

Before the

TENNESSEE REGULATORY AUTHORITY

**IN RE: PETITION OF TENNESSEE-AMERICAN
WATER COMPANY FOR APPROVAL OF CHANGE
IN RATES AND CHARGES
DOCKET NO. 06-00290**

**SUPPLEMENTAL REVISED
DIRECT TESTIMONY
OF
MICHAEL D. CHRYSLER**

April 3, 2007

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

2 A. My name is Michael D. Chrysler.

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

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

9 **Q. What is the purpose of your supplemental testimony?**

10 A. The purpose of my supplemental testimony is to represent the revised forecasted financial
11 exhibits prepared by the CAPD (“Revised Exhibit CAPD-MDC”) and provide certain
12 revised work papers (“Revised Exhibit CAPD Workpapers”) for the forecasted Attrition
13 Year for Revenue at Present Rates of \$33,711,956 compared to TAWC’s \$33,432,28.
14 This results in a difference of \$279,668 for the attrition year ending February 28, 2008.
15 The CAPD forecast was calculated from the growth rates in billing determinants by
16 revenue category from the normalized test year December 31, 2005 to the normalized test
17 year December 31, 2006.

19 **Q. Why is the supplemental testimony necessary?**

20 A. The supplemental testimony is necessary for three reasons: (1) the CAPD received
21 responses to their second round of discovery on Friday, March 30, 2007.
22 Therefore, the representations made by TAWC in those responses need to be

1 addressed; (2) the CAPD's investigation has been on going and the TRA should
2 be fully informed on all relevant matters for this docket; and (3) the CAPD is
3 addressing corrections based on informal discussions with TAWC.
4

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

6 A. Yes, it does.

BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

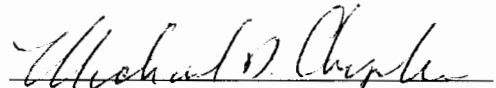
IN RE:

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

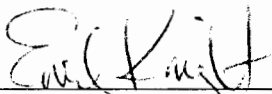
DOCKET NO. 06-00290

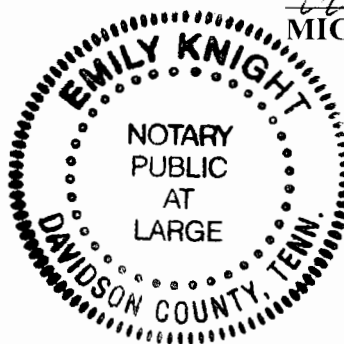
AFFIDAVIT

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


MICHAEL D. CHRYSLER

Sworn to and subscribed before me
this 3rd day of April, 2007.


NOTARY PUBLIC



My commission expires: Sept. 22, 2007 **My Commission Expires SEPT. 22, 2007**

	16.67%							
Residential	0.42%	13,593,873	13,681,917	(88,044)	13,767,164	85,247	0.00623	0.000000
Commercial	-0.31%	9,823,388	10,230,156	(406,768)				
Industrial	6.55%	4,088,090	3,428,902	659,188				
Other Pub. Auth	3.59%	2,629,438	2,404,176	225,262				
Other Water Util.	4.15%	1,142,799	1,048,255	94,544				
Private/Pub. Fire Svc.	5.75%	1,529,427	1,373,647	155,780				
Other Op. Revenues		1,394,345	1,265,235	129,110				
		34,201,359	33,432,288	769,071				
			33,532,584.86					

	Normalized			Annual	Att. Year		Filed	Calculated	
	Test Yr.	Test Yr.*	Test Yr.	Growth	Growth		Att. Year	Att. Year	
	12/31/2005	6/30/2006	12/31/2006	Factor	Factor				
Residential	13,416,091	13,608,292	13,471,859	0.416%	13,537,064	0.484%	13,681,917	(118,247)	13,563,670
Commercial	9,920,304	10,115,307	9,889,683	-0.309%	9,854,138	-0.359%	10,230,156	(279,572)	9,950,584
Industrial	3,359,967	3,428,902	3,580,031	6.550%	3,853,052	7.626%	3,428,902	444,184	3,873,086
Other Pub. Auth	2,355,000	2,404,176	2,439,608	3.593%	2,541,664	4.183%	2,404,176	104,583	2,508,759
Other Water Util.	1,006,793	1,048,255	1,048,546	4.147%	1,099,179	4.829%	1,048,255	(389)	1,047,866
Private/Pub. Fire Svc.	1,286,142	1,341,877	1,360,042	5.746%	1,451,034	6.690%	1,373,647	(1)	1,373,646
Other Op. Revenues	1,203,933	1,260,333	1,394,345	15.816%	1,394,345	0.000%	1,265,235	129,110	1,394,345
0.00%									
	32,548,230	33,207,142	33,184,114	1.954%	33,730,476.62		33,432,288	279,668	33,711,956
	31,344,297		31,789,769	1.421%				0.842%	
			0.01421						

Residential	13,608,292
Commercial	10,115,307
Industrial	3,428,902
Other Pub. Auth	2,404,176
Other Water Util.	1,048,255
Private/Pub. Fire Svc.	1,341,877
Other Op. Revenues	1,260,333
	33,207,142

Residential	0.541%
Commercial	1.135%
Industrial	0.000%
Other Pub. Auth	0.000%
Other Water Util.	0.000%
Private/Pub. Fire Svc.	2.368%
Other Op. Revenues	0.389%
	0.678%

Residential Class

* Attrition Year Using 12 Month Ending 12/31/05 & 12/31/06 As Base

TAWC Billing Determinants Analysis

Commercial Class																			CAPD Requested		RATES		Revenues		2006	2/29/2008	2/29/2008	Revised
Commercial	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	Billing Determinates		Rev. Att. Yr. Rev. Att. Yr.		Old Rate		TAWC	Attr. Yr. W 12 Mo. Base of:	Growth	Test Yr.	Attrition	Attribution							
	Per Books	Per Books	Per Books	Normalized	Normalized	Normalized	Attrition Year	Attrition Year	Attrition Year	12/31/2005	12/31/2006	Old Rate	TAWC	Proposed	12/31/2005	12/31/2006	12/31/2005	12/31/2006	1.16	Year	Year	Revenue (Pres. Rates)						
Chattanooga																												
5/8-inch meter	63,324	63,846	63,928	63,324	63,846	63,876	63,324	63,846	63,876	63,679	71,353	\$ 9.26	11.08	\$	589,668	\$ 660,729	12.051%	14.0321%	81,365	753,443								
3/4-inch meter	1,269	1,272	1,459	1,269	1,272	1,457	1,269	1,272	1,457	1,342	1,490	15.55	18.61		20,888	23,170	11.028%	12.8412%	1,681	36,145								
1-inch meter	14,645	14,605	15,945	15,761	15,013	16,190	16,364	15,616	17,032	16,114	16,184	25.88	30.97		417,030	418,842	0.434%	0.5058%	16,266	420,960								
1 1/2- inch meter	3,333	3,399	3,870	3,333	3,399	3,861	3,333	3,399	3,861	3,746	3,646	51.79	61.98		194,005	188,826	-2.670%	-3.1083%	3,533	182,957								
2-inch meter	11,299	8,837	12,368	11,299	8,837	12,306	11,299	8,837	12,306	12,161	11,567	62.85	99.15		1,007,539	957,497	-4.967%	-5.7631%	10,889	902,124								
3-inch meter	377	466	513	377	466	513	377	466	513	489	494	155.35	185.91		75,566	76,743	1.022%	1.1906%	500	77,657								
4-inch meter	192	36	243	192	36	242	192	36	242	239	214	258.92	309.85		61,882	55,409	-10.460%	-12.1797%	188	48,660								
6-inch meter	72	1	120	72	1	120	72	1	120	113	121	517.85	619.72		58,517	62,660	7.080%	8.2434%	131	67,825								
Master Meters	-	1,435	-	-	1,435	-	-	1,435	-	-	1,435	-	-		-	-	-	-	-	-	-							
8-inch meter	-	1	12	-	1	12	-	1	12	12	11	828.55	991.54		9,943	9,114	-8.333%	-9.7032%	10	8,230								
Total Meters	94,511	93,898	98,457	95,627	94,306	98,576	96,230	94,909	99,418	97,895	105,070	-	-		2,435,418	2,452,990	-	-	-	-	2,488,001							
Volumetric																												
First 400 CF	280,815	271,416	272,842	285,279	273,048	273,447	287,691	275,460	276,815	273,959	270,833	\$ 0.172	0.206		47,121	46,583	-1.141%	-1.3286%	267,235	45,964								
Next 5,100 CF	1,286,189	1,235,873	1,243,422	1,331,722	1,252,315	1,250,496	1,356,324	1,276,616	1,283,502	1,248,535	1,243,430	2.730	3.267		3,408,501	3,394,954	-0.409%	-0.4761%	1,237,510	3,378,403								
Next 43,500 CF	1,681,624	1,644,114	1,681,937	1,745,711	1,451,553	1,618,685	1,745,711	1,451,553	1,618,685	1,611,761	1,620,473	1.715	2.052		2,764,168	2,779,111	0.541%	0.6299%	1,630,673	2,796,604								
Next 450,000 CF	888,017	847,012	830,574	888,017	847,012	828,034	888,017	847,012	828,034	827,329	805,135	1.282	1.534		1,060,636	1,032,183	-2.683%	-3.1236%	779,986	999,942								
Next 1,000,000 CF	11,784	47,548	127,616	11,784	47,548	127,616	11,784	47,548	127,616	129,573	75,468	0.980	1.173		126,982	73,959	-41.756%	-48.6204%	38,775	38,000								
All Over 1,500,000 CF	-	115,407	93,476	-	115,407	93,476	-	115,407	93,476	75,700	46,861	0.582	0.696		44,057	27,273	-38.096%	-44.3589%	26,074	15,175								
Total Chattanooga	4,148,429	4,161,370	4,249,867	4,262,513	3,998,883	4,191,754	4,289,527	4,013,596	4,228,128	4,166,856	4,062,200	-	-		7,451,465	7,353,673	-2.512%	-2.9245%	3,943,401	7,274,088								
Lookout Mountain																												
5/8-inch meter	675	605	780	675	605	780	675	605	780	724	767	\$ 10.39	12.43		7,522	7,969	5.939%	6.9155%	820	8,520								
3/4-inch meter	12	8	26	12	8	26	12	8	26	20	24	15.55	18.61		311	373	20.000%	23.2877%	30	460								
1-inch meter	234	224	248	294	284	284	301	291	293	271	273	25.88	30.97		7,013	7,065	0.738%	0.8593%	275	7,126								
1 1/2- inch meter	48	33	39	48	33	39	48	33	39	36	33	51.79	61.98		1,864	1,709	-8.333%	-9.7032%	30	1,543								
2-inch meter	89	74	89	89	74	89	89	74	89	87	78	62.85	99.15		7,208	6,462	-10.345%	-12.0453%	69	5,684								
3-inch meter	-	-	-	-	-	-	-	-	-	1	-	155.35	185.91		155	-	-100.000%	-116.4384%	-	-								
4-inch meter	-	-	-	-	-	-	-	-	-	0	-	258.92	309.85		-	-	#DIV/0!	#DIV/0!	-	-								
6-inch meter	-	-	-	-	-	-	-	-	-	0	-	517.85	619.72		-	-	#DIV/0!	#DIV/0!	-	-								
8-inch meter	-	5	-	-	5	-	-	5	-	0	-	828.55	991.54		-	-	#DIV/0!	#DIV/0!	-	-								
Total Meters	1,058	949	1,182	1,118	1,009	1,218	1,125	1,016	1,227	1,139	1,175	-	-		24,075	23,579	-	-	-	-	23,333							
Volumetric																												
First 400 CF	3,474	2,883	3,481	3,714	3,123	3,625	3,742	3,151	3,661	3,394	3,325	\$ 0.640	0.766		2,172	2,128	-2.033%	-2.3672%	3,246	2,078								
Next 5,100 CF	18,872	15,195	17,624	20,936	17,325	18,614	21,177	17,574	18,862	17,283	17,992	3.516	4.208		60,767	63,260	4.102%	4.7766%	18,851	66,282								
Next 43,500 CF	13,557	13,570	13,797	14,184	11,799	13,408	14,184	11,799	13,408	10,585	15,054	2.501	2.993		26,473	37,650	42.220%	49.1604%	22,455	56,159								
Next 450,000 CF	4,703	5,809	2,268	4,703	5,809	2,268	4,703	5,809	2,268	99	7,381	1.749	2.093		173	12,909	7355.556%	39.5000%	10,296	18,009								
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.448	1.733		-	-	-	-	-	-	-							
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.049	1.255		-	-	-	-	-	-	-							
Total Lookout Mount.	40,606	37,457	37,270	43,537	38,056	37,916	43,806	38,333	38,200	31,361	43,752	-	-		89,585	115,947	-	-	-	-	142,527							
Lakeview																												
5/8-inch meter	1,748	1,934	1,796	1,748	1,934	1,796	1,748	1,934	1,796	1,832	1,839	\$ 10.39	12.43		19,034	19,107	0.382%	0.4449%	1,847	19,192								
3/4-inch meter	-	-	-	-	-	-	-	-	-	-	-	15.55	18.61		-	-	-	-	-	-	-							
1-inch meter	220	210	223	268	198	199	282	212	218	200	220	25.88	30.97		5,176	5,694	10.000%	11.6438%	246	6,357								
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	-	-	51.79	61.98		-	-	-	-	-	-	-							
2-inch meter	108	106	96	108	106	96	108	106	96	96	88	62.85	99.15		7,954	7,291	-8.333%	-9.7032%	79	6,583								
3-inch meter	-	-	-	-	-	-	-	-	-	-	-	155.35	185.91		-	-	-	-	-	-	-							
4-inch meter	-	-	-	-	-	-	-	-	-	-	-	258.92	309.85		-	-	-	-	-	-	-							
6-inch meter	-	-	-	-	-	-	-	-	-	-	-	517.85	619.72		-	-	-	-	-	-	-							
8-inch meter	-	-	-	-	-	-	-	-	-	-	-	828.55	991.54		-	-	-	-	-	-	-							
Total Meters	2,076	2,250	2,115	2,124	2,238	2,091	2,138	2,252	2,110	2,128	2,147	-	-		32,164	32,092	-	-	2,147	32,132								
Volumetric																												
First 400 CF	6,135	6,353	5,556	6,327	6,305	5,460	6,383	6,361	5,536	5,584	5,423	\$ 0.316	0.378		1,765	1,714	-2.883%	-3.3572%	5,241	1,656								
Next 5,100 CF	18,598	18,271	15,514	19,337	18,121	15,291	19,553	18,296	15,468	16,136	14,948	3.008	3.600		48,537	44,964	-7.362%	-8.5727%	13,667	41,109								
Next 43,500 CF	12,133	10,599	6,954	12,755	8,848	6,586	12,755	8,388	6,586	6,928	7,549	1.993	2.365		13,808	15,045	8.964%	10.4371%	8,337	16,615								
Next 450,000 CF	3,414	1,824	84	3,414	1,824	84	3,414	1,824	84	84	228	1.425	1.705		120	325	171.429%	199.6086%	683	973								
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.124	1.345		-	-	-	-	-	-	-							
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	0.725	0.868		-	-	-	-	-	-	-							
Total Lakeview	40,280	37,047	28,108	41,833	35,098	27,421	42,105	34,869	27,674	28,732	28,148	-	-		64,229	62,047	-	-	-	-	60,354							
Lone Oak																												
5/8-inch meter	N/A	N/A	2	N/A	N/A	2	N/A	N/A	2	-	12	\$ 31.39	\$ 31.39		0	377	#DIV/0!	#DIV/0!	12	377								
3/4-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-	-							
1-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-	-							
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-	-							
2-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-	-							
3-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-	-							
4-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-	-							
6-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-	-							
8-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-	-							
Total Meters	-	-	2	-	-	2	-	-	2	-	12	-	-		0	377	-	-	-	-	377							
Volumetric																												
2.67 (100 CCF)	N/A	N/A	4	N/A	N/A	4	N/A	N/A	4	0	25	\$ -	\$ -		0	-	#DIV/0!	#DIV/0!	25	-	-	-						
IN Excess 2.67 (100 CCF)	-	-	60	-	-	7	-	-	7	0	60	\$ 3.95	\$ 3.95		0	237	#DIV/0!	#DIV/0!	60	237								

