

**IN THE TENNESSEE REGULATORY AUTHORITY  
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. 10-00189**

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**FIRST DISCOVERY REQUEST OF THE CONSUMER ADVOCATE AND  
PROTECTION DIVISION TO TENNESSEE AMERICAN WATER COMPANY**

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To: Tennessee American Water Company, Inc.  
c/o R. Dale Grimes, Esq.  
Bass, Berry & Sims PLC  
AmSouth Center  
315 Deaderick Street, Suite 2700  
Nashville, TN 37238

This Discovery Request is hereby served upon Tennessee American Water Company, ("TAWC", "Tennessee-American", or "Company"), pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. We request that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate and Protection Division, 425 Fifth Avenue North, Nashville, Tennessee 37243, c/o T. Jay Warner, on or before 4:00 p.m. (CDT), November 29, 2010.

## **PRELIMINARY MATTERS AND DEFINITIONS**

Each discovery request calls for all knowledge, information and material available to TAWC as a party, including any of TAWC's parent companies, affiliates, agents, or assigns, whether it be TAWC's, in particular, or in the form of knowledge, information or material possessed or available to TAWC, it's attorney or other representative.

These discovery requests are to be considered continuing in nature, and are to be supplemented from time to time as information is received by TAWC which would make a prior response inaccurate, incomplete, or incorrect. In addition, the Attorney General requests that TAWC supplement responses hereto with respect to any question directly addressed to the identity and location of persons having knowledge of discoverable matters, and the identity of each person expected to be called as an expert at hearing, the subject matter on which the expert is expected to testify, and the substance of the expert's testimony.

These discovery requests are to be interpreted broadly to fulfill the benefit of full discovery. The singular of any discovery request includes the plural and the plural includes the singular. To assist you in providing full and complete discovery, the Attorney General provides the following definitional guidelines.

The terms "and" and "or" shall be construed conjunctively or disjunctively as necessary to include any information that might otherwise be construed outside the scope of these requests.

The term "communication" means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

For purposes of these discovery requests, the term "you" shall mean and include: Tennessee American Water Company and all employees, agents and representatives thereof, as well as any subsidiary, affiliate or parent companies associated with TAWC.

The term "person" or "persons" as used herein refers to any natural person, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever. Where a company or organization is the party being served, all responses must include the company's response. Moreover, the company's designated person for responding must assure that the company provides complete answers. *A complete answer must provide a response which includes all matters known or reasonably available to the company.*

The term "identity" and "identify" as used herein, with respect to any person, means to provide their name, date of birth, current residence address, current residence telephone number, current business address, current business telephone number, and the occupation or job title of that person; with respect to an entity, those terms mean to provide the name by which said entity is commonly known, the current address of its principal place of business, and the nature of business currently conducted by that entity; with respect to any document, those terms mean to provide the date of the document, the nature of the document, the title of the document, the reference number (if any) of the document, and the current location of the document, including the identity of the person or entity in possession of the document.

The term "document" as used herein, means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, work paper, spreadsheet, note, photograph, tape recording, computer disk or record, or other data compilation in any form without limitation. Produce the original and each copy, regardless of origin or location, of any book, pamphlet, periodical, letter, note, report, memorandum (including memoranda, note or report of a meeting or conversation), spreadsheet, photograph, videotape, audio tape, computer disk, e-mail, or any other written, typed, reported, transcribed, punched, taped, filmed, or graphic matter,

however produced or reproduced, which is in your possession, custody or control or which was, but is no longer, in your possession, custody, or control. If any such document was, but no longer is, in your possession or control, state what disposition was made of it and when. If a document exists in different versions, including any dissimilar copies (such as a duplicate with handwritten notes on one copy), each version shall be treated as a different document and each must be identified and produced.

If you produce documents in response to these discovery requests, produce the original of each document or, in the alternative, produce a copy of each document and identify the location of the original document. If the "original" document is itself a copy, that copy should be produced as the original.

If any objections are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege asserted.

