0	5,438
MAY		0	2,871
JUN		0	2,871
JUL		0	2,871
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		23,158	

50,000
MATERIALITY

AVG BAL: 1,579

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	9,700
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INF INCREASE	351
GROW INCREASE	74

ATTR AMOUNT	10,125
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC5
DISK NAME:
FILE NAME: MISC. EXP.

P74

ACCOUNT #: 504670
TITLE: TRAINING

RUN DATE: 02/23/07
RUN TIME: 07:32 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	(11)	-
APR		3,407	-
MAY		269	-
JUN		392	-
JUL		459	-
AUG		(157)	-
SEP		117	-
OCT		2,351	-
NOV		1,480	-
DEC		262	-
JAN	2006	3,343	-
FEB		3,529	15,441
MAR		121	15,573
APR		4,136	16,301
MAY		(851)	15,181
JUN		0	14,789
JUL		0	14,330
AUG		1,374	15,861
SEP		3,739	19,483
OCT		(95)	17,037
NOV		0	15,557
DEC		0	15,295
JAN	2007	0	11,952
FEB		0	8,424
MAR		0	8,302
APR		0	4,167
MAY		0	5,018
JUN		0	5,018
JUL		0	5,018
AUG		0	3,644
SEP		0	(95)
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		23,865	

50,000
MATERIALITY

AVG BAL: 2,589

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	17,037
------------	--------

INF INCREASE	616
GROW INCREA	130

ATTR AMOUNT	17,783
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC6
DISK NAME:
FILE NAME: MISC. EXP.

P75

ACCOUNT #: 507100
ITLE: 401 K

RUN DATE: 02/23/07
RUN TIME: 07:33 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	4,399	-
APR		4,281	-
MAY		5,465	-
JUN		6,653	-
JUL		5,761	-
AUG		5,131	-
SEP		4,973	-
OCT		4,624	-
NOV		5,266	-
DEC		16,569	-
JAN	2006	5,405	-
FEB		(2,860)	65,667
MAR		(4,180)	57,088
APR		5,387	58,194
MAY		6,400	59,128
JUN		12,776	65,251
JUL		1,925	61,415
AUG		5,839	62,123
SEP		7,709	64,859
OCT		7,119	67,353
NOV		0	62,088
DEC		0	45,518
JAN	2007	0	40,114
FEB		0	42,973
MAR		0	47,153
APR		0	41,767
MAY		0	35,367
JUN		0	22,591
JUL		0	20,666
AUG		0	14,827
SEP		0	7,119
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		108,640	

50,000
MATERIALITY :

AVG BAL: 15,791

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	67,353
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INF INCREASE	2,434
GROW INCREA	515

ATTR AMOUNT	70,303
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TENN AMER WATER COMPANY TB
06-00290

ACCOUNT #: 508100
ITLE: ESOP/508101-508102

WORKPAPER: E-MISC7

DISK NAME:

FILE NAME: MISC. EXP.

P76

RUN DATE: 02/23/07

RUN TIME: 07:33 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	1,674	-
APR		993	-
MAY		1,658	-
JUN		280	-
JUL		366	-
AUG		97	-
SEP		5	-
OCT		(177)	-
NOV		(800)	-
DEC		1,986	-
JAN	2006	1,494	-
FEB		3,065	10,641
MAR		3,017	11,984
APR		(4,357)	6,635
MAY		5,510	10,487
JUN		3,738	13,944
JUL		3,955	17,534
AUG		3,746	21,183
SEP		5,930	27,108
OCT		4,294	31,579
NOV		0	32,379
DEC		0	30,393
JAN	2007	0	28,899
FEB		0	25,833
MAR		0	22,816
APR		0	27,173
MAY		0	21,663
JUN		0	17,926
JUL		0	13,970
AUG		0	10,224
SEP		0	4,294
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		36,475	

50,000

MATERIALITY :

AVG BAL: 9,839

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI 1

TEST 2 PASSEI 1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

(8,666)
COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE 40,245 A/

INF INCREASE	1,455
GROW INCREA	308

ATTR AMOUNT 42,007

A/ Excluded (\$8,666) for setting rates per
Company direct testimony, S. Miller,
P. 13, Lines 36-37.

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC8
DISK NAME:
FILE NAME: MISC. EXP.

P77

ACCOUNT #: 520100
TITLE: MATERIALS & SUPPLIES

RUN DATE: 02/23/07
RUN TIME: 07:33 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	7,655	-
APR		5,492	-
MAY		4,881	-
JUN		4,154	-
JUL		7,365	-
AUG		7,716	-
SEP		53,858	-
OCT		(1,649)	-
NOV		1,990	-
DEC		4,215	-
JAN	2006	10,247	-
FEB		4,452	110,377
MAR		9,714	112,437
APR		2,535	109,480
MAY		2,312	106,910
JUN		7,243	110,000
JUL		3,256	105,891
AUG		43,891	142,066
SEP		7,005	95,212
OCT		2,849	99,710
NOV		0	97,720
DEC		0	93,505
JAN	2007	0	83,257
FEB		0	78,805
MAR		0	69,090
APR		0	66,555
MAY		0	64,243
JUN		0	57,000
JUL		0	53,744
AUG		0	9,853
SEP		0	2,849
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		189,182	

50,000
MATERIALITY

AVG BAL: 26,944

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

-----	-----
N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

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INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	99,710
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INF INCREASE	3,604
GROW INCREASE	762

ATTR AMOUNT	104,076
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC9
DISK NAME:
FILE NAME: MISC. EXP.

P78

ACCOUNT #: 532000
ITLE: CONTRACT SERVICES - ACCOUNTING

RUN DATE: 02/23/07
RUN TIME: 07:34 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	1,659	-
APR		1,989	-
MAY		2,146	-
JUN		1,712	-
JUL		2,167	-
AUG		2,004	-
SEP		1,741	-
OCT		2,044	-
NOV		2,077	-
DEC		11,465	-
JAN	2006	7,249	-
FEB		2,019	38,273
MAR		1,626	38,239
APR		1,516	37,766
MAY		(4,558)	31,062
JUN		6,685	36,035
JUL		1,938	35,806
AUG		2,151	35,953
SEP		8,978	43,191
OCT		4,119	45,266
NOV		0	43,188
DEC		0	31,723
JAN	2007	0	24,474
FEB		0	22,455
MAR		0	20,829
APR		0	19,313
MAY		0	23,871
JUN		0	17,186
JUL		0	15,248
AUG		0	13,097
SEP		0	4,119
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		60,728	

50,000
MATERIALITY

AVG BAL: 9,472

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	45,266
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INF INCREASE	1,636
GROW INCREA	346

ATTR AMOUNT	47,248
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC10
DISK NAME:
FILE NAME: MISC. EXP.

P79

ACCOUNT #: 533000
TITLE: CONTRACT SERVICES - LEGAL

RUN DATE: 02/23/07
RUN TIME: 07:34 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	152	-
APR		30	-
MAY		388	-
JUN		8,489	-
JUL		6,808	-
AUG		2,022	-
SEP		(386)	-
OCT		3,092	-
NOV		91	-
DEC		3,688	-
JAN	2006	1,340	-
FEB		1,265	26,979
MAR		(421)	26,405
APR		(102)	26,273
MAY		(469)	25,416
JUN		12,923	29,849
JUL		309	23,351
AUG		3,259	24,588
SEP		2,255	27,229
OCT		5,234	29,371
NOV		0	29,280
DEC		0	25,592
JAN	2007	0	24,252
FEB		0	22,987
MAR		0	23,409
APR		0	23,510
MAY		0	23,979
JUN		0	11,057
JUL		0	10,747
AUG		0	7,489
SEP		0	5,234
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		49,966	

50,000
MATERIALITY

AVG BAL: 8,785

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	29,371
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INF INCREASE	1,062
GROW INCREA	225

ATTR AMOUNT	30,657
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC11
DISK NAME:
FILE NAME: MISC. EXP.

P80

ACCOUNT #: 550002
TITLE: LEASE FUEL

RUN DATE: 02/23/07
RUN TIME: 07:34 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	10,218	-
APR		9,952	-
MAY		12,205	-
JUN		11,627	-
JUL		11,949	-
AUG		13,312	-
SEP		15,755	-
OCT		14,517	-
NOV		18,249	-
DEC		13,952	-
JAN	2006	16,096	-
FEB		14,696	162,527
MAR		11,897	164,206
APR		13,524	167,779
MAY		12,674	168,248
JUN		16,834	173,455
JUL		16,203	177,709
AUG		17,543	181,940
SEP		20,888	187,074
OCT		16,346	188,903
NOV		0	170,654
DEC		0	156,703
JAN	2007	0	278,220
FEB		0	125,911
MAR		0	114,014
APR		0	100,489
MAY		0	87,815
JUN		0	70,981
JUL		0	54,778
AUG		0	37,235
SEP		0	16,346
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		288,438	

50,000
MATERIALITY

AVG BAL: 40,138

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	188,903
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INF INCREASE	6,827
GROW INCREA	1,444

ATTR AMOUNT	197,175
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=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC12
DISK NAME:
FILE NAME: MISC. EXP.

P81

ACCOUNT #: 531000
TITLE: CONTRACT SERVICES - ENGINEERING

RUN DATE: 02/23/07
RUN TIME: 07:35 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	0	-
APR		0	-
MAY		338	-
JUN		0	-
JUL		31	-
AUG		0	-
SEP		0	-
OCT		0	-
NOV		0	-
DEC		0	-
JAN	2006	0	-
FEB		0	369
MAR		0	369
APR		0	369
MAY		0	31
JUN		2,115	2,146
JUL		0	2,115
AUG		0	2,115
SEP		0	2,115
OCT		0	2,115
NOV		0	2,115
DEC		0	2,115
JAN	2007	0	2,115
FEB		0	2,115
MAR		0	2,115
APR		0	2,115
MAY		0	2,115
JUN		0	0
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		2,484	

50,000
MATERIALITY

AVG BAL: 529

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
N/A	N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	2,115
------------	-------

INF INCREASE	76
GROW INCREA	16

ATTR AMOUNT	2,208
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC13
DISK NAME:
FILE NAME: MISC. EXP.

P82

ACCOUNT #: 535000
TITLE: CONTRACT SERVICES - OTHER

RUN DATE: 02/23/07
RUN TIME: 07:35 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	35,666	-
APR		25,089	-
MAY		30,112	-
JUN		34,231	-
JUL		31,761	-
AUG		35,356	-
SEP		12,210	-
OCT		27,771	-
NOV		29,440	-
DEC		41,331	-
JAN	2006	39,611	-
FEB		(991)	341,586
MAR		8,860	314,781
APR		13,422	303,114
MAY		12,804	285,806
JUN		13,296	264,872
JUL		22,944	256,055
AUG		11,047	231,746
SEP		15,582	235,119
OCT		9,495	216,843
NOV		0	187,403
DEC		0	146,072
JAN	2007	0	106,461
FEB		0	107,452
MAR		0	98,591
APR		0	85,169
MAY		0	72,364
JUN		0	59,069
JUL		0	36,125
AUG		0	25,078
SEP		0	9,495
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		449,038	

50,000
MATERIALITY

AVG BAL: 32,158

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	216,843
------------	---------

INF INCREASE	7,837
GROW INCREA	1,658

ATTR AMOUNT	226,338
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC16
DISK NAME:
FILE NAME: MISC. EXP.

P83

ACCOUNT #: 550000
TITLE: TRANSPORTATION

RUN DATE: 02/23/07
RUN TIME: 07:35 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	20,724	-
APR		9	-
MAY		1,066	-
JUN		(2,094)	-
JUL		(274)	-
AUG		(54)	-
SEP		(2,207)	-
OCT		(50)	-
NOV		(1,640)	-
DEC		5,560	-
JAN	2006	(12,600)	-
FEB		(1,481)	6,959
MAR		(4,025)	(17,790)
APR		(1,609)	(19,409)
MAY		(1,515)	(21,989)
JUN		(707)	(20,602)
JUL		(2,076)	(22,403)
AUG		(2,672)	(25,021)
SEP		(3,011)	(25,825)
OCT		(1,205)	(26,980)
NOV		0	(25,341)
DEC		0	(30,900)
JAN	2007	0	(18,301)
FEB		0	(16,820)
MAR		0	(12,795)
APR		0	(11,185)
MAY		0	(9,671)
JUN		0	(8,964)
JUL		0	(6,888)
AUG		0	(4,216)
SEP		0	(1,205)
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		(9,861)	

50,000
MATERIALITY

AVG BAL: (4,577)

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	(26,980)
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INF INCREASE	(975)
GROW INCREA	(206)

ATTR AMOUNT	(28,162)
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(9,861)
=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC17
DISK NAME:
FILE NAME: MISC. EXP.

P84

ACCOUNT #: 575000
ITLE: MISCELLANEOUS OPERATING EXP

RUN DATE: 02/23/07
RUN TIME: 07:36 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	46,774	-
APR		33,330	-
MAY		28,969	-
JUN		48,939	-
JUL		25,143	-
AUG		26,065	-
SEP		40,172	-
OCT		30,177	-
NOV		22,557	-
DEC		47,297	-
JAN	2006	4,325	-
FEB		14,980	368,728
MAR		11,900	333,853
APR		28,716	329,239
MAY		15,444	315,714
JUN		21,326	288,101
JUL		19,580	282,538
AUG		7,132	263,605
SEP		(7,078)	216,355
OCT		37,343	223,521
NOV		0	200,964
DEC		0	153,667
JAN	2007	0	149,343
FEB		0	134,362
MAR		0	122,463
APR		0	93,746
MAY		0	78,303
JUN		0	56,977
JUL		0	37,397
AUG		0	30,265
SEP		0	37,343
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		503,090	

50,000
MATERIALITY

AVG BAL: 38,041

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

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INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE 142,962 A/

INF INCREASE	5,167
GROW INCREA	1,093

ATTR AMOUNT 149,222
=====

A/ Excluded \$80,559 for setting rates per
Company direct testimony, S. Miller,
P. 13, Lines 32-34.

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC18
DISK NAME:
FILE NAME: MISC. EXP.

P85

ACCOUNT #: 575030
TITLE: ADVERTISING

RUN DATE: 02/23/07
RUN TIME: 07:36 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	2,913	-
APR		(10)	-
MAY		25,531	-
JUN		(20,226)	-
JUL		(77)	-
AUG		2,737	-
SEP		3,056	-
OCT		5,368	-
NOV		3,300	-
DEC		1,662	-
JAN	2006	(951)	-
FEB		2,193	25,496
MAR		8,387	30,970
APR		(713)	30,267
MAY		4,009	8,745
JUN		2,101	31,072
JUL		243	31,391
AUG		911	29,566
SEP		4,841	31,350
OCT		1,990	27,972
NOV		0	24,672
DEC		0	23,010
JAN	2007	0	23,961
FEB		0	21,768
MAR		0	13,381
APR		0	14,094
MAY		0	10,085
JUN		0	7,984
JUL		0	7,742
AUG		0	6,831
SEP		0	1,990
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		47,264	

50,000
MATERIALITY

AVG BAL: 5,176

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	27,972
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INF INCREASE	1,011
GROW INCREA	214

ATTR AMOUNT	29,197
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47,264
=====

ACCOUNT #: 575240
ITLE: COMPANY DUES/DEDUCTIBLE

RUN DATE: 02/23/07
RUN TIME: 07:36 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	898	-
APR		4,598	-
MAY		(3,602)	-
JUN		14,651	-
JUL		5,498	-
AUG		498	-
SEP		498	-
OCT		498	-
NOV		498	-
DEC		498	-
JAN	2006	0	-
FEB		0	24,536
MAR		0	23,638
APR		27,456	46,496
MAY		(6,456)	43,641
JUN		0	28,990
JUL		0	23,492
AUG		(449)	22,545
SEP		0	22,046
OCT		0	21,548
NOV		0	21,050
DEC		0	20,551
JAN	2007	0	20,551
FEB		0	20,551
MAR		0	20,551
APR		0	(6,905)
MAY		0	(449)
JUN		0	(449)
JUL		0	(449)
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		45,087	

50,000
MATERIALITY :

AVG BAL: 1,025

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	21,548
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INF INCREASE	779
GROW INCREA	165

ATTR AMOUNT	22,492
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC22
DISK NAME:
FILE NAME: MISC. EXP.