TAWC Analysis of Billing Determinants

Industrial Class

Industrial										CAPD Requested Billing Determinates		RATES		Revenues		2006	06-00290	Attrition	Attrition
	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	Rev. Att. Yr.	Rev. Att. Yr.	TAWC	Attr. Yr. W 12 Mo.	Base of:	Growth	Test Yr.	Year	Year	
	Per Books	Per Books	Per Books	Normalized	Normalized	Normalized	Attrition Year	Attrition Year	Attrition Year	12/31/2005	12/31/2006				Old Rate	Proposed	12/31/2005	12/31/2006	Rate
																	1.16		
Chattanooga																			
5/8-inch meter	318	322	288	318	322	285	318	322	285	276	283	\$ 9.26	11.08	\$ 2,556	\$ 2,621	2.536%	2.9531%	291	2,698
3/4-inch meter	36	33	29	36	33	29	36	33	29	34	23	15.55	18.61	529	358	-32.353%	-37.6712%	14	223
1-inch meter	354	321	323	354	321	320	354	321	320	329	304	25.88	30.97	8,515	7,868	-7.599%	-8.8479%	277	7,171
1 1/2- inch meter	72	51	88	72	51	87	72	51	87	83	84	51.79	61.98	4,299	4,350	1.205%	1.4029%	85	4,411
2-inch meter	1,199	436	1,096	1,199	436	1,071	1,199	436	1,071	1,059	1,013	82.85	99.15	87,738	83,927	-4.344%	-5.0578%	962	79,682
3-inch meter	-	-	-	-	-	-	-	-	-	2	-	155.35	185.91	311	-	-100.000%	-116.4384%	-	-
4-inch meter	423	47	293	423	47	283	423	47	283	292	276	258.92	309.85	75,605	71,462	-5.479%	-6.3802%	258	66,903
6-inch meter	60	-	65	60	-	60	60	-	60	59	63	517.85	619.72	30,553	32,625	6.780%	7.8941%	68	35,200
Master Meters	-	425	-	-	425	-	-	425	-	-	-	828.55	991.54	-	-	#DIV/0!	-	-	-
8-inch meter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Meters	2,462	1,635	2,182	2,462	1,635	2,135	2,462	1,635	2,135	2,134	2,046			\$ 210,104	\$ 203,210			1,956	196,288
Volumetric																			
First 400 CF	6,375	5,749	5,794	6,316	5,749	5,619	6,316	5,749	5,619	5,663	5,588	\$ 0.172	0.206	974	961	-1.324%	-1.5421%	5,502	946
Next 6,100 CF	66,634	57,759	58,042	66,021	57,759	55,793	66,021	57,759	55,793	56,337	56,123	2.730	3.267	153,800	153,216	-0.380%	-0.4423%	55,875	152,538
Next 43,500 CF	292,795	257,082	267,510	290,101	257,082	255,774	290,101	257,082	255,774	254,468	255,560	1.715	2.052	436,413	438,285	0.429%	0.4997%	256,837	440,475
Next 450,000 CF	1,171,587	1,046,158	1,029,673	1,160,806	1,046,158	975,267	1,160,806	1,046,158	975,267	1,000,627	1,021,497	1.282	1.534	1,282,804	1,309,559	2.086%	2.4285%	1,046,305	1,341,362
Next 1,000,000 CF	1,055,879	874,888	839,314	1,046,163	874,888	813,936	1,046,163	874,888	813,936	791,350	873,991	0.980	1.173	775,523	856,511	10.443%	12.1597%	980,266	960,660
All Over 1,500,000 CF	891,054	701,134	1,010,111	882,854	701,134	996,776	882,854	701,134	996,776	869,307	1,065,096	0.582	0.696	505,937	619,886	22.522%	26.2247%	1,344,415	782,449
Total Chattanooga	3,484,324	2,942,770	3,210,445	3,452,261	2,942,770	3,103,166	3,452,261	2,942,770	3,103,166	2,977,752	3,277,855			3,155,450	3,378,419	10.078%	11.7349%	3,689,198	3,678,432
Lookout Mountain																			
5/8-inch meter	-	-	-	-	-	-	-	-	-	-	-	\$ 10.39	12.43	-	-				
3/4-inch meter	-	-	-	-	-	-	-	-	-	-	-	15.55	18.61	-	-				
1-inch meter	-	-	-	-	-	-	-	-	-	-	-	25.88	30.97	-	-				
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	-	-	51.79	61.98	-	-				
2-inch meter	-	-	-	-	-	-	-	-	-	-	-	82.85	99.15	-	-				
3-inch meter	-	-	-	-	-	-	-	-	-	-	-	155.35	185.91	-	-				
4-inch meter	-	-	-	-	-	-	-	-	-	-	-	258.92	309.85	-	-				
6-inch meter	-	-	-	-	-	-	-	-	-	-	-	517.85	619.72	-	-				
8-inch meter	-	-	-	-	-	-	-	-	-	-	-	828.55	991.54	-	-				
Total Meters	-	-	-	-	-	-	-	-	-	0	0			-	-				
Volumetric																			
First 400 CF	-	-	-	-	-	-	-	-	-	-	-	\$ 0.640	0.766	-	-				
Next 6,100 CF	-	-	-	-	-	-	-	-	-	-	-	3.516	4.208	-	-				
Next 43,500 CF	-	-	-	-	-	-	-	-	-	-	-	2.501	2.993	-	-				
Next 450,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.749	2.093	-	-				
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.448	1.733	-	-				
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.049	1.255	-	-				
total Lookout Mount.	-	-	-	-	-	-	-	-	-	0	0			-	-				
Lakeview																			
5/8-inch meter	-	-	-	-	-	-	-	-	-	-	-	\$ 10.39	12.43	-	-				
3/4-inch meter	-	-	-	-	-	-	-	-	-	-	-	15.55	18.61	-	-				
1-inch meter	-	-	-	-	-	-	-	-	-	-	-	25.88	30.97	-	-				
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	-	-	51.79	61.98	-	-				
2-inch meter	-	-	-	-	-	-	-	-	-	-	-	82.85	99.15	-	-				
3-inch meter	-	-	-	-	-	-	-	-	-	-	-	155.35	185.91	-	-				
4-inch meter	-	-	-	-	-	-	-	-	-	-	-	258.92	309.85	-	-				
6-inch meter	-	-	-	-	-	-	-	-	-	-	-	517.85	619.72	-	-				
8-inch meter	-	-	-	-	-	-	-	-	-	-	-	828.55	991.54	-	-				
Total Meters	-	-	-	-	-	-	-	-	-	0	0			-	-				
Volumetric																			
First 400 CF	-	-	-	-	-	-	-	-	-	-	-	\$ 0.316	0.378	-	-				
Next 6,100 CF	-	-	-	-	-	-	-	-	-	-	-	3.008	3.600	-	-				
Next 43,500 CF	-	-	-	-	-	-	-	-	-	-	-	1.993	2.388	-	-				
Next 450,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.425	1.705	-	-				
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.124	1.345	-	-				
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	0.725	0.868	-	-				
Total Lakeview	-	-	-	-	-	-	-	-	-	0	0			-	-				
Total Gross	3,484,324	2,942,770	3,210,445	3,452,261	2,942,770	3,103,166	3,452,261	2,942,770	3,103,166	2,977,752	3,277,855			3,365,554	3,581,628			3,691,155	3,874,720
Corrections and Allow.	72,681	-	2,102	72,681	-	2,102	72,681	82,317	2,102	2910	(718)			5715	1511				1,634.65
	3,411,643	2,942,770	3,208,343	3,379,580	2,942,770	3,101,064	3,379,580	3,025,087	3,101,064	2,974,842	3,278,573			3,359,839	3,580,117				3,873,086
Revenue Summary	3,415,847	n/a	3,199,859	3,383,745	n/a	3,092,865	3,383,745	n/a	3,092,865										
	-0.1232%		0.2644%	-0.1232%		0.2644%	-0.1232%		0.2644%										