If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

If any of the interrogatories are not answered on the basis of privilege or immunity, include in your response to each such interrogatory a written statement evidencing:

- (a) the nature of the communication;
- (b) the date of the communication;
- (c) the identity of the persons present at such communication; and
- (d) a brief description of the communication sufficient to allow the Authority to rule on a motion to compel.

If, for any reason, you are unable to answer a discovery request fully, submit as much information as is available and explain why your answer is incomplete. If precise information cannot be supplied, submit 1) your best estimate, so identified, and your basis for the estimate and 2) such information available to you as comes closest to providing the information

requested. If you have reason to believe that other sources of more complete and accurate information exist, identify those sources.

If any information requested is not furnished as requested, state where and how the information may be obtained or extracted, the person or persons having knowledge of the procedure and the person instructing that the information be excluded.

## **FIRST DISCOVERY REQUESTS**

### **PART I: WEATHER NORMALIZATION**

1. Using Dr. Spitznagel's model, please provide a comparison of monthly weather-normalized water utilization with actual utilization for each of the past ten years.

**RESPONSE:**

2. Please provide, in Microsoft Excel or comparable format with formulas intact, the mean Palmer Modified Drought Index for the 30-year period from April 1980 to March 2010 mentioned on pages 5 and 6 of Dr. Spitznagel's testimony.

**RESPONSE:**

3. Please provide, in Microsoft Excel or comparable format with formulas intact, all inputs to Dr. Spitznagel's regressions in Appendix B to his testimony.

**RESPONSE:**

**PART II: QUESTIONS & REQUESTS REGARDING COST OF CAPITAL &  
MISCELLANEOUS**

4. Provide the actual capital structure including dollar amounts and percentages of short term debt, long term debt, preferred stock, and common equity, as well as the accompanying cost rates for short term debt, long term debt and preferred stock, for each of the twelve months ending December 31, 2007, 2008, 2009 and forecasted for Dec. 31, 2010 for TAWC as well as any parent, subsidiary, or affiliate companies, including but not limited to:

- a. Tennessee American Water Company, subsidiary only.
- b. American Water Works Company, Inc., parent only.
- c. American Water Works Company, Inc., consolidated.
- d. RWE AG parent only and consolidated.

**RESPONSE:**

5. Provide the forecasted capital structure including dollar amounts and percentages of short term debt, long term debt, preferred stock, and common equity, as well as the accompanying cost rates for short term debt, long term debt and preferred stock, for the attrition year ending April 30, 2011, for TAWC as well as any parent, subsidiary, or affiliate companies, including but not limited to:

- a. Tennessee American Water Company, subsidiary only.
- b. American Water Works Company, Inc., parent only.

- c. American Water Works Company, Inc., consolidated.
- d. RWE AG parent only and consolidated.

**RESPONSE:**

6. For each dividend on common stock paid by Tennessee American Water Company, American Water Works Company and RWE AG, from January 1, 2005, through September 30, 2010, please provide the date on which each dividend was paid, the dollar amount per share of each dividend payment and the share price on the date of the dividend payment.

**RESPONSE:**

7. For all new issues of common stock since January 1, 1999, by Tennessee American Water Company, American Water Works Company, Inc., or RWE AG please provide the date of the issue, the price per share, the number of shares issued, the gross and net amounts realized from the issue, and whether the shares were sold to the public or distributed or sold internally.

**RESPONSE:**

8. Describe the role of RWE AG in providing funds for the financing of American Water Works Company, Inc., or its subsidiaries.

**RESPONSE:**

9. Provide the historical risk premium of common stocks (S&P 500) over one-year, five-year, ten-year, and twenty-year Treasury Bonds or Bills as reported in Morningstar's *Stocks, Bonds, Bills, and Inflation, 2010 Valuation Yearbook* referenced by Dr. Vander Weide in his Direct Testimony on pages 36, 38, and 39.

**RESPONSE:**

10. Provide a copy of and a citation for the source document for Dr. Vander Weide's I/B/E/S growth rates.

**RESPONSE:**

11. Provide the study discussed by Dr. Spitznagel in his Direct Testimony starting with line 14, page 3, and continuing to page 4, line 24.

