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PETITION OF TENNESSEE-
AMERICAN WATER COMPANY TO
CHANGE AND INCREASE CERTAIN
RATES AND CHARGES...

DOCKET NO. 08-00039

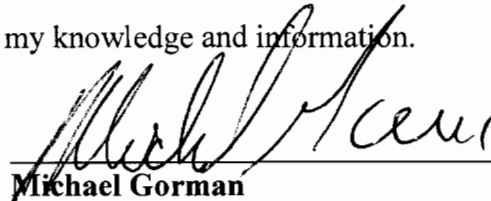
TENNESSEE REGULATORY AUTHORITY

STATE OF MISSOURI

COUNTY OF ST. LOUIS

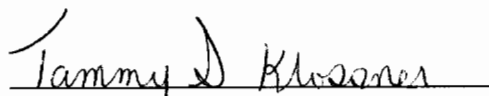
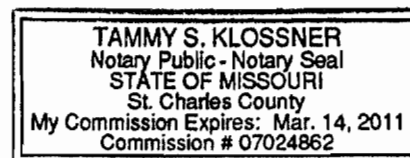
BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared, **Michael Gorman**, who, being by me first duly sworn deposed and said that as to Chattanooga Manufacturers Association's Responses to the Tennessee Regulatory Authority Staff's Data Request dated August 14, 2008:

I am appearing as a witness on behalf of Chattanooga Manufacturers Association and the foregoing responses relative to the questions directed to me were prepared by me, or under my supervision, and are true and accurate to the best of my knowledge and information.



Michael Gorman
Brubaker & Associates, Inc.

SWORN TO AND SUBSCRIBED
BEFORE ME THIS 25TH DAY OF
AUGUST, 2008.


NOTARY PUBLIC

My Commission Expires: March 14, 2011

Company's filing to reflect a more reasonable amount of lost water will
reduce at least its chemical and purchased power expense.

Revenue Requirement Adjustments

**Q PLEASE SUMMARIZE YOUR PROPOSED REVENUE REQUIREMENT
ADJUSTMENT TO TAWC'S CLAIMED REVENUE DEFICIENCY.**

A As shown in Table 1 below, TAWC claimed a revenue deficiency of \$7.645 million.
After adjusting only for the issues which CMA contends should be adopted by the
Authority, the resulting revenue deficiency would be at most \$2.394 million. In
addition, Staff or other parties may recommend additional adjustments to further
reduce TAWC's claimed revenue deficiency.

Table 1	
<u>Revenue Deficiency Summary</u>	
<u>Description</u>	<u>Amount</u> <u>(000's)</u>
Claimed Revenue Deficiency	\$7,645
Rate of Return*	(\$3,241)
Working Capital	(\$335)
Construction Work in Progress	(\$99)
Rate Case Expenses	(\$256)
Lost Water Expense Adj.	(\$185)
Revenue Sales	<u>(\$1,076)</u>
Total CMA Adjustments	(\$5,192)
TAWC's Claimed Revenue Deficiency After Applying CMA-Recommended Adjustments	\$2,453
* Assuming but not endorsing 10.2% return on equity.	

Tennessee - American Water Company

Lost Water Expense

Chemicals

<u>Line</u>	<u>Description</u>	<u>Amount</u> (1)	<u>Reference</u> (2)
1	Attrition Year chemical Expense per the Company	\$ 1,049,272	TN-TRA-01-Q013-CHEMICAS Pg 6 of 7
2	BAI Normalized Chemical Expense Reflecting 15% Unaccounted for Water	<u>\$ 968,169</u>	Workpaper 1
3	Adjustment to Company Proposed Expenses	\$ 81,103	Line 1 - Line 2