P87

ACCOUNT #: 575242
TITLE: COMPANY DUES/DEDUCTIBLE AWWA

RUN DATE: 02/23/07
RUN TIME: 07:36 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	(202)	-
APR		174	-
MAY		0	-
JUN		1,133	-
JUL		(468)	-
AUG		2,925	-
SEP		0	-
OCT		0	-
NOV		2,291	-
DEC		(2,185)	-
JAN	2006	1,738	-
FEB		(1,410)	3,998
MAR		369	4,569
APR		1,266	5,660
MAY		0	5,660
JUN		665	5,192
JUL		0	5,660
AUG		2,000	4,735
SEP		0	4,735
OCT		0	4,735
NOV		0	2,444
DEC		0	4,629
JAN	2007	0	2,890
FEB		0	4,300
MAR		0	3,931
APR		0	2,665
MAY		0	2,665
JUN		0	2,000
JUL		0	2,000
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		8,298	

50,000
MATERIALITY

AVG BAL: 1,105

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	4,735
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INF INCREASE	171
GROW INCREASE	36

ATTR AMOUNT	4,942
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC23
DISK NAME:
FILE NAME: MISC. EXP.

P88

ACCOUNT #: 575270
ITLE: DIRECTORS FEES

RUN DATE: 02/23/07
RUN TIME: 07:37 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	0	-
APR		600	-
MAY		0	-
JUN		(600)	-
JUL		938	-
AUG		(938)	-
SEP		3,000	-
OCT		857	-
NOV		2,143	-
DEC		4,128	-
JAN	2006	1,472	-
FEB		0	11,600
MAR		0	11,600
APR		3,000	14,000
MAY		0	14,000
JUN		0	14,600
JUL		2,000	15,663
AUG		0	16,600
SEP		0	13,600
OCT		2,000	14,743
NOV		0	12,600
DEC		0	8,472
JAN	2007	0	7,000
FEB		0	7,000
MAR		0	7,000
APR		0	4,000
MAY		0	4,000
JUN		0	4,000
JUL		0	2,000
AUG		0	2,000
SEP		0	2,000
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		18,600	

50,000
MATERIALITY

AVG BAL: 2,083

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	14,743
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INF INCREASE	533
GROW INCREA	113

ATTR AMOUNT	15,388
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC24
DISK NAME:
FILE NAME: MISC. EXP.

P89

ACCOUNT #: 575271
ITLE: DIRECTORS EXPENSES

RUN DATE: 02/23/07
RUN TIME: 07:37 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	0	-
APR		0	-
MAY		605	-
JUN		(423)	-
JUL		(182)	-
AUG		0	-
SEP		0	-
OCT		543	-
NOV		(543)	-
DEC		1,348	-
JAN	2006	(1,348)	-
FEB		0	0
MAR		0	0
APR		0	0
MAY		0	(605)
JUN		0	(182)
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	(543)
NOV		0	0
DEC		0	(1,348)
JAN	2007	0	0
FEB		0	0
MAR		0	0
APR		0	0
MAY		0	0
JUN		0	0
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

		0	
		=====	

50,000
MATERIALITY

AVG BAL: 0

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361
CUST GROW: 1.0076

TP BALANCE	(543)
INF INCREASE	(20)
GROW INCREA	(4)
ATTR AMOUNT	(567)
	=====

TENN AMER WATER COMPANY TB
06-00290

ACCOUNT #: 575320
TITLE: ELECTRICITY

WORKPAPER: E-MISC25
DISK NAME:
FILE NAME: MISC. EXP.

P90

RUN DATE: 02/23/07
RUN TIME: 07:37 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	4,227	-
APR		4,796	-
MAY		5,018	-
JUN		3,151	-
JUL		4,830	-
AUG		5,261	-
SEP		4,627	-
OCT		5,272	-
NOV		5,498	-
DEC		5,992	-
JAN	2006	3,464	-
FEB		5,320	57,455
MAR		3,617	56,845
APR		5,077	57,126
MAY		3,117	55,225
JUN		4,655	56,729
JUL		12,286	64,185
AUG		6,089	65,013
SEP		7,355	67,741
OCT		4,149	66,617
NOV		0	61,119
DEC		0	55,127
JAN	2007	0	51,663
FEB		0	46,344
MAR		0	42,727
APR		0	37,650
MAY		0	34,533
JUN		0	29,878
JUL		0	17,592
AUG		0	11,504
SEP		0	4,149
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

		103,799	
		=====	

50,000
MATERIALITY

AVG BAL: 14,836

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361
CUST GROW: 1.0076

TP BALANCE 66,617

INF INCREASE 2,408
GROW INCREA 509

ATTR AMOUNT 69,534
=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC26
DISK NAME:
FILE NAME: MISC. EXP.

P91

ACCOUNT #: 575480
TITLE: HEAT - OIL/GAS

RUN DATE: 02/23/07
RUN TIME: 07:38 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	1,149	-
APR		519	-
MAY		93	-
JUN		25	-
JUL		136	-
AUG		(399)	-
SEP		257	-
OCT		54	-
NOV		646	-
DEC		1,122	-
JAN	2006	1,303	-
FEB		2,938	7,842
MAR		1,480	8,172
APR		1,563	9,217
MAY		569	9,693
JUN		191	9,859
JUL		565	10,288
AUG		154	10,842
SEP		113	10,698
OCT		195	10,839
NOV		0	10,193
DEC		0	9,071
JAN	2007	0	7,768
FEB		0	4,830
MAR		0	3,350
APR		0	1,787
MAY		0	1,218
JUN		0	1,027
JUL		0	463
AUG		0	308
SEP		0	195
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

12,672
=====

50,000

MATERIALITY

AVG BAL: 696

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361
CUST GROW: 1.0076

TP BALANCE 10,839

INF INCREASE	392
GROW INCREA	83

ATTR AMOUNT 11,313
=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC27
DISK NAME:
FILE NAME: MISC. EXP.

P92

ACCOUNT #: 575490
TITLE: INJURIES & DAMAGES

RUN DATE: 02/23/07
RUN TIME: 07:38 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	(90)	-
APR		19	-
MAY		84	-
JUN		(12)	-
JUL		222	-
AUG		25	-
SEP		(10)	-
OCT		42	-
NOV		135	-
DEC		888	-
JAN	2006	473	-
FEB		1,206	2,982
MAR		(143)	2,928
APR		75	2,984
MAY		4,268	7,168
JUN		3,511	10,691
JUL		715	11,184
AUG		845	12,003
SEP		722	12,735
OCT		1,805	14,499
NOV		0	14,363
DEC		0	13,475
JAN	2007	0	13,001
FEB		0	11,796
MAR		0	11,939
APR		0	11,864
MAY		0	7,596
JUN		0	4,085
JUL		0	3,371
AUG		0	2,526
SEP		0	1,805
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		14,777	

50,000
MATERIALITY

AVG BAL: 3,599

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361
CUST GROW: 1.0076

TP BALANCE	14,499
------------	--------

INF INCREASE	524
GROW INCREA	111

ATTR AMOUNT	15,133
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC28
DISK NAME:
FILE NAME: MISC. EXP.

P93

ACCOUNT #: 575500
TITLE: JANITORIAL

RUN DATE: 02/23/07
RUN TIME: 07:38 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	1,227	-
APR		1,574	-
MAY		1,742	-
JUN		1,245	-
JUL		1,630	-
AUG		66	-
SEP		2,794	-
OCT		1,026	-
NOV		2,209	-
DEC		1,350	-
JAN	2006	245	-
FEB		959	16,069
MAR		509	15,351
APR		1,319	15,095
MAY		758	14,111
JUN		1,196	14,062
JUL		1,196	13,629
AUG		1,196	14,759
SEP		1,646	13,611
OCT		1,238	13,822
NOV		0	11,613
DEC		0	10,264
JAN	2007	0	10,018
FEB		0	9,059
MAR		0	8,550
APR		0	7,231
MAY		0	6,473
JUN		0	5,277
JUL		0	4,080
AUG		0	2,884
SEP		0	1,238
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		25,128	

50,000
MATERIALITY

AVG BAL: 2,978

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	13,822
------------	--------

INF INCREASE	500
GROW INCREA	106

ATTR AMOUNT	14,428
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=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC29
DISK NAME:
FILE NAME: MISC. EXP.

P94

ACCOUNT #: 575545
TITLE: LAB SUPPLIES

RUN DATE: 02/23/07
RUN TIME: 07:38 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	5,209	-
APR		62	-
MAY		2,976	-
JUN		5,078	-
JUL		1,348	-
AUG		560	-
SEP		3,728	-
OCT		431	-
NOV		5,906	-
DEC		1,481	-
JAN	2006	1,448	-
FEB		2,773	31,000
MAR		2,773	28,564
APR		1,923	30,425
MAY		1,149	28,598
JUN		3,137	26,657
JUL		2,429	27,739
AUG		2,645	29,824
SEP		1,374	27,470
OCT		160	27,198
NOV		0	21,292
DEC		0	19,811
JAN	2007	0	18,363
FEB		0	15,590
MAR		0	12,817
APR		0	10,894
MAY		0	9,745
JUN		0	6,608
JUL		0	4,179
AUG		0	1,534
SEP		0	160
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		46,591	

50,000
MATERIALITY

AVG BAL: 3,828

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	27,198
------------	--------

INF INCREASE	983
GROW INCREA	208

ATTR AMOUNT	28,389
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC31
DISK NAME:
FILE NAME: MISC. EXP.

P95

ACCOUNT #: 575620
TITLE: OFFICE & ADMINISTRATION

RUN DATE: 02/23/07
RUN TIME: 07:39 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	544	-
APR		153	-
MAY		172	-
JUN		184	-
JUL		104	-
AUG		106	-
SEP		174	-
OCT		454	-
NOV		161	-
DEC		526	-
JAN	2006	191	-
FEB		(11)	2,758
MAR		1,191	3,405
APR		129	3,381
MAY		74	3,284
JUN		207	3,306
JUL		70	3,272
AUG		219	3,384
SEP		771	3,981
OCT		648	4,176
NOV		0	4,015
DEC		0	3,489
JAN	2007	0	3,298
FEB		0	3,309
MAR		0	2,118
APR		0	1,989
MAY		0	1,915
JUN		0	1,708
JUL		0	1,638
AUG		0	1,419
SEP		0	648
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		6,067	

50,000
MATERIALITY

AVG BAL: 953

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	4,176
------------	-------

INF INCREASE	151
GROW INCREA	32

ATTR AMOUNT	4,358
-------------	-------

6,067
=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC32
DISK NAME:
FILE NAME: MISC. EXP.

P96

ACCOUNT #: 575625
TITLE: OVERNIGHT SHIPPING

RUN DATE: 02/23/07
RUN TIME: 07:39 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	215	-
APR		190	-
MAY		153	-
JUN		463	-
JUL		52	-
AUG		411	-
SEP		229	-
OCT		349	-
NOV		168	-
DEC		398	-
JAN	2006	108	-
FEB		181	2,915
MAR		226	2,926
APR		334	3,070
MAY		202	3,120
JUN		344	3,002
JUL		519	3,468
AUG		333	3,391
SEP		269	3,430
OCT		169	3,250
NOV		0	3,083
DEC		0	2,685
JAN	2007	0	2,577
FEB		0	2,396
MAR		0	2,171
APR		0	1,836
MAY		0	1,634
JUN		0	1,290
JUL		0	771
AUG		0	438
SEP		0	169
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		5,311	

50,000
MATERIALITY

AVG BAL: 692

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	3,250
------------	-------

INF INCREASE	117
GROW INCREA	25

ATTR AMOUNT	3,393
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC33
DISK NAME:
FILE NAME: MISC. EXP.

P97

ACCOUNT #: 575680
TITLE: RESEARCH & DEVELOPMENT

RUN DATE: 02/23/07
RUN TIME: 07:39 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	470	-
APR		(470)	-
MAY		0	-
JUN		491	-
JUL		(491)	-
AUG		4,372	-
SEP		1,488	-
OCT		261	-
NOV		874	-
DEC		2,789	-
JAN	2006	(128)	-
FEB		1,471	11,128
MAR		1,264	11,922
APR		600	12,992
MAY		2,038	15,030
JUN		1,432	15,971
JUL		1,432	17,893
AUG		1,432	14,953
SEP		1,432	14,897
OCT		1,432	16,068
NOV		0	15,194
DEC		0	12,404
JAN	2007	0	12,533
FEB		0	11,062
MAR		0	9,798
APR		0	9,198
MAY		0	7,160
JUN		0	5,728
JUL		0	4,296
AUG		0	2,864
SEP		0	1,432
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		22,189	

50,000
MATERIALITY

AVG BAL: 3,373

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	16,068
------------	--------

INF INCREASE	581
GROW INCREA	123

ATTR AMOUNT	16,772
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC34
DISK NAME:
FILE NAME: MISC. EXP.

P98

ACCOUNT #: 575740
TITLE: TELEPHONE

RUN DATE: 02/23/07
RUN TIME: 07:40 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	1,557	-
APR		2,447	-
MAY		2,496	-
JUN		1,660	-
JUL		1,665	-
AUG		2,207	-
SEP		1,223	-
OCT		3,756	-
NOV		741	-
DEC		3,680	-
JAN	2006	721	-
FEB		2,305	24,459
MAR		3,739	26,640
APR		3,500	27,693
MAY		3,272	28,469
JUN		3,422	30,231
JUL		5,001	33,566
AUG		5,803	37,162
SEP		5,983	41,923
OCT		4,452	42,618
NOV		0	41,878
DEC		0	38,198
JAN	2007	0	37,476
FEB		0	35,171
MAR		0	31,433
APR		0	27,932
MAY		0	24,660
JUN		0	21,239
JUL		0	16,238
AUG		0	10,435
SEP		0	4,452
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		59,630	

50,000
MATERIALITY

AVG BAL: 11,366

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	42,618
------------	--------

INF INCREASE	1,540
GROW INCREA	326

ATTR AMOUNT	44,484
=====	

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC35
DISK NAME:
FILE NAME: MISC. EXP.

P99

ACCOUNT #: 575780
ITLE: TRASH REMOVAL

RUN DATE: 02/23/07
RUN TIME: 07:40 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	452	-
APR		11	-
MAY		399	-
JUN		297	-
JUL		457	-
AUG		257	-
SEP		125	-
OCT		(91)	-
NOV		507	-
DEC		340	-
JAN	2006	447	-
FEB		381	3,582
MAR		418	3,548
APR		600	4,138
MAY		264	4,003
JUN		391	4,097
JUL		204	3,844
AUG		362	3,950
SEP		453	4,278
OCT		403	4,771
NOV		0	4,264
DEC		0	3,924
JAN	2007	0	3,477
FEB		0	3,095
MAR		0	2,677
APR		0	2,077
MAY		0	1,813
JUN		0	1,422
JUL		0	1,218
AUG		0	856
SEP		0	403
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		6,677	

50,000
MATERIALITY

AVG BAL: 872

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076
TP BALANCE	4,771
INF INCREASE	172
GROW INCREA	36
ATTR AMOUNT	4,980
	=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC36
DISK NAME:
FILE NAME: MISC. EXP.

P100

ACCOUNT #: 575790
TITLE: TRUSTEE FEES

RUN DATE: 02/23/07
RUN TIME: 07:40 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	288	-
APR		374	-
MAY		66	-
JUN		(77)	-
JUL		73	-
AUG		19	-
SEP		(67)	-
OCT		33	-
NOV		44	-
DEC		(3,023)	-
JAN	2006	(270)	-
FEB		14	(2,524)
MAR		(60)	(2,873)
APR		(81)	(3,328)
MAY		0	(3,395)
JUN		3,233	(86)
JUL		0	(159)
AUG		0	(178)
SEP		0	(111)
OCT		0	(144)
NOV		0	(188)
DEC		0	2,835
JAN	2007	0	3,105
FEB		0	3,091
MAR		0	3,151
APR		0	3,233
MAY		0	3,233
JUN		0	0
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		566	

50,000
MATERIALITY

AVG BAL: 801

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361
CUST GROW: 1.0076

TP BALANCE (144)

INF INCREASE (5)
GROW INCREA (1)

ATTR AMOUNT (150)
=====

TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC37
DISK NAME:
FILE NAME: MISC. EXP.