**RESPONSE:**

**PART III: QUESTIONS & REQUESTS REGARDING REVENUES, EXPENSES,  
TAXES, RATE BASE & MISCELLANEOUS**

12. Provide the "billing determinates" (billing determinates include all information needed to compute, but not confined to customer meters, customer volumes by rate class by location) as shown on Exhibit No. 4 Schedule 2 for the 12 months ended September 30, 2010. Provide all work papers, documentation, i.e. billing determinants, by customer class, by location supporting any normalization adjustments for the period.

**RESPONSE:**



13. Provide the billing determinates by customer class, by location for all normalization adjustments, corrections, and allowances for the test year ended March 2010 as shown on Exhibit No. 2, Schedule 1, Page 1 of 1, Line 1 in the amount of \$506,902. (Ms. Sheila Miller, Direct Testimony, Page 6, Lines 12-23). Include in your response the business reasons for each normalization adjustment, correction, and allowance.

**RESPONSE:**

14. Provide the number of meters by meter type, by customer class, by location and the volume usage by usage rate schedule, by customer class, by location for the years ended December 31, 2005-2009 and the twelve months ended September 30, 2010. Include in your response all ORCOM billing records in excel format for the applicable time periods.

**RESPONSE:**

15. Provide a "mapping" (mapping means to reconcile or trace the data on the exhibits to its source or supporting calculations in the work papers) of each revenue adjustment of TN-TRA-Q013-REVENUES, on page 2 of 55 to the Company's Exhibit No. 4, Schedules 1 and 2 by customer class, by location, by test period, and by attrition year at present rates.

**RESPONSE:**

16. Provide the name, the business address, the date on which service began and if applicable, the date on which the service was terminated, the billing determinates for each industrial customer for the years ended December 31, 2005-2009 by year and the twelve months ended September 30, 2010. Include in your response the major changes in sales for R.L. Stowe

and Pilgrim's Pride Corporation.

**RESPONSE:**

17. Provide the contracts and or rates currently in effect by utility for purchasing water for resale from the Company: including but not limited to Ft. Oglethorpe, Catoosa Utility District, Walden's Ridge Utility District, Signal Mountain, and any other party.

**RESPONSE:**

18. Provide a detailed reconciliation with written narrative explaining the budgeted revenue forecast difference of \$38,206,000 in Operating Revenues per TRA-01-Q018-ATTACHMENT, Page 5 of 8 with the \$37,296,455 per the Company petition, Exhibit No. 2, Schedule 2, Page 1 of 1, Line 39. Include in your reconciliation an explanation of which amount reflects the correct forecasted amounts and why.

**RESPONSE:**

19. Provide a forecast of billing determinants for each utility, i.e., Ft. Oglethorpe, etc., purchasing water for resale from the Company for the attrition period ending December 2011. Include all work papers and documentation supporting the forecast.

**RESPONSE:**

20. Provide the billing determinates by customer class, by location for all WNA adjustments amounting to \$3.293 million. (Mr. Mike Miller, Direct Testimony, Page 51, Lines 10-11 and

Exhibit MAM-2, Page 1 of 1) Include in your response a reconciliation of the \$3.293 million to the \$506,902 normalizing amount as shown on Exhibit No. 2, Schedule 1, Page 1 of 1, Line 1 in. (Ms. Sheila Miller, Direct Testimony, Page 6, Lines 12-23)

**RESPONSE:**

**EXPENSES**

21. Provide the hourly pay rate by TAWC employee (union, non-union, and salary) as of September 30, 2010, as well as a payroll distribution by NARUC account for the 12 months ended September 2010.

**RESPONSE:**

22. Provide the hiring date and termination date by employee from April 2008 through September 2010. Include in your response the amount of any employment separation payments and the account charged for terminated employees.

**RESPONSE:**

23. Provide the number of employees (union, non-union, and salary) by month from April 2008 through September 2010. Include in your answer the name, position, business contact information for each employee, and identify each employee as either full-time or part-time for the 12 months ended September 2010 by month.