Fuel and Power

<u>Line</u>	<u>Description</u>	<u>Amount</u> (1)	<u>Reference</u> (2)
	Company Fuel & Power Attrition Test Year		
4	CitcoStation	\$ 1,224,200	Workpaper 2
5	Boosters Station	<u>\$ 762,116</u>	Workpaper 3
6	Total	\$ 1,986,316	Line 4 + Line 5
	BAI Normalized Fuel & Power Expense with 15% Losses		
6	CitcoStation	\$ 1,160,388	Workpaper 5
7	Boosters Station	<u>\$ 721,652</u>	Workpaper 6
8	Total	\$ 1,882,040	Line 6 + Line 7
9	Unaccounted for Lost Issue	\$ 104,277	Line 6 - Line 8
10	Total Loss Water Expense Reduction	<u>\$ 185,380</u>	Line 3 + Line 9

Tennessee - American Water Company

Conservation Adjustment

<u>Line</u>	<u>Description</u>	<u>Amount</u> (1)	<u>Reference</u> (2)
1	CMA Adjustment for Residential Growth With Adjusted Conservation	\$250,953	Page 2
2	CMA Adjustment for Commercial Growth With Adjusted Conservation	\$882,688	Page 3
3	Total Additional Revenue With Adjusted Conservation	\$1,133,641	Line 1 + Line 2
<u>Less:</u>			
4	Additional Chemicals	\$24,754	Page 4
5	Additional Power	\$32,540	Page 5
6	Revenue Reduction	<u>\$1,076,347</u>	Ln 3 - Ln 4 - Ln 5

Tennessee - American Water Company

Conservation Adjustment (Revenue - Residential)

TAWC Proposed Sales

<u>Line</u>	<u>Description</u>	<u>Chattanooga</u> (1)	<u>Lookout Mtn.</u> (2)	<u>Lakeview</u> (3)	<u>Total</u> (4)
1	Additional 5/8" Customer Bills	721,676	22,198	34,269	778,143
2	Average Usage per Month	6.0	13.1	5.8	
3	First 400 Cubic Feet	2,886,704	88,792	137,076	3,112,572
4	Next 6100 Cubic Feet	<u>1,443,352</u>	<u>202,002</u>	<u>61,684</u>	<u>1,707,038</u>
5	Total CCF's	4,330,056	290,794	198,760	4,819,610
6	1st Block Revenues	\$560,021	\$64,019	\$48,799	\$672,839
7	2nd Block Revenues	\$4,435,421	\$799,523	\$208,986	\$5,443,930
8	Customer Charge Revenues	\$7,519,864	\$259,717	\$400,947	\$8,180,528
9	Total Revenues	\$12,515,305	\$1,123,259	\$658,732	\$14,297,296

Adjusted Sales

<u>Line</u>	<u>Description</u>	<u>Chattanooga</u> (1)	<u>Lookout Mtn.</u> (2)	<u>Lakeview</u> (3)	<u>Total</u> (4)
10	Additional 5/8" Customer Bills	721,676	22,198	34,269	778,143
11	Average Usage per Month (CCF)	6.1	13.3	5.9	
12	First 400 Cubic Feet	2,886,704	88,792	137,076	3,112,572
13	Next 6100 Cubic Feet	<u>1,515,520</u>	<u>206,441</u>	<u>65,111</u>	<u>1,787,072</u>
14	Total CCF's	4,402,224	295,233	202,187	4,899,644
15	1st Block Revenues	\$560,021	\$64,019	\$48,799	\$672,839
16	2nd Block Revenues	\$4,657,192	\$817,095	\$220,596	\$5,694,883
17	Customer Charge Revenues	\$7,519,864	\$259,717	\$400,947	\$8,180,528
18	Total Revenues	\$12,737,076	\$1,140,831	\$670,343	\$14,548,250
19	Revenue Increase (Line 18 - Line 9)				<u>\$250,953</u>

Tennessee - American Water Company

Conservation Adjustment (Revenue - Commercial)

