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December 8, 2010

Via Hand-Delivery

Chairman Mary W. Freeman
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

filed electronically in docket office on 12/08/10

**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

Dear Chairman Freeman:

Enclosed please find the original and five (5) copies of Tennessee American Water Company's December 8th Supplemental Responses to the First Discovery Request and Supplemental Discovery Request of the CAPD. A compact disk is being provided in the binder of each set of copies. This disk contains all responses and attachments, as well as attachments included only in electronic form, due to volume or specific instructions in the data requests. We are including a disk marked "Docket Manager Disc," which contains the entire filing in PDF format, excluding Excel spreadsheets. This material is also being filed today by way of email to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon.

Please file the original and four copies of this material and stamp the additional copy as "filed". Then please return the stamped copies to me by way of our courier.

Should you have any questions concerning this matter, please do not hesitate to contact me at the email address or telephone number listed above.

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

RDG:smb
Enclosures

Chairman Mary Freeman

December 8, 2010

Page 2

cc: Hon. Sara Kyle (*w/o enclosure*)
Hon. Eddie Roberson (*w/o enclosure*)
Mr. David Foster, Chief of Utilities Division (*w/o enclosure*)
Richard Collier, Esq. (*w/o enclosure*)
Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division (*w/o enclosure*)
Ryan McGehee, Esq. (*w/enclosure*)
Mary L. White, Esq. (*w/enclosure*)
David C. Higney, Esq. (*w/enclosure*)
Henry M. Walker, Esq. (*w/enclosure*)
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Scott H. Strauss, Esq. (*w/enclosure*)
Katharine M. Mapes, Esq. (*w/enclosure*)
Donald L. Scholes, Esq. (*w/enclosure*)

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: **Michael A. Miller**

PART III: EXPENSES

Question:

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:

The Company objects to this question on the grounds that the production of the data is unduly burdensome, not in the possession of the Company in the format requested and costly to produce, and in part not yet completed or easily accessible to the Company. Without waiving these objections the Company responds as follows.

Please note - the data represented in Schumaker Exhibit IV-13 represents employee counts as of August 2009.

Preparing the response in the format of the Schumaker exhibit, as well as reproducing data for December 2004 would be extremely labor intensive. December 2011 budget information is still being prepared and is also not available for presentation.

Please see the attached document labeled as TN-CAPD-01-PART III-Q35-ATTACHMENT for employee counts by function and business unit for December 2005 through December 2009 and as of September 2010.

December 1, 2010 Supplemental Response:

The Company believes the employee count by function is available from a source other than the prior accounting system, which is not accessible or useable. The employee count cannot be provided by each business unit as requested because the Company did not track the information at that level of detail prior to 2005. The Company will produce the total number of employees of AWWSC for 2004 as soon as possible but not later than Friday, December 10, 2010.

December 8, 2010 Supplemental Response:

Please see the attached document labeled as TN-CAPD-01-PART III-Q35-SECOND SUPPLEMENTAL ATTACHMENT for the employee count, broken down by function, of AWWSC for December 2004. This document is also provided in native format on the enclosed CD, labeled as TN-CAPD-01-PART III-Q35-SECOND SUPPLEMENTAL ATTACHMENT.xlsx. As the Company stated in the parties' December 2, 2010 meet and confer conference, the Company could not readily access the 2004 data but was able to locate the information requested for 2004 from another source. The Company can not manipulate this data into the format of Schumaker Exhibit IV-13 or any other format.

**Tennessee American Water Company
Docket No. 10-00189
First Discovery Request
Consumer Advocate and Protection Division
TN CAPD 1-Q35**

**American Water Works Service Company Employees
As of December 2004 by Function**

Function	Total
Admin	15
Audit	9
Belleville Lab	37
Benefits Svc Center	12
Business Change	10
Business Development	26
Call Center	442
External Affairs/Communications	9
Finance	67
Human Resources	31
Investor Relations	1
ITS	135
Legal	18
Operations Services	98
Property	13
Regulated Operations	115
Regulatory Services	2
SSC	135
STEP Project	3
Supply Chain	26
Grand Total	1,204

Tennessee American Water Company
Docket No. 10-00189
First Discovery Request
Consumer Advocate and Protection Division
TN CAPD 1-Q35

American Water Works Service Company Employees
As of December 2004 by Business Unit (Old Designations)

Business Unit	Business Unit Description	Total
030101	Corporate Accounting	13
030102	Corporate Administration	6
030103	Corporate Audit	9
030104	Corporate Communications	1
030105	Corporate Legal	4
030106	Corporate Engineering	13
030107	Corporate Finance	6
030108	Corporate Human Resources	20
030111	Corporate Operations	4
030113	Innovation & Technology	5
030117	Operational Performance	5
030118	Building Services-Mgr.	3
030119	Building Services/Overhead	8
030123	Business Development	3
030125	Utility Financial Services	2
030128	Operational Risk Management	4
030129	Integration Management Office	1
030131	Strategy & Planning	1
030133	Business Development	6
030150	ITS-Administrative-Voorhees	1
030151	ITS-Customer Care-Voorhees	9
030152	ITS-Finance/HR-Voorhees	17
030153	ITS-Client Relations-Voorhees	9
030154	ITS-Help Desk-Voorhees	8
030155	ITS-Project Mgmt-Voorhees	3
030167	Corporate VP of bus. change	10
030175	Corporate STEP Program	3
030199	Corporate-Support Staff	10
030206	Construction Inspectors	1
030365	Region - Sourcing	19
030415	Belleville Lab Water Quality	31
030453	ITS-Client Relations-Bvl Lab	1
030499	Belleville-Support Staff	6
030502	Western Administration	15
030506	Western Engineering	4
030507	Western Finance	4
030508	Western Human Resources	2
030512	Western Rates & Revenue	5

Tennessee American Water Company
Docket No. 10-00189
First Discovery Request
Consumer Advocate and Protection Division
TN CAPD 1-Q35

American Water Works Service Company Employees
As of December 2004 by Business Unit (Old Designations)

Business Unit	Business Unit Description	Total
030516	Western Risk Management	1
030523	Western Region-Business Dev	3
030553	ITS-Client Relations-Western	3
030563	ITS-Client Relations-Arizona	2
030599	Western-Support Staff	3
030810	Hershey IS/Billing	1
030830	PA-Business Dev-Corp Office	113
030851	ITS-Customer Care-Hershey	13
030853	ITS-Client Relations-Hershey	1
030855	ITS-Project Mgmt-Hershey	4
030856	ITS-Operations-Hershey	24
030863	ITS-Client Relations-Scranton	3
030953	ITS-Client Relations-HH	1
030956	ITS-Operations-HH	6
031005	Northeast Legal	3
031006	Northeast Engineering	1
031007	Northeast Finance	4
031011	Northeast Operations	2
031012	NorthEast Rates & Revenue	2
031024	Northeast Region-Govern Relati	1
031102	Southeast Administration	5
031107	Southeast Finance	2
031108	Southeast Human Resources	2
031112	Southeast Rates & Revenue	2
031153	ITS-Client Relations-Southeast	5
031163	ITS-Client Relations-KY TN VA	3
031202	Indiana Administration	3
031203	Indiana Regional-Customer Serv	2
031217	Indiana Regional-Water Quality	1
031218	Indiana Regional-Human Resourc	1
031223	Indiana Region-Business Dev	1
031253	ITS-Client Relations-Indiana	1
031299	Indiana-Support Staff	2
031302	Illinois Administration	26
031323	Illinois Region-Business Dev	1
031353	ITS-Client Relations-Illinois	4
031363	ITS-Client Relations-Iowa	1
031402	CSC - Administration	6

Tennessee American Water Company
Docket No. 10-00189
First Discovery Request
Consumer Advocate and Protection Division
TN CAPD 1-Q35

American Water Works Service Company Employees
As of December 2004 by Business Unit (Old Designations)