**RESPONSE:**

24. Provide the payroll capitalization rate for the 12 months ended September 2010 by month.

**RESPONSE:**

25. Provide the shift differential pay for the 12 months ended September 2010 by employee.

**RESPONSE:**

26. Provide the total salaries and wages, exclusive of AIP compensation, by employee for the twelve months ended September 2010 in the format of TN-TRA-01-Q013-LABOR, pages 1 and 2 of 61. Include in your response the total salaries and wages by employee, total overtime hours by employee, and total capitalized salaries and wages for the twelve months ended September 2010.

**RESPONSE:**

27. Provide a mapping of all amounts Per Books 12 Months ended 9/30/2010 to the September 30, 2010 TRA 3.06 Surveillance Report, 12 months to date, lines 6 through 11 by line by NARUC account.

**RESPONSE:**

28. Provide the amount of Purchased Water for the twelve months ended September 30, 2010.

**RESPONSE:**

29. Provide the amount of Fuel and Power Expense for the test years ended March 2010, September 2010 and the attrition year ended December 2011 in the format of TN-TRA-01-Q013-FUEL & POWER, page 10 of 20, as well as in the format of TN-TRA-01-Q013-FUEL & POWER, page 20 of 20 for only water sales volumes and non-revenue usage.

**RESPONSE:**

30. Provide the amount of Chemicals Expense for the test year ended September 2010 in the format of TN-TRA-01-Q013-CHEMICALS, page 2 of 6, and for the attrition year ended December 2011 in the format of TN-TRA-01-Q013-CHEMICALS, page 6 of 7 for only water sales volumes and non-revenue usage.

**RESPONSE:**

31. Provide the amount of Waste Disposal Expense for the test years ended March 2010 and September 2010 in the format of TN-TRA-01-Q013-WASTE DISPOSAL, page 1 of 35.

**RESPONSE:**

32. Provide the amount of Insurance Other than Group Expense for the test years ended March 2010 and September 2010 in the format of TN-TRA-01-Q013-INSURANCE OTHER THAN GROUP, page 1 of 70.

**RESPONSE:**

33. Provide the amount of Management Fees for the test year ended September 2010 in the format of TN-TRA-01-Q013-MANAGEMENT FEES, page 1 of 12.

**RESPONSE:**

34. Provide the Total Plant in Service, Number of customers, and Total Operations and Maintenance Expense (exclusive of Management Fees) at September 30, 2010, for each operating company subject to charges from American Water Works Service Company ("AWWSC"), American Water Capital Corporation ("AWCC"), and American Carbon Services ("ACS").

**RESPONSE:**

35. Provide the actual and forecasted number of AWWSC employees as of December 2004, December 2005, December 2006, December 2007, December 2008, December 2009, September 2010, and December 2011 in the format of Exhibit IV-13 in the Schumaker & Company, Management Audit Report, August 2010, pages 106-110.

**RESPONSE:**

36. In the format of TRA01-Q042-ATTACHMENT, for the 18 months ended September 2010, provide the "total amount of charges subject to allocation or direct charge to all affiliates" from AWWSC by month, by affiliated entity, as well as the "total amount of direct charges and allocated charges to each affiliate" from AWWSC by month for the 18 months ended September 2010 by month, by direct amount, by allocated amount, by affiliated entity.

**RESPONSE:**

37. In the format of TRA-01-Q042-ATTACHMENT, for the 12 months ended December 2011, provide the “total budgeted amount of charges subject to allocation or direct charge to all affiliates” from AWWSC, AWCC, and ACS by month, by affiliated entity, as well as the “total amount of budgeted direct charges and budgeted allocated charges to each affiliate” from AWWSC, AWCC, and ACS by month, by direct amount, by allocated amount, by affiliated entity in the format of TRA-01-Q042-ATTACHMENT.

**RESPONSE:**

38. Provide the actual percentages used in Tier One allocation of AWWSC charges to each American Water affiliate for the test period ending March 31, 2010. Indicate in your response the date of the factors used to develop the actual percentages.