TAWC Proposed Sales

<u>Line</u>	<u>Description</u>	<u>Chattanooga</u> (1)	<u>Lookout Mtn.</u> (2)	<u>Lakeview</u> (3)	<u>Total</u> (4)
1	Additional 1" Customer Bills	96,872	1,078	1,999	99,949
2	Average Usage per Month	39.9	54.4	13.5	
3	First 400 Cubic Feet	387,488	4,312	7,996	399,796
4	Next 6100 Cubic Feet	3,477,705	54,331	18,991	3,551,027
5	Total CCF's	3,865,193	58,643	26,987	3,950,823
6	1st Block Revenues	\$75,173	\$837	\$1,551	\$77,560
7	2nd Block Revenues	\$10,686,987	\$166,960	\$58,358	\$10,912,304
8	Customer Charge Revenues	\$1,009,406	\$12,613	\$23,388	\$1,045,407
9	Total Revenues	\$11,771,566	\$180,409	\$83,297	\$12,035,272

Adjusted Sales

<u>Line</u>	<u>Description</u>	<u>Chattanooga</u> (1)	<u>Lookout Mtn.</u> (2)	<u>Lakeview</u> (3)	<u>Total</u> (4)
10	Additional 1" Customer Bills	96,872	1,078	1,999	99,949
11	Average Usage per Month (CCF)	42.8	58.4	14.5	
12	First 400 Cubic Feet	387,488	4,312	7,996	399,796
13	Next 6100 Cubic Feet	3,758,634	58,643	20,990	3,838,266
14	Total CCF's	4,146,122	62,955	28,986	4,238,062
15	1st Block Revenues	\$75,173	\$837	\$1,551	\$77,560
16	2nd Block Revenues	\$11,550,281	\$180,211	\$64,501	\$11,794,992
17	Customer Charge Revenues	\$1,009,406	\$12,613	\$23,388	\$1,045,407
18	Total Revenues	\$12,634,860	\$193,660	\$89,440	\$12,917,960
19	Revenue Increase (Line 18 - Line 9)				<u>\$882,688</u>

Tennessee - American Water Company

Chemicals Expense

<u>Line</u>	<u>Description</u>	<u>Amount</u> (1)	<u>Reference</u> (2)
1	BAI Normalized Chemical Expense Reflecting 15% Unaccounted for Water	\$ 968,169	Workpaper 9
2	BAI Normalized Chemical Expense Reflecting 15% Unaccounted for Water, Additional Customer Growth & Less Conservation	\$ 992,923	Workpaper 9
3	Expense Increase	<u>\$ 24,754</u>	Line 5 - Line 4

Tennessee - American Water Company

Fuel & Power Expense

<u>Line</u>	<u>Description</u>	<u>Amount</u> (1)	<u>Reference</u> (2)
	BAI Norm Test Year With 15% Losses		
1	CitcoStation	\$ 1,160,388	MPG-5
2	Boosters Station	\$ 721,652	MPG-5
3	Total	\$ 1,882,040	Line 1 + Line 2
	BAI Conservation Adjusted Revenues with 15% losses		
4	CitcoStation	\$ 1,180,301	Workpaper 10
5	Boosters Station	\$ 734,279	Workpaper 11
6	Total	\$ 1,914,579	
7	Expense Increase	\$ 32,540	Line 10 - Line 6

Tennessee - American Water Company

Water Conservation Analysis

<u>Line</u>	<u>Description</u>	<u>2005</u> (1)	<u>2006</u> (2)	<u>2007</u> (3)
Residential				
1	Annual Water Usage	3,302,016,000	3,572,024,000	3,578,059,000
2	Annual Bills	726,757	790,087	763,175
3	Avg. Usage per Bill	4,543.49	4,521.05	4,688.39
4	Daily Usage	149.38	148.64	154.14
5	Spitznagel Usage- 07 Case			141.81
6	Spitznagel Usage-06 Case			146.23
Commercial				
7	Annual Water Usage	3,168,765,000	3,296,177,000	3,226,205,000
8	Annual Bills	96,064	102,716	98,271
9	Avg. Usage per Bill	32,985.98	32,090.20	32,829.68
10	Daily Usage	1,084.47	1,055.02	1,079.33
11	Spitznagel Usage - 07 Case			1029.41
12	Spitznagel Usage - 06 Case			1055.43