Business Unit	Business Unit Description	Total
031427	CSC-ODI (Org Dev & Ints)	9
031430	Missouri-Bus Dev-MO	93
031434	CSC-Call Handling	260
031435	CSC-Billing	73
031436	CSC-Collections	48
031437	CSC-Operations & Performance	27
031438	CSC-Qual & Perf Impr	18
031453	ITS-Client Relations-Alton	2
031456	ITS-Operations-Alton	7
031463	ITS-Client Relations-MO	1
031501	SSC - General Accounting	24
031502	SSC - Administration	6
031508	SSC - Human Resources	1
031540	SSC - Account Management	4
031541	SSC - Performance & Planning	9
031542	SSC - Cash Management	17
031543	SSC - Support Services	8
031545	SSC - Fixed Assets/Job Cost	16
031546	SSC - Project Management	3
031547	SSC - Procure to Pay	22
031548	SSC - Associate Services	18
031549	SSC - E'town Accounting	6
180114	CORP-Engineering	1
Grand Total		1,204

This file has been produced natively on the accompanying disk:

TN-CAPD-01-PART III-Q35-SECOND SUPPLEMENTAL ATTACHMENT.xlsx

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: **Michael A. Miller**

PART III: EXPENSES

Question:

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

Response:

The Company objects to this question on the grounds that the requested information is not relevant or likely to lead to information relevant to this case. The Company is not in possession of the requested information and it would be unduly burdensome and extremely costly to generate. The Company does not believe the requested information regarding each and every subsidiary of American Water Works Company (“AWWC”) is relevant to a rate proceeding involving only TAWC. The Company has provided responses to voluminous discovery about total AWWSC costs and the amounts charged to TAWC through both direct charges and allocations in the responses to the first set of TRA responses, other responses to these requests for discovery, and is subject to responding to numerous questions in the first set of discovery from the City of Chattanooga and the Chattanooga Manufacturers Association on this subject. In addition, the management audit performed by Schumaker and Company provided with Mr. Miller’s direct testimony provides significant information, discussion, findings and recommendations about the total AWWSC costs, TAWC’s level of those AWWSC costs and the allocation methods used to distribute the AWWSC costs to TAWC.

December 8, 2010 Supplemental Response:

During the parties' December 2, 2010 meet and confer conference, the Company agreed to resolve this request by updating certain data previously provided in response to the Intervenor's discovery requests and in its filings in this case through September 2010. Accordingly, please see the attached file identified as TN-CAPD-01-PART III-Q39-SUPPLEMENTAL ATTACHMENT. This file is also being provided in native format on the enclosed CD, labeled as TN-CAPD-01-PART III-Q39-SUPPLEMENTAL ATTACHMENT.xlsx.

Tennessee American Water Company
Docket No. 10-00189
FIRST SET OF DATA REQUESTS OF THE
CAPD - Response 1-Part III-Q39

Total Service Company Costs by Affiliate
Excluding Capitalized Costs
12 Months ending September 2010

Co #	Company Name	Labor	Other	Total
2	AWK	402,740	2,975,622	3,378,362
5	California American	4,539,919	7,307,269	11,847,188
9	Illinois American	8,215,688	12,614,478	20,830,166
10	Indiana American	7,906,320	12,146,009	20,052,330
11	Iowa American	1,630,110	2,505,309	4,135,420
12	Kentucky American	3,495,817	5,263,236	8,759,053
13	Maryland American	183,465	236,170	419,636
16	Michigan American	88,629	137,765	226,393
17	Missouri American	11,315,042	17,938,263	29,253,305
18	New Jersey American	12,556,088	20,788,917	33,345,005
19	New Mexico American	574,149	843,049	1,417,197
21	AWR	48,674	68,554	117,228
22	Ohio American	1,520,239	2,393,785	3,914,025
23	Arizona American	4,868,947	7,353,765	12,222,712
24	Pennsylvania American	12,466,642	21,118,930	33,585,572
26	Tennessee American	1,996,159	3,095,243	5,091,401
27	Virginia American	2,066,980	2,567,422	4,634,403
28	West Virginia American	4,226,721	6,789,655	11,016,376
30	Hawaii American	386,208	549,155	935,362
31	AWE	4,365,083	5,672,474	10,037,557
38	Long Island Water Company	1,719,419	2,761,276	4,480,694
42	Virginia American Eastern Dist	59,266	96,570	155,836
47	American Water Services, LLC	41,524	32,034	73,558
50	Texas American	196,092	263,137	459,230
54	Edison Water company	123,316	154,083	277,399
55	Liberty Water Company	190,966	247,426	438,392
56	Elizabethtown Services LLC	16,832	21,187	38,019
57	Elizabethtown Properties, Inc.	3,999	3,316	7,315
Grand Total		85,205,033	135,944,102	221,149,134

Tennessee American Water Company
Docket No. 10-00189
FIRST SET OF DATA REQUESTS OF THE
CAPD Response 1-Part III-Q39

Total Service Company Costs by Affiliate
Excluding Capitalized Costs
12 Months ending September 2010

		Company Number														
		2	5	9	10	11	12	13	16	17	18	19				
Object Account	Object Account Description	AWK	California American	Illinois American	Indiana American	Iowa American	Kentucky American	Maryland American	Michigan American	Missouri American	New Jersey American	New Mexico American				
501200	Labor	399,146	4,414,767	7,972,429	7,689,998	1,582,396	3,403,017	179,844	88,354	10,965,818	12,079,264	561,319				
501203	Labor Internal Recharge	-														
501210	Labor Non Scheduled Overtime	3,593	14,364	42,561	30,375	8,403	13,148	481	271	52,658	60,651	1,847				
501211	Labor Overtime	1	110,788	200,699	185,948	39,311	79,653	3,140	3	296,566	416,173	10,983				
501711	Incentive Plan-Off-Annual	80,714	521,096	868,555	901,593	170,571	438,727	20,514	12,348	1,248,594	1,272,769	63,583				
504100	Group Ins Maintenance	292	27,443	52,278	46,820	10,258	19,874	806	55	74,953	101,909	3,085				
504500	Other Welfare Maintenance	6,557	197,332	266,975	258,737	56,223	96,783	3,746	2,690	431,797	411,199	21,095				
504610	Employee Awards	1	9,488	21,542	16,807	3,397	6,962	281	33	33,081	33,793	942				
504620	Employee Physical Exam	2	695	1,229	1,308	261	470	19	14	2,149	1,906	69				
504640	Safety Incentive		7	13		3				19		1				
504660	Tuition Aid	1	16,897	45,477	34,386	7,415	15,173	602	364	57,204	56,622	1,660				
504670	Training	36	69,478	124,367	66,099	14,499	27,805	1,103	758	110,090	139,878	4,281				
504671	Training-Safety		5,326													
505100	PBOP															
506100	Pension															
507100	401k	11,461	84,369	157,199	157,423	29,103	66,848	3,874	2,291	207,295	235,819	10,952				
508101	Defined Contribution Plan	16,563	92,546	144,443	165,049	31,822	72,669	4,604	2,256	181,596	244,503	11,694				
508200	Employee Stock Purchase Plan		7,517	13,495	12,403	2,663	5,221	218	160	20,018	27,975	753				
520100	Materials & Supplies Operations	3	2,452	7,042	3,791	1,659	6,123	191	8	10,049	1,020	348				
531000	Contract Services-Engineering		8,812	30,220	14,652	3,139	15,957	260	24	23,552	32,916	868				
532000	Contract Services-Accounting	9	22,971	41,177	37,781	8,130	15,957	659	488	61,063	85,367	2,308				
533000	Contract Services-Legal	235	33,828	60,207	55,318	11,880	23,612	946	650	89,294	123,937	3,337				
534998	Benefit Overhead	184,633	2,251,892	4,069,929	3,871,566	825,608	1,695,288	74,640	37,055	5,799,442	6,196,898	282,117				
534999	General Overhead	161,431	2,593,450	4,608,346	4,436,289	918,494	1,972,088	83,957	48,858	6,628,911	8,147,908	283,482				
535000	Contract Services-Other	80,428	582,624	1,050,089	924,837	195,991	377,001	15,523	11,629	1,495,812	2,009,413	55,273				
535001	Contract Services-Temp Employee	87	64,677	65,679	57,012	13,281	1,174	1,174	813	114,997	166,659	6,456				
536000	Contract Services-Lab Testing		(24,057)	(39,783)	(40,224)	(8,656)	(16,141)	(678)	(542)	(64,897)	(86,799)	(2,425)				
537000	Contract Services-Intercompany AWM		6,559								66,244					
541000	Rents-Real Property	5	42,310	85,910	68,913	16,955	23,110	994	2,544	127,523	157,008	4,199				
541001	Rents-Real Property Intercompany		1,754	3,146	83,118	621	50,187	1,568	1,075	4,666	6,522	176				
541400	Rents-Equipment	0	7,242	14,769	7,309	2,919	749	30	22	21,951	3,742	498				
550000	Transportation IT-Admin	1,449	6,861	5,395	9,067	1,249	3,537	78	89	9,418	11,472	947				
550001	Transportation Lease Cost		25	4,218	11,551	755	16,048	1,534	73	5,687	8	3				
550002	Transportation Lease Fuel		134	2,072	4,229	215	7,244	1,169	14	1,620	27	21				
550003	Transportation Lease Maintenance	-	15	281	1,641	31	1,585	81	2	267	(191)	1				
550005	Mileage Reimbursement - Personal Vehicle	1,821	3,238	3,734	3,276	604	1,098	73	33	5,830	7,411	466				
570100	Uncollectible Accounts	(82)	4,837	8,710	7,929	1,703	3,365	171	106	12,849	17,865	473				
575000	Miscellaneous	(4,213)	(36,942)	(60,844)	(52,208)	(11,299)	(23,078)	(920)	(842)	(257,736)	(113,089)	(5,258)				
575002	Misc General Office	2	43,067	18,389	14,561	3,492	6,088	223	183	28,423	26,449	4,369				
575030	Advertising	8	6,151	11,766	11,550	2,323	4,460	185	129	17,458	22,873	618				
575100	Bank Service Charges		192	444	409	88	134	6	4	659	718	19				
575130	Brochures and Handouts	1	2,016	4,029	3,707	795	960	40	39	5,978	5,143	202				
575140	Charitable Contributions Deduct	31	6,244	10,353	9,524	2,043	4,004	165	123	15,363	21,466	620				
575220	Community Relations	5	3,952	3,532	3,530	696	2,039	83	33	5,240	4,545	395				
575240	Co Dues/Membership Deduct	3	4,885	5,604	5,214	1,075	2,783	83	63	8,071	10,767	373				
575242	Co Dues Deduct AWWA		22	84	57	17	7	0	1	124	37	2				
575250	Condemnation Costs		1	1	1	0	0	0	-	1	2	0				
575260	Credit Line Fees		3	5	5	1	2	0	0	7	10	0				
575280	Dues/Membership Deductible	63	18,590	34,825	29,145	7,240	11,740	471	354	49,283	58,918	1,776				
575281	Dues/Membership Nondeductible	-	48	2,137	80	422	34	1	1	3,173	180	5				
575320	Electricity	0	20,596	32,317	29,696	6,375	12,461	501	1	47,950	66,995	2,055				
575340	Employee Expense P/R IE	38,170	249,718	245,941	261,441	55,497	90,085	3,471	6,946	335,700	292,667	37,967				
575342	Employee Exp Conf/Registration	8,536	21,040	35,509	35,509	6,442	11,171	503	282	58,999	52,197	1,966				
575350	Meals Deduct	1,937	26,223	28,768	33,785	6,221	12,294	493	694	57,756	34,433	3,764				
575351	Meals Non Deduct	1,937	26,136	28,613	33,641	6,190	12,234	490	692	57,524	34,107	3,756				