Industrial

TAWC Analysis of Billing Determinants

Other Public Authorities Class

Other Public Authority										CAPD Requested Billing Determinates		RATES		Revenues		2006	2/29/2008	2/29/2008	Revised	
	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	Rev. Att. Yr.	Rev. Att. Yr.			Attr. Yr.	W 12 Mo.Base of:	Growth	Test Yr.	Attrition	Year	
	Per Books	Per Books	Per Books	Normalized	Normalized	Normalized	Attrition Year	Attrition Year	Attrition Year	12/31/2005	12/31/2006	Old Rate	TAWC Proposed	12/31/2005	12/31/2006	Rate	12/31/2006 1.16	Year Blng. Incr.	Revenue (Pres. Rates)	
Chattanooga																				
5/8-inch meter	2,052	1,953	1,986	2,052	1,953	1,979	2,052	1,953	1,979	1,953	1,974	\$ 9.26	11.08	\$	18,085	\$ 18,279	1.075%	1.2520%	1,999	18,508
3/4-inch meter	132	141	132	132	141	130	132	141	130	132	126	15.55	18.61		2,053	1,959	-4.545%	-5.2927%	119	1,856
1-inch meter	1,515	1,491	1,572	1,527	1,479	1,694	1,579	1,531	1,694	1,548	1,718	25.88	30.97		40,062	44,462	10.982%	12.7872%	1,938	50,147
1 1/2- inch meter	682	609	794	682	609	787	682	609	787	771	750	51.79	61.98		39,930	38,843	-2.724%	-3.1715%	726	37,611
2-inch meter	2,999	1,943	3,251	2,999	1,943	3,219	2,999	1,943	3,219	3,199	3,344	82.85	99.15		265,037	277,050	4.533%	5.2778%	3,520	291,672
3-inch meter	66	28	49	66	28	48	66	28	48	47	48	155.35	185.91		7,301	7,457	2.128%	2.4774%	49	7,642
4-inch meter	220	92	261	220	92	256	220	92	256	250	244	258.92	309.85		64,730	63,176	-2.400%	-2.7945%	237	61,411
6-inch meter	12	-	12	12	-	12	12	-	12	12	12	517.85	619.72		6,214	6,214	0.000%	0.0000%	12	6,214
Master Meters	-	684	-	-	684	-	-	684	-	-	-	-	-		-	-	-	-	-	
8-inch meter	-	-	-	-	-	-	-	-	-	1	-	828.55	991.54		829	-	0.000%	0.0000%	-	-
Total Meters	7,678	6,941	8,057	7,690	6,929	8,125	7,742	6,981	8,125	7,913	8,216			\$	444,241	\$ 457,441				\$ 475,061
Volumetric																				
First 400 CF	21,262	20,537	21,210	21,310	20,489	21,558	21,518	20,697	21,558	20,895	22,240	\$ 0.172	0.206		3,594	3,825	6.437%	7.4951%	23,907	4,112
Next 6,100 CF	177,571	169,537	169,462	178,303	168,805	176,036	187,653	179,361	176,036	169,772	180,429	2.730	3.267		463,478	492,571	6.277%	7.3091%	193,617	528,574
Next 43,500 CF	417,373	396,539	352,398	418,799	394,871	358,536	418,799	394,871	358,536	373,400	349,471	1.715	2.052		640,381	599,343	-6.408%	-7.4618%	323,394	554,621
Next 450,000 CF	672,707	639,924	525,785	672,707	639,924	518,335	672,707	639,924	518,335	544,891	526,614	1.282	1.534		698,550	675,119	-3.354%	-3.9056%	506,046	648,751
Next 1,000,000 CF	88,609	125,661	94,790	88,609	125,661	94,790	88,609	125,661	94,790	74,105	107,676	0.980	1.173		72,623	105,522	45.302%	52.7488%	164,474	161,184
All Over 1,500,000 CF	33,605	84,640	-	33,605	84,640	-	33,605	84,640	-	-	-	0.582	0.696		-	-	-	-	-	
Total Chattanooga	1,411,127	1,436,838	1,163,645	1,413,333	1,434,390	1,169,255	1,422,891	1,445,154	1,169,255	1,183,063	1,186,430				1,878,626	1,876,381				1,897,242
Lookout Mountain																				
5/8-inch meter	120	114	153	120	114	153	120	114	153	137	195	\$ 10.39	12.43		1,423	2,026	42.336%	49.2951%	291	3,025
3/4-inch meter	-	-	-	-	-	-	-	-	-	0	5	15.55	18.61		-	78	5.000%	5.8219%	5	82
1-inch meter	108	94	169	108	94	157	108	94	157	108	127	25.88	30.97		2,795	3,287	17.593%	20.4845%	153	3,960
1 1/2- inch meter	12	11	13	12	11	13	12	11	13	12	13	51.79	61.98		621	673	8.333%	9.7032%	14	739
2-inch meter	84	70	91	84	70	91	84	70	91	83	77	82.85	99.15		6,877	6,379	-7.229%	-8.4172%	71	5,842
3-inch meter	-	-	-	-	-	-	-	-	-	0	-	155.35	185.91		-	-	-	-	-	
4-inch meter	-	-	-	-	-	-	-	-	-	0	-	258.92	309.85		-	-	-	-	-	
6-inch meter	-	-	-	-	-	-	-	-	-	0	-	517.85	619.72		-	-	-	-	-	
8-inch meter	-	-	-	-	-	-	-	-	-	0	-	828.55	991.54		-	-	-	-	-	
Total Meters	324	289	426	324	289	414	324	289	414	340	417				11,717	12,443				13,648
Volumetric																				
First 400 CF	875	657	870	875	657	822	875	657	822	757	1,011	\$ 0.640	0.766		484	647	33.554%	39.0691%	1,406	900
Next 6,100 CF	6,172	4,247	5,891	6,172	4,247	5,616	6,172	4,247	5,616	4,974	6,539	3.516	4.208		17,489	22,991	31.464%	36.6357%	8,935	31,414
Next 43,500 CF	3,122	2,560	4,714	3,122	2,560	4,714	3,122	2,560	4,714	3,834	5,542	2.501	2.993		9,589	13,861	44.549%	51.8719%	8,417	21,050
Next 450,000 CF	-	-	-	-	-	-	-	-	-	-	814	1.749	2.093		-	1,424	814.000%	947.8082%	8,529	14,917
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.448	1.733		-	-	-	-	-	
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.049	1.255		-	-	-	-	-	
total Lookout Mount.	10,169	7,464	11,475	10,169	7,464	11,152	10,169	7,464	11,152	9,565	13,906				27,562	38,922			27,286	68,282
Lakeview																				
5/8-inch meter	60	44	48	60	44	48	60	44	48	48	48	\$ 10.39	12.43		499	499	0.000%	0.0000%	48	499
3/4-inch meter	-	-	-	-	-	-	-	-	-	0	-	15.55	18.61		-	-	-	-	-	
1-inch meter	-	12	12	-	12	12	-	12	12	12	20	25.88	30.97		311	518	66.667%	77.6256%	36	919
1 1/2- inch meter	-	8	12	-	8	12	-	8	12	12	10	51.79	61.98		621	518	-16.667%	-19.4064%	8	417
2-inch meter	24	24	24	24	24	24	24	24	24	24	20	82.85	99.15		1,988	1,657	-16.667%	-19.4064%	16	1,335
3-inch meter	-	-	-	-	-	-	-	-	-	0	-	155.35	185.91		-	-	-	-	-	
4-inch meter	-	-	-	-	-	-	-	-	-	0	-	258.92	309.85		-	-	-	-	-	
6-inch meter	-	-	-	-	-	-	-	-	-	0	-	517.85	619.72		-	-	-	-	-	
8-inch meter	-	-	-	-	-	-	-	-	-	0	-	828.55	991.54		-	-	-	-	-	
Total Meters	84	88	96	84	88	96	84	88	96	96	98				3,419	3,191				3,171
Volumetric																				
First 400 CF	179	199	200	179	199	200	179	199	200	189	171	\$ 0.316	0.378		60	54	-9.524%	-11.0894%	152	48
Next 6,100 CF	1,280	1,726	1,977	1,280	1,726	1,977	1,280	1,726	1,977	2,119	1,647	3.008	3.600		6,374	4,954	-22.275%	-25.9362%	1,220	3,669
Next 43,500 CF	1,008	1,092	1,858	1,008	1,092	1,858	1,008	1,092	1,858	2,026	1,214	1.993	2.388		4,038	2,420	-40.079%	-46.6673%	647	1,290
Next 450,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.425	1.705		-	-	-	-	-	
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.124	1.345		-	-	-	-	-	
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	0.725	0.868		-	-	-	-	-	
Total Lakeview	2,467	3,017	4,035	2,467	3,017	4,035	2,467	3,017	4,035	4,334	3,032				10,471	7,428			3,032	5,008
Total Gross	1,423,763	1,447,319	1,179,155	1,425,969	1,444,871	1,184,442	1,435,527	1,455,635	1,184,442	1,196,962	1,203,368				2,376,036	2,395,806				2,462,412
Corrections and Allow.	55,028	-	(31,185)	55,028	-	(31,185)	55,028	(20,290)	(31,185)	11855					21,131	(45,094)				(46,347.65)
	1,368,735	1,447,319	1,210,340	1,370,941	1,444,871	1,215,627	1,380,499	1,435,345	1,215,627	1,185,107	1,203,368				2,354,905	2,440,900				2,508,759
Revenue Summary	1,368,737	n/a	1,205,008	1,370,942	n/a	1,210,272	1,380,500	n/a	1,210,272											
	-0.0001%		0.4405%	-0.0001%		0.4405%	-0.0001%		0.4405%											