Spitznagel Usage Gallons per Day

<u>Line</u>	<u>Year</u>	<u>Residential</u> (1)	<u>Annual Report Residential</u> (2)	<u>Commercial</u> (3)	<u>Annual Report Commercial</u> (4)
13	1994	161		1148	
14	1995	163		1152	
15	1996	163		1149	
16	1997	160		1112	
17	1998	164		1134	
18	1999	161		1128	
19	2000	158		1118	
20	2001	154		1059	
21	2002	157		1055	
22	2003	158		1033	
23	2004	146		1097	
24	2005	143	149	1050	1084
25	2006	147	149	1056	1055
26	2007	152	154	1070	1079
27	10-Year Average	154.0		1080.0	
28	5-Year Average	149.2		1061.2	
29	3-Year Average	147.3	150.7	1058.7	1072.7

Tennessee - American Water Company

Chemicals Adjusted For 15% Losses

	12 Months Ended Nov. 30, 2007 CCF's	Normalized Test Year CCF's	Attrition Test Year CCF's
Water Sales	15,346,430	14,295,052	14,364,712
Unaccounted For	4,221,849	2,522,656	2,534,949
Total	19,568,279	16,817,708	16,899,661
Unaccounted For %	21.57%	15.00%	15.00%

Chemical Name	Cost At Current Prices Test Year System Del.	Cost Per CCF	Costs on Normalized Year CCF's	Costs on Attrition Year CCF's
Polyaluminum Chloride	\$341,250	0.01744	\$293,283	\$294,712
Chlorine	\$140,697	0.00719	\$120,920	\$121,509
Fluoride	\$107,051	0.00547	\$92,004	\$92,452
Caustic	\$23,145	0.00118	\$19,892	\$19,989
Corrosion Inhibitor	\$210,128	0.01074	\$180,592	\$181,472
Filter Aid	\$7,074	0.00036	\$6,080	\$6,109
Powered Carbon	\$22,456	0.00115	\$19,300	\$19,394
GAC	\$269,251	0.01376	\$231,404	\$232,532
Total	\$1,121,052		\$963,474	\$968,169