P101

ACCOUNT #: 575820
TITLE: UNIFORMS

RUN DATE: 02/23/07
RUN TIME: 07:40 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	262	-
APR		82	-
MAY		577	-
JUN		204	-
JUL		1,018	-
AUG		96	-
SEP		87	-
OCT		417	-
NOV		8	-
DEC		652	-
JAN	2006	207	-
FEB		1,231	4,841
MAR		537	5,116
APR		545	5,579
MAY		763	5,766
JUN		763	6,324
JUL		0	5,306
AUG		835	6,045
SEP		582	6,540
OCT		1,038	7,161
NOV		0	7,153
DEC		0	6,501
JAN	2007	0	6,294
FEB		0	5,063
MAR		0	4,526
APR		0	3,981
MAY		0	3,217
JUN		0	2,455
JUL		0	2,455
AUG		0	1,620
SEP		0	1,038
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		9,904	

50,000
MATERIALITY

AVG BAL: 1,608

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	7,161
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INF INCREASE	259
GROW INCREA	55

ATTR AMOUNT	7,475
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TENN AMER WATER COMPANY TB
06-00290

WORKPAPER: E-MISC38
DISK NAME:
FILE NAME: MISC. EXP.

P102

ACCOUNT #: 575998
TITLE: PURCHASING CARD

RUN DATE: 02/23/07
RUN TIME: 07:41 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	369	-
APR		(708)	-
MAY		(206)	-
JUN		(499)	-
JUL		0	-
AUG		0	-
SEP		0	-
OCT		0	-
NOV		79	-
DEC		(79)	-
JAN	2006	(3,546)	-
FEB		(785)	(5,375)
MAR		4,331	(1,413)
APR		96	(609)
MAY		238	(166)
JUN		76	409
JUL		122	531
AUG		11	542
SEP		427	969
OCT		(775)	194
NOV		0	115
DEC		0	194
JAN	2007	0	3,740
FEB		0	4,525
MAR		0	194
APR		0	98
MAY		0	(140)
JUN		0	(215)
JUL		0	(337)
AUG		0	(348)
SEP		0	(775)
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		(850)	

50,000
MATERIALITY

AVG BAL: (127)

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	194
------------	-----

INF INCREASE	7
GROW INCREA	1

ATTR AMOUNT	203
-------------	-----

TENN AMER WATER COMPANY TB
06-00290

E-MISC39

P103

DISK NAME:

FILE NAME: MISC. EXP.

ACCOUNT #: 575400

TITLE: BUSINESS SERVICES PROJECT EXP.

RUN DATE: 02/23/07

RUN TIME: 07:41 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	0	-
APR		0	-
MAY		0	-
JUN		0	-
JUL		0	-
AUG		0	-
SEP		0	-
OCT		0	-
NOV		0	-
DEC		0	-
JAN	2006	11,239	-
FEB		11,239	22,479
MAR		11,239	33,718
APR		11,239	44,957
MAY		11,239	56,197
JUN		11,239	67,436
JUL		11,239	78,675
AUG		11,239	89,915
SEP		11,239	101,154
OCT		11,239	112,393
NOV		0	112,393
DEC		0	112,393
JAN	2007	0	101,154
FEB		0	89,915
MAR		0	78,675
APR		0	67,436
MAY		0	56,197
JUN		0	44,957
JUL		0	33,718
AUG		0	22,479
SEP		0	11,239
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

112,393

50,000

MATERIALITY

AVG BAL: 26,225

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A

N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	112,393
------------	---------

INF INCREASE	4,062
GROW INCREA	859

ATTR AMOUNT	117,315
-------------	---------

TENN AMER WATER COMPANY TB
06-00290

E-MISC40

P104

DISK NAME:

FILE NAME: MISC. EXP.

ACCOUNT #: 575710

TITLE: SECURITY SERVICE

RUN DATE: 02/23/07

RUN TIME: 07:41 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	15,713	-
APR		12,330	-
MAY		12,303	-
JUN		15,181	-
JUL		12,719	-
AUG		13,402	-
SEP		15,297	-
OCT		12,147	-
NOV		14,842	-
DEC		9,447	-
JAN	2006	25,368	-
FEB		10,743	169,491
MAR		15,492	169,271
APR		15,835	172,775
MAY		9,473	169,945
JUN		19,044	173,808
JUL		12,521	173,610
AUG		12,394	172,603
SEP		15,497	172,802
OCT		17,956	178,612
NOV		0	163,770
DEC		0	154,323
JAN	2007	0	128,955
FEB		0	118,212
MAR		0	102,720
APR		0	86,885
MAY		0	77,413
JUN		0	58,369
JUL		0	45,847
AUG		0	33,453
SEP		0	17,956
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0

287,703
=====

50,000

MATERIALITY

AVG BAL: 35,220

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A

N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE 178,612

INF INCREASE	6,455
GROW INCREA	1,366

ATTR AMOUNT	186,433
	=====

TENN AMER WATER COMPANY TB
06-00290

E-MISC41

P105

DISK NAME:

FILE NAME: MISC. EXP.

ACCOUNT #: 575715

TITLE: SOFTWARE LICENSES & SUPPORT

RUN DATE: 02/23/07

RUN TIME: 07:41 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	1,697	-
APR		637	-
MAY		637	-
JUN		637	-
JUL		637	-
AUG		637	-
SEP		253	-
OCT		253	-
NOV		253	-
DEC		253	-
JAN	2006	118	-
FEB		118	6,130
MAR		118	4,551
APR		0	3,913
MAY		431	3,707
JUN		138	3,208
JUL		321	2,891
AUG		138	2,392
SEP		138	2,277
OCT		138	2,163
NOV		0	1,910
DEC		0	1,657
JAN	2007	0	1,539
FEB		0	1,422
MAR		0	1,304
APR		0	1,304
MAY		0	873
JUN		0	735
JUL		0	414
AUG		0	276
SEP		0	138
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		7,552	

50,000

MATERIALITY

AVG BAL: 420

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A

N/A

TEST 1 PASSEI 1

TEST 2 PASSEI 1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361

CUST GROW: 1.0076

TP BALANCE 2,163

INF INCREASE 78

GROW INCREA 17

ATTR AMOUNT 2,257

TENN AMER WATER COMPANY TB
06-00290

E-MISC43

P106

DISK NAME:

FILE NAME: MISC. EXP.

ACCOUNT #: 575640

ITILE: PENALTIES NON-DEDUCTIBLE

RUN DATE: 02/23/07

RUN TIME: 07:42 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
-	-	0	-
MAR	2005	0	-
APR		364	-
MAY		0	-
JUN		0	-
JUL		0	-
AUG		0	-
SEP		3,136	-
OCT		43,906	-
NOV		157	-
DEC		0	-
JAN	2006	10,494	58,057
FEB		0	58,057
MAR		0	58,057
APR		0	57,693
MAY		0	57,693
JUN		0	57,693
JUL		0	57,693
AUG		0	57,693
SEP		18,000	72,557
OCT		13,275	41,925
NOV		0	41,769
DEC		0	41,769
JAN	2007	0	31,275
FEB		0	31,275
MAR		0	31,275
APR		0	31,275
MAY		0	31,275
JUN		0	31,275
JUL		0	31,275
AUG		0	31,275
SEP		0	13,275
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
		89,331	

50,000

MATERIALITY

AVG BAL: 19,350

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE 41,925

INF INCREASE	1,515
GROW INCREA	321

ATTR AMOUNT 0 A/

A/ Excluded for setting rates per
Company direct testimony, S. Miller,
P. 13, Lines 34-35.

TENN AMER WATER COMPANY TB
06-00290

E-MISC44

P107

DISK NAME:

FILE NAME: MISC. EXP.

ACCOUNT #: 550001

RUN DATE: 02/23/07

ITLE: TRANSPORTATION LEASE COST

RUN TIME: 07:42 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
-	-	0	-
MAR	2005	1,711	-
APR		13,948	-
MAY		7,857	-
JUN		163	-
JUL		1,727	-
AUG		981	-
SEP		138	-
OCT		3,433	-
NOV		4,538	-
DEC		2,013	-
JAN	2006	725	37,234
FEB		553	37,788
MAR		(941)	35,136
APR		2,042	23,230
MAY		1,337	16,710
JUN		1,127	17,674
JUL		1,248	17,195
AUG		233	16,447
SEP		78	16,387
OCT		419	13,373
NOV		0	8,835
DEC		0	6,822
JAN	2007	0	6,097
FEB		0	5,544
MAR		0	6,485
APR		0	4,443
MAY		0	3,105
JUN		0	1,978
JUL		0	730
AUG		0	497
SEP		0	419
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
		43,332	

50,000

MATERIALITY

AVG BAL: 1,933

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A

N/A

TEST 1 PASSEI 1

TEST 2 PASSEI 1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361

CUST GROW: 1.0076

TP BALANCE 13,373

INF INCREASE 483

GROW INCREA 102

ATTR AMOUNT 13,959

=====

TENN AMER WATER COMPANY TB
06-00290

E-MISC45

P108

DISK NAME:

FILE NAME: MISC. EXP.

ACCOUNT #: 550003

TITLE: TRANSPORTATION LEASE MAINT

RUN DATE: 02/23/07

RUN TIME: 07:42 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
-	-	0	-
MAR	2005	5,011	-
APR		6,555	-
MAY		9,736	-
JUN		15,899	-
JUL		9,082	-
AUG		21,842	-
SEP		12,557	-
OCT		18,270	-
NOV		16,580	-
DEC		18,019	-
JAN	2006	22,390	155,940
FEB		28,186	184,126
MAR		22,132	201,247
APR		13,701	208,394
MAY		11,703	210,361
JUN		9,647	204,108
JUL		13,435	208,461
AUG		13,632	200,251
SEP		13,891	201,585
OCT		17,873	201,188
NOV		0	184,609
DEC		0	166,589
JAN	2007	0	144,200
FEB		0	116,014
MAR		0	93,882
APR		0	80,180
MAY		0	68,478
JUN		0	58,831
JUL		0	45,396
AUG		0	31,764
SEP		0	17,873
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
		300,140	

50,000

MATERIALITY

AVG BAL: 42,702

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSED 1

TEST 2 PASSED 1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361

CUST GROW: 1.0076

TP BALANCE 201,188

INF INCREASE 7,271

GROW INCREA 1,538

ATTR AMOUNT 209,998

TENN AMER WATER COMPANY TB
06-00290

E-MISC46

P109

DISK NAME:

FILE NAME: MISC. EXP.

ACCOUNT #: 575741

RUN DATE: 02/23/07

RUN TIME: 07:43 AM

TITLE: CELL PHONE/575743

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
-	-	0	-
MAR	2005	(75)	-
APR		19	-
MAY		87	-
JUN		(73)	-
JUL		106	-
AUG		26	-
SEP		(88)	-
OCT		43	-
NOV		57	-
DEC		254	-
JAN	2006	(521)	(166)
FEB		0	(166)
MAR		0	(91)
APR		0	(110)
MAY		0	(197)
JUN		50	(74)
JUL		0	(180)
AUG		0	(206)
SEP		0	(117)
OCT		0	(160)
NOV		0	(218)
DEC		0	(472)
JAN	2007	0	50
FEB		0	50
MAR		0	50
APR		0	50
MAY		0	50
JUN		0	0
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
		(116)	

50,000

MATERIALITY

AVG BAL: 17

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A N/A

TEST 1 PASSEI 1

TEST 2 PASSEI 1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION: 1.0361

CUST GROW: 1.0076

TP BALANCE (160)

INF INCREASE (6)

GROW INCREA (1)

ATTR AMOUNT (167)

TENN AMER WATER COMPANY TB
06-00290

E-MISC47

P110

DISK NAME:

FILE NAME: MISC. EXP.

ACCOUNT #: 575275

TITLE: DISCOUNTS AVAILABLE

RUN DATE: 02/23/07

RUN TIME: 07:43 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
-	-	0	-
MAR	2005	(621)	-
APR		(479)	-
MAY		(1,129)	-
JUN		(772)	-
JUL		(505)	-
AUG		(509)	-
SEP		(552)	-
OCT		(267)	-
NOV		(684)	-
DEC		(24)	-
JAN	2006	(574)	(6,116)
FEB		(359)	(6,475)
MAR		(781)	(6,635)
APR		(305)	(6,461)
MAY		(481)	(5,813)
JUN		(322)	(5,363)
JUL		(21)	(4,879)
AUG		(22)	(4,392)
SEP		(271)	(4,111)
OCT		(227)	(4,071)
NOV		0	(3,387)
DEC		0	(3,362)
JAN	2007	0	(2,789)
FEB		0	(2,429)
MAR		0	(1,648)
APR		0	(1,343)
MAY		0	(862)
JUN		0	(540)
JUL		0	(519)
AUG		0	(498)
SEP		0	(227)
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
		(8,905)	

50,000

MATERIALITY

AVG BAL: (672)

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A

N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE (4,071)

INF INCREASE	(147)
GROW INCREA	(31)

ATTR AMOUNT (4,249)

TENN AMER WATER COMPANY TB
06-00290

ACCOUNT #: 575276
TITLE: DISCOUNTS LOST

E-MISC48

P111

DISK NAME:

FILE NAME: MISC. EXP.

RUN DATE: 02/23/07

RUN TIME: 07:43 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
-	-	0	-
MAR	2005	151	-
APR		124	-
MAY		138	-
JUN		134	-
JUL		66	-
AUG		25	-
SEP		127	-
OCT		141	-
NOV		33	-
DEC		4	-
JAN	2006	169	1,111
FEB		0	1,111
MAR		0	960
APR		0	836
MAY		0	698
JUN		0	564
JUL		0	499
AUG		0	474
SEP		18	365
OCT		0	224
NOV		0	191
DEC		0	186
JAN	2007	0	18
FEB		0	18
MAR		0	18
APR		0	18
MAY		0	18
JUN		0	18
JUL		0	18
AUG		0	18
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
		1,129	

50,000

MATERIALITY

AVG BAL: 10

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

N/A

N/A

TEST 1 PASSED	1
TEST 2 PASSED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE 224

INF INCREASE	8
GROW INCREA	2

ATTR AMOUNT 234

TN AMERICAN WATER COMPANY
06-00290
ATTRITION EXPENSES

AUDITOR: TB

WORKPAPER: E-MAIN0-
DISK NAME:
FILE NAME: MAINT. EXP.
RUN DATE: 02/23/07
RUN TIME: 07:47 AM

P112

ACCOUNT	ACCOUNT NUMBER	TEST PERIOD AMOUNT	INFLATION ADJUSTMENT	GROWTH ADJUSTMENT	ATTRITION AMOUNT	COMPANY AMOUNT
COMPUTER EQUIPMENT	675250	217	8	2	227	749,879
MAINTENANCE	620000	479,340	17,324	3,665	500,329	0
CONTRACT SERVICE - OTHER	635000	20,701	748	158	21,608	0
MISCELLANEOUS MAINTENANCE	675000	83,148	3,005	636	86,789	0
MISCELLANEOUS MAINTENANCE	675110	0	0	0	0	0
OFFICE EQUIPMENT	675450	218	8	2	228	
PAVING :	675650	132,674	4,795	1,014	138,484	
ACCOUNT TITLE 8	8	0	0	0	0	
ACCOUNT TITLE 9	9	0	0	0	0	
ACCOUNT TITLE 10	10	0	0	0	0	
ACCOUNT TITLE 11	11	0	0	0	0	
ACCOUNT TITLE 12	12	0	0	0	0	
ACCOUNT TITLE 13	13	0	0	0	0	
ACCOUNT TITLE 14	14	0	0	0	0	
ACCOUNT TITLE 15	15	0	0	0	0	
ACCOUNT TITLE 16	16	0	0	0	0	
ACCOUNT TITLE 17	17	0	0	0	0	
ACCOUNT TITLE 18	18	0	0	0	0	
ACCOUNT TITLE 19	19	0	0	0	0	
ACCOUNT TITLE 20	20	0	0	0	0	
ACCOUNT TITLE 21	21	0	0	0	0	
ACCOUNT TITLE 22	22	0	0	0	0	
ACCOUNT TITLE 23	23	0	0	0	0	
ACCOUNT TITLE 24	24	0	0	0	0	
ACCOUNT TITLE 25	25	0	0	0	0	
ACCOUNT TITLE 26	26	0	0	0	0	
ACCOUNT TITLE 27	27	0	0	0	0	
ACCOUNT TITLE 28	28	0	0	0	0	
ACCOUNT TITLE 29	29	0	0	0	0	
ACCOUNT TITLE 30	30	0	0	0	0	
TOTAL		716,299	25,889	5,477	747,665	749,879
		=====	=====	=====	=====	=====

TN AMERICAN WATER COMPANY TB
06-00290

WORKPAPER: E-MAIN1-
DISK NAME:
FILE NAME: MAINT. EXP.