TAWC Analysis of Billing Determinants

Other Water Utility Class

Other Water Utility										CAPD Requested Billing Determinates		RATES		Revenues		2006 Growth Rate	2/29/2008 06-00290 Test Yr. 12/31/2006 1.16	2/29/2008 Attrition Year Bing. Incr.	Revised Attrition Year Revenue (Pres. Rates)
	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	Rev. Att. Yr.	Rev. Att. Yr.	Old Rate	TAWC Proposed	Attr. Yr. W 12 Mo.	Base of:				
	Per Books	Per Books	Per Books	Normalized	Normalized	Normalized	Attrition Year	Attrition Year	Attrition Year	12/31/2005	12/31/2006			12/31/2005	12/31/2006				
Chattanooga																			
5/8-inch meter	-	-	-	-	-	-	-	-	-	0	-	\$ 9.26	11.08	\$ -	\$ -	-			
3/4-inch meter	-	-	-	-	-	-	-	-	-	0	-	15.55	18.61	-	-				
1-inch meter	-	-	-	-	-	-	-	-	-	0	-	25.88	30.97	-	-				
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	0	-	51.79	61.98	-	-				
2-inch meter	12	12	12	12	12	12	12	12	12	12	11	82.85	99.15	994	911	4.500%	5.2397%	12	959
3-inch meter	-	-	-	-	-	-	-	-	-	0	-	155.35	185.91	-	-				
4-inch meter	37	37	38	37	37	36	37	37	36	36	36	258.92	309.85	9,321	9,321	1.200%	1.3973%	37	9,451
6-inch meter	-	-	-	-	-	-	-	-	-	0	-	517.85	619.72	-	-				
8-inch meter	-	34	-	-	34	-	-	34	-	0	-	828.55	991.54	-	-				
Total Meters	49	83	50	49	83	48	49	83	48	48	47			\$ 10,315	\$ 10,232			48	\$ 10,410
Volumetric																			
First 400 CF	27	-	-	27	-	-	27	-	-	-	-	\$ 0.172	0.206	-	-				
Next 6,100 CF	301	-	-	301	-	-	301	-	-	-	-	2.730	3.267	-	-				
Next 43,500 CF	1,694	-	-	1,694	-	-	1,694	-	-	-	-	1.715	2.052	-	-				
Next 450,000 CF	8,141	-	-	8,141	-	-	8,141	-	-	-	-	1.282	1.534	-	-				
Next 1,000,000 CF	1,621	-	-	1,621	-	-	1,621	-	-	-	-	0.980	1.173	-	-				
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	0.582	0.696	-	-				
Ft. Oglethorpe	1,169,734	1,178,392	841,021	1,169,734	1,178,392	799,363	1,169,734	1,178,392	799,363	100,849	483,455	0.766		77,250	370,327	0.0991%	0.1154%	484,013	370,754
Catoosa Co	-	-	162,740	-	-	162,740	-	-	162,740	35,411	369,170	0.796		28,187	293,859	0.0471%	0.0549%	369,373	294,021
Signal Mtn.	-	-	334,038	-	-	304,001	-	-	304,001	81,561	467,096	0.766		62,476	357,796	1.7995%	2.0953%	476,883	365,292
SFR / Walden's Ridge	-	-	173,844	-	-	-	-	-	-	1,046,319	-	0.766		801,480	-	-	-	-	-
Total Chattanooga	1,181,518	1,178,392	1,511,643	1,181,518	1,178,392	1,266,104	1,181,518	1,178,392	1,266,104	1,264,140	1,319,721			969,394	1,021,981	0.0471%	0.0549%	1,330,268	1,030,067
Lookout Mountain																			
5/8-inch meter	-	-	-	-	-	-	-	-	-	-	-	\$ 10.39	12.43	-	-				0.999759866
3/4-inch meter	-	-	-	-	-	-	-	-	-	-	-	15.55	18.61	-	-				
1-inch meter	-	-	-	-	-	-	-	-	-	-	-	25.88	30.97	-	-				
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	-	-	51.79	61.98	-	-				
2-inch meter	-	-	-	-	-	-	-	-	-	-	-	82.85	99.15	-	-				
3-inch meter	-	-	-	-	-	-	-	-	-	-	-	155.35	185.91	-	-				
4-inch meter	-	-	-	-	-	-	-	-	-	-	-	258.92	309.85	-	-				
6-inch meter	-	-	-	-	-	-	-	-	-	-	-	517.85	619.72	-	-				
8-inch meter	-	-	-	-	-	-	-	-	-	-	-	828.55	991.54	-	-				
Total Meters	-	-	-	-	-	-	-	-	-	-	-			-	-				
Volumetric																			
First 400 CF	-	-	-	-	-	-	-	-	-	-	-	\$ 0.640	0.766	-	-				
Next 6,100 CF	-	-	-	-	-	-	-	-	-	-	-	3.516	4.208	-	-				
Next 43,500 CF	-	-	-	-	-	-	-	-	-	-	-	2.501	2.993	-	-				
Next 450,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.749	2.093	-	-				
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.448	1.733	-	-				
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.049	1.255	-	-				
total Lookout Mount.	-	-	-	-	-	-	-	-	-	-	-			-	-				
Lakeview																			
5/8-inch meter	-	-	-	-	-	-	-	-	-	-	-	\$ 10.39	12.43	-	-				
3/4-inch meter	-	-	-	-	-	-	-	-	-	-	-	15.55	18.61	-	-				
1-inch meter	-	-	-	-	-	-	-	-	-	-	-	25.88	30.97	-	-				
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	-	-	51.79	61.98	-	-				
2-inch meter	-	-	-	-	-	-	-	-	-	-	-	82.85	99.15	-	-				
3-inch meter	-	-	-	-	-	-	-	-	-	-	-	155.35	185.91	-	-				
4-inch meter	-	-	-	-	-	-	-	-	-	-	-	258.92	309.85	-	-				
6-inch meter	-	-	-	-	-	-	-	-	-	-	-	517.85	619.72	-	-				
8-inch meter	-	-	-	-	-	-	-	-	-	-	-	828.55	991.54	-	-				
Total Meters	-	-	-	-	-	-	-	-	-	-	-			-	-				
Volumetric																			
First 400 CF	-	-	-	-	-	-	-	-	-	-	-	\$ 0.316	0.378	-	-				
Next 6,100 CF	-	-	-	-	-	-	-	-	-	-	-	3.008	3.600	-	-				
Next 43,500 CF	-	-	-	-	-	-	-	-	-	-	-	1.993	2.388	-	-				
Next 450,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.425	1.705	-	-				
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.124	1.345	-	-				
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	0.725	0.868	-	-				
Total Lakeview	-	-	-	-	-	-	-	-	-	-	-			-	-				
Total Gross	1,181,518	1,178,392	1,511,643	1,181,518	1,178,392	1,266,104	1,181,518	1,178,392	1,266,104	1,264,140	1,319,721			979,709	1,032,214			1,330,268	1,040,477
Corrections and Allow.	455	-	(39,783)	455	-	(39,783)	455	(25,402)	(39,783)					-27084	-7330				-7389
	1,181,063	1,178,392	1,551,426	1,181,063	1,178,392	1,305,887	1,181,063	1,152,990	1,305,887	1,264,140	1,319,721			1,006,793	1,039,544				1,047,866
Revenue Summary	1,181,065		1,547,422	1,181,065		1,302,516	1,181,065		1,302,516										
	-0.0002%		0.2581%	-0.0002%		0.2581%	-0.0002%		0.2581%										

TAWC Analysis of Billing Determinants

Private and Public Fire Class

										CAPD Requested Billing Determinates		RATES		Revenues		As Filed Att. Yr. Blng. Det.	Att. Year Present Rates
	03-00118 Per Books	04-00288 Per Books	06-00290 Per Books	03-00118 Normalized	04-00288 Normalized	06-00290 Normalized	03-00118 Attrition Year	04-00288 Attrition Year	06-00290 Attrition Year	Rev. Att. Yr. 12/31/2005	Rev. Att. Yr. 12/31/2006	Old Rate	TAWC Proposed	Attr. Yr. W 12 Mo.Base of: 12/31/2005	12/31/2006		
Private and Public Fire																	
Private Fire Service																	
1-inch meter	-	-		-	-	-	-	-	-	-	-	\$ 24.12	28.86			0	
1 1/2- inch meter	1	1		1	1	1	1	1	1	2	2	54.40	65.10	109	109	1	54
2-inch meter	5	8		6	8	13	6	8	13	14	14	96.75	115.78	1,355	1,355	13	1,258
2-1/2- inch meter	1	2		1	2	1	1	2	1	2	2	147.53	176.55	295	295	1	148
3-inch meter	2	3		1	3	2	1	3	2	4	4	217.48	260.26	870	870	2	435
4-inch meter	69	90		73	91	80	73	91	81	80	80	435.50	521.17	34,840	34,840	81	35,276
6-inch meter	646	781		705	812	794	705	812	826	814	814	870.32	1041.52	708,440	708,440	826	718,884
8-inch meter	275	318		287	318	292	287	318	294	292	292	1742.11	2084.8	508,696	508,696	294	512,180
10-inch meter	15	16		15	16	15	15	16	15	15	15	2613.37	3127.45	39,201	39,201	15	39,201
12-inch meter	17	18		18	18	19	18	18	19	19	19	3484.78	4170.28	66,211	66,211	19	66,211
Total Private Fire Service	1,031	1,237	-	1,107	1,269	1,217	1,107	1,269	1,252	1,242	1,242			1,360,016	1,360,016	1252	1,373,646
Public Fire Service																	
Rldgeside	-			-		13	-		13	13	13	0	0		0		0
Public Fire	-			-		4,610	-		4,610	4610	4610	0	0		0		0
Total Public fire Service	-	-	-	-	-	4,623	-	-	4,623	4,623	4,623						0
Total Private and Public Fire Service																	1,373,646
Total Gross	#REF!		#REF!	#REF!		#REF!	#REF!	#REF!	#REF!								