Tennessee - American Water Company

FUEL & POWER
CO. ATTRITION TEST YEAR

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
<u>CITGO STATION</u>													
SYSTEM DELIVERY - '07 BUDGET	1,113,930	1,063,715	1,118,604	1,071,300	1,164,174	1,266,267	1,221,993	1,287,449	1,270,718	1,339,641	1,365,066	1,358,483	14,641,340
ADJUSTMENT TO NORMALIZE TEST YEA	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	
ADJUSTED SYSTEM DELIVERY	1,043,319	996,287	1,047,697	1,003,391	1,090,378	1,186,000	1,144,532	1,205,839	1,190,168	1,254,722	1,278,536	1,272,370	13,713,239
KWH PER THOUSAND GALLON	1.261	1.075	1.251	1.202	1.248	1.224	1.265	1.227	1.237	1.118	1.221	1.172	
TOTAL KWH'S	1,315,625	1,071,009	1,310,669	1,206,076	1,360,792	1,451,663	1,447,833	1,479,564	1,472,238	1,402,780	1,561,092	1,491,218	16,570,559
<u>RATES</u>													
CUSTOMER CHARGE	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	
FIRST 15,000 KWH IN CENTS	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$160.63
OVER 15,000 KWH IN CENTS	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01
<u>CALCULATED BILL</u>													
CUSTOMER CHARGE	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$1,928
FIRST 15,000 KWH IN CENTS	\$752	\$752	\$752	\$752	\$752	\$752	\$752	\$752	\$752	\$752	\$752	\$752	\$9,018
OVER 15,000 KWH IN CENTS	\$65,161	\$52,906	\$64,913	\$59,673	\$67,424	\$71,977	\$71,785	\$73,375	\$73,008	\$69,528	\$77,459	\$73,959	\$821,167
TAX AT 1.5%	\$66,073	\$53,818	\$65,825	\$60,585	\$68,336	\$72,889	\$72,697	\$74,287	\$73,920	\$70,440	\$78,371	\$74,871	\$832,113
TOTAL COST	\$67,065	\$54,625	\$66,813	\$61,494	\$69,361	\$73,982	\$73,788	\$75,401	\$75,029	\$71,496	\$79,547	\$75,994	\$844,594
TOTAL DEMAND - '03 BUDGET	2,129	2,129	2,160	2,236	2,399	2,399	2,399	2,399	2,310	2,285	2,206	2,129	27,180
<u>RATES</u>													
FIRST 50 KWD	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	
NEXT 950 KWD	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	
NEXT 1500 KWD	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	
OVER 2500 KWD	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	
<u>CALCULATED BILL</u>													
FIRST 50 KWD	\$636	\$636	\$636	\$636	\$636	\$636	\$636	\$636	\$636	\$636	\$636	\$636	\$7,626
NEXT 950 KWD	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$144,894
NEXT 1500 KWD	\$16,472	\$16,472	\$16,924	\$18,033	\$20,411	\$20,411	\$20,411	\$20,411	\$19,113	\$18,748	\$17,596	\$16,472	\$221,476
OVER 2500 KWD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAX AT 1.5%	\$29,182	\$29,182	\$29,634	\$30,743	\$33,121	\$33,121	\$33,121	\$33,121	\$31,823	\$31,458	\$30,306	\$29,182	\$373,996
TOTAL COST	\$438	\$438	\$445	\$461	\$497	\$497	\$497	\$497	\$477	\$472	\$455	\$438	\$5,610
GRAND TOTAL	\$96,684	\$84,245	\$96,891	\$92,698	\$102,980	\$107,601	\$107,406	\$109,019	\$107,329	\$103,427	\$110,307	\$105,614	\$1,224,200

Tennessee - American Water Company

FUEL & POWER
CO. ATTRITION TEST YEAR

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>	<u>TOTAL</u>
<u>BOOSTER STATIONS</u>													
KWH'S '07 BUDGET	787,312	689,204	819,410	769,478	702,740	853,656	895,170	864,234	1,101,009	770,043	799,828	582,307	9,634,391
ADJUSTMENT TO NORMALIZE TEST YEAR	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	0.936611	
ADJUSTED KWH	737,405	645,516	767,468	720,702	658,194	799,544	838,426	809,451	1,031,217	721,231	749,128	545,395	8,979,917
COSTS PER KWH PER THE 2007 BUDGET	\$0.0591	\$0.0605	\$0.0591	\$0.0595	\$0.0602	\$0.0591	\$0.0585	\$0.0589	\$0.0573	\$0.0595	\$0.0590	\$0.0617	
TOTAL KWH COST	\$43,581	\$39,054	\$45,357	\$42,882	\$39,623	\$47,253	\$49,048	\$47,677	\$59,089	\$42,913	\$44,199	\$33,651	\$534,326
TOTAL KWD	1,755	1,792	1,808	1,765	1,854	1,904	1,880	1,926	2,051	1,905	1,884	1,788	22,312
COSTS PER KWD PER THE 2007 BUDGET	\$9.9162	\$9.9475	\$10.0171	\$9.9535	\$10.0939	\$10.0720	\$10.1633	\$10.2529	\$10.2867	\$10.1953	\$10.1953	\$9.9983	
TOTAL KWD COST	\$17,403	\$17,826	\$18,111	\$17,568	\$18,714	\$19,177	\$19,107	\$19,747	\$21,098	\$19,422	\$19,208	\$17,877	\$225,258
TOTAL ELECTRIC COST	\$60,984	\$56,880	\$63,468	\$60,450	\$58,337	\$66,430	\$68,155	\$67,424	\$80,187	\$62,335	\$63,406	\$51,528	\$759,584
DIESEL FUEL PER THE 2007 BUDGET	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$2,532
TOTAL BOOSTER STATION FUEL & POWER COST	\$61,195	\$57,091	\$63,679	\$60,661	\$58,548	\$66,641	\$68,366	\$67,635	\$80,398	\$62,546	\$63,617	\$51,739	\$762,116