P113

ACCOUNT #: 675250
TITLE: COMPUTER EQUIPMENT

RUN DATE: 02/23/07
RUN TIME: 07:45 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	0	-
APR		0	-
MAY		0	-
JUN		0	-
JUL		0	-
AUG		0	-
SEP		0	-
OCT		0	-
NOV		0	-
DEC		0	-
JAN	2006	0	-
FEB		217	217
MAR		0	217
APR		0	217
MAY		0	217
JUN		0	217
JUL		0	217
AUG		0	217
SEP		0	217
OCT		0	217
NOV		0	217
DEC		0	217
JAN	2007	0	217
FEB		0	0
MAR		0	0
APR		0	0
MAY		0	0
JUN		0	0
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		217	

10,000
MATERIALITY

AVG BAL: 0

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A

TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	217
------------	-----

INF INCREASE	8
GROW INCREA	2

ATTR AMOUNT	227
=====	

TN AMERICAN WATER COMPANY TB
06-00290

WORKPAPER: E-MAIN2-
DISK NAME:
FILE NAME: MAINT. EXP.

P114

ACCOUNT #: 620000
TITLE: MAINTENANCE

RUN DATE: 02/23/07
RUN TIME: 07:46 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	35,798	-
APR		55,433	-
MAY		58,539	-
JUN		44,022	-
JUL		46,108	-
AUG		98,105	-
SEP		16,434	-
OCT		83,654	-
NOV		48,005	-
DEC		26,137	-
JAN	2006	59,660	-
FEB		8,550	580,444
MAR		27,389	572,035
APR		43,024	559,626
MAY		22,981	524,068
JUN		49,284	529,330
JUL		47,088	530,310
AUG		39,634	471,840
SEP		92,170	547,576
OCT		15,417	479,340
NOV		0	431,335
DEC		0	405,197
JAN	2007	0	345,538
FEB		0	336,987
MAR		0	309,599
APR		0	266,574
MAY		0	243,594
JUN		0	194,310
JUL		0	147,222
AUG		0	107,587
SEP		0	15,417
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		917,432	

10,000
MATERIALITY

AVG BAL: 107,025

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
-100.00%	107.90%

TEST 1 PASSED	1
TEST 2 FAILED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	479,340
------------	---------

INF INCREASE	17,324
GROW INCREA	3,665

ATTR AMOUNT	500,329
=====	

CONSUMER ADVOCATE AND PROTECTION DIVISION
SUMMARY OF ACCUMULATED ITC
TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #06-00290
FOR THE THIRTEEN MONTHS ENDED FEBRUARY 28, 2008

RB-ITC

	B/ 2007	<u>Amortization</u> \$	<u>Balance</u> \$	A/
JANUARY			1,186,268	
FEBRUARY		6,364	1,179,904	
MARCH		6,364	1,173,540	
APRIL		6,364	1,167,176	
MAY		6,364	1,160,812	
JUNE		6,364	1,154,448	
JULY		6,364	1,148,084	
AUGUST		6,364	1,141,720	
SEPTEMBER		6,364	1,135,356	
OCTOBER		6,364	1,128,992	
NOVEMBER		6,364	1,122,628	
DECEMBER		6,364	1,116,264	
JANUARY	2008	6,364	1,109,900	
FEBRUARY		6,364	1,103,536	
AVERAGE ACC. DEF ITC			\$ 1,141,720	

A/ PER OCTOBER 2006 TRIAL BALANCE LESS THREE MONTHS AMORTIZATION.
B/ PER OCTOBER 2006 TRIAL BALANCE, MONTHLY AMOUNT TIMES 12 EQUALS COMPANY FORECAST.

CONSUMER ADVOCATE AND PROTECTION DIVISION
ACCUMULATED DEPRECIATION SUMMARY
TENNESSEE AMERICAN WATER COMPANY THE DOCKET NO. 00280

Accumulated Depreciation	Plant in Service Balance 12/31/2004	Accumulated Depreciation 12/31/2004	A/ B Current Depreciation Rate 12/31/2004	A/ B Total Plant Balance 12/31/2004	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	Jan 2008	Accumulated Depreciation Balance 2008	RB-ACC DEP
					Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance		
304.22 Pumping Structures	\$ 3,809,177	\$ 337,559	3.86%	\$ 2,871,618	\$ 949,612	\$ 962,570	\$ 974,317	\$ 974,317	\$ 966,570	\$ 966,570	\$ 1,072,338	\$ 1,064,582	\$ 1,066,844	\$ 1,103,087	
304.23 Pumping Structures	3,107,043	276,043	3.97%	2,730,999	2,223,478	2,250,375	2,250,375	2,250,375	2,250,375	2,250,375	2,356,590	2,373,440	2,387,262	2,401,125	
304.4 180 Structures and Improvements	1,510,635	126,540	3.15%	1,384,095	1,083,870	1,083,870	1,083,870	1,083,870	1,083,870	1,083,870	1,190,085	1,190,085	1,190,085	1,226,626	
304.53 Maintenance Equipment	1,118,390	688,609	5.64%	439,781	691,670	691,670	691,670	691,670	691,670	691,670	941,121	941,121	941,121	956,268	
304.54 TOTAL STRUCTURES AND IMPROVEMENTS	6,967,162	4,312,703	3.40%	2,654,481	2,163,529	2,171,915	2,171,915	2,171,915	2,163,529	2,163,529	2,359,129	2,376,662	2,387,262	2,417,911	
305.2 Lake, Pond, and Other Intakes	483,123	215,143	3.40%	267,980	215,143	215,143	215,143	215,143	215,143	215,143	230,358	231,774	233,180	234,546	
305.3 Lake, Pond, and Other Intakes	610,555	233,335	3.82%	377,220	276,320	276,320	276,320	276,320	276,320	276,320	291,535	292,951	294,367	295,783	
305.4 Lake, Pond, and Other Intakes	1,921,241	1,214,201	3.44%	707,040	914,201	914,201	914,201	914,201	914,201	914,201	941,121	941,121	941,121	956,268	
311.2 Electric Pumping Equipment	5,963,774	2,418,066	1.72%	3,545,708	2,427,335	2,427,335	2,427,335	2,427,335	2,427,335	2,427,335	2,443,257	2,443,257	2,443,257	2,468,292	
311.3 Electric Pumping Equipment	3,963,774	3,963,774	1.72%	3,963,774	3,963,774	3,963,774	3,963,774	3,963,774	3,963,774	3,963,774	3,963,774	3,963,774	3,963,774	3,963,774	
320.31 Water Treatment Equipment	12,378,400	6,524,437	4.27%	5,853,963	6,572,484	6,572,484	6,572,484	6,572,484	6,572,484	6,572,484	6,572,484	6,572,484	6,572,484	6,572,484	
320.32 Water Treatment Equipment	12,378,400	6,524,437	4.27%	5,853,963	6,572,484	6,572,484	6,572,484	6,572,484	6,572,484	6,572,484	6,572,484	6,572,484	6,572,484	6,572,484	
320.41 180 Reservoirs and Standpipes	9,711,689	2,485,873	1.85%	7,225,816	2,502,206	2,514,736	2,527,272	2,539,806	2,552,339	2,564,872	2,577,405	2,589,938	2,602,471	2,615,004	
320.42 180 Reservoirs and Standpipes	9,711,689	2,485,873	1.85%	7,225,816	2,502,206	2,514,736	2,527,272	2,539,806	2,552,339	2,564,872	2,577,405	2,589,938	2,602,471	2,615,004	
331.1 TOTAL RESERVOIRS AND STANDPIPES	19,423,378	4,971,746	1.41%	14,451,632	17,024,412	17,024,412	17,024,412	17,024,412	17,024,412	17,024,412	17,024,412	17,024,412	17,024,412	17,024,412	
331.2 TOTAL RESERVOIRS AND STANDPIPES	19,423,378	4,971,746	1.41%	14,451,632	17,024,412	17,024,412	17,024,412	17,024,412	17,024,412	17,024,412	17,024,412	17,024,412	17,024,412	17,024,412	
333.33 Service	17,846,647	5,321,145	2.98%	12,525,502	5,321,145	5,321,145	5,321,145	5,321,145	5,321,145	5,321,145	5,321,145	5,321,145	5,321,145	5,321,145	
334.34 TOTAL NEUTRALIZATION AND METER INSTALLATIONS	13,674,647	1,516,558	2.21%	12,158,089	1,516,558	1,516,558	1,516,558	1,516,558	1,516,558	1,516,558	1,516,558	1,516,558	1,516,558	1,516,558	
335.35 Inflow	7,240,156	1,417,095	2.21%	5,823,061	1,417,095	1,417,095	1,417,095	1,417,095	1,417,095	1,417,095	1,417,095	1,417,095	1,417,095	1,417,095	
339.2 Other Water Source Plant	6,572,240	5,362,247	15.90%	1,209,993	5,362,247	5,362,247	5,362,247	5,362,247	5,362,247	5,362,247	5,362,247	5,362,247	5,362,247	5,362,247	
340.340 TOTAL OFFICE FURNITURE AND EQUIPMENT	2,336,240	602,924	9.36%	1,733,316	602,924	602,924	602,924	602,924	602,924	602,924	602,924	602,924	602,924	602,924	
341.341 TOTAL TRANSPORTATION EQUIPMENT	2,336,240	602,924	9.36%	1,733,316	602,924	602,924	602,924	602,924	602,924	602,924	602,924	602,924	602,924	602,924	
342.5 Stores Equipment	43,352	43,352	4.89%	11,820	43,352	43,352	43,352	43,352	43,352	43,352	43,352	43,352	43,352	43,352	
343.3 Tools, Shop and Office Equipment	1,164,532	345,545	3.85%	818,987	345,545	345,545	345,545	345,545	345,545	345,545	345,545	345,545	345,545	345,545	
344.5 Laboratory Equipment	306,087	298,409	11.17%	7,678	298,409	298,409	298,409	298,409	298,409	298,409	298,409	298,409	298,409	298,409	
345.5 Power Operated Equipment	336,333	303,281	9.21%	33,052	303,281	303,281	303,281	303,281	303,281	303,281	303,281	303,281	303,281	303,281	
346.5 TOTAL CONSTRUCTION EQUIPMENT	500,163	244,898	2.89%	255,265	244,898	244,898	244,898	244,898	244,898	244,898	244,898	244,898	244,898	244,898	
347.51 Maintenance Equipment	1,023,783	1,023,783	2.89%	878,785	1,023,783	1,023,783	1,023,783	1,023,783	1,023,783	1,023,783	1,023,783	1,023,783	1,023,783	1,023,783	
Total Depreciable Plant	183,396,176	52,233,762		131,162,414	131,162,414	131,162,414	131,162,414	131,162,414	131,162,414	131,162,414	131,162,414	131,162,414	131,162,414	131,162,414	
Total Monthly Accumulated Depreciation					\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	
13 Month Average Accumulated Depreciation					\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	\$ 52,233,762	
Land															
Intangible Plant															
Other Assets															
Total Plant in Service	\$ 183,396,176	\$ 52,233,762		\$ 131,162,414	\$ 131,162,414	\$ 131,162,414	\$ 131,162,414	\$ 131,162,414	\$ 131,162,414	\$ 131,162,414	\$ 131,162,414	\$ 131,162,414	\$ 131,162,414	\$ 131,162,414	

A/ Company Response to CAPD First Set of Data Requests Part II #23 Page 1 of 1

TENNESSEE AMERICAN WATER COMPANY TR
MONTHLY PLANT IN SERVICE
FOR THE ATTENTION YEAR ENDING FEBRUARY

RB-PLANT1

Account #	Description	Balance 2/28/2008
304.2	Pumping Structures	\$ 3,809,177
304.3	Water Treatment Structures	3,634,780
304.4	T&D Structures and Improvements	510,815
304.5	Miscellaneous Equipment	1,119,390
304	TOTAL STRUCTURES AND IMPROVEMENT	9,074,162
306.2	Lake, River, and Other Intakes	489,123
309	Supply Mains	610,555
310.2	Power Generation Equipment	227,422
311.2	Electric Pumping Equipment	6,313,321
311	TOTAL PUMPING EQUIPMENT	6,313,321
320.3	Water Treatment Equipment	12,378,400
320	TOTAL WATER TREATMENT EQUIPMENT	12,378,400
330.4	T&D Reservoirs and Standpipes	8,987,392
330	TOTAL T&D RESERVOIRS AND STANDPIP	8,987,392
331	Trans. And Dist. Mains	99,757,142
331	TOTAL TRANS. AND DIST. MAINS	99,757,142
333	Services	18,838,783
334	Meters and Installations	15,267,007
334	TOTAL METERS AND METER INSTALLAT	15,267,007
335	Hydants	7,578,215
339.2	Other Water Source Plant	8,526
340	Office Furniture	6,726,530
340	TOTAL OFFICE FURNITURE AND EQUIPM	6,726,530
341	Light Trucks	2,772,690
341	TOTAL TRANSPORTATION EQUIPMENT	2,772,690
342	Stores Equipment	43,392
343	Tools, Shop and Garage Equipment	1,461,232
344	Laboratory Equipment	368,087
345	Power Operated Equipment	336,333
346.2	Communication Equipment	468,383
346	TOTAL COMMUNICATIONS EQUIPMENT	468,383
347.51	Miscellaneous Equipment	1,023,783
	Land	432,343
	Intangible Plant	405,132
	Other Assets	1,641,517
	Total Plant in Service	\$ 195,209,471
	13 Month Average Plant in Service	\$ 189,828,780