Tennessee American Water Company
Docket No. 10-00189
FIRST SET OF DATA REQUESTS OF THE
CAPD Response 1-Part III-Q39

Total Service Company Costs by Affiliate
Excluding Capitalized Costs
12 Months ending September 2010

		2	5	9	10	11	12	13	16	17	18	19
		Company Number										
Object Account	Object Account Description	AWK	California American	Illinois American	Indiana American	Iowa American	Kentucky American	Maryland American	Michigan American	Missouri American	New Jersey American	New Mexico American
575420	Forms	3	1,246	1,724	1,685	340	765	28	22	2,557	3,520	124
575460	Grounds Keeping		322	477	484	104	203	8	7	781	1,044	32
575480	Heat - Oil/Gas		548	984	905	194	381	15		1,461	2,041	55
575500	Janitorial		3,052	5,085	1,616	1,031	678	27	22	7,747	3,489	306
575545	Lab Supplies		31,008	50,635	51,681	11,149	21,718	870	697	83,502	111,665	3,136
575610	Merger Transactional Costs		1	2	2	0	1	0	3	3	4	0
575620	Office & Admin Supplies	2,001	32,065	66,169	65,118	12,843	25,626	900	670	99,217	87,353	3,185
575625	Overnight Shipping	6	5,359	10,905	10,362	2,280	3,743	136	135	17,187	17,456	518
575640	Penalties Nondeductible	1	232	416	382	82	162	6	5	616	862	23
575660	Postage	1,416	1,164	3,649	4,537	810	785	31	42	5,460	4,105	116
575670	Relocation Expenses	243	39,682	77,282	115,411	15,201	31,304	6,549	916	169,632	67,219	9,741
575680	Research & Development Exp		22	40	37	8	16	1	0	60	84	2
575710	Security Service	0	1,766	3,164	2,730	594	1,050	56	26	4,777	6,204	143
575715	Software Licenses & Support	122	45,138	80,880	74,647	15,974	31,392	1,298	944	120,095	167,088	4,511
575740	Telephone	11	31,378	53,543	52,997	10,572	19,092	776	237	79,573	101,879	3,184
575741	Cell Phone	1,718	31,765	58,742	56,647	11,094	15,168	584	562	84,497	65,664	3,315
575742	Data Lines		2,944	5,317	4,887	1,049	2,057	86	63	7,887	11,769	297
575743	Wireless Service 1st	-	1	2	2	0	1	0	0	3	4	0
575775	Trade Shows	2	7,506	13,495	12,421	2,662	5,215	218	160	20,021	27,972	749
575780	Trash Removal		509	829	626	175	256	10	8	1,311	1,325	51
575820	Uniforms		64				89					6
575830	Water & Waste Water Exp		374	261	1,517	50	(598)	(26)	7	375	(2,852)	39
575998	PCard Undistributed	0					-	-				
575999	Purchased Card						2,046					
620000	Materials & Supplies Maintenance						9,028	367	286	36,496	47,152	1,360
675000	Misc Maintenance	4	13,718	23,168	21,571	4,863	2,046	1				
675250	Comp Equip Hardware	0	590	757	636	156	264	11	8	1,177	1,391	56
675350	HVAC Equipment		982	1,627	1,642	353	688	28	22	2,649	3,543	99
675450	Office Equipment	0	16	(2)	181	(0)	89	4	2	(3)	56	2
680112	Depreciation Expense - Non Utility	2,377,969										
685200	Property Taxes											
685325	FICA		906	1,323	1,214	261	512	21	12	1,962	2,743	160
685350	SUTA		(12)	(21)	(20)	(4)	64	(0)	(0)	(32)	(44)	(1)
685430	Other Taxes and Licenses		69	43	39	8	17	1	1	63	88	7
721304	Gains (Losses) Net Utility Plant Disposals		(22)	(40)	(37)	(8)	(15)	(1)	(0)	(59)	(82)	(2)
722306	Gains Other Non-OR		13,695	24,627	22,672	4,859	9,516	398	292	36,537	51,044	1,365
760100	Donations Deduct				75							
760200	Other Income Deductions											
810300	Interest Cap Lease-Outside		110	197	181	39	76	3	2	292	408	11
810301	Interest Cap Lease-AW02		6,863	10,701	170	-	265	-	-	406	10,828	593
840000	Other Interest Expense		452	810	743	160	314	13	10	1,201	1,679	45
Grand Total		3,378,362	11,847,188	20,830,166	20,052,330	4,135,420	8,759,053	419,636	226,393	29,253,305	33,345,005	1,417,197

Tennessee American Water Company
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FIRST SET OF DATA REQUESTS OF THE
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Total Service Company Costs by Affiliate
Excluding Capitalized Costs
12 Months ending September 2010