Tennessee - American Water Company

Fuel & Power Support

BAI CCF's for Attrition Year with 15% Unaccounted For	16,899,661
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Conversion to Gallons	750
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K Gallons	12,674,746
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BAI CCF's for Attrition Year with 15% unaccounted For and less Conservation	17,331,748
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Conversion to Gallons	750
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K Gallons	12,998,811
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Tennessee - American Water Company

FUEL & POWER
BAI ATTRITION TEST YEAR

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
<u>CITCO STATION</u>													
SYSTEM DELIVERY - '07 BUDGET	1,113,930	1,083,715	1,118,604	1,071,300	1,164,174	1,266,267	1,221,993	1,287,449	1,270,718	1,339,641	1,365,066	1,358,483	14,641,340
ADJUSTMENT TO NORMALIZE TEST YEA	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	
ADJUSTED SYSTEM DELIVERY	964,309	920,839	968,355	927,405	1,007,805	1,096,185	1,057,857	1,114,522	1,100,038	1,159,703	1,181,713	1,176,014	12,674,746
KWH PER THOUSAND GALLON	1.261	1.075	1.251	1.202	1.248	1.224	1.265	1.227	1.237	1.118	1.221	1.172	
TOTAL KWH'S	1,215,994	989,902	1,211,413	1,114,741	1,257,740	1,341,730	1,338,190	1,367,518	1,360,747	1,296,548	1,442,872	1,378,289	15,315,683
<u>RATES</u>													
CUSTOMER CHARGE	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	\$160.63	
FIRST 15,000 KWH IN CENTS	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	
OVER 15,000 KWH IN CENTS	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	
<u>CALCULATED BILL</u>													
CUSTOMER CHARGE	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$1,928
FIRST 15,000 KWH IN CENTS	\$752	\$752	\$752	\$752	\$752	\$752	\$752	\$752	\$752	\$752	\$752	\$752	\$9,018
OVER 15,000 KWH IN CENTS	\$60,170	\$48,843	\$59,940	\$55,097	\$62,261	\$66,469	\$67,761	\$67,422	\$67,422	\$64,206	\$71,536	\$68,301	\$758,298
TAX AT 1.5%	\$61,082	\$49,755	\$60,852	\$56,009	\$63,173	\$67,381	\$67,204	\$68,673	\$68,334	\$65,118	\$72,449	\$69,213	\$769,243
TOTAL COST	\$916	\$746	\$913	\$840	\$948	\$1,011	\$1,008	\$1,030	\$1,025	\$977	\$1,087	\$1,038	\$11,539
	\$61,998	\$50,501	\$61,765	\$56,849	\$64,121	\$68,392	\$68,212	\$69,703	\$69,359	\$66,094	\$73,535	\$70,251	\$780,782
TOTAL DEMAND - '03 BUDGET	2,129	2,129	2,160	2,236	2,399	2,399	2,399	2,399	2,310	2,285	2,206	2,129	27,180
<u>RATES</u>													
FIRST 50 KWD	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	
NEXT 950 KWD	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	\$12.71	
NEXT 1500 KWD	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	
OVER 2500 KWD	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59	
<u>CALCULATED BILL</u>													
FIRST 50 KWD	\$636	\$636	\$636	\$636	\$636	\$636	\$636	\$636	\$636	\$636	\$636	\$636	\$7,626
NEXT 950 KWD	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$12,075	\$144,894
NEXT 1500 KWD	\$16,472	\$16,472	\$16,924	\$18,033	\$20,411	\$20,411	\$20,411	\$20,411	\$19,113	\$18,748	\$17,596	\$16,472	\$221,476
OVER 2500 KWD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAX AT 1.5%	\$29,182	\$29,182	\$29,634	\$30,743	\$33,121	\$33,121	\$33,121	\$33,121	\$31,823	\$31,458	\$30,306	\$29,182	\$373,996
TOTAL COST	\$438	\$438	\$445	\$461	\$497	\$497	\$497	\$497	\$477	\$472	\$455	\$438	\$5,610
	\$29,620	\$29,620	\$30,079	\$31,204	\$33,618	\$33,618	\$33,618	\$33,618	\$32,300	\$31,930	\$30,760	\$29,620	\$379,606
GRAND TOTAL	\$91,618	\$80,121	\$91,844	\$88,054	\$97,739	\$102,010	\$101,830	\$103,322	\$101,659	\$98,024	\$104,295	\$99,871	\$1,160,388