TENNESSEE AMERICAN WATER COMPANY TR.
MONTHLY PLANT IN SERVICE
FOR THE YEAR ENDING FEBRUARY

RR-PLANT1

Account #	Description	Balance 11/30/2007	Additions	Retirements	Balance 12/31/2007	Additions	Retirements	Balance 1/31/2008	Additions	Retirements
304.2	Pumping Structures	\$ 3,809,177	\$ -	\$ -	\$ 3,809,177	\$ -	\$ -	\$ 3,809,177	\$ -	\$ -
304.3	Water Treatment Structures	3,627,280	7,500	0	3,634,780	0	0	3,634,780	0	0
304.4	T&D Structures and Improvements	510,815	0	0	510,815	0	0	510,815	0	0
304.5	Miscellaneous Equipment	1,119,390	0	0	1,119,390	0	0	1,119,390	0	0
304	TOTAL STRUCTURES AND IMPROVEMENTS	9,066,662	0	0	9,074,162	0	0	9,074,162	0	0
306.2	Lake, River, and Other Intakes	489,123	0	0	489,123	0	0	489,123	0	0
309	Supply Mains	610,555	0	0	610,555	0	0	610,555	0	0
310.2	Power Generation Equipment	227,422	0	0	227,422	0	0	227,422	0	0
311.2	Electric Pumping Equipment	6,265,424	40,500	(7,500)	6,298,424	8,219	0	6,306,643	6,678	0
311	TOTAL PUMPING EQUIPMENT	6,265,424	0	0	6,298,424	0	0	6,306,643	0	0
320.3	Water Treatment Equipment	12,378,400	0	0	12,378,400	0	0	12,378,400	0	0
320	TOTAL WATER TREATMENT EQUIPMENT	12,378,400	0	0	12,378,400	0	0	12,378,400	0	0
330.4	T&D Reservoirs and Standpipes	8,987,392	0	0	8,987,392	0	0	8,987,392	0	0
330	TOTAL T&D RESERVOIRS AND STANDPIPES	8,987,392	0	0	8,987,392	0	0	8,987,392	0	0
331	Trans. And Dist. Mains	98,442,206	1,003,076	(18,000)	99,427,282	197,552	0	99,624,834	132,308	0
331	TOTAL TRANS. AND DIST. MAINS	98,442,206	0	0	99,427,282	0	0	99,624,834	0	0
333	Services	18,760,054	51,265	(3,190)	18,808,129	16,073	0	18,824,202	14,581	0
334	Meters and Installations	15,104,547	127,000	(8,000)	15,223,547	25,413	0	15,248,960	18,047	0
334	TOTAL METERS AND METER INSTALLATIONS	15,104,547	0	0	15,223,547	0	0	15,248,960	0	0
335	Hydrants	7,478,211	80,950	(3,988)	7,555,173	19,247	0	7,574,420	3,795	0
339.2	Other Water Source Plant	8,526	0	0	8,526	0	0	8,526	0	0
340	Office Furniture	6,713,195	10,500	0	6,723,695	431	0	6,724,126	2,404	0
340	TOTAL OFFICE FURNITURE AND EQUIPMENT	6,713,195	0	0	6,723,695	0	0	6,724,126	0	0
341	Light Trucks	2,585,190	187,500	0	2,772,690	0	0	2,772,690	0	0
341	TOTAL TRANSPORTATION EQUIPMENT	2,585,190	0	0	2,772,690	0	0	2,772,690	0	0
342	Stores Equipment	43,392	0	0	43,392	0	0	43,392	0	0
343	Tools, Shop and Garage Equipment	1,393,232	75,500	(7,500)	1,461,232	0	0	1,461,232	0	0
344	Laboratory Equipment	368,087	0	0	368,087	0	0	368,087	0	0
345	Power Operated Equipment	336,333	0	0	336,333	0	0	336,333	0	0
346.2	Communication Equipment	468,383	0	0	468,383	0	0	468,383	0	0
346	TOTAL COMMUNICATIONS EQUIPMENT	468,383	0	0	468,383	0	0	468,383	0	0
347.51	Miscellaneous Equipment	1,023,783	0	0	1,023,783	0	0	1,023,783	0	0
	Land	432,343			432,343			432,343		
	Intangible Plant	405,132			405,132			405,132		
	Other Assets	1,641,517			1,641,517			1,641,517		
	Total Plant in Service	\$ 193,229,110			\$ 194,764,723			\$ 195,031,658		

13 Month Average Plant in Service

TENNESSEE AMERICAN WATER COMPANY 'TRA
MONTHLY P T IN SERVICE
FOR THE YEAR ENDING FEBRUARY

RR-PLANT1

Account#	Description	Balance 8/31/2007	Additions	Retirements	Balance 9/30/2007	Additions	Retirements	Balance 10/31/2007	Additions	Retirements
304.2	Pumping Structures	\$ 3,809,177	\$ -	\$ -	\$ 3,809,177	\$ -	\$ -	\$ 3,809,177	\$ -	\$ -
304.3	Water Treatment Structures	3,597,280	12,500	0	3,609,780	7,500	0	3,617,280	10,000	0
304.4	T&D Structures and Improvements	510,815	0	0	510,815	0	0	510,815	0	0
304.5	Miscellaneous Equipment	1,119,390	0	0	1,119,390	0	0	1,119,390	0	0
304	TOTAL STRUCTURES AND IMPROVEMENT	9,036,662	0	0	9,049,162	0	0	9,056,662	0	0
306.2	Lake, River, and Other Intakes	489,123	0	0	489,123	0	0	489,123	0	0
309	Supply Mains	610,555	0	0	610,555	0	0	610,555	0	0
310.2	Power Generation Equipment	227,422	0	0	227,422	0	0	227,422	0	0
311.2	Electric Pumping Equipment	6,130,824	38,000	(9,600)	6,159,224	70,000	(12,200)	6,217,024	59,000	(10,600)
311	TOTAL PUMPING EQUIPMENT	6,130,824	0	0	6,159,224	0	0	6,217,024	0	0
320.3	Water Treatment Equipment	12,378,400	0	0	12,378,400	0	0	12,378,400	0	0
320	TOTAL WATER TREATMENT EQUIPMENT	12,378,400	0	0	12,378,400	0	0	12,378,400	0	0
330.4	T&D Reservoirs and Standpipes	8,355,392	606,018	(168,000)	8,793,410	193,982	0	8,987,392	0	0
330	TOTAL T&D RESERVOIRS AND STANDPIP	8,355,392	0	0	8,793,410	0	0	8,987,392	0	0
331	Trans. And Dist. Mains	96,055,869	971,055	(5,700)	97,021,224	900,902	(37,900)	97,884,226	566,480	(8,500)
331	TOTAL TRANS. AND DIST. MAINS	96,055,869	0	0	97,021,224	0	0	97,884,226	0	0
333	Services	18,454,360	105,800	(1,950)	18,558,210	136,644	(2,700)	18,692,154	68,500	(6,000)
334	Meters and Installations	14,849,347	90,000	(5,200)	14,934,147	87,800	(5,200)	15,016,747	93,000	(5,200)
334	TOTAL METERS AND METER INSTALLAT	14,849,347	0	0	14,934,147	0	0	15,016,747	0	0
335	Hydrants	7,308,311	63,200	(2,500)	7,369,011	65,700	(4,000)	7,430,711	49,500	(2,000)
339.2	Other Water Source Plant	8,526	0	0	8,526	0	0	8,526	0	0
340	Office Furniture	6,645,195	10,000	0	6,655,195	24,300	0	6,679,495	33,700	0
340	TOTAL OFFICE FURNITURE AND EQUIPM	6,645,195	0	0	6,655,195	0	0	6,679,495	0	0
341	Light Trucks	2,022,690	187,500	0	2,210,190	187,500	0	2,397,690	187,500	0
341	TOTAL TRANSPORTATION EQUIPMENT	2,022,690	0	0	2,210,190	0	0	2,397,690	0	0
342	Stores Equipment	43,392	0	0	43,392	0	0	43,392	0	0
343	Tools, Shop and Garage Equipment	1,253,132	34,000	(3,400)	1,283,732	54,000	(5,500)	1,332,232	67,000	(6,000)
344	Laboratory Equipment	368,087	0	0	368,087	0	0	368,087	0	0
345	Power Operated Equipment	336,333	0	0	336,333	0	0	336,333	0	0
346.2	Communication Equipment	468,383	0	0	468,383	0	0	468,383	0	0
346	TOTAL COMMUNICATIONS EQUIPMENT	468,383	0	0	468,383	0	0	468,383	0	0
347.51	Miscellaneous Equipment	1,023,783	0	0	1,023,783	0	0	1,023,783	0	0
	Land	432,343			432,343			432,343		
	Intangible Plant	405,132			405,132			405,132		
	Other Assets	1,641,517			1,641,517			1,641,517		
	Total Plant in Service	\$ 188,544,779		\$ -	\$ 190,466,502		\$ -	\$ 192,127,330		

13 Month Average Plant in Service

P119

TENNESSEE AMERICAN WATER COMPANY TRA
MONTHLY PAYROLL IN SERVICE
FOR THE ATTACHMENT YEAR ENDING FEBRUARY

RB-PLANT)

Account #	Description	Balance 6/30/2007	Additions	Retirements	Balance 7/31/2007	Additions	Retirements
304.2	Pumping Structures	\$ 3,809,177	\$ -	\$ -	\$ 3,809,177	\$ -	\$ -
304.3	Water Treatment Structures	3,577,280	10,000	0	3,587,280	10,000	0
304.4	T&D Structures and Improvements	510,815	0	0	510,815	0	0
304.5	Miscellaneous Equipment	1,119,390	0	0	1,119,390	0	0
304	TOTAL STRUCTURES AND IMPROVEMENT	9,016,662	0	0	9,026,662	0	0
306.2	Lake, River, and Other Intakes	489,123	0	0	489,123	0	0
309	Supply Mains	610,555	0	0	610,555	0	0
310.2	Power Generation Equipment	227,422	0	0	227,422	0	0
311.2	Electric Pumping Equipment	6,095,824	20,000	(4,500)	6,111,324	27,500	(8,000)
311	TOTAL PUMPING EQUIPMENT	6,095,824	0	0	6,111,324	0	0
320.3	Water Treatment Equipment	12,378,400	0	0	12,378,400	0	0
320	TOTAL WATER TREATMENT EQUIPMENT	12,378,400	0	0	12,378,400	0	0
330.4	T&D Reservoirs and Standpipes	8,355,392	0	0	8,355,392	0	0
330	TOTAL T&D RESERVOIRS AND STANDPIP	8,355,392	0	0	8,355,392	0	0
331	Trans. And Dist. Mains	95,437,509	204,645	(19,440)	95,622,714	582,770	(149,615)
331	TOTAL TRANS. AND DIST. MAINS	95,437,509	0	0	95,622,714	0	0
333	Services	18,297,530	69,100	(1,850)	18,364,780	91,580	(2,000)
334	Meters and Installations	14,537,547	169,900	(14,000)	14,693,447	169,900	(14,000)
334	TOTAL METERS AND METER INSTALLAT	14,537,547	0	0	14,693,447	0	0
335	Hydrants	7,274,836	13,450	(800)	7,287,486	23,625	(2,800)
339.2	Other Water Source Plant	8,526	0	0	8,526	0	0
340	Office Furniture	6,617,195	12,500	0	6,629,695	15,500	0
340	TOTAL OFFICE FURNITURE AND EQUIPM	6,617,195	0	0	6,629,695	0	0
341	Light Trucks	2,022,690	0	0	2,022,690	0	0
341	TOTAL TRANSPORTATION EQUIPMENT	2,022,690	0	0	2,022,690	0	0
342	Stores Equipment	43,392	0	0	43,392	0	0
343	Tools, Shop and Garage Equipment	1,225,732	19,500	(6,100)	1,239,132	16,500	(2,500)
344	Laboratory Equipment	368,087	0	0	368,087	0	0
345	Power Operated Equipment	336,333	0	0	336,333	0	0
346.2	Communication Equipment	468,383	0	0	468,383	0	0
346	TOTAL COMMUNICATIONS EQUIPMENT	468,383	0	0	468,383	0	0
347.51	Miscellaneous Equipment	1,023,783	0	0	1,023,783	0	0
	Land	432,343			432,343		
	Intangible Plant	405,132			405,132		
	Other Assets	1,641,517			1,641,517		
	Total Plant in Service	\$ 187,313,914			\$ 187,786,319		

13 Month Average Plant in Service

TENNESSEE AMERICAN WATER COMPANY TRA
MONTHLY PLANT IN SERVICE
FOR THE ATTACHMENT YEAR ENDING FEBRUARY

RB-PLANT1

Account #	Description	Retirements	Balance 3/31/2007	Additions	Retirements	Balance 4/30/2007	Additions	Retirements	Balance 5/31/2007
304.2	Pumping Structures	\$ -	\$ 3,809,177	\$ -	\$ -	\$ 3,809,177	\$ -	\$ -	\$ 3,809,177
304.3	Water Treatment Structures	0	3,552,280	16,500	0	3,568,780	8,500	0	3,577,280
304.4	T&D Structures and Improvements	0	510,815	0	0	510,815	0	0	510,815
304.5	Miscellaneous Equipment	0	1,119,390	0	0	1,119,390	0	0	1,119,390
304	TOTAL STRUCTURES AND IMPROVEMENTS	0	8,991,662	0	0	9,008,162	0	0	9,016,662
306.2	Lake, River, and Other Intakes	0	489,123	0	0	489,123	0	0	489,123
309	Supply Mains	0	610,555	0	0	610,555	0	0	610,555
310.2	Power Generation Equipment	0	227,422	0	0	227,422	0	0	227,422
311.2	Electric Pumping Equipment	(6,500)	6,028,274	29,000	(1,250)	6,056,024	20,000	(3,950)	6,072,074
311	TOTAL PUMPING EQUIPMENT	0	6,028,274	0	0	6,056,024	0	0	6,072,074
320.3	Water Treatment Equipment	0	12,378,400	0	0	12,378,400	0	0	12,378,400
320	TOTAL WATER TREATMENT EQUIPMENT	0	12,378,400	0	0	12,378,400	0	0	12,378,400
330.4	T&D Reservoirs and Standpipes	0	8,355,392	0	0	8,355,392	0	0	8,355,392
330	TOTAL T&D RESERVOIRS AND STANDPIPES	0	8,355,392	0	0	8,355,392	0	0	8,355,392
331	Trans. And Dist. Mains	(14,025)	94,468,839	218,050	(12,920)	94,673,969	391,730	(23,300)	95,042,399
331	TOTAL TRANS. AND DIST. MAINS	0	94,468,839	0	0	94,673,969	0	0	95,042,399
333	Services	(2,800)	18,065,570	74,850	(2,920)	18,137,500	61,330	(2,000)	18,196,830
334	Meters and Installations	(13,000)	14,084,097	165,150	(14,000)	14,235,247	165,150	(14,000)	14,386,397
334	TOTAL METERS AND METER INSTALLATIONS	0	14,084,097	0	0	14,235,247	0	0	14,386,397
335	Hydrants	(800)	7,266,136	8,725	(4,000)	7,270,861	1,725	(400)	7,272,186
339.2	Other Water Source Plant	0	8,526	0	0	8,526	0	0	8,526
340	Office Furniture	(1,650)	6,578,395	13,500	(1,200)	6,590,695	33,500	(18,000)	6,606,195
340	TOTAL OFFICE FURNITURE AND EQUIPMENT	0	6,578,395	0	0	6,590,695	0	0	6,606,195
341	Light Trucks	(46,000)	2,097,940	0	(27,800)	2,070,140	0	(20,800)	2,049,340
341	TOTAL TRANSPORTATION EQUIPMENT	0	2,097,940	0	0	2,070,140	0	0	2,049,340
342	Stores Equipment	0	43,392	0	0	43,392	0	0	43,392
343	Tools, Shop and Garage Equipment	(2,000)	1,184,032	26,000	(5,000)	1,205,032	12,500	(4,000)	1,213,532
344	Laboratory Equipment	0	368,087	0	0	368,087	0	0	368,087
345	Power Operated Equipment	0	336,333	0	0	336,333	0	0	336,333
346.2	Communication Equipment	0	468,383	0	0	468,383	0	0	468,383
346	TOTAL COMMUNICATIONS EQUIPMENT	0	468,383	0	0	468,383	0	0	468,383
347.51	Miscellaneous Equipment	0	1,023,783	0	0	1,023,783	0	0	1,023,783
	Land		432,343			432,343			432,343
	Intangible Plant		405,132			405,132			405,132
	Other Assets		1,641,517			1,641,517			1,641,517
	Total Plant in Service	\$ -	\$ 185,553,334			\$ 186,036,019			\$ 186,644,004

13 Month Average Plant in Service

TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #06-00290
MONTHLY PAYMENTS IN SERVICE
FOR THE FISCAL YEAR ENDING FEBRUARY 28, 2008