Analysis of Tennessee American 3.06 Reports @ 6 Month Intervals

TAWAC Exhibit 2, Schedule 2

	12 Months Ended 12/31/2004	12 Months Ended 6/1/2005	12 Months Ended 12/31/2005	12 Months Ended 6/30/2006	12 Months Ended 12/31/2006	12 Months Per Books 6/30/2006	Norm Test Year	Attr. Year Pres. Rates
Residential	12,551,935	12,910,869	13,213,682	13,410,823	13,594,417	13,410,823	13,608,292	13,681,917
Commercial	9,563,971	9,814,981	9,895,304	10,055,049	10,221,939	10,055,048	10,115,306	10,230,155
Industrial	3,038,889	3,107,911	3,309,389	3,478,301	3,676,996	3,478,302	3,428,902	3,428,902
Other	6,700,925	6,415,193	6,063,473	6,079,340	6,505,682	6,079,341	6,054,641	6,091,313
Total	31,855,720	32,248,954	32,481,848	33,023,513	33,999,034	33,023,514	33,207,141	33,432,287
Residential		358,934	302,813	197,141	183,594		197,469	73,625
Commercial		251,010	80,323	159,745	166,890		60,258	114,849
Industrial		69,022	201,478	168,912	198,695		(49,400)	-
Other		(285,732)	(351,720)	15,867	426,342		(24,700)	36,672
		-	-	-	-		-	-
Total		393,234	232,894	541,665	975,521		183,627	225,146
Residential		2.86%	2.35%	1.49%	1.37%		1.47%	0.54%
Commercial		2.62%	0.82%	1.61%	1.66%		0.60%	1.14%
Industrial		2.27%	6.48%	5.10%	5.71%		-1.42%	0.00%
Other		-4.26%	-5.48%	0.26%	7.01%		-0.41%	0.61%
Total		1.23%	0.72%	1.67%	2.95%		0.56%	0.68%

	16.67%							
Residential	0.42%	13,593,873	13,681,917	(88,044)	13,767,164	85,247	0.00623	0.000000
Commercial	-0.31%	9,823,388	10,230,156	(406,768)				
Industrial	6.55%	4,088,090	3,428,902	659,188				
Other Pub. Auth	3.59%	2,629,438	2,404,176	225,262				
Other Water Util.	4.15%	1,142,799	1,048,255	94,544				
Private/Pub. Fire Svc.	5.75%	1,529,427	1,373,647	155,780				
Other Op. Revenues		1,394,345	1,265,235	129,110				
		34,201,359	33,432,288	769,071				
			33,532,584.86					

	Normalized			Annual	Att. Year		Filed	Calculated	
	Test Yr.	Test Yr.*	Test Yr.	Growth	Growth		Att. Year	Att. Year	
	12/31/2005	6/30/2006	12/31/2006	Factor	Factor				
Residential	13,416,091	13,608,292	13,471,859	0.416%	13,537,064	0.484%	13,681,917	(118,247)	13,563,670
Commercial	9,920,304	10,115,307	9,889,683	-0.309%	9,854,138	-0.359%	10,230,156	(279,572)	9,950,584
Industrial	3,359,967	3,428,902	3,580,031	6.550%	3,853,052	7.626%	3,428,902	444,184	3,873,086
Other Pub. Auth	2,355,000	2,404,176	2,439,608	3.593%	2,541,664	4.183%	2,404,176	104,583	2,508,759
Other Water Util.	1,006,793	1,048,255	1,048,546	4.147%	1,099,179	4.829%	1,048,255	(389)	1,047,866
Private/Pub. Fire Svc.	1,286,142	1,341,877	1,360,042	5.746%	1,451,034	6.690%	1,373,647	(1)	1,373,646
Other Op. Revenues	1,203,933	1,260,333	1,394,345	15.816%	1,394,345	0.000%	1,265,235	129,110	1,394,345
0.00%									
	32,548,230	33,207,142	33,184,114	1.954%	33,730,476.62		33,432,288	279,668	33,711,956
	31,344,297		31,789,769	1.421%				0.842%	
			0.01421						

Residential	13,608,292
Commercial	10,115,307
Industrial	3,428,902
Other Pub. Auth	2,404,176
Other Water Util.	1,048,255
Private/Pub. Fire Svc.	1,341,877
Other Op. Revenues	1,260,333
	33,207,142

Residential	0.541%
Commercial	1.135%
Industrial	0.000%
Other Pub. Auth	0.000%
Other Water Util.	0.000%
Private/Pub. Fire Svc.	2.368%
Other Op. Revenues	0.389%
	0.678%

Residential Class

* Attrition Year Using 12 Month Ending 12/31/05 & 12/31/06 As Base

TAWC Billing Determinants Analysis

Commercial Class																			CAPD Requested		RATES		Revenues		2006	2/29/2008	2/29/2008	Revised	
Commercial	03-00118			04-00288			06-00290			03-00118			04-00288			06-00290			Billing Determinates		Attr. Yr. W 12 Mo. Base of:		2006	06-00290	Attrition	Revised			
	Per Books			Per Books			Per Books			Normalized			Normalized			Normalized			Rev. Att. Yr.	12/31/2006	Old Rate	TAWC	12/31/2005	12/31/2006	Test Yr.	Year	Attribution	Year	Revenue
																			Proposed										(Pres. Rates)
Chattanooga																													
5/8-inch meter	63,324	63,846	63,928	63,324	63,846	63,876	63,324	63,846	63,876	63,679	71,353	\$ 9.26	11.08	\$	589,668	\$ 660,729	12.051%	14.0321%	81,365	753,443									
3/4-inch meter	1,269	1,272	1,459	1,269	1,272	1,457	1,269	1,272	1,457	1,342	1,490	15.55	18.61		20,888	23,170	11.028%	12.8412%	1,681	36,145									
1-inch meter	14,645	14,605	15,945	15,761	15,013	16,190	16,364	15,616	17,032	16,114	16,184	25.88	30.97		417,030	418,842	0.434%	0.5058%	16,266	420,960									
1 1/2- inch meter	3,333	3,399	3,870	3,333	3,399	3,861	3,333	3,399	3,861	3,746	3,646	51.79	61.98		194,005	188,826	-2.670%	-3.1083%	3,533	182,957									
2-inch meter	11,299	8,837	12,368	11,299	8,837	12,306	11,299	8,837	12,306	12,161	11,567	62.85	99.15		1,007,539	957,497	-4.967%	-5.7631%	10,889	902,124									
3-inch meter	377	466	513	377	466	513	377	466	513	489	494	155.35	185.91		75,566	76,743	1.022%	1.1906%	500	77,657									
4-inch meter	192	36	243	192	36	242	192	36	242	239	214	258.92	309.85		61,882	55,409	-10.460%	-12.1797%	188	48,660									
6-inch meter	72	1	120	72	1	120	72	1	120	113	121	517.85	619.72		58,517	62,660	7.080%	8.2434%	131	67,825									
Master Meters	-	1,435	-	-	1,435	-	-	1,435	-	-	1,435	-	-		-	-	-	-	-	-									
8-inch meter	-	1	12	-	1	12	-	1	12	12	11	828.55	991.54		9,943	9,114	-8.333%	-9.7032%	10	8,230									
Total Meters	94,511	93,898	98,457	95,627	94,306	98,576	96,230	94,909	99,418	97,895	105,070	-	-		2,435,418	2,452,990	-	-	-	2,488,001									
Volumetric																													
First 400 CF	280,815	271,416	272,842	285,279	273,048	273,447	287,691	275,460	276,815	273,959	270,833	\$ 0.172	0.206		47,121	46,583	-1.141%	-1.3286%	267,235	45,964									
Next 5,100 CF	1,286,189	1,235,873	1,243,422	1,331,722	1,252,315	1,250,496	1,356,324	1,276,616	1,283,502	1,248,535	1,243,430	2.730	3.267		3,408,501	3,394,954	-0.409%	-0.4761%	1,237,510	3,378,403									
Next 43,500 CF	1,681,624	1,644,114	1,681,937	1,745,711	1,451,553	1,618,685	1,745,711	1,451,553	1,618,685	1,611,761	1,620,473	1.715	2.052		2,764,168	2,779,111	0.541%	0.6299%	1,630,673	2,796,604									
Next 450,000 CF	888,017	847,012	830,574	888,017	847,012	828,034	888,017	847,012	828,034	827,329	805,135	1.282	1.534		1,060,636	1,032,183	-2.683%	-3.1236%	779,986	999,942									
Next 1,000,000 CF	11,784	47,548	127,616	11,784	47,548	127,616	11,784	47,548	127,616	129,573	75,468	0.980	1.173		126,982	73,959	-41.756%	-48.6204%	38,775	38,000									
All Over 1,500,000 CF	-	115,407	93,476	-	115,407	93,476	-	115,407	93,476	75,700	46,861	0.582	0.696		44,057	27,273	-38.096%	-44.3589%	26,074	15,175									
Total Chattanooga	4,148,429	4,161,370	4,249,867	4,262,513	3,998,883	4,191,754	4,289,527	4,013,596	4,228,128	4,166,856	4,062,200	-	-		7,451,465	7,353,673	-2.512%	-2.9245%	3,943,401	7,274,088									
Lookout Mountain																													
5/8-inch meter	675	605	780	675	605	780	675	605	780	724	767	\$ 10.39	12.43		7,522	7,969	5.939%	6.9155%	820	8,520									
3/4-inch meter	12	8	26	12	8	26	12	8	26	20	24	15.55	18.61		311	373	20.000%	23.2877%	30	460									
1-inch meter	234	224	248	294	284	284	301	291	293	271	273	25.88	30.97		7,013	7,065	0.738%	0.8593%	275	7,126									
1 1/2- inch meter	48	33	39	48	33	39	48	33	39	36	33	51.79	61.98		1,864	1,709	-8.333%	-9.7032%	30	1,543									
2-inch meter	89	74	89	89	74	89	89	74	89	87	78	62.85	99.15		7,208	6,462	-10.345%	-12.0453%	69	5,684									
3-inch meter	-	-	-	-	-	-	-	-	-	1	-	155.35	185.91		155	-	-100.000%	-116.4384%	-	-									
4-inch meter	-	-	-	-	-	-	-	-	-	0	-	258.92	309.85		-	-	#DIV/0!	#DIV/0!	-	-									
6-inch meter	-	-	-	-	-	-	-	-	-	0	-	517.85	619.72		-	-	#DIV/0!	#DIV/0!	-	-									
8-inch meter	-	5	-	-	5	-	-	5	-	0	-	828.55	991.54		-	-	#DIV/0!	#DIV/0!	-	-									
Total Meters	1,058	949	1,182	1,118	1,009	1,218	1,125	1,016	1,227	1,139	1,175	-	-		24,075	23,579	-	-	-	23,333									
Volumetric																													
First 400 CF	3,474	2,883	3,481	3,714	3,123	3,625	3,742	3,151	3,661	3,394	3,325	\$ 0.640	0.766		2,172	2,128	-2.033%	-2.3672%	3,246	2,078									
Next 5,100 CF	18,872	15,195	17,624	20,936	17,325	18,614	21,177	17,574	18,862	17,283	17,992	3.516	4.208		60,767	63,260	4.102%	4.7766%	18,851	66,282									
Next 43,500 CF	13,557	13,570	13,797	14,184	11,799	13,408	14,184	11,799	13,408	10,585	15,054	2.501	2.993		26,473	37,650	42.220%	49.1604%	22,455	56,159									
Next 450,000 CF	4,703	5,809	2,268	4,703	5,809	2,268	4,703	5,809	2,268	99	7,381	1.749	2.093		173	12,909	7355.556%	39.5000%	10,296	18,009									
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.448	1.733		-	-	-	-	-	-									
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.049	1.255		-	-	-	-	-	-									
Total Lookout Mount.	40,606	37,457	37,270	43,537	38,056	37,916	43,806	38,333	38,200	31,361	43,752	-	-		89,585	115,947	-	-	-	142,527									
Lakeview																													
5/8-inch meter	1,748	1,934	1,796	1,748	1,934	1,796	1,748	1,934	1,796	1,832	1,839	\$ 10.39	12.43		19,034	19,107	0.382%	0.4449%	1,847	19,192									
3/4-inch meter	-	-	-	-	-	-	-	-	-	-	-	15.55	18.61		-	-	-	-	-	-									
1-inch meter	220	210	223	268	198	199	282	212	218	200	220	25.88	30.97		5,176	5,694	10.000%	11.6438%	246	6,357									
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	-	-	51.79	61.98		-	-	-	-	-	-									
2-inch meter	108	106	96	108	106	96	108	106	96	96	88	62.85	99.15		7,954	7,291	-8.333%	-9.7032%	79	6,583									
3-inch meter	-	-	-	-	-	-	-	-	-	-	-	155.35	185.91		-	-	-	-	-	-									
4-inch meter	-	-	-	-	-	-	-	-	-	-	-	258.92	309.85		-	-	-	-	-	-									
6-inch meter	-	-	-	-	-	-	-	-	-	-	-	517.85	619.72		-	-	-	-	-	-									
8-inch meter	-	-	-	-	-	-	-	-	-	-	-	828.55	991.54		-	-	-	-	-	-									
Total Meters	2,076	2,250	2,115	2,124	2,238	2,091	2,138	2,252	2,110	2,128	2,147	-	-		32,164	32,092	-	-	2,147	32,132									
Volumetric																													
First 400 CF	6,135	6,353	5,556	6,327	6,305	5,460	6,383	6,361	5,536	5,584	5,423	\$ 0.316	0.378		1,765	1,714	-2.883%	-3.3572%	5,241	1,656									
Next 5,100 CF	18,598	18,271	15,514	19,337	18,121	15,291	19,553	18,296	15,468	16,136	14,948	3.008	3.600		48,537	44,964	-7.362%	-8.5727%	13,667	41,109									
Next 43,500 CF	12,133	10,599	6,954	12,755	8,848	6,586	12,755	8,388	6,586	6,928	7,549	1.993	2.365		13,808	15,045	8.964%	10.4371%	8,337	16,615									
Next 450,000 CF	3,414	1,824	84	3,414	1,824	84	3,414	1,824	84	84	228	1.425	1.705		120	325	171.420%	199.6086%	683	973									
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.124	1.345		-	-	-	-	-	-									
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	0.725	0.868		-	-	-	-	-	-									
Total Lakeview	40,280	37,047	28,108	41,833	35,098	27,421	42,105	34,869	27,674	28,732	28,148	-	-		64,229	62,047	-	-	-	60,354									
Lone Oak																													
5/8-inch meter	N/A	N/A	2	N/A	N/A	2	N/A	N/A	2	-	12	\$ 31.39	\$ 31.39		0	377	#DIV/0!	#DIV/0!	12	377									
3/4-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-									
1-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-									
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-									
2-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-									
3-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-									
4-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-									
6-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-									
8-inch meter	-	-	-	-	-	-	-	-	-	-	0	31.39	31.39		0	-	-	-	-	-									
Total Meters	-	-	2	-	-	2	-	-	2	-	12	-	-		0	377	-	-	-	377									
Volumetric																													
2.67 (100 CCF)	N/A	N/A	4	N/A	N/A	4	N/A	N/A	4	0	25	\$ -	\$ -		0	-	#DIV/0!	#DIV/0!	25	-									
IN Excess 2.67 (100 CCF)	-	-	60	-	-	7	-	-	7	0	60	\$ 3.95	\$ 3.95		0	237	#DIV/0!	#DIV/0!	60	237									
Total Loan Oak	-	-	11	-	-	11	-	-	11	0	85	-	-		0	2													