Company Number		21	22	23	24	26	27	28	30	31	38	42
Object Account	Object Account Description	AWR	Ohio American	Arizona American	Pennsylvania American	Tennessee American	Virginia American	West Virginia American	Hawaii American	AME	Long Island Water Company	Virginia American Eastern Dist
501200	Labor	48,674	1,477,243	4,752,172	11,975,263	1,938,398	2,025,280	4,097,358	378,970	4,351,590	1,664,066	57,239
501203	Labor Internal Recharge			14,417	69,662	7,911	5,356	16,761	847	(918)	7,155	260
501210	Labor Non Scheduled Overtime			102,358	421,717	49,850	36,345	112,602	6,391	14,411	48,197	1,767
501211	Labor Overtime			37,411								
501711	Incentive Plan-Off-Annual	6,343	157,554	579,052	1,236,078	202,127	222,879	449,913	452,555	658,963	169,633	5,928
504100	Group Ins Maintenance	13	9,754	25,125	104,211	12,450	9,007	27,788	1,900	7,399	12,066	434
504500	Other Welfare Maintenance	498	52,325	195,805	421,395	55,653	115,547	128,142	12,230	218,231	53,330	1,973
504610	Employee Awards		3,392	8,760	34,597	4,319	2,816	9,898	536	1,160	4,252	155
504620	Employee Physical Exam			635	1,942	295	675		40	412	292	10
504640	Safety Incentive	16	227									
504660	Tuition Aid		7,689	20,225	59,636	9,357	6,705	20,995	1,253	9,293	9,020	325
504670	Training	134	13,473	41,698	145,050	17,217	12,181	38,166	2,475	24,611	16,426	591
504671	Training-Safety			4,887					308	-		
505100	PBOP						(13,108)			15,000		
506100	Pension						(69,053)			156,750		
507100	401k	1,438	28,713	95,925	228,947	38,333	39,181	79,522	6,390	96,764	31,871	1,053
508101	Defined Contribution Plan	1,553	36,111	99,438	234,500	43,239	48,648	92,437	8,810	120,329	37,961	1,231
508200	Employee Stock Purchase Plan		2,511	6,895	28,510	3,264	2,398	7,513	437		3,235	116
520100	Materials & Supplies Operations		410	3,108	1,047	173	87	274	194	447	118	4
531000	Contract Services-Engineering		2,981	8,100	33,459	3,850	2,810	8,795	520	3,815	3,815	139
532000	Contract Services-Accounting	316	7,633	21,060	87,132	9,941	7,330	22,975	1,328	(1,637)	9,860	352
533000	Contract Services-Legal	1,308	11,176	30,681	129,307	14,714	10,812	33,911	1,907	55,403	14,333	511
534998	Benefit Overhead	22,661	763,822	2,403,589	6,312,811	999,878	838,018	2,148,035	188,505	1,867,891	858,392	29,493
534999	General Overhead	23,404	884,208	2,499,734	8,378,034	1,174,463	929,680	2,599,643	176,370	1,609,382	1,067,508	37,494
535000	Contract Services-Other	8,817	175,617	518,013	2,042,087	235,836	174,416	544,170	31,170	453,521	235,613	8,307
535001	Contract Services-Temp Employee		11,490	18,677	189,677	13,211	41,360		3,720	35,730	25,762	632
536000	Contract Services-Lab Testing	869	(7,211)	(15,114)	(90,189)	(10,614)	(7,784)	(24,297)	0		(10,524)	(361)
537000	Contract Services-Intercompany AWM			4,500	202							
541000	Rents-Real Property	42	30,518	38,559	159,915	14,371	11,249	35,175	2,412	6,668	15,530	570
541001	Rents-Real Property Intercompany		16,815	16,815	6,650	31,902	17,836	55,748	102	446	21,695	762
541400	Rents-Equipment	2	1,481	4,554	4,533	468	344	1,074	285	45	433	16
550000	Transportation IT-Admin	64	1,190	5,938	11,653	1,317	957	2,742	218	6,783	1,114	42
550001	Transportation Lease Cost		1,143	23	884	571	5,890	6,304	1		567	20
550002	Transportation Lease Fuel		268	191	1,130	179	2,064	2,679	81	0	79	3
550003	Transportation Lease Maintenance	-	31	13	751	9	320	1,470	1	-	(14)	0
550005	Mileage Reimbursement - Personal Vehicle	7	729	4,249	4,692	677	748	1,492	262	918	885	23
570100	Uncollectible Accounts	(1,684)	1,638	4,458	18,296	2,070	1,555	4,837	301	(29,207)	2,099	89
575000	Miscellaneous	129	(13,717)	(18,167)	(160,224)	(11,669)	(10,003)	(34,252)	(548)	24,341	(18,396)	(323)
575002	Misc General Office	29	2,729	38,597	28,955	3,673	3,125	8,525	2,294	(11,835)	3,285	119
575030	Advertising		2,785	5,637	23,639	2,784	2,050	6,420	356	1,193	2,643	99
575100	Bank Service Charges		83	177	730	84	61	192	11		83	3
575130	Brochures and Handouts		751	1,850	5,245	600	441	1,381	116	447	595	22
575140	Charitable Contributions Deduct		1,927	5,728	21,904	2,505	1,835	5,757	359	11,763	2,486	89
575220	Community Relations		1,005	3,628	4,811	2,104	934	2,926	228	2,039	526	45
575240	Co Dues/Membership Deduct	104	1,025	4,073	10,987	1,269	1,359	2,930	215	2,368	1,261	44
575242	Co Dues Deduct AWWA		12	20	37	4	168	10	4		4	0
575250	Condemnation Costs		0	1	2	0	0	1	0	0	0	0
575260	Credit Line Fees		1	2	10	1	1	3			1	0
575280	Dues/Membership Deductible	123	5,638	16,771	63,277	7,170	5,266	16,986	1,020	39,954	6,863	254
575281	Dues/Membership Nondeductible	0	116	44	183	21	15	48	3	2	21	1
575320	Electricity		6,001	18,905	67,999	7,792	5,733	17,913	1,184	2,450	7,754	282
575340	Employee Expense P/R IE	912	55,677	230,801	318,751	60,741	55,792	119,104	32,059	128,319	44,778	1,602
575342	Employee Exp Conf/Registration	245	19,000	51,595	14,259	7,290	4,695	14,259	1,142	10,841	6,023	217
575350	Meals Deduct	72	6,237	23,045	38,069	7,578	5,446	14,788	2,028	11,786	5,626	201
575351	Meals Non Deduct	72	6,208	22,965	37,934	7,541	5,418	14,702	2,023	11,787	5,588	200

Tennessee American Water Company
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Total Service Company Costs by Affiliate
Excluding Capitalized Costs
12 Months ending September 2010

Company Number		21	22	23	24	26	27	28	30	31	38	42
Object Account	Object Account Description	AWR	Ohio American	Arizona American	Pennsylvania American	Tennessee American	Virginia American	West Virginia American	Hawaii American	AME	Long Island Water Company	Virginia American Eastern Dist
575420	Forms	74	341	1,143	3,592	443	324	1,018	71	1,410	439	15
575460	Grounds Keeping		87	212	1,085	128	94	292	2		127	4
575480	Heat - Oil/Gas		183	503	2,080	183	175	2,080	32	71	548	9
575500	Janitorial		289	2,520	3,628	427	313	977	120		423	15
575545	Lab Supplies		9,233	19,453	116,195	13,646	10,046	31,299	-	-	13,530	464
575610	Merger Transactional Costs		0	1	4	0	0	1	0	0	0	0
575620	Office & Admin Supplies	100	12,349	27,018	88,284	15,465	18,286	34,268	1,437	13,243	13,069	461
575625	Overnight Shipping	0	1,938	3,543	18,108	2,301	1,575	4,936	63	1,729	2,101	73
575640	Penalties Nondeductible	38	77	213	886	100	74	232	13	764	100	3
575660	Postage	71	660	1,048	4,213	489	366	1,128	61	7,246	485	17
575670	Relocation Expenses	110	16,173	92,364	69,240	19,529	18,057	44,955	5,614	39,753	19,347	682
575680	Research & Development Exp		8	21	85	10	7	22	1		10	0
575710	Security Service	1	619	1,181	6,483	758	552	1,760	81	34	721	19
575715	Software Licenses & Support	381	15,050	41,327	170,389	19,627	14,403	45,137	2,596	25,414	19,357	694
575740	Telephone	93	10,656	28,505	105,574	11,935	8,777	27,670	1,774	11,157	11,911	428
575741	Cell Phone	123	12,957	30,007	73,365	8,880	6,822	22,722	1,887	13,746	7,726	315
575742	Data Lines		989	2,716	11,233	1,286	945	2,960	172		1,368	46
575743	Wireless Service 1st	0	0	1	4	0	0	1	0	1	0	0
575775	Trade Shows		2,518	6,888	28,488	3,267	2,393	7,498	436	411	3,238	116
575780	Trash Removal		114	373	1,374	161	118	369	11	431	160	5
575820	Uniforms					48						
575830	Water & Waste Water Exp	0	82	456	(3,786)	(397)	(287)	(899)	25	(111)	(295)	(14)
575998	PCard Undistributed				-	-	-	-				-
575999	Purchased Card				-	-	-	-				-
620000	Materials & Supplies Maintenance				131	422	7	172				0
675000	Misc Maintenance	74	4,038	9,976	48,648	5,678	4,158	12,996	291	5,449	5,627	196
675250	Comp Equip Hardware	1	122	468	1,426	167	121	377	22	19	166	6
675350	HVAC Equipment		295	617	3,681	433	317	991			430	15
675450	Office Equipment		36	14	59	55	41	128	1	18	54	2
680112	Depreciation Expense - Non Utility											
685200	Property Taxes										(10)	
685325	FICA		245	1,465	2,797	320	5,899	738	92	22	317	11
685350	SUTA		(4)	(11)	351	(5)	(4)	(12)	(1)		(5)	(0)
685430	Other Taxes and Licenses		8	63	90	10	8	24	4		10	0
721304	Gains (Losses) Net Utility Plant Disposals		(7)	(20)	(84)	(10)	(7)	(22)	(1)		(10)	(0)
722306	Gains Other Non-OR	-	4,598	12,569	51,975	5,963	4,365	13,679	796		5,910	212
760100	Donations Deduct											
760200	Other Income Deductions											
810300	Interest Cap Lease-Outside		37	101	416	48	35	110	6		47	2
810301	Interest Cap Lease-AW02		2,436	24,466	6,365	-	-	-	4,017		-	-
840000	Other Interest Expense		150	414	1,712	196	144	452	26		194	7
Grand Total		117,228	3,914,025	12,222,712	33,585,572	5,091,401	4,634,403	11,016,376	935,362	10,037,557	4,480,694	155,836