RB-PLANT1

RB-PLANT1

A/

Account #	Description	Balance 12/31/2006	Additions	Retirements	Balance 1/31/2007	Additions	Retirements	Balance 2/28/2007	Additions
304.2	Pumping Structures	\$ 3,809,177	\$ -	\$ -	\$ 3,809,177	\$ -	\$ -	\$ 3,809,177	\$ -
304.3	Water Treatment Structures	3,527,780	3,500	0	3,531,280	0	0	3,531,280	21,000
304.4	T&D Structures and Improvements	510,815	0	0	510,815	0	0	510,815	0
304.5	Miscellaneous Equipment	1,119,390	0	0	1,119,390	0	0	1,119,390	0
304	TOTAL STRUCTURES AND IMPROVEMENTS	8,967,162	0	0	8,970,662	0	0	8,970,662	0
306.2	Lake, River, and Other Intakes	489,123	0	0	489,123	0	0	489,123	0
309	Supply Mains	610,555	0	0	610,555	0	0	610,555	0
310.2	Power Generation Equipment	227,422	0	0	227,422	0	0	227,422	0
311.2	Electric Pumping Equipment	5,983,774	10,000	(4,000)	5,989,774	17,000	(4,000)	6,002,774	32,000
311	TOTAL PUMPING EQUIPMENT	5,983,774	0	0	5,989,774	0	0	6,002,774	0
320.3	Water Treatment Equipment	12,378,400	0	0	12,378,400	0	0	12,378,400	0
320	TOTAL WATER TREATMENT EQUIPMENT	12,378,400	0	0	12,378,400	0	0	12,378,400	0
330.4	T&D Reservoirs and Standpipes	8,355,392	0	0	8,355,392	0	0	8,355,392	0
330	TOTAL T&D RESERVOIRS AND STANDPIPES	8,355,392	0	0	8,355,392	0	0	8,355,392	0
331	Trans. And Dist. Mains	93,882,035	183,500	(1,850)	94,063,685	180,899	(5,100)	94,239,484	243,380
331	TOTAL TRANS. AND DIST. MAINS	93,882,035	0	0	94,063,685	0	0	94,239,484	0
333	Services	17,846,645	77,275	(1,500)	17,922,420	69,050	(1,750)	17,989,720	78,650
334	Meters and Installations	13,674,647	140,150	(11,000)	13,803,797	145,150	(13,000)	13,935,947	161,150
334	TOTAL METERS AND METER INSTALLATION	13,674,647	0	0	13,803,797	0	0	13,935,947	0
335	Hydrants	7,259,861	6,900	(1,600)	7,265,161	1,725	(3,400)	7,263,486	3,450
339.2	Other Water Source Plant	8,526	0	0	8,526	0	0	8,526	0
340	Office Furniture	6,547,395	8,000	(1,200)	6,554,195	8,500	(1,650)	6,561,045	19,000
340	TOTAL OFFICE FURNITURE AND EQUIPMENT	6,547,395	0	0	6,554,195	0	0	6,561,045	0
341	Light Trucks	2,336,240	0	(86,800)	2,249,440	0	(105,500)	2,143,940	0
341	TOTAL TRANSPORTATION EQUIPMENT	2,336,240	0	0	2,249,440	0	0	2,143,940	0
342	Stores Equipment	43,392	0	0	43,392	0	0	43,392	0
343	Tools, Shop and Garage Equipment	1,164,532	5,000	(2,500)	1,167,032	7,500	(3,000)	1,171,532	14,500
344	Laboratory Equipment	368,087	0	0	368,087	0	0	368,087	0
345	Power Operated Equipment	336,333	0	0	336,333	0	0	336,333	0
346.2	Communication Equipment	506,383	0	(21,500)	484,883	0	(16,500)	468,383	0
346	TOTAL COMMUNICATIONS EQUIPMENT	506,383	0	0	484,883	0	0	468,383	0
347.51	Miscellaneous Equipment	1,023,783	0	0	1,023,783	0	0	1,023,783	0
	Land	432,343			432,343			432,343	
	Intangible Plant	405,132			405,132			405,132	
	Other Assets	1,641,517			1,641,517			1,641,517	
	Total Plant in Service	\$ 184,488,680		\$	\$ 184,791,055		\$	\$ 185,066,979	

13 Month Average Plant in Service

A/ Company Response to CAPD First Set of Data Requests, Part II, #23, Page 1 of 1, Less Walden Ridge Amounts.

TENNESSEE AMERICAN WATER COMPANY
 TRA DOCKET # 06-00290
 FRANCHISE TAX
 FOR THE YEARS ENDING DECEMBER 31, 2003-2008

T-OTAX8

	AMOUNT
NET PLANT AT DECEMBER 31, 2003	\$ 101,273,193
MATERIALS AND SUPPLIES AT DECEMBER 31, 2003	2,423,582
CONSTRUCTION WORK IN PROGRESS AT DECEMBER 31, 2003	-
RENT VALUE AT DECEMBER 31, 2003	95,142
TAX RATE OF \$ 25 PER \$100 OF NET PLANT AND M&S	0.25
FRANCHISE TAX AMOUNT FOR 2003	<u>\$ 259,180 A/</u>
UTILITY PLANT IN SERVICE AT DECEMBER 31, 2004	\$ 151,812,549
ACCUMULATED DEPRECIATION AT DECEMBER 31, 2004	(45,897,243)
NET PLANT AT DECEMBER 31, 2004	\$ 105,915,306
MATERIALS AND SUPPLIES AT DECEMBER 31, 2004	3,876,921
CONSTRUCTION WORK IN PROGRESS AT DECEMBER 31, 2004	-
RENT VALUE AT DECEMBER 31, 2004	93,321
TAX RATE OF \$ 25 PER \$100 OF NET PLANT AND M&S	0.25
FRANCHISE TAX AMOUNT FOR 2004	<u>\$ 274,714 B/</u>
NET PLANT AT DECEMBER 31, 2005	\$ 119,404,505
MATERIALS AND SUPPLIES AT DECEMBER 31, 2005	1,319,268
CONSTRUCTION WORK IN PROGRESS AT DECEMBER 31, 2005	-
RENT VALUE AT DECEMBER 31, 2005	101,723
TAX RATE OF \$ 25 PER \$100 OF NET PLANT AND M&S	0.25
FRANCHISE TAX AMOUNT FOR 2005	<u>\$ 302,064 C/</u>
UTILITY PLANT IN SERVICE AT DECEMBER 31, 2006	\$ 184,488,680 D/
ACCUMULATED DEPRECIATION AT DECEMBER 31, 2006	(53,456,904) E/
NET PLANT AT DECEMBER 31, 2006	\$ 131,031,776
MATERIALS AND SUPPLIES AT DECEMBER 31, 2006	646,621 F/
CONSTRUCTION WORK IN PROGRESS AT DECEMBER 31, 2006	3,469,458 F/
RENT VALUE AT DECEMBER 31, 2006	101,723 G/
TAX RATE OF \$ 25 PER \$100 OF NET PLANT AND M&S	0.25
FRANCHISE TAX AMOUNT FOR 2006	<u>\$ 338,124</u>
UTILITY PLANT IN SERVICE AT DECEMBER 31, 2007	\$ 194,764,723 D/
ACCUMULATED DEPRECIATION AT DECEMBER 31, 2007	(56,988,520) E/
NET PLANT AT DECEMBER 31, 2007	\$ 137,776,203
MATERIALS AND SUPPLIES AT DECEMBER 31, 2007	646,621 F/
CONSTRUCTION WORK IN PROGRESS AT DECEMBER 31, 2007	2,608,585 H/
RENT VALUE AT DECEMBER 31, 2007	101,723 G/
TAX RATE OF \$ 25 PER \$100 OF NET PLANT AND M&S	0.25
FRANCHISE TAX AMOUNT FOR 2007	<u>\$ 352,833</u>

A/ PER TRA #47, STATE OF TENNESSEE F&E TAX RETURNS, Page 90 of 399 (Calculated amount per return \$252,371)

B/ PER TRA #13, STATE OF TENNESSEE F&E TAX RETURNS, Page 5 of 130, Book 2 of 2.

C/ PER TRA #47, STATE OF TENNESSEE F&E TAX RETURNS, Page 97 of 399

D/ PER CAPD WORK PAPERS RB-PLANT1

E/ PER CAPD WORK PAPERS RB-ACC DEP PLUS ACCUMULATED AMORTIZATION OF \$980,808 PER COMPANY EXHIBIT
F/ PER NOVEMBER 2006 TRA 3 06 SURVEILLANCE REPORT.

G/ 2005 ACTUAL AMOUNT

H/ PER COMPANY EXHIBIT NO 1, SCHEDULE 2, PAGE 1 OF 3

Tennessee American Water Company
 TRA Docket #06-00290
 State of Tennessee Gross Receipts Tax Calculation
 For the Attrition Year Ended February 28, 2008

T-OTAX7

	Forecast	D/ Actual Tax Return
Gross Receipts	\$ 34,397,262 A/	\$ 31,846,703
Taxable Receipts	32,672,399 B/	31,841,703
Tax Rate	3.00%	3.00%
Taxes	980,172	955,251
Less: Franchise Tax	(352,833) C/	(210,230)
Excise Tax	(339,713) D/	(339,713)
Net Tax	<u>\$ 287,626</u>	<u>\$ 405,308</u>
Tax 3/1/07-6/30/07		\$ 135,101
Tax 7/1/07-2/28/08	191,752	
Total Tax	<u>\$ 326,853</u>	

A/ Per Line 5 of the November 2006 TRA 3.06 Report

B/ 95% of Gross Receipts less \$5,000.

C/ CAPD Work Paper T-OTAX8

D/ Per Company Response to First Set of TRA Data Request, #13, Page 23 of 130, Book 2 of 2.

TENNESSEE AMERICAN WATER COMPANY
 TRA DOCKET #06-00290
 PAYROLL TAXES - SALARIED EMPLOYEES
 ATTRITION YEAR 3/01/07 - 2/28/08

T-OTAX6

* \$94,200 WAGE BASE
 ** NO WAGE BASE
 *** \$7,000 WAGE BASE

EMP #	EMP NAME	ATTRITION PERIOD PAY	FICA *	MEDICARE **	FUTA ***	SUTA ***	TOTAL PAYROLL TAXES
1	Cummings, Pamela B	\$ 78,757.88	\$ 4,882.99	\$ 1,141.99	\$ 56.00	\$ 28.00	\$ 6,108.98
2	Bartley, Rachel	89,906.25	5,574.19	1,303.64	56.00	28.00	6,961.83
3	Turley, Mark	58,413.38	3,621.63	846.99	56.00	28.00	4,552.62
4	McBay, David E.	48,909.00	3,032.36	709.18	56.00	28.00	3,825.54
5	Bishop, Monty	100,951.88	5,840.40	1,463.80	56.00	28.00	7,388.20
6	Scealf, Virginia B	56,718.00	3,516.52	822.41	56.00	28.00	4,422.93
7	Bennette, Michael	71,308.50	4,421.13	1,033.97	56.00	28.00	5,539.10
8	Zinnanti, Mark	80,864.25	5,013.58	1,172.53	56.00	28.00	6,270.12
9	Nartey, Kate	51,375.00	3,185.25	744.94	56.00	28.00	4,014.19
10	Holmes, Susan T.	81,378.00	5,045.44	1,179.98	56.00	28.00	6,309.42
11	Partridge, Adrien	44,182.50	2,739.32	640.65	56.00	28.00	3,463.96
12	Bratcher, Neil F.	64,270.13	3,984.75	931.92	56.00	28.00	5,000.66
13	Norwood, R Gary	67,866.38	4,207.72	984.06	56.00	28.00	5,275.78
14	Thornton, Rebecca	73,466.25	4,554.91	1,065.26	56.00	28.00	5,704.17
15	Morrison, Leah	61,341.75	3,803.19	889.46	56.00	28.00	4,776.64
16	Highsmith, Kevin	61,290.38	3,800.00	888.71	56.00	28.00	4,772.71
17	Banks, Kathleen	60,365.63	3,742.67	875.30	56.00	28.00	4,701.97
18	Dalton, Kimberly M.	57,540.00	3,567.48	834.33	56.00	28.00	4,485.81
19	Taylor, Randal D.	82,456.88	5,112.33	1,195.62	56.00	28.00	6,391.95
20	Watson, John S.	116,672.63	5,840.40	1,691.75	56.00	28.00	7,616.15
21	Lab Analyst	44,182.50	2,739.32	640.65	56.00	28.00	3,463.96
22	Supt Production	87,337.50	5,414.93	1,266.39	56.00	28.00	6,765.32
23	Betty, Steven W.	53,943.75	3,344.51	782.18	56.00	28.00	4,210.70
24	Loss Control Supt	53,943.75	3,344.51	782.18	56.00	28.00	4,210.70
		\$ 1,647,442	\$ 100,329	\$ 23,888	\$ 1,344	\$ 672	\$ 126,233

TENNESSEE AMERICAN WATER COMPANY
 TRA DOCKET #06-00290
 PAYROLL TAXES - NON-UNION HOURLY EMPLOYEES
 ATTRITION YEAR 3/1/07 - 2/28/08

T-OTAX5

*** \$7,000 WAGE BASE

EMP #	EMP NAME	A/ ATTRITION PERIOD PAY	FICA 6.20%	MEDICARE 1.45%	FUTA *** 0.80%	SUTA *** 0.40%	TOTAL PAYROLL TAXES
1	Griffith, Vicki	0.00 \$ 42,842.75	0.00 \$ 2,656.25	0.00 \$ 621.22	0.00 \$ 56.00	0 \$ 28.00	0.00 \$ 3,361.47
		0.00	0.00	0.00	0.00	0	0.00
		<u>\$ 42,842.75</u>	<u>\$ 2,656.25</u>	<u>\$ 621.22</u>	<u>\$ 56.00</u>	<u>\$ 28.00</u>	<u>\$ 3,361.47</u>

A/ CAPD WORKPAPER E-PAY-2.

TENNESSEE AMERICAN WATER COMPANY
 TRA DOCKET #06-00290
 PAYROLL TAXES - UNION EMPLOYEES
 ATTRITION YEAR 3/01/07 - 2/28/08

T-OTAX4

* \$94,200 WAGE BASE *** \$7,000 WAGE BASE
 ** NO WAGE BASE

EMP #	EMP NAME	A/ ATTRITION PERIOD PAY	FICA *	MEDICARE **	FUTA ***	SUTA ***	TOTAL PAYROLL TAXES
			6.20%	1.45%	0.80%	0.40%	
73	Jones, Jeffrey A.	46,449	2,880	674	56	28	3,637
74	Justice, Matthew W.	46,565	2,887	675	56	28	3,646
75	King, Elijah J.	46,185	2,863	670	56	28	3,617
76	Skiles, Rick J.	46,096	2,858	668	56	28	3,610
77	Stafford, Jeffrey R.	46,100	2,858	668	56	28	3,611
78	Watts, Daniel L.	48,847	3,029	708	56	28	3,821
79	Weathers, Edward E.	51,253	3,178	743	56	28	4,005
80	Welch, Billy J.	47,664	2,955	691	56	28	3,730
81	Williams, Derick D.	46,989	2,913	681	56	28	3,679
82	Bednarski, Richard	46,367	2,875	672	56	28	3,631
83	Johnson, Courtney	46,100	2,858	668	56	28	3,611
		\$ 4,003,124	\$ 248,194	\$ 58,045	\$ 4,648	\$ 2,324	\$ 313,211

A/ CAPD WORKPAPER E-PAY-1

TENNESSEE AMERICAN WATER COMPANY
 TRA DOCKET #06-00290
 PAYROLL TAXES - UNION EMPLOYEES
 ATTRITION YEAR 3/01/07 - 2/28/08

T-OTAX4

* \$94,200 WAGE BASE
 ** NO WAGE BASE
 *** \$7,000 WAGE BASE

EMP #	EMP NAME	A/ ATTRITION PERIOD PAY	FICA * 6.20%	MEDICARE ** 1.45%	FUTA *** 0.80%	SUTA *** 0.40%	TOTAL PAYROLL TAXES
49	Robinson, Greg C.	54,141	3,357	785	56	28	4,226
50	Crutchfield, Patrick	45,203	2,803	655	56	28	3,542
51	Blevins, Waylon T.	50,966	3,160	739	56	28	3,983
52	Hughes, Kendall W.	53,415	3,312	775	56	28	4,170
53	Walker, Melvin B	52,691	3,267	764	56	28	4,115
54	Stephens, Ricky E.	45,586	2,826	661	56	28	3,571
55	Crane, Scott	49,186	3,050	713	56	28	3,847
56	Satterfield, Donette L.	47,555	2,948	690	56	28	3,722
57	Kelley, Myra	49,339	3,059	715	56	28	3,858
58	Taylor, Morris	50,518	3,132	733	56	28	3,949
59	Autry, Freddie	47,308	2,933	686	56	28	3,703
60	Williams, Faye J.	45,565	2,825	661	56	28	3,570
61	Steed, Cynthia	46,108	2,859	669	56	28	3,611
62	Johnson, Edward L.	46,939	2,910	681	56	28	3,675
63	Borders, Stephen A	45,749	2,836	663	56	28	3,584
64	Blevins, Marvin R	50,087	3,105	726	56	28	3,916
65	Haws, Erich S.	46,806	2,902	679	56	28	3,665
66	Bowling, Stanley E.	48,653	3,016	705	56	28	3,806
67	Grace, Renee R.	45,548	2,824	660	56	28	3,568
68	Hughes, James T.	45,786	2,839	664	56	28	3,587
69	Stanley, Ralph	47,246	2,929	685	56	28	3,698
70	Russell, Linda H.	42,457	2,632	616	56	28	3,332
71	Seebeck, Jr., Jurgen D	51,842	3,214	752	56	28	4,050
72	Walden, Herman F.	53,409	3,311	774	56	28	4,170