TAWC Analysis of Billing Determinants

Industrial Class

Industrial										CAPD Requested Billing Determinates		RATES		Revenues		2006	06-00290	Attrition	Attrition
	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	Rev. Att. Yr.	Rev. Att. Yr.	Old Rate	TAWC Proposed	Attr. Yr. W 12 Mo.	Base of:	Growth	Test Yr.	Year	Year
	Per	Per	Per				Attrition	Attrition	Attrition	12/31/2005	12/31/2006			12/31/2005	12/31/2006	Rate	12/31/2006	Bling. Incr.	Revenue
	Books	Books	Books	Normalized	Normalized	Normalized	Year	Year	Year										(Pres. Rates)
Chattanooga																			
5/8-inch meter	318	322	288	318	322	285	318	322	285	276	283	\$ 9.26	11.08	\$ 2,556	\$ 2,621	2.536%	2.9531%	291	2,698
3/4-inch meter	36	33	29	36	33	29	36	33	29	34	23	15.55	18.61	529	358	-32.353%	-37.6712%	14	223
1-inch meter	354	321	323	354	321	320	354	321	320	329	304	25.88	30.97	8,515	7,868	-7.599%	-8.8479%	277	7,171
1 1/2- inch meter	72	51	88	72	51	87	72	51	87	83	84	51.79	61.98	4,299	4,350	1.205%	1.4029%	85	4,411
2-inch meter	1,199	436	1,096	1,199	436	1,071	1,199	436	1,071	1,059	1,013	82.85	99.15	87,738	83,927	-4.344%	-5.0578%	962	79,682
3-inch meter	-	-	-	-	-	-	-	-	-	2	-	155.35	185.91	311	-	-100.000%	-116.4384%	-	-
4-inch meter	423	47	293	423	47	283	423	47	283	292	276	258.92	309.85	75,605	71,462	-5.479%	-6.3802%	258	66,903
6-inch meter	60	-	65	60	-	60	60	-	60	59	63	517.85	619.72	30,553	32,625	6.780%	7.8941%	68	35,200
Master Meters	-	425	-	-	425	-	-	425	-	-	-	828.55	991.54	-	-	#DIV/0!	-	-	-
8-inch meter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Meters	2,462	1,635	2,182	2,462	1,635	2,135	2,462	1,635	2,135	2,134	2,046			\$ 210,104	\$ 203,210			1,956	196,288
Volumetric																			
First 400 CF	6,375	5,749	5,794	6,316	5,749	5,619	6,316	5,749	5,619	5,663	5,588	\$ 0.172	0.206	974	961	-1.324%	-1.5421%	5,502	946
Next 6,100 CF	66,634	57,759	58,042	66,021	57,759	55,793	66,021	57,759	55,793	56,337	56,123	2.730	3.267	153,800	153,216	-0.380%	-0.4423%	55,875	152,538
Next 43,500 CF	292,795	257,082	267,510	290,101	257,082	255,774	290,101	257,082	255,774	254,468	255,560	1.715	2.052	436,413	438,285	0.429%	0.4997%	256,837	440,475
Next 450,000 CF	1,171,587	1,046,158	1,029,673	1,160,806	1,046,158	975,267	1,160,806	1,046,158	975,267	1,000,627	1,021,497	1.282	1.534	1,282,804	1,309,559	2.086%	2.4285%	1,046,305	1,341,362
Next 1,000,000 CF	1,055,879	874,888	839,314	1,046,163	874,888	813,936	1,046,163	874,888	813,936	791,350	873,991	0.980	1.173	775,523	856,511	10.443%	12.1597%	980,266	960,660
All Over 1,500,000 CF	891,054	701,134	1,010,111	882,854	701,134	996,776	882,854	701,134	996,776	869,307	1,065,096	0.582	0.696	505,937	619,886	22.522%	26.2247%	1,344,415	782,449
Total Chattanooga	3,484,324	2,942,770	3,210,445	3,452,261	2,942,770	3,103,166	3,452,261	2,942,770	3,103,166	2,977,752	3,277,855			3,155,450	3,378,419	10.078%	11.7349%	3,689,198	3,678,432
Lookout Mountain																			
5/8-inch meter	-	-	-	-	-	-	-	-	-	-	-	\$ 10.39	12.43	-	-				
3/4-inch meter	-	-	-	-	-	-	-	-	-	-	-	15.55	18.61	-	-				
1-inch meter	-	-	-	-	-	-	-	-	-	-	-	25.88	30.97	-	-				
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	-	-	51.79	61.98	-	-				
2-inch meter	-	-	-	-	-	-	-	-	-	-	-	82.85	99.15	-	-				
3-inch meter	-	-	-	-	-	-	-	-	-	-	-	155.35	185.91	-	-				
4-inch meter	-	-	-	-	-	-	-	-	-	-	-	258.92	309.85	-	-				
6-inch meter	-	-	-	-	-	-	-	-	-	-	-	517.85	619.72	-	-				
8-inch meter	-	-	-	-	-	-	-	-	-	-	-	828.55	991.54	-	-				
Total Meters	-	-	-	-	-	-	-	-	-	0	0			-	-				
Volumetric																			
First 400 CF	-	-	-	-	-	-	-	-	-	-	-	\$ 0.640	0.766	-	-				
Next 6,100 CF	-	-	-	-	-	-	-	-	-	-	-	3.516	4.208	-	-				
Next 43,500 CF	-	-	-	-	-	-	-	-	-	-	-	2.501	2.993	-	-				
Next 450,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.749	2.093	-	-				
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.448	1.733	-	-				
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.049	1.255	-	-				
total Lookout Mount.	-	-	-	-	-	-	-	-	-	0	0			-	-				
Lakeview																			
5/8-inch meter	-	-	-	-	-	-	-	-	-	-	-	\$ 10.39	12.43	-	-				
3/4-inch meter	-	-	-	-	-	-	-	-	-	-	-	15.55	18.61	-	-				
1-inch meter	-	-	-	-	-	-	-	-	-	-	-	25.88	30.97	-	-				
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	-	-	51.79	61.98	-	-				
2-inch meter	-	-	-	-	-	-	-	-	-	-	-	82.85	99.15	-	-				
3-inch meter	-	-	-	-	-	-	-	-	-	-	-	155.35	185.91	-	-				
4-inch meter	-	-	-	-	-	-	-	-	-	-	-	258.92	309.85	-	-				
6-inch meter	-	-	-	-	-	-	-	-	-	-	-	517.85	619.72	-	-				
8-inch meter	-	-	-	-	-	-	-	-	-	-	-	828.55	991.54	-	-				
Total Meters	-	-	-	-	-	-	-	-	-	0	0			-	-				
Volumetric																			
First 400 CF	-	-	-	-	-	-	-	-	-	-	-	\$ 0.316	0.378	-	-				
Next 6,100 CF	-	-	-	-	-	-	-	-	-	-	-	3.008	3.600	-	-				
Next 43,500 CF	-	-	-	-	-	-	-	-	-	-	-	1.993	2.388	-	-				
Next 450,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.425	1.705	-	-				
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.124	1.345	-	-				
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	0.725	0.868	-	-				
Total Lakeview	-	-	-	-	-	-	-	-	-	0	0			-	-				
Total Gross	3,484,324	2,942,770	3,210,445	3,452,261	2,942,770	3,103,166	3,452,261	2,942,770	3,103,166	2,977,752	3,277,855			3,365,554	3,581,628			3,691,155	3,874,720
Corrections and Allow.	72,681	-	2,102	72,681	-	2,102	72,681	82,317	2,102	2910	(718)			5715	1511				1,634.65
	3,411,643	2,942,770	3,208,343	3,379,580	2,942,770	3,101,064	3,379,580	3,025,087	3,101,064	2,974,842	3,278,573			3,359,839	3,580,117				3,873,086
Revenue Summary	3,415,847	n/a	3,199,859	3,383,745	n/a	3,092,865	3,383,745	n/a	3,092,865										
	-0.1232%		0.2644%	-0.1232%		0.2644%	-0.1232%		0.2644%										