**RESPONSE:**

39. Provide the monthly and year to date reports of AWWSC charges to American Water subsidiaries from November 2009, through September 2010. (Schumaker & Company, Management Audit Report, August 2010, page 20.)

**RESPONSE:**

40. Provide the amount of labor and overhead billed to TAWC for the test periods ended March 2010 and September 2010 from AWWSC for the two former employees, which are now in the positions of Finance Manager (Kevin Rogers) and Government Affairs Specialist (Kino Becton) with TAWC. (Mr. John Watson, direct testimony, page 23 and TN-TRA-01-Q002A)

**RESPONSE:**

41. Provide the amount of hours, labor dollars, and overhead dollars by AWWSC employee billed to TAWC for the test periods ended March 2010 and September 2010 from AWWSC for preparation of this rate filing.

**RESPONSE:**

42. Provide the actual percentages used in Tier Two allocation of AWWSC charges to each American Water affiliate for the test period ending March 31, 2010. Indicate in your response the date of the factors used to develop the actual percentages.

**RESPONSE:**

43. Provide TAWC's portion of AWWSC's Operating Expenses from Each of the AWWSC departments for the year 2004 in the format of Exhibit II-10 per the Schumaker & Company, Management Audit Report, August 2010, page 25.

**RESPONSE:**

44. Provide the amount of AWWSC operating expenses charged to TAWC from the Western Region, Central Region, and Northeast Region for the test years ended March 2010 and September 2010. Include in your answer the business reasons AWWSC operating expenses were charged to TAWC from the Western Region, Central Region, and Northeast Region in 2009, per Exhibit III-10 per the Schumaker & Company, Management Audit Report, August 2010, page 79.

**RESPONSE:**



45. Provide the amount of AIP charged to TAWC from its affiliates, by affiliate for the test periods ending March 31, 2010, and September 30, 2010, and the forecast period ending December 31, 2011.

**RESPONSE:**

46. Provide the amount of Rent Expense for the test year ended September 2010 in the format of TN-TRA-01-Q013-RENTS, page 1 of 91.

**RESPONSE:**

47. Provide the actual ERISA pension contributions amount for the 15 months ended March 2010 by month and the twelve months ended September 2010. Include in your response both the total and TAWC's share of the ERISA pension contributions.

**RESPONSE:**

48. Provide documentation from Tower/Watson supporting the projected FAS 106 costs for 2011, as well as the minimum ERISA contribution to the Defined Benefit Pension Plan for 2011. (Mr. Mike Miller, Direct Testimony, Page 55, Lines 15-16)

**RESPONSE:**

49. Provide the TAWC Uncollectible Expense amounts in the format of TRA-01-Q013-UNCOLLECTIBLES, Page 2 of 2 from April 2010 through September 2010 by month.

**RESPONSE:**

50. Provide the TAWC Customer Accounting Expense amounts in the format of TRA-01-Q013-CUSTOMER ACCOUNTING, Page 1 of 2 for the test period ending September 2010.

**RESPONSE:**

51. Provide the TAWC General Office Expense amounts in the format of TRA-01-Q013-GENERAL OFFICE, Page 1 of 1 for the test period ending September 2010.

**RESPONSE:**

52. Provide the TAWC Miscellaneous Expense amounts in the format of TRA-01-Q013-MISCELLANEOUS EXPENSES, Page 1 of 6 for the test period ending September 2010.

**RESPONSE:**

53. Provide the TAWC Postage Expense amounts in the format of TRA-01-Q013-POSTAGE, Page 1 of 27 for the test period ending September 2010.

**RESPONSE:**

54. Provide the TAWC Maintenance Expense amounts in the format of TRA-01-Q013-MAINTENANCE EXPENSES, Page 1 of 6 for the test period ending September 2010.

**RESPONSE:**

### **TAXES OTHER THAN INCOME**

55. Provide a copy of the Tennessee Department of Revenue Gross Receipts Tax Return for the taxable period July 1, 2010, through June 30, 2010, and due on August 1, 2010, for the reporting period ended December 31, 2009.