TENNESSEE AMERICAN WATER COMPANY
 TRA DOCKET #06-00290
 PAYROLL TAXES - UNION EMPLOYEES
 ATTRITION YEAR 3/01/07 - 2/28/08

T-OTAX4

* \$94,200 WAGE BASE
 ** NO WAGE BASE
 *** \$7,000 WAGE BASE

EMP #	EMP NAME	A/ ATTRITION PERIOD PAY	FICA * 6.20%	MEDICARE ** 1.45%	FUTA *** 0.80%	SUTA *** 0.40%	TOTAL PAYROLL TAXES
25	Moses, Michael S.	51,362	3,184	745	56	28	4,013
26	Wilson, Jr., Keith V.	47,124	2,922	683	56	28	3,689
27	Pitman, Benjamin	63,097	3,912	915	56	28	4,911
28	Springs, James P.	46,194	2,864	670	56	28	3,618
29	Matthews, Larry	51,449	3,190	746	56	28	4,020
30	Hughes, Jane B.	42,534	2,637	617	56	28	3,338
31	Boyer, John B.	47,371	2,937	687	56	28	3,708
32	Vaughn, Diana L.	42,549	2,638	617	56	28	3,339
33	Melton, Brenda	46,417	2,878	673	56	28	3,635
34	Upshaw, Barbara, J.	42,557	2,639	617	56	28	3,340
35	Wortham, Deborah S.	42,472	2,633	616	56	28	3,333
36	Collins, Steven	46,628	2,891	676	56	28	3,651
37	Eady, R. Glenn	53,775	3,334	780	56	28	4,198
38	Harvey, Robbie	48,171	2,987	698	56	28	3,769
39	Davis, Bennie	42,940	2,662	623	56	28	3,369
40	Knight, Stacy L.	47,006	2,914	682	56	28	3,680
41	Tucker, Shirley A.	47,792	2,963	693	56	28	3,740
42	Camp, Debbie H.	54,362	3,370	788	56	28	4,243
43	Harris, Edward	51,624	3,201	749	56	28	4,033
44	O'Donnell, William T.	46,096	2,858	668	56	28	3,610
45	Billips, Brian D.	46,873	2,906	680	56	28	3,670
46	Martin, Tolly	52,379	3,248	760	56	28	4,091
47	Scruggs, Arthur L	45,681	2,832	662	56	28	3,579
48	Derryberry, Jack	48,352	2,998	701	56	28	3,783

TENNESSEE AMERICAN WATER COMPANY
 TRA DOCKET #06-00290
 PAYROLL TAXES - UNION EMPLOYEES
 ATTRITION YEAR 3/01/07 - 2/28/08

T-TOTAX4

* \$94,200 WAGE BASE
 ** NO WAGE BASE
 *** \$7,000 WAGE BASE

EMP #	EMP NAME	A/ ATTRITION PERIOD PAY	FICA *	MEDICARE **	FUTA ***	SUTA ***	TOTAL PAYROLL TAXES
			6.20%	1.45%	0.80%	0.40%	
1	Worrell, David T.	\$ 59,612	\$ 3,696	\$ 864	\$ 56	\$ 28	\$ 4,644
2	Blevins, Timothy B.	46,441	2,879	673	56	28	3,637
3	McGhee, Brian S.	44,829	2,779	650	56	28	3,513
4	Burrell, Dale R.	52,561	3,259	762	56	28	4,105
5	Cordell, Terry	57,863	3,588	839	56	28	4,511
6	Chmalogar, Adam D.	46,244	2,867	671	56	28	3,622
7	Atkins, Kelly L.	46,233	2,866	670	56	28	3,621
8	Griffith, Michael J	46,690	2,895	677	56	28	3,656
9	Haddock, Gerald L.	48,261	2,992	700	56	28	3,776
10	Ha, Jason T.	53,629	3,325	778	56	28	4,187
11	McNabb, David A.	48,380	3,000	702	56	28	3,785
12	Coates, David	51,378	3,185	745	56	28	4,014
13	Hester, Herbert F.	46,557	2,887	675	56	28	3,646
14	Gamble, Robert A.	50,345	3,121	730	56	28	3,935
15	Hicks, Jr., Worn	46,449	2,880	674	56	28	3,637
16	Hindman, Roy C.	45,146	2,799	655	56	28	3,538
17	Hays, Karen Denise	46,344	2,873	672	56	28	3,629
18	Hays, Chris L.	50,559	3,135	733	56	28	3,952
19	Baggett, James L	47,911	2,971	695	56	28	3,749
20	Hutsell, Charlotte A.	47,254	2,930	685	56	28	3,699
21	Morgan, Donald R.	47,074	2,919	683	56	28	3,685
22	Mount, Jason D.	46,108	2,859	669	56	28	3,611
23	Jenkins, Sammy	45,610	2,828	661	56	28	3,573
24	Jenkins, Lamar O.	46,125	2,860	669	56	28	3,613

TENNESSEE AMERICAN WATER COMPANY
TRA DOCKET #06-00290
CAPITALIZATION OF PAYROLL TAXES
FOR ATTRITION YEAR ENDING 2/28/08

P131
T-OTAX3

	<u>PAYROLL TAXES (CAPD)</u>	<u>PAYROLL TAXES (COMPANY)</u>	<u>DIFFERENCE</u>
<u>FICA TAXES</u>			
UNION EMPLOYEES	\$ 306,239 A/		
NON-UNION HOURLY EMPLOYEES	3,277 B/		
SALARIED EMPLOYEES	124,217 C/		
TOTAL	<u>\$ 433,733</u>		
CAPITALIZATION %	21.00% D/		
CAPITALIZED PORTION	<u>\$ 91,084</u>		
NON UTILITY %	0.00%		
NON UTILITY PORTION	<u>\$ -</u>		
EXPENSED PORTION	<u>\$ 342,649</u>	<u>352,445 E/</u>	<u>(9,796)</u>
<u>FUTA TAXES</u>			
UNION EMPLOYEES	4,648 A/		
NON-UNION HOURLY EMPLOYEES	56 B/		
SALARIED EMPLOYEES	1,344 C/		
TOTAL	<u>6,048</u>		
CAPITALIZATION %	21.00% D/		
CAPITALIZED PORTION	<u>\$ 1,270</u>		
NON UTILITY %	0.00%		
NON UTILITY PORTION	<u>\$ -</u>		
EXPENSED PORTION	<u>4,778</u>	<u>4,897 E/</u>	<u>(119)</u>
<u>SUTA TAXES</u>			
UNION EMPLOYEES	2,324 A/		
NON-UNION HOURLY EMPLOYEES	28 B/		
SALARIED EMPLOYEES	672 C/		
TOTAL	<u>\$ 3,024</u>		
CAPITALIZATION %	21.00% D/		
CAPITALIZED PORTION	<u>\$ 635</u>		
NON UTILITY %	0.00%		
NON UTILITY PORTION	<u>\$ -</u>		
EXPENSED PORTION	<u>\$ 2,389</u>	<u>\$ 2,449 E/</u>	<u>\$ (60)</u>
TOTAL PAYROLL TAXES	<u><u>\$ 349,816</u></u>	<u><u>\$ 359,791</u></u>	<u><u>\$ (9,975)</u></u>

A/ CAPD WORKPAPER T-OTAX4

B/ CAPD WORKPAPER T-OTAX5

C/ CAPD WORKPAPER T-OTAX6

D/ CAPD WORKPAPER E-PAY-4.

E/ COMPANY Exhibit No. 2, Schedule 5, Page 1 of 1.

TENNESSEE AMERICAN WATER COMPANY
TRA DOCKET #06-00290
TRA INSPECTION FEE
FOR ATTRITION YEAR ENDING FEBRUARY 28, 2008

T-OTAX2

P132

	<u>2008 AMOUNT</u>		<u>2007 AMOUNT</u>	<u>TOTAL ATTRITION AMOUNT</u>
GROSS OPERATING REVENUES FOR THE ATTRITION YEAR	33,432,287	A/	34,102,415	C/
LESS: UNCOLLECTIBLES	<u>(558,836)</u>	B/	<u>(435,526)</u>	C/
NET REVENUES	32,873,451		33,666,889	
TENNESSEE PERCENT	<u>95.00%</u>		<u>95.00%</u>	
	31,229,778		31,983,545	
LESS: EXEMPTION	<u>5,000</u>		<u>5,000</u>	
TAX BASE	31,224,778		31,978,545	
.30% OF FIRST \$1,000,000	3,000		3,000	
20% OF EXCESS	<u>60,450</u>		<u>61,957</u>	
TOTAL INSPECTION FEE	<u><u>10,575</u></u>		<u><u>54,131</u></u>	<u><u>\$ 64,706</u></u>
INSPECTION FEE PER COMPANY				<u><u>64,957</u></u>
DIFFERENCE				<u><u>(251)</u></u>

A/ Company Exhibit No. 2, Schedule 1, Page 1 of 1, Line 1.

B/ CAPD Work Paper E-UNC--0.

C/ Company Response to TRA First Data Request, #13, Page 1 of 130, Book 2 of 2.

TENNESSEE AMERICAN WATER COMPANY
 TRA DOCKET #06-00290
 PROPERTY TAX
 FOR ATTRITION YEAR ENDED FEBRUARY 28, 2008

T-OTAX1

Year	Property Tax Amount	Gross Assessment	Percentage of Property Tax to Assessment
2000		A/ 46,890,000	
2001	2,388,401	A/ 46,896,622	A/ 5.0929%
2002	2,365,524	A/ 46,400,000	A/ 5.0981%
2003	2,231,085	A/ 47,325,000	A/ 4.7144%
2004	2,296,102	E/ 48,423,000	A/ 4.7418%
2005	2,411,210	E/ 50,495,000	A/ 4.7751%
2006	2,480,975	C/ 51,956,000	A/ 4.7751%
2007	2,552,758	C/ 53,459,272	B/ 4.7751%

ATTRITION YR \$ 2,552,758 D/

A/ PER OFFICE OF STATE ASSESSED PROPERTIES.

B/ PERCENT 2006 GROWTH OVER 2005 TIMES 2006 UNEQUALIZED AMOUNT.

C/ ESTIMATED TAXES.

D/ 2007 AMOUNT.

E/ PER COMPANY RESPONSE TO FIRST SET OF TRA DATA REQUEST #47.

TENNESSEE AMERICAN WATER COMPANY
 TRA DOCKET #06-00290
 SUMMARY OF TAXES OTHER THAN INCOME
 FOR ATTRITION YEAR ENDED FEBRUARY 28, 2008

T-OTAX0

Tax	CAPD Amounts
Property Tax	\$ 2,552,758 A/
TRA Inspection Fee	64,706 B/
FUTA Taxes	4,778 C/
FICA Taxes	342,649 C/
SUTA Taxes	2,389 C/
Franchise Tax	352,833 D/
Gross Receipts Tax	326,853 E/
Total	<u>\$ 3,646,966</u>

A/ CAPD work paper T-OTAX1.

B/ CAPD work paper T-OTAX2.

C/ CAPD work paper T-OTAX3.

D/ CAPD work paper T-OTAX8.

E/ CAPD work paper T-OTAX7.

CONSUMER ADVOCATE AND PROTECTION DIVISION
MONTHLY EXPENSE SUMMARY
TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #06 00590

E-DEP

Depreciation Expense

	AV Plant In Service Balance 12/31/2006	AV Accumulated Depreciation 12/31/2006	AV Net Plant Balance 12/31/2006	AV Current Rate 12/31/2006	BJ Jan 2007	BJ Feb 2007	BJ Mar 2007	BJ Apr 2007	BJ May 2007	BJ Jun 2007	BJ Jul 2007	BJ Aug 2007	BJ Sep 2007	BJ Oct 2007	BJ Nov 2007	BJ Dec 2007	BJ Jan 2008	BJ Feb 2008
304.2 Pumping Structures	\$ 3,609,177	\$ 937,559	\$ 2,671,618	3.86%	\$ 12,253	\$ 12,253	\$ 12,253	\$ 12,253	\$ 12,253	\$ 12,253	\$ 12,253	\$ 12,253	\$ 12,253	\$ 12,253	\$ 12,253	\$ 12,253	\$ 12,253	\$ 12,253
304.3 Water Treatment Structures	3,599,760	2,735,422	864,338	3.51%	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424
304.4 1&S Structures and Improvements	3,100,815	278,432	2,822,383	3.51%	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424	13,424
304.5 Miscellaneous Equipment	1,119,350	688,609	430,741	5.84%	5,261	5,261	5,261	5,261	5,261	5,261	5,261	5,261	5,261	5,261	5,261	5,261	5,261	5,261
304.6 TOTAL STRUCTURES AND IMPROVEMENTS	8,967,162	4,312,703	4,654,459	3.40%	13,866	13,866	13,866	13,866	13,866	13,866	13,866	13,866	13,866	13,866	13,866	13,866	13,866	13,866
309.2 Superintendence	488,123	215,143	272,980	3.40%	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386
309.3 Electric Power	610,555	23,335	587,220	3.92%	3,012	3,012	3,012	3,012	3,012	3,012	3,012	3,012	3,012	3,012	3,012	3,012	3,012	3,012
309.4 Electric Power Equipment	227,422	9,221	218,201	3.44%	652	652	652	652	652	652	652	652	652	652	652	652	652	652
311.2 Electric Pumping Equipment	5,893,714	2,418,068	3,475,646	1.73%	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651
311.2 Electric Pumping Equipment	5,893,714	2,418,068	3,475,646	1.73%	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651	8,651
320.3 Water Treatment Equipment	12,378,400	8,528,437	3,849,963	4.27%	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047
320.4 TOTAL WATER TREATMENT EQUIPMENT	12,378,400	8,528,437	3,849,963	4.27%	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047	44,047
321.1 Tanks and Standpipes	8,355,382	2,484,786	5,870,596	1.80%	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533
321.2 TANKS AND STANDPIPES	8,355,382	2,484,786	5,870,596	1.80%	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533	12,533
331.1 Tons and Duct Mains	93,882,035	17,876,045	76,005,990	1.41%	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311
331.2 TONS AND DUCT MAINS	93,882,035	17,876,045	76,005,990	1.41%	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311	110,311
333.1 Service Meters and Meters	1,456,643	524,168	932,475	2.26%	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896
333.2 Meters and Installations	1,456,643	524,168	932,475	2.26%	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896	33,896
334.1 Meters and Meter Installations	13,674,647	1,518,528	12,156,119	2.21%	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370
335.1 Meters	7,259,861	1,447,088	5,812,773	2.21%	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370	13,370
339.2 Other Water Source Plant	8,526	169,064	160,538	15.80%	86,753	86,753	86,753	86,753	86,753	86,753	86,753	86,753	86,753	86,753	86,753	86,753	86,753	86,753
340.1 Office Furniture	6,547,345	5,360,195	1,187,150	9.36%	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223
340.2 TOTAL OFFICE FURNITURE AND EQUIPMENT	6,547,345	5,360,195	1,187,150	9.36%	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223
341.1 TOTAL TRANSPORTATION EQUIPMENT	2,336,240	802,824	1,533,416	3.86%	3,726	3,726	3,726	3,726	3,726	3,726	3,726	3,726	3,726	3,726	3,726	3,726	3,726	3,726
342.1 Stores Equipment	1,164,532	345,525	819,007	11.12%	3,411	3,411	3,411	3,411	3,411	3,411	3,411	3,411	3,411	3,411	3,411	3,411	3,411	3,411
343.1 Tools, Shop and Garage Equipment	368,087	256,406	111,681	9.21%	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581
344.1 Laborer Equipment	316,333	303,281	13,052	4.43%	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729
345.1 Power Operated Equipment	506,383	362,397	143,986	2.89%	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465
346.1 Communication Equipment	1,023,783	144,958	878,825	2.89%	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465
347.1 Miscellaneous Equipment																		
347.2 TOTAL DEPRECIABLE PLANT	\$ 182,009,686	\$ 52,162,821	\$ 129,846,865															
Total Monthly Depreciation Expense					\$ 408,773	\$ 408,777	\$ 408,207	\$ 408,967	\$ 409,769	\$ 410,783	\$ 411,735	\$ 412,743	\$ 413,107	\$ 417,976	\$ 421,878	\$ 424,972	\$ 427,349	\$ 429,434
Land	432,343																	
Intangible Plant	405,132																	
Other Assets	1,641,517																	
Total Plant in Service	\$ 184,488,660	\$ 52,162,821	\$ 132,325,839															