Tennessee American Water Company
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Total Service Company Costs by Affiliate
Excluding Capitalized Costs
12 Months ending September 2010

47										54	55	56	57
Company Number													
Object Account	Object Account Description	American Water Services, LLC	Texas American	Edison Water company	Liberty Water Company	Elizabethtown Services LLC	Elizabethtown Properties, Inc.	Grand Total					
575420	Forms		28	50	101	10		21,074					
575460	Grounds Keeping		7					5,500					
575480	Heat - Oil/Gas		17	39	58			10,773					
575500	Janitorial		82					31,849					
575545	Lab Supplies		755	-	-			580,680					
575610	Merger Transactional Costs		0	0	0			20					
575620	Office & Admin Supplies		921	1,373	1,465	17		622,903					
575625	Overnight Shipping		166	21	52	13		104,709					
575640	Penalties Nondeductible		6	27	58	5		5,382					
575660	Postage		60	51	107	10		38,128					
575670	Relocation Expenses		1,198	240	401	15		860,857					
575680	Research & Development Exp		1					435					
575710	Security Service		36	6	8	0		32,769					
575715	Software Licenses & Support		1,383	354	705	76		898,984					
575740	Telephone		1,136	1,383	2,111	1,116		577,468					
575741	Cell Phone		884	270	482	37		509,977					
575742	Data Lines		92					58,163					
575743	Wireless Service 1st		0	0	0	0		20					
575775	Trade Shows		233	2	5	2		145,917					
575780	Trash Removal		13					8,230					
575820	Uniforms							137					
575830	Water & Waste Water Exp		4	(8)	(12)	-		133					
575998	PCard Undistributed							(6,094)					
575999	Purchased Card							-					
620000	Materials & Supplies Maintenance							2,779					
675000	Misc Maintenance		363	45	85	9		255,647					
675250	Comp Equip Hardware		12	1	2	0		7,956					
675350	HVAC Equipment		24					18,434					
675450	Office Equipment		(0)	1	2			752					
680112	Depreciation Expense - Non Utility							2,377,969					
685200	Property Taxes							(10)					
685325	FICA		23	11	17			21,073					
685350	SUTA		(0)					239					
685430	Other Taxes and Licenses		1					553					
721304	Gains (Losses) Net Utility Plant Disposals		(1)					(429)					
722306	Gains Other Non-OR		425					265,497					
760100	Donations Deduct							75					
760200	Other Income Deductions							2,009					
810300	Interest Cap Lease-Outside		3					2,125					
810301	Interest Cap Lease-AW02		399					67,510					
840000	Other Interest Expense		14					8,736					
Grand Total		73,558	459,230	277,399	438,392	38,019	7,315	221,149,134					

This file has been produced natively on the accompanying disk:

TN-CAPD-01-PART III-Q39-SUPPLEMENTAL ATTACHMENT.xlsx

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: **Michael A. Miller**

PART III: EXPENSES

Question:

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:

The Company cannot determine the cost of the workload previously provided by AWWSC now performed by the Finance Manager and the Government Affairs Specialist. Please see the attached document labeled as TN-CAPD-01-PART III-Q40-CONFIDENTIAL ATTACHMENT for a breakdown of the total cost of finance and government affairs service provided by AWWSC in addition to the cost of the two new positions for 2009, 12 months ended March 31, 2010 and 12 months ended September 30, 2010.

The above mentioned Confidential Document is being provided pursuant to the Protective Order entered in this case.

December 8, 2010 Supplemental Response:

As stated during the December 2, 2010 meet and confer, the employee number for Kino Becton is 50543754 and the employee number for Kevin Rogers is 50507240.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: **Michael A. Miller**

PART III: EXPENSES

Question:

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:

The Company objects to this question on the grounds that the requested information is not in the possession of the Company in the format requested and it would be extremely burdensome and costly to produce, if it could be created at all. Due to a modification in the accounting system that took place in 2005, 2004 Service Company charges are not readily available. To recreate the records and present them in a comparable fashion to the Schumaker exhibit would be extremely labor intensive.

December 1, 2010 Supplemental Response:

As TAWC stated during the November 22, 2010 hearing, providing data for 2004 AWWSC charges from the former accounting system would be extremely burdensome, if not impossible. Even if TAWC possesses the requested information on backup tapes, the Company would first have to see if this information was even possible to restore. However, TAWC is currently attempting to determine whether this information is available from another source and whether it can be provided in the format requested.

December 8, 2010 Supplemental Response:

As previously stated in its prior responses, the requested data for 2004 is not available in the format requested. In its December 1, 2010 Supplemental Response and at the parties' December 2, 2010 meet and confer conference, the Company indicated that it was attempting to locate the requested data from a different source. The parties agreed that providing the 2004 data from a different source would resolve this request. The Company was able to obtain this data from a different source. Accordingly, please see the attached document identified as TN-CAPD-01-PART III-Q43-SUPPLEMENTAL ATTACHMENT that contains AWWSC's Operating Expenses by business unit for the year 2004. This document is also being provided in native format on the enclosed CD, labeled as TN-CAPD-01-PART III-Q43-SUPPLEMENTAL ATTACHMENT.xls.