Industrial

TAWC Analysis of Billing Determinants

Other Public Authorities Class

Other Public Authority										CAPD Requested Billing Determinates		RATES		Revenues		2006	2/29/2008	2/29/2008	Revised	
	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	Rev. Att. Yr.	Rev. Att. Yr.			Attr. Yr.	W 12 Mo.Base of:	Growth	Test Yr.	Attrition	Year	
	Per Books	Per Books	Per Books	Normalized	Normalized	Normalized	Attrition Year	Attrition Year	Attrition Year	12/31/2005	12/31/2006	Old Rate	TAWC Proposed	12/31/2005	12/31/2006	Rate	12/31/2006 1.16	Year Blng. Incr.	Revenue (Pres. Rates)	
Chattanooga																				
5/8-inch meter	2,052	1,953	1,986	2,052	1,953	1,979	2,052	1,953	1,979	1,953	1,974	\$ 9.26	11.08	\$	18,085	\$ 18,279	1.075%	1.2520%	1,999	18,508
3/4-inch meter	132	141	132	132	141	130	132	141	130	132	126	15.55	18.61		2,053	1,959	-4.545%	-5.2927%	119	1,856
1-inch meter	1,515	1,491	1,572	1,527	1,479	1,694	1,579	1,531	1,694	1,548	1,718	25.88	30.97		40,062	44,462	10.982%	12.7872%	1,938	50,147
1 1/2- inch meter	682	609	794	682	609	787	682	609	787	771	750	51.79	61.98		39,930	38,843	-2.724%	-3.1715%	726	37,611
2-inch meter	2,999	1,943	3,251	2,999	1,943	3,219	2,999	1,943	3,219	3,199	3,344	82.85	99.15		265,037	277,050	4.533%	5.2778%	3,520	291,672
3-inch meter	66	28	49	66	28	48	66	28	48	47	48	155.35	185.91		7,301	7,457	2.128%	2.4774%	49	7,642
4-inch meter	220	92	261	220	92	256	220	92	256	250	244	258.92	309.85		64,730	63,176	-2.400%	-2.7945%	237	61,411
6-inch meter	12	-	12	12	-	12	12	-	12	12	12	517.85	619.72		6,214	6,214	0.000%	0.0000%	12	6,214
Master Meters	-	684	-	-	684	-	-	684	-	-	-	-	-		-	-	-	-	-	
8-inch meter	-	-	-	-	-	-	-	-	-	1	-	828.55	991.54		829	-	0.000%	0.0000%	-	-
Total Meters	7,678	6,941	8,057	7,690	6,929	8,125	7,742	6,981	8,125	7,913	8,216			\$	444,241	\$ 457,441				\$ 475,061
Volumetric																				
First 400 CF	21,262	20,537	21,210	21,310	20,489	21,558	21,518	20,697	21,558	20,895	22,240	\$ 0.172	0.206		3,594	3,825	6.437%	7.4951%	23,907	4,112
Next 6,100 CF	177,571	169,537	169,462	178,303	168,805	176,036	187,653	179,361	176,036	169,772	180,429	2.730	3.267		463,478	492,571	6.277%	7.3091%	193,617	528,574
Next 43,500 CF	417,373	396,539	352,398	418,799	394,871	358,536	418,799	394,871	358,536	373,400	349,471	1.715	2.052		640,381	599,343	-6.408%	-7.4618%	323,394	554,621
Next 450,000 CF	672,707	639,924	525,785	672,707	639,924	518,335	672,707	639,924	518,335	544,891	526,614	1.282	1.534		698,550	675,119	-3.354%	-3.9056%	506,046	648,751
Next 1,000,000 CF	88,609	125,661	94,790	88,609	125,661	94,790	88,609	125,661	94,790	74,105	107,676	0.980	1.173		72,623	105,522	45.302%	52.7488%	164,474	161,184
All Over 1,500,000 CF	33,605	84,640	-	33,605	84,640	-	33,605	84,640	-	-	-	0.582	0.696		-	-	-	-	-	
Total Chattanooga	1,411,127	1,436,838	1,163,645	1,413,333	1,434,390	1,169,255	1,422,891	1,445,154	1,169,255	1,183,063	1,186,430				1,878,626	1,876,381				1,897,242
Lookout Mountain																				
5/8-inch meter	120	114	153	120	114	153	120	114	153	137	195	\$ 10.39	12.43		1,423	2,026	42.336%	49.2951%	291	3,025
3/4-inch meter	-	-	-	-	-	-	-	-	-	0	5	15.55	18.61		-	78	5.000%	5.8219%	5	82
1-inch meter	108	94	169	108	94	157	108	94	157	108	127	25.88	30.97		2,795	3,287	17.593%	20.4845%	153	3,960
1 1/2- inch meter	12	11	13	12	11	13	12	11	13	12	13	51.79	61.98		621	673	8.333%	9.7032%	14	739
2-inch meter	84	70	91	84	70	91	84	70	91	83	77	82.85	99.15		6,877	6,379	-7.229%	-8.4172%	71	5,842
3-inch meter	-	-	-	-	-	-	-	-	-	0	-	155.35	185.91		-	-	-	-	-	
4-inch meter	-	-	-	-	-	-	-	-	-	0	-	258.92	309.85		-	-	-	-	-	
6-inch meter	-	-	-	-	-	-	-	-	-	0	-	517.85	619.72		-	-	-	-	-	
8-inch meter	-	-	-	-	-	-	-	-	-	0	-	828.55	991.54		-	-	-	-	-	
Total Meters	324	289	426	324	289	414	324	289	414	340	417				11,717	12,443				13,648
Volumetric																				
First 400 CF	875	657	870	875	657	822	875	657	822	757	1,011	\$ 0.640	0.766		484	647	33.554%	39.0691%	1,406	900
Next 6,100 CF	6,172	4,247	5,891	6,172	4,247	5,616	6,172	4,247	5,616	4,974	6,539	3.516	4.208		17,489	22,991	31.464%	36.6357%	8,935	31,414
Next 43,500 CF	3,122	2,560	4,714	3,122	2,560	4,714	3,122	2,560	4,714	3,834	5,542	2.501	2.993		9,589	13,861	44.549%	51.8719%	8,417	21,050
Next 450,000 CF	-	-	-	-	-	-	-	-	-	-	814	1.749	2.093		-	1,424	814.000%	947.8082%	8,529	14,917
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.448	1.733		-	-	-	-	-	
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.049	1.255		-	-	-	-	-	
total Lookout Mount.	10,169	7,464	11,475	10,169	7,464	11,152	10,169	7,464	11,152	9,565	13,906				27,562	38,922			27,286	68,282
Lakeview																				
5/8-inch meter	60	44	48	60	44	48	60	44	48	48	48	\$ 10.39	12.43		499	499	0.000%	0.0000%	48	499
3/4-inch meter	-	-	-	-	-	-	-	-	-	0	-	15.55	18.61		-	-	-	-	-	
1-inch meter	-	12	12	-	12	12	-	12	12	12	20	25.88	30.97		311	518	66.667%	77.6256%	36	919
1 1/2- inch meter	-	8	12	-	8	12	-	8	12	12	10	51.79	61.98		621	518	-16.667%	-19.4064%	8	417
2-inch meter	24	24	24	24	24	24	24	24	24	24	20	82.85	99.15		1,988	1,657	-16.667%	-19.4064%	16	1,335
3-inch meter	-	-	-	-	-	-	-	-	-	0	-	155.35	185.91		-	-	-	-	-	
4-inch meter	-	-	-	-	-	-	-	-	-	0	-	258.92	309.85		-	-	-	-	-	
6-inch meter	-	-	-	-	-	-	-	-	-	0	-	517.85	619.72		-	-	-	-	-	
8-inch meter	-	-	-	-	-	-	-	-	-	0	-	828.55	991.54		-	-	-	-	-	
Total Meters	84	88	96	84	88	96	84	88	96	96	98				3,419	3,191				3,171
Volumetric																				
First 400 CF	179	199	200	179	199	200	179	199	200	189	171	\$ 0.316	0.378		60	54	-9.524%	-11.0894%	152	48
Next 6,100 CF	1,280	1,726	1,977	1,280	1,726	1,977	1,280	1,726	1,977	2,119	1,647	3.008	3.600		6,374	4,954	-22.275%	-25.9362%	1,220	3,669
Next 43,500 CF	1,008	1,092	1,858	1,008	1,092	1,858	1,008	1,092	1,858	2,026	1,214	1.993	2.388		4,038	2,420	-40.079%	-46.6673%	647	1,290
Next 450,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.425	1.705		-	-	-	-	-	
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.124	1.345		-	-	-	-	-	
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	0.725	0.868		-	-	-	-	-	
Total Lakeview	2,467	3,017	4,035	2,467	3,017	4,035	2,467	3,017	4,035	4,334	3,032				10,471	7,428			3,032	5,008
Total Gross	1,423,763	1,447,319	1,179,155	1,425,969	1,444,871	1,184,442	1,435,527	1,455,635	1,184,442	1,196,962	1,203,368				2,376,036	2,395,806				2,462,412
Corrections and Allow.	55,028	-	(31,185)	55,028	-	(31,185)	55,028	(20,290)	(31,185)	11855					21,131	(45,094)				(46,347.65)
	1,368,735	1,447,319	1,210,340	1,370,941	1,444,871	1,215,627	1,380,499	1,435,345	1,215,627	1,185,107	1,203,368				2,354,905	2,440,900				2,508,759
Revenue Summary	1,368,737	n/a	1,205,008	1,370,942	n/a	1,210,272	1,380,500	n/a	1,210,272											
	-0.0001%		0.4405%	-0.0001%		0.4405%	-0.0001%		0.4405%											