**RESPONSE:**

### **INCOME TAXES**

56. Provide the 2008 and 2009 federal income tax returns and all supporting schedules. The 2008 supporting schedules should include the \$10,830,015 deduction for capitalized repairs. (Mr. Mike Miller, Direct Testimony, Page 63, Line 20)

**RESPONSE:**

### **RATE BASE**

57. Provide the amounts by JDE account for the balance of CWIP at September 30, 2010. Include in your response the forecasted in service dates and retirement dates by amount by JDE account for the balance of CWIP at September 30, 2010.

**RESPONSE:**

58. Provide all amounts as shown on Exhibit No. 1, Schedule 2, Page 1 of 3 and Exhibit No. 1, Schedule 3, Page 1 of 6, Lines 7-15 by month for the nine months ended 9/30/10.

**RESPONSE:**

59. Provide the information for Plant in Service and Accumulated Depreciation by JDE account in the following format as of March 2010 and September 2010:

|                      |                           |                         |                       |                        |                          |
|----------------------|---------------------------|-------------------------|-----------------------|------------------------|--------------------------|
| (1)                  | (2)                       | (3)                     | (4)                   | (5)                    | (6)                      |
| <b>JDE</b>           | <b>Account</b>            | <b>Plant in Service</b> | <b>Acc. Deprec.</b>   | <b>Current Deprec.</b> | <b>Net</b>               |
| <u><b>Acct #</b></u> | <u><b>Description</b></u> | <u><b>Balance</b></u>   | <u><b>Balance</b></u> | <u><b>Rate</b></u>     | <u><b>Book Value</b></u> |

The response should incorporate the format and subsidiary accounts of the Company's Accounting Exhibit No. 2, Schedule 4, Page 2 of 2.

**RESPONSE:**

60. Provide the Plant in Service and Accumulated Depreciation by JDE account in the following format as of August 2009:

|                      |                           |                         |                       |                        |                          |
|----------------------|---------------------------|-------------------------|-----------------------|------------------------|--------------------------|
| (1)                  | (2)                       | (3)                     | (4)                   | (5)                    | (6)                      |
| <b>JDE</b>           | <b>Account</b>            | <b>Plant in Service</b> | <b>Acc. Deprec.</b>   | <b>Current Deprec.</b> | <b>Net</b>               |
| <u><b>Acct #</b></u> | <u><b>Description</b></u> | <u><b>Balance</b></u>   | <u><b>Balance</b></u> | <u><b>Rate</b></u>     | <u><b>Book Value</b></u> |

The response should incorporate the format and subsidiary accounts of the Company's Accounting Exhibit No. 2, Schedule 4, Page 2 of 2.

**RESPONSE:**

61. Provide the actual and or forecasted CIAC, salvage, and costs of removal by JDE account, by month from January 2010 through December 2011.

**RESPONSE:**

62. Provide the actual, plant additions, plant retirements, salvage, costs of removal by JDE account, by month for the period of January 2008 through August 2009. Include in your response an explanation for any variance from actual plant activity to TAWC forecasted plant activity included in TRA Docket #08-00039.

**RESPONSE:**

63. Provide all work papers supporting each line amount for the attrition year ended 12/31/11 on Exhibit No. 1, Schedule 2, Page 1 of 3.

**RESPONSE:**

64. Provide the amount for net negative salvage expense reclassified for SFAS 143 presentation by JDE account, by month for the 18 months ended September 30, 2010.

**RESPONSE:**

65. Provide the amount of FAS 71 regulatory assets and liabilities and the amount of FAS 109 regulatory assets and liabilities at September 30, 2010, by JDE account for TAWC.

**RESPONSE:**

66. Provide the amount of FAS 109 assets written-off by the Company since the TRA Order in Docket #08-00039. (Mr. Mike Miller, Rebuttal Testimony, Page 88, Lines 4-10)

**RESPONSE:**

67. Provide the actual and or forecasted Customer Advances for Construction by JDE account, by month from January 2010 through December 2011.