Tennessee American Water Company
CAPD-Part III-Q43 Supplemental

Office Location	Business Unit	BU Description	2004 Jan	2004 Feb	2004 Mar	2004 Apr	2004 May	2004 Jun	2004 Jul	2004 Aug	2004 Sep	2004 Oct	2004 Nov	2004 Dec	2004 total
Belleville Lab	030415	Belleville Lab Water Quality	\$ 8,880	\$ 14,438	\$ 11,080	\$ 10,150	\$ 8,374	\$ 11,172	\$ 11,501	\$ 9,582	\$ 4,243	\$ 11,702	\$ 6,077	\$ 10,601	\$ 117,801
	030498	Belleville-Basic & General OH	\$ -	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ (0)
	031402	CSC - Administration	\$ 993	\$ 2,690	\$ 1,495	\$ 666	\$ 342	\$ 450	\$ 405	\$ 1,017	\$ (15,336)	\$ 7,958	\$ (10,473)	\$ (819)	\$ (10,612)
	031407	Call Center						51	54						109
	031415	Call Center						5	4						34
	031426	Customer Service Center	\$ (6,306)	\$ 17,952	\$ 5,129	\$ 7,127	\$ 7,511	\$ 5,111	\$ 5,090	\$ 4,586	\$ 5,290	\$ 3,974	\$ 4,083	\$ 673	\$ 60,220
	031427	CSC-ODI (Org Dev & Ints)	\$ 1,949	\$ 4,273	\$ 2,239	\$ 2,140	\$ 2,391	\$ 3,873	\$ 3,209	\$ 3,177	\$ 3,189	\$ 3,072	\$ 1,255	\$ 4,240	\$ 35,009
	031434	CSC-Call Handling	\$ 35,203	\$ 41,843	\$ 44,642	\$ 36,419	\$ 24,305	\$ 32,469	\$ 27,403	\$ 24,113	\$ 8,726	\$ 25,570	\$ 8,469	\$ 34,597	\$ 343,750
	031435	CSC-Billing	\$ 6,068	\$ 6,648	\$ 6,358	\$ 4,901	\$ 8,350	\$ 9,023	\$ 8,137	\$ 7,254	\$ 8,133	\$ 8,564	\$ 3,110	\$ 11,258	\$ 82,483
	031436	CSC-Collections	\$ 2,440	\$ 3,452	\$ 3,140	\$ 2,608	\$ 7,299	\$ 8,439	\$ 15,542	\$ 15,144	\$ 10,721	\$ 5,349	\$ 8,176	\$ 25,788	\$ 108,097
	031437	CSC-Operations & Performance	\$ 2,577	\$ 11,755	\$ 14,061	\$ 7,527	\$ 8,650	\$ 10,390	\$ 8,004	\$ 8,366	\$ 4,722	\$ 6,931	\$ 3,213	\$ 32,074	\$ 188,269
	031438	CSC-Quality & Perf Impr	\$ 2,149	\$ 3,850	\$ 2,942	\$ 2,801	\$ 2,656	\$ 4,013	\$ 3,597	\$ 3,291	\$ 1,806	\$ 3,640	\$ 1,823	\$ 5,515	\$ 38,004
	031439	Missouri-Bus Dev-MO	\$ 431	\$ -	\$ (2,363)	\$ 40	\$ 951	\$ 0	\$ 3	\$ 6	\$ 7,566	\$ 2	\$ (8,701)	\$ 12,357	\$ 10,291
Central Region Corporate	030101	Corporate Accounting	\$ 9,387	\$ 2,358	\$ 6,120	\$ 7,044	\$ 5,904	\$ 5,369	\$ 4,857	\$ 4,991	\$ 6,033	\$ 1,227	\$ 3,204	\$ 10,264	\$ 66,759
	030102	Corporate Administration	\$ 5,751	\$ (1,230)	\$ 2,534	\$ 3,886	\$ 2,535	\$ 1,970	\$ 2,098	\$ 2,259	\$ 3,747	\$ 164	\$ 2,793	\$ 4,684	\$ 31,191
	030118	Building Services-Mgr	\$ 3	\$ 1,057	\$ (156)	\$ 68	\$ 672	\$ 2,558	\$ 2,210	\$ 2,390	\$ 2,473	\$ 2,831	\$ 2,264	\$ 261	\$ 16,633
	030119	Building Services/Overhead	\$ 798	\$ (195)	\$ 276	\$ 312	\$ 272	\$ 296	\$ 321	\$ 246	\$ 293	\$ 62	\$ 404	\$ 235	\$ 3,320
	030121	Corporate Customer Services	\$ 10	\$ -	\$ 2,292	\$ 1,417	\$ 2,284	\$ 1,441	\$ 958	\$ 1,236	\$ 1,319	\$ 941	\$ 626	\$ (743)	\$ 11,761
	030122	Corporate Investor Relations	\$ -	\$ -	\$ -	\$ -	\$ 36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75
	030127	Corporate Voothees													191
	030129	Integration Management Office (IMO)	\$ (291)	\$ (277)		\$ 118	\$ 8					\$ 17		\$ 538,745	\$ 538,202
	030130	Integration Management Office (IMO)				\$ 133	\$ 916		\$ 39	\$ 815	\$ 580	\$ 1,613	\$ 826	\$ 895	\$ 1,310
	030131	Strategy and Planning	\$ 924	\$ 1,571	\$ 133	\$ 99,770	\$ 53,000	\$ 90,427	\$ 47,186	\$ 57,759	\$ 40,360	\$ 1,996	\$ 42,494	\$ 17,649	\$ 10,809
	030167	Corporate VP of Bus Change	\$ 1,416	\$ 2,267	\$ 44,254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 498,576
	030171	Corp-Commercial Development													236
	030172	Corp-Cap Planning & Asset Mgt													236
Illinois	030174	Corporate Waste Water Devel				\$ 550	\$ 827	\$ 601	\$ 2,900	\$ 404	\$ 88	\$ 253	\$ 198	\$ 218	\$ 6,038
	030175	Corporate STEP Program													13
	030823	Do not use	\$ 60	\$ 43	\$ 165	\$ 36	\$ 65	\$ 25	\$ 7	\$ 70	\$ 37	\$ 31	\$ 62	\$ 47	\$ 257,424
	030103	Corporate Audit	\$ 494	\$ 4,376	\$ 3,305	\$ 2,586	\$ 2,449	\$ 1,156	\$ 1,036	\$ 1,458	\$ 1,084	\$ 830	\$ 3,196	\$ 6,419	\$ 28,386