Tennessee - American Water Company

FUEL & POWER
BAI ATTRITION TEST YEAR

	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>	<u>TOTAL</u>
<u>BOOSTER STATIONS</u>													
KWH'S '07 BUDGET	787,312	689,204	819,410	769,478	702,740	853,656	895,170	864,234	1,101,009	770,043	799,828	582,307	9,634,391
ADJUSTMENT TO NORMALIZE TEST YEA	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	0.865682	
ADJUSTED KWH	681,562	596,631	709,348	666,123	608,349	738,995	774,933	748,152	953,124	666,612	692,397	504,093	8,113,130
COSTS PER KWH PER THE 2007 BUDGET	\$0.0591	\$0.0605	\$0.0591	\$0.0595	\$0.0602	\$0.0591	\$0.0585	\$0.0589	\$0.0573	\$0.0595	\$0.0590	\$0.0617	
TOTAL KWH COST	\$40,280	\$36,096	\$41,922	\$39,634	\$36,623	\$43,675	\$45,334	\$44,066	\$54,614	\$39,663	\$40,851	\$31,103	\$493,862
TOTAL KWD	1,755	1,792	1,808	1,765	1,854	1,904	1,880	1,926	2,051	1,905	1,884	1,788	22,312
COSTS PER KWD PER THE 2007 BUDGET	\$9.9162	\$9.9475	\$10.0171	\$9.9535	\$10.0939	\$10.0720	\$10.1633	\$10.2529	\$10.2867	\$10.1953	\$10.1953	\$9.9983	
TOTAL KWD COST	\$17,403	\$17,826	\$18,111	\$17,568	\$18,714	\$19,177	\$19,107	\$19,747	\$21,098	\$19,422	\$19,208	\$17,877	\$225,258
TOTAL ELECTRIC COST	\$57,683	\$53,922	\$60,033	\$57,202	\$55,337	\$62,852	\$64,441	\$63,813	\$75,712	\$59,085	\$60,059	\$48,979	\$719,120
DIESEL FUEL PER THE 2007 BUDGET	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$211	\$2,532
TOTAL BOOSTER STATION FUEL & POWER COST	\$57,894	\$54,133	\$60,244	\$57,413	\$55,548	\$63,063	\$64,652	\$64,024	\$75,923	\$59,296	\$60,270	\$49,190	\$721,652

Tennessee - American Water Company

Customer Counts

Residential	Chattanooga	Lookout Mtn	Lakeview	Reference
TN-TRA-01-Q013-Revenues				
Customers at 11/30/2007	59,405	1,837	2,836	Pg 72 of 99
Suck Creek	212			Pg 78 of 99
Lone Oak	108			Pg 78 of 99
Total	59,725	1,837	2,836	
Bills per year	12	12	12	
Total	716,700	22,044	34,032	
Bills Per Company Growth Adjustment	4,976	154	237	Pg 75 of 99
Total Bills	721,676	22,198	34,269	
Commercial				
Customers at 11/30/2007	7992	88	168	Pg 72 of 99
Suck Creek	4			Pg 79 of 99
Lone Oak	2			Pg 79 of 99
Total	7998	89	165	
Bills per year	12	12	12	
Total	95,976	1,068	1,980	
Bills Per Company Growth Adjustment	896	10	19	Pg 75 of 99
Total Bills	96,872	1,078	1,999	