TAWC Analysis of Billing Determinants

Other Water Utility Class

Other Water Utility										CAPD Requested Billing Determinates		RATES		Revenues		2006 Growth Rate	2/29/2008 06-00290 Test Yr. 12/31/2006 1.16	2/29/2008 Attrition Year Bing. Incr.	Revised Attrition Year Revenue (Pres. Rates)
	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	03-00118	04-00288	06-00290	Rev. Att. Yr.	Rev. Att. Yr.	Old Rate	TAWC Proposed	Attr. Yr. W 12 Mo.	Base of:				
	Per Books	Per Books	Per Books	Normalized	Normalized	Normalized	Attrition Year	Attrition Year	Attrition Year	12/31/2005	12/31/2006			12/31/2005	12/31/2006				
Chattanooga																			
5/8-inch meter	-	-	-	-	-	-	-	-	-	0	-	\$ 9.26	11.08	\$ -	\$ -	-			
3/4-inch meter	-	-	-	-	-	-	-	-	-	0	-	15.55	18.61	-	-				
1-inch meter	-	-	-	-	-	-	-	-	-	0	-	25.88	30.97	-	-				
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	0	-	51.79	61.98	-	-				
2-inch meter	12	12	12	12	12	12	12	12	12	12	11	82.85	99.15	994	911	4.500%	5.2397%	12	959
3-inch meter	-	-	-	-	-	-	-	-	-	0	-	155.35	185.91	-	-				
4-inch meter	37	37	38	37	37	36	37	37	36	36	36	258.92	309.85	9,321	9,321	1.200%	1.3973%	37	9,451
6-inch meter	-	-	-	-	-	-	-	-	-	0	-	517.85	619.72	-	-				
8-inch meter	-	34	-	-	34	-	-	34	-	0	-	828.55	991.54	-	-				
Total Meters	49	83	50	49	83	48	49	83	48	48	47			\$ 10,315	\$ 10,232			48	\$ 10,410
Volumetric																			
First 400 CF	27	-	-	27	-	-	27	-	-	-	-	\$ 0.172	0.206	-	-				
Next 6,100 CF	301	-	-	301	-	-	301	-	-	-	-	2.730	3.267	-	-				
Next 43,500 CF	1,694	-	-	1,694	-	-	1,694	-	-	-	-	1.715	2.052	-	-				
Next 450,000 CF	8,141	-	-	8,141	-	-	8,141	-	-	-	-	1.282	1.534	-	-				
Next 1,000,000 CF	1,621	-	-	1,621	-	-	1,621	-	-	-	-	0.980	1.173	-	-				
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	0.582	0.696	-	-				
Ft. Oglethorpe	1,169,734	1,178,392	841,021	1,169,734	1,178,392	799,363	1,169,734	1,178,392	799,363	100,849	483,455	0.766		77,250	370,327	0.0991%	0.1154%	484,013	370,754
Catoosa Co	-	-	162,740	-	-	162,740	-	-	162,740	35,411	369,170	0.796		28,187	293,859	0.0471%	0.0549%	369,373	294,021
Signal Mtn.	-	-	334,038	-	-	304,001	-	-	304,001	81,561	467,096	0.766		62,476	357,796	1.7995%	2.0953%	476,883	365,292
SFR / Walden's Ridge	-	-	173,844	-	-	-	-	-	-	1,046,319	-	0.766		801,480	-	-	-	-	-
Total Chattanooga	1,181,518	1,178,392	1,511,643	1,181,518	1,178,392	1,266,104	1,181,518	1,178,392	1,266,104	1,264,140	1,319,721			969,394	1,021,981	0.0471%	0.0549%	1,330,268	1,030,067
Lookout Mountain																			
5/8-inch meter	-	-	-	-	-	-	-	-	-	-	-	\$ 10.39	12.43	-	-				0.999759866
3/4-inch meter	-	-	-	-	-	-	-	-	-	-	-	15.55	18.61	-	-				
1-inch meter	-	-	-	-	-	-	-	-	-	-	-	25.88	30.97	-	-				
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	-	-	51.79	61.98	-	-				
2-inch meter	-	-	-	-	-	-	-	-	-	-	-	82.85	99.15	-	-				
3-inch meter	-	-	-	-	-	-	-	-	-	-	-	155.35	185.91	-	-				
4-inch meter	-	-	-	-	-	-	-	-	-	-	-	258.92	309.85	-	-				
6-inch meter	-	-	-	-	-	-	-	-	-	-	-	517.85	619.72	-	-				
8-inch meter	-	-	-	-	-	-	-	-	-	-	-	828.55	991.54	-	-				
Total Meters	-	-	-	-	-	-	-	-	-	-	-			-	-				
Volumetric																			
First 400 CF	-	-	-	-	-	-	-	-	-	-	-	\$ 0.640	0.766	-	-				
Next 6,100 CF	-	-	-	-	-	-	-	-	-	-	-	3.516	4.208	-	-				
Next 43,500 CF	-	-	-	-	-	-	-	-	-	-	-	2.501	2.993	-	-				
Next 450,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.749	2.093	-	-				
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.448	1.733	-	-				
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.049	1.255	-	-				
total Lookout Mount.	-	-	-	-	-	-	-	-	-	-	-			-	-				
Lakeview																			
5/8-inch meter	-	-	-	-	-	-	-	-	-	-	-	\$ 10.39	12.43	-	-				
3/4-inch meter	-	-	-	-	-	-	-	-	-	-	-	15.55	18.61	-	-				
1-inch meter	-	-	-	-	-	-	-	-	-	-	-	25.88	30.97	-	-				
1 1/2- inch meter	-	-	-	-	-	-	-	-	-	-	-	51.79	61.98	-	-				
2-inch meter	-	-	-	-	-	-	-	-	-	-	-	82.85	99.15	-	-				
3-inch meter	-	-	-	-	-	-	-	-	-	-	-	155.35	185.91	-	-				
4-inch meter	-	-	-	-	-	-	-	-	-	-	-	258.92	309.85	-	-				
6-inch meter	-	-	-	-	-	-	-	-	-	-	-	517.85	619.72	-	-				
8-inch meter	-	-	-	-	-	-	-	-	-	-	-	828.55	991.54	-	-				
Total Meters	-	-	-	-	-	-	-	-	-	-	-			-	-				
Volumetric																			
First 400 CF	-	-	-	-	-	-	-	-	-	-	-	\$ 0.316	0.378	-	-				
Next 6,100 CF	-	-	-	-	-	-	-	-	-	-	-	3.008	3.600	-	-				
Next 43,500 CF	-	-	-	-	-	-	-	-	-	-	-	1.993	2.388	-	-				
Next 450,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.425	1.705	-	-				
Next 1,000,000 CF	-	-	-	-	-	-	-	-	-	-	-	1.124	1.345	-	-				
All Over 1,500,000 CF	-	-	-	-	-	-	-	-	-	-	-	0.725	0.868	-	-				
Total Lakeview	-	-	-	-	-	-	-	-	-	-	-			-	-				
Total Gross	1,181,518	1,178,392	1,511,643	1,181,518	1,178,392	1,266,104	1,181,518	1,178,392	1,266,104	1,264,140	1,319,721			979,709	1,032,214			1,330,268	1,040,477
Corrections and Allow.	455	-	(39,783)	455	-	(39,783)	455	(25,402)	(39,783)					-27084	-7330				-7389
	1,181,063	1,178,392	1,551,426	1,181,063	1,178,392	1,305,887	1,181,063	1,152,990	1,305,887	1,264,140	1,319,721			1,006,793	1,039,544				1,047,866
Revenue Summary	1,181,065		1,547,422	1,181,065		1,302,516	1,181,065		1,302,516										
	-0.0002%		0.2581%	-0.0002%		0.2581%	-0.0002%		0.2581%										

TAWC Analysis of Billing Determinants

Private and Public Fire Class

										CAPD Requested Billing Determinates		RATES		Revenues		As Filed Att. Yr. Blng. Det.	Att. Year Present Rates
	03-00118 Per Books	04-00288 Per Books	06-00290 Per Books	03-00118 Normalized	04-00288 Normalized	06-00290 Normalized	03-00118 Attrition Year	04-00288 Attrition Year	06-00290 Attrition Year	Rev. Att. Yr. 12/31/2005	Rev. Att. Yr. 12/31/2006	Old Rate	TAWC Proposed	Attr. Yr. W 12 Mo.Base of: 12/31/2005	12/31/2006		
Private and Public Fire																	
Private Fire Service																	
1-inch meter	-	-		-	-	-	-	-	-	-	-	\$ 24.12	28.86			0	
1 1/2- inch meter	1	1		1	1	1	1	1	1	2	2	54.40	65.10	109	109	1	54
2-inch meter	5	8		6	8	13	6	8	13	14	14	96.75	115.78	1,355	1,355	13	1,258
2-1/2- inch meter	1	2		1	2	1	1	2	1	2	2	147.53	176.55	295	295	1	148
3-inch meter	2	3		1	3	2	1	3	2	4	4	217.48	260.26	870	870	2	435
4-inch meter	69	90		73	91	80	73	91	81	80	80	435.50	521.17	34,840	34,840	81	35,276
6-inch meter	646	781		705	812	794	705	812	826	814	814	870.32	1041.52	708,440	708,440	826	718,884
8-inch meter	275	318		287	318	292	287	318	294	292	292	1742.11	2084.8	508,696	508,696	294	512,180
10-inch meter	15	16		15	16	15	15	16	15	15	15	2613.37	3127.45	39,201	39,201	15	39,201
12-inch meter	17	18		18	18	19	18	18	19	19	19	3484.78	4170.28	66,211	66,211	19	66,211
Total Private Fire Service	1,031	1,237	-	1,107	1,269	1,217	1,107	1,269	1,252	1,242	1,242			1,360,016	1,360,016	1252	1,373,646
Public Fire Service																	
Rldgeslde	-			-		13	-		13	13	13	0	0		0		0
Public Fire	-			-		4,610	-		4,610	4610	4610	0	0		0		0
Total Public fire Service	-	-	-	-	-	4,623	-	-	4,623	4,623	4,623						0
Total Private and Public Fire Service																	1,373,646
Total Gross	#REF!		#REF!	#REF!		#REF!	#REF!	#REF!	#REF!								

Analysis of Tennessee American 3.06 Reports @ 6 Month Intervals

TAWAC Exhibit 2, Schedule 2

	12 Months Ended 12/31/2004	12 Months Ended 6/1/2005	12 Months Ended 12/31/2005	12 Months Ended 6/30/2006	12 Months Ended 12/31/2006	12 Months Per Books 6/30/2006	Norm Test Year	Attr. Year Pres. Rates
Residential	12,551,935	12,910,869	13,213,682	13,410,823	13,594,417	13,410,823	13,608,292	13,681,917
Commercial	9,563,971	9,814,981	9,895,304	10,055,049	10,221,939	10,055,048	10,115,306	10,230,155
Industrial	3,038,889	3,107,911	3,309,389	3,478,301	3,676,996	3,478,302	3,428,902	3,428,902
Other	6,700,925	6,415,193	6,063,473	6,079,340	6,505,682	6,079,341	6,054,641	6,091,313
Total	31,855,720	32,248,954	32,481,848	33,023,513	33,999,034	33,023,514	33,207,141	33,432,287
Residential		358,934	302,813	197,141	183,594		197,469	73,625
Commercial		251,010	80,323	159,745	166,890		60,258	114,849
Industrial		69,022	201,478	168,912	198,695		(49,400)	-
Other		(285,732)	(351,720)	15,867	426,342		(24,700)	36,672
		-	-	-	-		-	-
Total		393,234	232,894	541,665	975,521		183,627	225,146
Residential		2.86%	2.35%	1.49%	1.37%		1.47%	0.54%
Commercial		2.62%	0.82%	1.61%	1.66%		0.60%	1.14%
Industrial		2.27%	6.48%	5.10%	5.71%		-1.42%	0.00%
Other		-4.26%	-5.48%	0.26%	7.01%		-0.41%	0.61%
Total		1.23%	0.72%	1.67%	2.95%		0.56%	0.68%