A) Company Response to CAPD First Set of Data Requests Part II, #23 Page 2 of 2
B) Company Response to CAPD First Set of Data Requests Part II, #24
C) Company Response to CAPD First Set of Data Requests Part II, #25 Page 1 of 2

GROSS DOMESTIC PRODUCT AND RELATED PRICE MEASURES: INDEXES AND PERCENT CHANGES

[Quarterly data are seasonally adjusted]

Period	Index numbers, 2000=100			Percent change from preceding period ¹			
	Real GDP (chain-type quantity index)	GDP (chain-type price index)	GDP implicit price deflator	GDP (current dollars)	Real GDP (chain-type quantity index)	GDP (chain-type price index)	GDP implicit price deflator
1996	84.842	93.859	93.852	5.7	3.7	1.9	1.9
1997	88.658	95.415	95.414	6.2	4.5	1.7	1.7
1998	92.359	96.475	96.472	5.3	4.2	1.1	1.1
1999	96.469	97.868	97.868	6.0	4.5	1.4	1.4
2000	100.000	100.000	100.000	5.9	3.7	2.2	2.2
2001	100.751	102.402	102.399	3.2	.8	2.4	2.4
2002	102.362	104.193	104.187	3.4	1.6	1.7	1.7
2003	104.931	106.409	106.404	4.7	2.5	2.1	2.1
2004	109.031	109.429	109.426	6.9	3.9	2.8	2.8
2005	112.546	112.744	112.737	6.3	3.2	3.9	3.0
2002: I	101.633	103.553	103.568	4.3	2.7	1.7	1.5
II	102.186	103.944	103.938	3.7	2.2	1.5	1.4
III	102.788	104.347	104.328	3.9	2.4	1.6	1.5
IV	102.840	104.926	104.907	2.4	.2	2.2	2.2
2003: I	103.148	105.742	105.724	4.1	1.2	3.1	3.2
II	104.031	106.076	106.062	4.8	3.5	1.3	1.3
III	105.926	106.616	106.611	9.7	7.5	2.1	2.1
IV	106.621	107.204	107.190	4.9	2.7	2.2	2.2
2004: I	107.633	108.190	108.183	7.8	3.9	3.7	3.8
II	108.705	109.172	109.162	7.9	4.0	3.7	3.7
III	109.538	109.744	109.728	5.3	3.1	2.1	2.1
IV	110.247	110.610	110.601	5.9	2.6	3.2	3.2
2005: I	111.173	111.558	111.539	7.0	3.4	3.5	3.4
II	112.069	112.229	112.219	5.8	3.3	2.4	2.5
III	113.223	113.139	113.121	7.6	4.2	3.3	3.3
IV	113.719	114.048	114.034	5.1	1.8	3.3	3.3
2006: I	115.274	114.967	114.951	9.0	5.6	3.3	3.3
II	116.004	115.905	115.887	5.9	2.6	3.3	3.3
III	116.569	116.446	116.420	3.8	2.0	1.9	1.9

¹ Quarterly percent changes are at annual rates.

Source: Department of Commerce, Bureau of Economic Analysis.

NONFINANCIAL CORPORATE BUSINESS—GROSS VALUE ADDED AND PRICE, COSTS, AND PROFITS

[Quarterly data at seasonally adjusted annual rates]

Period	Gross value added of nonfinancial corporate business (billions of dollars) ¹		Price per unit of real gross value added of nonfinancial corporate business (dollars) ²							Corporate profits with inventory valuation and capital consumption adjustments ³		
	Current dollars	Chained (2000) dollars	Total	Compensa- tion of em- ployees (unit labor cost)	Unit input cost				Total	Profits after tax ⁴	Taxes on corporate income	Profits after tax ⁵
					Total	Consump- tion of fixed capital	Taxes on pro- duction and im- ports ⁶	Net inter- est and miscella- neous payments				
1996	4,109.5	4,196.4	0.979	0.627	0.228	0.104	0.097	0.027	0.125	0.036	0.088	
1997	4,401.8	4,469.3	.985	.629	.228	.105	.095	.028	.128	.036	.092	
1998	4,655.0	4,725.4	.985	.645	.226	.104	.092	.030	.114	.034	.080	
1999	4,950.8	5,011.0	.988	.652	.229	.105	.092	.032	.107	.034	.073	
2000	5,272.2	5,272.2	1.000	.672	.237	.108	.093	.036	.090	.032	.058	
2001	5,293.5	5,224.5	1.013	.688	.257	.124	.094	.039	.068	.021	.047	
2002	5,471.7	5,269.7	1.019	.685	.254	.122	.099	.032	.081	.018	.063	
2003	5,558.4	5,387.5	1.032	.687	.253	.122	.103	.028	.091	.025	.066	
2004	5,932.9	5,630.0	1.054	.688	.250	.122	.104	.024	.116	.033	.083	
2005	6,369.7	5,852.9	1.088	.700	.257	.126	.104	.027	.131	.043	.088	
2003: I	5,443.9	5,298.6	1.027	.685	.257	.123	.102	.032	.086	.024	.061	
II	5,501.6	5,345.0	1.029	.689	.253	.123	.101	.029	.088	.023	.065	
III	5,603.3	5,424.6	1.033	.687	.252	.122	.103	.027	.094	.025	.069	
IV	5,684.6	5,481.9	1.037	.689	.251	.121	.104	.026	.098	.028	.070	
2004: I	5,780.2	5,549.0	1.042	.684	.248	.120	.104	.024	.109	.030	.080	
II	5,878.9	5,587.3	1.052	.686	.250	.120	.105	.025	.116	.033	.083	
III	5,992.9	5,677.7	1.056	.686	.250	.126	.100	.024	.119	.035	.084	
IV	6,079.6	5,705.7	1.066	.695	.252	.121	.106	.025	.119	.034	.086	
2005: I	6,193.9	5,763.4	1.075	.696	.254	.122	.106	.026	.125	.041	.083	
II	6,224.4	5,844.4	1.082	.693	.255	.122	.107	.026	.134	.042	.092	
III	6,425.7	5,875.8	1.094	.705	.262	.137	.098	.027	.127	.044	.084	
IV	6,534.8	5,927.8	1.102	.708	.268	.124	.106	.028	.136	.045	.091	
2006: I	6,788.2	6,111.2	1.111	.710	.263	.120	.104	.029	.147	.046	.101	
II	6,790.0	6,069.0	1.119	.717	.260	.123	.107	.030	.143	.047	.096	
III	6,919.5	6,177.3	1.120	.713	.255	.121	.105	.029	.153	.049	.104	

¹ Estimates for nonfinancial corporate business for 2000 and earlier periods are based on the Standard Industrial Classification (SIC); later estimates are based on the North American Industry Classification System (NAICS).

² The implicit price deflator for gross value added of nonfinancial corporate business divided by 100.

³ Less subsidies plus business current transfer payments.

⁴ Unit profits from current production.

⁵ With inventory valuation and capital consumption adjustments.

Notes.—Data beginning 2003 reflect revisions released by the Department of Commerce on December 21, 2006.

Source: Department of Commerce, Bureau of Economic Analysis.

E-GDP

CONSUMER ADVOCATE AND PROTECTION DIVISION
 ANALYSIS OF THE GROSS DOMESTIC PRODUCT ("GDP") CHAINED PRICE DEFLATOR
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #06-00290
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006

YEAR	QUARTER			ATTR YR GDP IDP
	1/1 - 3/31	4/1 - 6/30	7/1 - 9/30	10/1 - 12/31
2003	105.724	106.062	106.611	107.19
2004	108.183	109.162	109.728	110.601
2005	111.539	112.219	113.121	114.034
2006	114.951	115.887	116.42	112.7283
2007				115.7527
AVERAGE GDP DEFLATOR FOR YEAR 2004				
				2.84%
AVERAGE GDP DEFLATOR FOR YEAR 2005				
				3.02%
AVERAGE GDP DEFLATOR FOR 12 MTD SEPTEMBER 2006				
				3.09%

Source: U.S. Department of Commerce, Bureau of Economic Analysis

ACCOUNT #: 675650
TITLE: PAVING

RUN DATE: 02/23/07
RUN TIME: 07.43 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	0	-
APR		0	-
MAY		0	-
JUN		0	-
JUL		0	-
AUG		0	-
SEP		0	-
OCT		0	-
NOV		0	-
DEC		0	-
JAN	2006	0	-
FEB		41,625	41,625
MAR		6,507	48,133
APR		14,932	63,065
MAY		22,104	85,169
JUN		13,569	98,738
JUL		1,791	100,529
AUG		14,259	114,788
SEP		13,322	128,110
OCT		4,564	132,674
NOV		0	132,674
DEC		0	132,674
JAN	2007	0	132,674
FEB		0	91,049
MAR		0	84,542
APR		0	69,610
MAY		0	47,505
JUN		0	33,936
JUL		0	32,145
AUG		0	17,887
SEP		0	4,564
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		132,674	

10,000

MATERIALITY

AVG BAL: 24,182

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

-100.00% 117.92%

TEST 1 PASSEI	1
TEST 2 FAILED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE 132,674

INF INCREASE	4,795
GROW INCREA	1,014

ATTR AMOUNT	138,484
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TN AMERICAN WATER COMPANY TB
06-00290

WORKPAPER: E-MAIN6-
DISK NAME:
FILE NAME: MAINT. EXP.

P139

ACCOUNT #: 675450
TITLE: OFFICE EQUIPMENT

RUN DATE: 02/23/07
RUN TIME: 07:47 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	0	-
APR		0	-
MAY		0	-
JUN		0	-
JUL		0	-
AUG		0	-
SEP		0	-
OCT		0	-
NOV		0	-
DEC		0	-
JAN	2006	0	-
FEB		218	218
MAR		0	218
APR		0	218
MAY		0	218
JUN		0	218
JUL		0	218
AUG		0	218
SEP		0	218
OCT		0	218
NOV		0	218
DEC		0	218
JAN	2007	0	218
FEB		0	0
MAR		0	0
APR		0	0
MAY		0	0
JUN		0	0
JUL		0	0
AUG		0	0
SEP		0	0
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		218	

10,000
MATERIALITY

AVG BAL: 0

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%

-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

-----	-----
INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	218
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INF INCREASE	8
GROW INCREA	2

ATTR AMOUNT	228
=====	

TN AMERICAN WATER COMPANY TB
06-00290

WORKPAPER: E-MAIN5-
DISK NAME:
FILE NAME: MAINT. EXP.

P140

ACCOUNT #: 675110
TITLE: MISCELLANEOUS MAINTENANCE

RUN DATE: 02/23/07
RUN TIME: 07:46 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	78,144	-
APR		29,209	-
MAY		29,136	-
JUN		29,228	-
JUL		29,114	-
AUG		29,204	-
SEP		29,294	-
OCT		29,246	-
NOV		29,454	-
DEC		32,167	-
JAN	2006	33,066	-
FEB		33,214	410,476
MAR		33,214	365,546
APR		33,006	369,344
MAY		33,272	373,479
JUN		33,667	377,918
JUL		33,721	382,525
AUG		33,678	386,999
SEP		33,970	391,676
OCT		33,979	396,409
NOV		0	366,955
DEC		0	334,787
JAN	2007	0	301,721
FEB		0	268,507
MAR		0	235,293
APR		0	202,286
MAY		0	169,015
JUN		0	135,348
JUL		0	101,627
AUG		0	67,949
SEP		0	33,979
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		678,982	

10,000
MATERIALITY

AVG BAL: 78,791

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
-100.00%	106.67%

TEST 1 PASSED	1
TEST 2 FAILED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE 0 A/

INF INCREASE	0
GROW INCREA	0

ATTR AMOUNT 0

A/ Excluded for setting rates per
Company direct testimony, S. Miller,
P. 14, Lines 6-7.

TN AMERICAN WATER COMPANY TB
06-00290

WORKPAPER: E-MAIN4-
DISK NAME:
FILE NAME: MAINT. EXP.

P141

ACCOUNT #: 675000
TITLE: MISCELLANEOUS MAINTENANCE

RUN DATE: 02/23/07
RUN TIME: 07:46 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	8,259	-
APR		(997)	-
MAY		971	-
JUN		3,241	-
JUL		7,476	-
AUG		9,796	-
SEP		2,459	-
OCT		7,588	-
NOV		1,770	-
DEC		18,274	-
JAN	2006	306	-
FEB		4,521	63,664
MAR		12,490	67,895
APR		1,452	70,343
MAY		4,168	73,541
JUN		14,225	84,525
JUL		3,682	80,731
AUG		12,149	83,084
SEP		6,153	86,778
OCT		3,958	83,148
NOV		0	81,379
DEC		0	63,104
JAN	2007	0	62,798
FEB		0	58,277
MAR		0	45,787
APR		0	44,335
MAY		0	40,167
JUN		0	25,942
JUL		0	22,260
AUG		0	10,112
SEP		0	3,958
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		121,941	

10,000
MATERIALITY

AVG BAL: 16,047

OVER PRE SET LIMIT
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
-100.00%	111.94%

TEST 1 PASSED	1
TEST 2 FAILED	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	83,148
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INF INCREASE	3,005
GROW INCREA	636

ATTR AMOUNT	86,789
=====	

TN AMERICAN WATER COMPANY TB
06-00290

WORKPAPER: E-MAIN3-
DISK NAME:
FILE NAME: MAINT. EXP.

P142

ACCOUNT #: 635000
TITLE: CONTRACT SERVICE - OTHER

RUN DATE: 02/23/07
RUN TIME: 07:46 AM

MONTH	YEAR	BALANCE EXC. S&W	12 MTD
MAR	2005	8,532	-
APR		27	-
MAY		378	-
JUN		729	-
JUL		708	-
AUG		326	-
SEP		(416)	-
OCT		1,046	-
NOV		5,755	-
DEC		713	-
JAN	2006	931	-
FEB		(33)	18,696
MAR		1,577	11,741
APR		9,087	20,801
MAY		(506)	19,917
JUN		327	19,516
JUL		350	19,158
AUG		175	19,007
SEP		2,088	21,511
OCT		236	20,701
NOV		0	14,946
DEC		0	14,233
JAN	2007	0	13,302
FEB		0	13,335
MAR		0	11,758
APR		0	2,671
MAY		0	3,176
JUN		0	2,849
JUL		0	2,499
AUG		0	2,324
SEP		0	236
OCT		0	0
NOV		0	0
DEC		0	0
JAN	2008	0	0
FEB		0	0
		32,031	

10,000
MATERIALITY

AVG BAL: 2,126

BELOW PRESET LIMIT, NO
ADDITIONAL TESTING REQUIRED

TEST 1	TEST 2
TP GROWTH >	TP STD DEV >
6.00%	7.00%
-----	-----
N/A	N/A
TEST 1 PASSEI	1
TEST 2 PASSEI	1

NO MORE TESTING NEEDED
USE GROWTH FACTOR

COMPOUND GROWTH FACTORS

INFLATION:	1.0361
CUST GROW:	1.0076

TP BALANCE	20,701
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INF INCREASE	748
GROW INCREA	158

ATTR AMOUNT	21,608
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