	030104	Corporate Communications	\$ 2,232	\$ 974	\$ 1,498	\$ 654	\$ 3,733	\$ 8,329	\$ 577	\$ 2,976	\$ 2,595	\$ 4,350	\$ 319	\$ 2,832	\$ 31,070
	030124	Government Relations	\$ (22)	\$ (22)	\$ (43)	\$ -	\$ (22)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (108)
	030106	Corporate Engineering	\$ (16)	\$ 1,248	\$ (785)	\$ 1,745	\$ (126)	\$ 1,967	\$ 2,044	\$ 1,543	\$ 1,723	\$ (56)	\$ 2,139	\$ 1,694	\$ 13,117
	030107	Corporate Finance	\$ 6,943	\$ 8,126	\$ 8,980	\$ 4,962	\$ 4,510	\$ 3,958	\$ 3,992	\$ 3,103	\$ 3,711	\$ 461	\$ 2,655	\$ 3,966	\$ 44,005
	030108	Corporate Human Resources	\$ 13,571	\$ 7,355	\$ 8,196	\$ 8,064	\$ 10,345	\$ 8,099	\$ 5,236	\$ 7,557	\$ 8,553	\$ 2,757	\$ 7,769	\$ 7,506	\$ 95,310
	030109	Corporate Secretary	\$ 4,575	\$ 1,218	\$ 1,191	\$ 4,926	\$ 2,188	\$ 1,980	\$ 1,731	\$ 4,132	\$ 2,913	\$ 1,761	\$ 7,416	\$ 4,309	\$ 38,342
	030111	Corporate Operations	\$ 494	\$ 669	\$ 494	\$ 636	\$ 685	\$ 538	\$ 613	\$ 615	\$ 1,124	\$ 168	\$ 568	\$ 1,520	\$ 8,432
	030123	Corporate Business Development	\$ (781)	\$ 4,849	\$ (1,067)	\$ 962	\$ 525	\$ 494	\$ 207	\$ 729	\$ 687	\$ 219	\$ (362)	\$ 727	\$ 7,189
	030133	Business Development	\$ (1,776)	\$ 8,958	\$ (1,156)	\$ (12)	\$ (15)	\$ (14)	\$ (9)	\$ 4	\$ (6)	\$ 5	\$ 2,674	\$ 20	\$ 8,674
	030125	Regulatory Programs	\$ 2,708	\$ 1,562	\$ 2,492	\$ 3,181	\$ 5,058	\$ 2,309	\$ 3,019	\$ 3,441	\$ 3,114	\$ 1,596	\$ 1,500	\$ 1,303	\$ 31,284
Indiana	030128	Corporate Security Programs	\$ 1,913	\$ 641	\$ 3,028	\$ 4,523	\$ 2,521	\$ 3,862	\$ 1,939	\$ 2,121	\$ 3,281	\$ 430	\$ 2,000	\$ 2,245	\$ 28,503
	030113	Corporate Water Quality	\$ 2,134	\$ (3,136)	\$ 1,553	\$ 2,824	\$ 1,480	\$ 1,294	\$ (614)	\$ 3,793	\$ 1,114	\$ (220)	\$ 1,845	\$ 6,140	\$ 18,207
	030114	Corporate Water Quality													20
	030117	Technical Services	\$ 822	\$ 2,337	\$ 1,273	\$ 2,323	\$ 2,183	\$ 1,993	\$ 2,086	\$ 2,131	\$ 2,661	\$ 1,888	\$ 2,394	\$ 3,019	\$ 25,110
	031302	Illinois Administration	\$ (7)	\$ (7)	\$ (2,277)	\$ -	\$ (7)	\$ 1	\$ (7)	\$ (7)	\$ 3	\$ 8	\$ (3)	\$ 80	\$ (2,225)
	031323	Illinois Region-Business Dev													\$ (181)
ITS	031202	Indiana Administration	\$ (670)	\$ (4)	\$ (456)	\$ (7)	\$ 1,699	\$ (513)	\$ 1	\$ 5	\$ (12)	\$ (269)	\$ (331)	\$ 340	\$ (218)
	030109	Corporate IS/Financial	\$ 48	\$ 45	\$ 45	\$ 108	\$ 45	\$ 3,047	\$ 270	\$ 47	\$ 57	\$ 43	\$ 49	\$ 147	\$ 3,949
	030150	ITS-Administrative-Voethees	\$ 1,449	\$ 680	\$ 732	\$ 1,643	\$ 802	\$ 882	\$ 911	\$ 1,047	\$ 1,071	\$ (198)	\$ 101	\$ 185	\$ 9,315
	030151	ITS-Customer Care-Voethees	\$ 10,246	\$ 118	\$ 2,217	\$ 2,886	\$ 2,657	\$ 6,029	\$ 2,197	\$ 1,674	\$ 3,622	\$ (17)	\$ 3,590	\$ 4,862	\$ 40,060
	030152	ITS-Finance/HR-Voethees	\$ 8,006	\$ (744)	\$ 3,206	\$ 3,801	\$ 4,527	\$ 3,980	\$ 4,047	\$ 3,496	\$ 2,590	\$ 78	\$ 3,091	\$ 4,946	\$ 43,029
	030153	ITS-Client Relations-Voethees	\$ 4,401	\$ 84	\$ 1,450	\$ 2,056	\$ 2,074	\$ 1,694	\$ 1,841	\$ 2,056	\$ 2,590	\$ 201	\$ 1,677	\$ 2,375	\$ 22,498
	030154	ITS-Help Desk-Voethees	\$ 4,845	\$ (1,076)	\$ 1,339	\$ 1,899	\$ 1,872	\$ 1,749	\$ 1,624	\$ 1,366	\$ 1,957	\$ (103)	\$ 1,218	\$ 1,761	\$ 18,450
	030155	ITS-Project Mgmt-Voethees	\$ 1,276	\$ 255	\$ 814	\$ 979	\$ 1,462	\$ 871	\$ 1,020	\$ 752	\$ 972	\$ 44	\$ 733	\$ 1,438	\$ 10,614
	030156	ITS-Operations	\$ 181	\$ 145	\$ 356	\$ 180	\$ 36		\$ 323		\$ 134	\$ 126	\$ 344	\$ 1,826	\$ 1,826
	030163	ITS-Client Relations-Corp													\$ (1)
	030301	Regional Accounting	\$ 1,677	\$ 150	\$ 2,046	\$ 971	\$ 199	\$ (3,382)	\$ 2,609	\$ 74	\$ 856	\$ 1,662	\$ 867	\$ 88	\$ 7,818
	030318	Regional Building Services													\$ -
	030453	ITS-Client Relations-Bvl Lab	\$ 319	\$ 285	\$ 299	\$ 304	\$ 266	\$ 308	\$ 353	\$ 251	\$ 123	\$ 251	\$ 175	\$ 325	\$ 3,259
	030563	ITS-Client Relations-Western	\$ 237	\$ 227	\$ 322	\$ 248	\$ 231	\$ 315	\$ 206	\$ 334	\$ 27	\$ 23	\$ -	\$ 192	\$ 2,364
	030709	Richmond IS/Financial													\$ -
	030710	Richmond IS/Billing	\$ (144)	\$ 153	\$ 6	\$ 6	\$ 6	\$ (6)							\$ 20