**RESPONSE:**

68. Provide the basis for all allocated amounts from Accumulated Deferred Tax liabilities and assets to TAWC at September 30, 2010, and for the attrition year ended December 31, 2011.

**RESPONSE:**

**OTHER**

69. Provide the total number of TAWC customer calls received by the 24/7 call center from January 2009 through September 2010; provide the total number of TAWC customer call received by the 24/7 call center between the hours of 5 PM to 8 AM Monday through Friday from January 2009 through September 2010; and provide the total number of TAWC customer calls received by the 24/7 call center on Saturday and Sunday from January 2009 through September 2010. Identify in each response the number of customer calls by call center, Alton, Illinois and Pensacola, Florida.

**RESPONSE:**

70. Provide the amounts per Exhibit No. 2, Schedule 3, Page 1 of 1 for the twelve months ended August 31, 2009.

**RESPONSE:**

71. Provide a historical and a forecast summary of Total Gallons of Water Treated; Total Gallons of Water Billed; and Total Gallons of Water Unaccounted For, by month for the period February 2007 through December 2011. Identify in your response the actual month amounts and the forecasted month amounts.

**RESPONSE:**

72. Provide a detailed calculation showing each component of the Gross Revenue Deficiency Factor of 1.67319346 as found on Company Exhibit No. 1, Schedule 1, Page 1 of 1.

**RESPONSE:**

73. Provide a copy of the affiliate audit study as completed and provided to the Pennsylvania PUC. (Schumaker & Company, Management Audit Report, August 2010, page 41.)

**RESPONSE:**

74. Provide the 2011 budget for AWWSC in the format of TRA-01-Q042-ATTACHMENT. Include in your response a written narrative describing the budgeting guidelines and procedures employed by AWWSC.

**RESPONSE:**

75. Provide the amounts on the TRA 3.06 Surveillance Reports for April 2010, May 2010, June 2010, July 2010, August 2010, and September 2010 for Operations and Maintenance

Expense by NARUC account, which are out of period, non-recurring, or should be normalized.

**RESPONSE:**

76. Provide the costs by NARUC account, by month for the “added costs in maintenance materials and capital spending, as well as manpower requirements and street restoration costs.”

(Mr. Mike Miller, Direct Testimony, Page 38, Lines 1-2)

**RESPONSE:**

77. Provide the number of customers and the amount of revenue received for the Water Line Protection Plan, as well as the Sewer Line Protection Plan (separately stating each by plan) for the twelve months ended September 30, 2010. Include in your response the account and company, e.g. American Water Resources, for which the revenue is recorded.

**RESPONSE:**

78. Provide the number of customers and the amount of revenue received for the In Home Plumbing Protection Plan for the twelve months ended September 30, 2010. Include in your response the account and company, e.g. American Water Resources, for which the revenue is recorded.

**RESPONSE:**

79. Provide the total revenues and total costs (separately stating each) incurred for the Water Line Protection Plan, Sewer Line Protection Plan, In Home Plumbing Protection Plan, and all



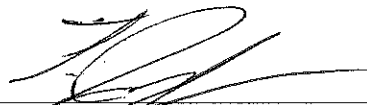
mixes of the Plans for the twelve months ended September 30, 2010. Include in your response the account and company, e.g. American Water Resources, for which the costs and/or revenues are recorded. Also, provide documentation for costs by labor, overheads, and other.

**RESPONSE:**

80. Please provide, in Microsoft Excel or comparable format with formulas intact, the detailed general ledgers as of September 30, 2010 for TAWC and AWWSC.

**RESPONSE:**

RESPECTFULLY SUBMITTED,



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T. JAY WARNER, BPR #26649  
Assistant Attorney General  
Office of the Attorney General and Reporter  
Consumer Advocate and Protection Division  
P.O. Box 20207  
Nashville, TN 37202-0207

### CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

R. Dale Grimes  
Bass, Berry & Sims PLC  
150 Third Avenue South, Suite 2800  
Nashville, TN 37201

Henry Walker  
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David C. Higney  
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on this the 20<sup>th</sup> day of October, 2010.

  
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T. JAY WARNER