Tennessee American Water Company
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Office Location	Business Unit	BU Description	2004 Jan	2004 Feb	2004 Mar	2004 Apr	2004 May	2004 Jun	2004 Jul	2004 Aug	2004 Sep	2004 Oct	2004 Nov	2004 Dec	2004 total
	030751	ITS-Customer Care-Richmond	\$ (2,545)	\$ 1,491	\$ (65)	\$ (26)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,144)
	030799	Richmond-Support Staff													\$ (0)
	030802	Hershey Data Center	\$ (17,836)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 734
	030809	Hershey IS/Financial	\$ 118	\$ 35	\$ 42	\$ 54	\$ 42	\$ 24	\$ 29	\$ 132	\$ 12	\$ 207	\$ 37	\$ 314	\$ 36,686
	030810	Hershey IS/illing	\$ 2,463	\$ 2,946	\$ 2,820	\$ 2,082	\$ 2,069	\$ 6,283	\$ 4,223	\$ 3,120	\$ 3,087	\$ 3,401	\$ 3,414	\$ 3,434	\$ 1,063
	030851	ITS-Customer Care-Hershey	\$ 320	\$ 277	\$ (11)	\$ 87	\$ 122	\$ 348	\$ 314	\$ 308	\$ 336	\$ 5,096	\$ 1,488	\$ 4,359	\$ 36,289
	030853	ITS-Client Relations-Hershey	\$ 1,776	\$ 1,493	\$ 1,468	\$ 1,402	\$ 1,261	\$ 1,540	\$ 1,472	\$ 1,365	\$ 1,22	\$ 1,695	\$ 395	\$ 382	\$ 2,425
	030855	ITS-Project Mgmt-Hershey	\$ 17,073	\$ 7,684	\$ 14,933	\$ 9,869	\$ 7,404	\$ 18,286	\$ 8,444	\$ 8,505	\$ 4,564	\$ 8,770	\$ 4,193	\$ 1,804	\$ 15,793
	030856	ITS-Operations-Hershey	\$ (30)	\$ (11)	\$ (119)	\$ 82	\$ 233	\$ (51)	\$ 62	\$ 34	\$ 140	\$ 30	\$ (190)	\$ 381	\$ 125,777
	030863	ITS-Client Relations-Scranton	\$ (2,716)	\$ 3,372	\$ 299	\$ 599	\$ 246	\$ 467	\$ 788	\$ 525	\$ 540	\$ 411	\$ 339	\$ 438	\$ 572
	030909	Haddon Heights Data Center	\$ 37	\$ -	\$ 382	\$ 45	\$ 45	\$ 1	\$ 11	\$ 188	\$ 2	\$ -	\$ 25	\$ 17	\$ 5,310
	030910	Haddon Heights Data Center	\$ (268)	\$ 17	\$ (21)	\$ 33	\$ 91	\$ 7	\$ 97	\$ 191	\$ 33	\$ 26	\$ 59	\$ 263	\$ 743
	030953	ITS-Client Relations-HH	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 529
	030955	ITS-Project Mgmt-HH	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	030956	ITS-Operations-HH	\$ 6,066	\$ 5,022	\$ 3,768	\$ 8,645	\$ 5,037	\$ 3,789	\$ 7,960	\$ 4,002	\$ 4,807	\$ 3,822	\$ 2,523	\$ 5,850	\$ 61,350
	031109	Southeast Region - US Financial	\$ (1,302)	\$ 35	\$ (2,506)	\$ 126	\$ 2,174	\$ (995)	\$ 151	\$ 98	\$ 912	\$ 123	\$ (3,173)	\$ 4,836	\$ 57
	031163	ITS-Client Relations Southeast	\$ 5,168	\$ 3,973	\$ 7,181	\$ 3,668	\$ 2,336	\$ 6,175	\$ 4,093	\$ 4,311	\$ 4,152	\$ 2,205	\$ 4,027	\$ 3,568	\$ 480
	031163	ITS-Client Relations-KY TN VA	\$ 494	\$ 475	\$ 620	\$ 430	\$ 151	\$ 196	\$ 210	\$ 196	\$ (136)	\$ 697	\$ (73)	\$ 404	\$ 50,856
	031253	ITS-Client Relations-Indiana	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,654
	031263	ITS-Client Relations-OH	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	031353	ITS-Client Relations-Illinois	\$ 662	\$ 781	\$ 863	\$ 805	\$ 663	\$ 858	\$ 680	\$ 503	\$ 122	\$ 707	\$ 470	\$ 1,267	\$ 8,390
	031363	ITS-Client Relations-Iowa	\$ (39)	\$ 8	\$ (44)	\$ 1	\$ 52	\$ (23)	\$ 1	\$ 8	\$ 20	\$ -	\$ (72)	\$ 96	\$ 9
	031453	ITS-Client Relations-Alton	\$ 146	\$ 316	\$ 560	\$ 339	\$ 257	\$ 1,159	\$ 323	\$ 324	\$ 129	\$ 371	\$ 199	\$ 540	\$ 4,663
	031454	ITS-Help Desk-Alton	\$ (9)	\$ (7)	\$ (18)	\$ (18)	\$ (9)	\$ (9)	\$ (9)	\$ (9)	\$ (9)	\$ (9)	\$ (9)	\$ (9)	\$ (103)
	031456	ITS-Operations-Alton	\$ 1,946	\$ 1,606	\$ 1,652	\$ 1,269	\$ 1,262	\$ 1,382	\$ 1,768	\$ 1,422	\$ 623	\$ 1,786	\$ 657	\$ 2,538	\$ 17,911
	031463	ITS-Client Relations-MO	\$ 7	\$ 56	\$ (7)	\$ 129	\$ 256	\$ 24	\$ 10	\$ -	\$ (109)	\$ 3	\$ (82)	\$ 109	\$ 397
	031466	ITS-Operations-MO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30
Northwest Region	031002	Northwest Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 576
	031005	Northwest Legal	\$ 3	\$ (2,103)	\$ (16)	\$ (16)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,101)
	031007	Northwest Finance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1)
Shared Services	031501	SSC - General Accounting	\$ 7,723	\$ 5,617	\$ 6,409	\$ 5,788	\$ 4,573	\$ 12,897	\$ 7,317	\$ 7,461	\$ (39)	\$ 7,722	\$ 5,375	\$ 8,292	\$ 79,134
	031502	SSC - Financial Administration	\$ (1,036)	\$ 3,247	\$ 1,142	\$ 1,291	\$ 1,763	\$ 1,530	\$ 933	\$ 1,032	\$ 467	\$ (289)	\$ 1,867	\$ 3,630	\$ 15,598
	031507	SSC - Finance	\$ 102	\$ 79	\$ 842	\$ (849)	\$ 47	\$ (174)	\$ 45	\$ 45	\$ 42	\$ 42	\$ 42	\$ 42	\$ 305
	031508	SSC - Human Resources	\$ 69	\$ 659	\$ 409	\$ 262	\$ 361	\$ 342	\$ 335	\$ 349	\$ 109	\$ 283	\$ 141	\$ 2,601	\$ 5,920
	031512	SSC - Administration ??	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27
	031532	SSC - Tax	\$ 140	\$ 185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 326
	031540	SSC - Account Management	\$ (289)	\$ 3,054	\$ 1,695	\$ 1,433	\$ 1,338	\$ 1,609	\$ 1,491	\$ 1,366	\$ 111	\$ 1,485	\$ 588	\$ 1,717	\$ 15,600
	031541	SSC - Performance & Planning	\$ 857	\$ 1,524	\$ 1,343	\$ 861	\$ 838	\$ 1,030	\$ 893	\$ 834	\$ 303	\$ 1,689	\$ 960	\$ 2,790	\$ 13,922
	031542	SSC - Cash Management	\$ 1,470	\$ 3,292	\$ 2,904	\$ 2,639	\$ 2,393	\$ 3,073	\$ 2,652	\$ 2,818	\$ 201	\$ 2,664	\$ 1,268	\$ 4,663	\$ 30,036
	031543	SSC - Support Services	\$ 760	\$ 2,625	\$ 1,910	\$ 1,853	\$ 1,428	\$ 1,662	\$ 1,403	\$ 1,187	\$ 166	\$ 903	\$ 249	\$ 1,370	\$ 15,508
	031545	SSC - Fixed Assets/Job Cost	\$ 1,740	\$ 3,338	\$ 3,041	\$ 2,567	\$ 2,313	\$ 2,984	\$ 2,468	\$ 2,188	\$ 137	\$ 2,266	\$ 1,339	\$ 3,963	\$ 28,345
	031546	SSC - Project Management	\$ 184	\$ 1,113	\$ 898	\$ 851	\$ 681	\$ 677	\$ 606	\$ 804	\$ 127	\$ 567	\$ 193	\$ 982	\$ 7,674
	031547	SSC - Procure to Pay	\$ 2,265	\$ 834	\$ 3,606	\$ 3,710	\$ 3,539	\$ 3,897	\$ 3,507	\$ 3,465	\$ 228	\$ 2,841	\$ 1,549	\$ 5,566	\$ 35,007
	031548	SSC - Associate Services	\$ 1,557	\$ 3,483	\$ 3,242	\$ 2,506	\$ 2,569	\$ 3,466	\$ 2,962	\$ 2,814	\$ 148	\$ 2,989	\$ 1,547	\$ 4,308	\$ 31,590
	031549	SSC - E-town Accounting	\$ (142)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (142)
Southeast Region	030830	PA-Business Dev-Corp Office	\$ -	\$ 46	\$ (2,915)	\$ 1,099	\$ 274	\$ 3,474	\$ 4,298	\$ 4,527	\$ 6,553	\$ 28,015	\$ 38,188	\$ 40,489	\$ 124,047
	031101	Southeast Accounting	\$ (44,366)	\$ 71,209	\$ 7,206	\$ 11,105	\$ 13,652	\$ 11,223	\$ 10,696	\$ 15,622	\$ (2,307)	\$ 26,166	\$ 5,388	\$ 22,378	\$ 301
	031102	Southeast Administration	\$ -	\$ 408	\$ 473	\$ 2	\$ -	\$ 70	\$ 171	\$ 18	\$ -	\$ 377	\$ 66	\$ 277	\$ 1,860
	031106	Southeast Region	\$ 2,599	\$ 3,534	\$ 4,796	\$ 2,545	\$ 1,932	\$ 2,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,293
	031107	Southeast Engineering	\$ 7,992	\$ 8,641	\$ 7,914	\$ 6,202	\$ 4,863	\$ 7,901	\$ 7,369	\$ 5,460	\$ (5,418)	\$ 9,041	\$ 1,000	\$ 7,553	\$ 68,516
	031108	Southeast Finance	\$ 3,996	\$ 3,008	\$ 3,000	\$ 2,862	\$ 2,274	\$ 4,140	\$ 2,820	\$ 3,173	\$ (3,169)	\$ 6,700	\$ 1,171	\$ 6,568	\$ 36,482
	031112	Southeast Human Resources	\$ 3,789	\$ 3,757	\$ 92	\$ 5,168	\$ 5,594	\$ 2,804	\$ 3,604	\$ 3,636	\$ (6,318)	\$ 4,725	\$ (163)	\$ 5,931	\$ 32,629
	031123	Southeast Rates & Revenue	\$ 106	\$ 76	\$ 143	\$ 281	\$ -	\$ 445	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,051
	031130	Southeast Region-Business Dev	\$ 3,628	\$ 2,669	\$ 3,262	\$ 1,342	\$ 2,359	\$ 651	\$ 815	\$ 1,752	\$ 2,052	\$ (1,021)	\$ -	\$ -	\$ 17,509
	031130	Southeast Reg-Bus Dev-KY, TN, VA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supply Chain	030502	Region - Sourcing	\$ 2	\$ 231	\$ -	\$ 1,133	\$ 1,677	\$ 4,737	\$ 2,967	\$ 4,753	\$ 4,233	\$ 8,440	\$ 6,214	\$ 15,798	\$ 49,962
Western Region	030506	Western Administration	\$ -	\$ -	\$ -	\$ 393	\$ 197	\$ 918	\$ 911	\$ 1,010	\$ 52	\$ 518	\$ 216	\$ 668	\$ 5,877
	030514	Western Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154	\$ 147	\$ 95	\$ -	\$ -	\$ -	\$ -	\$ 396
	030514	Western Water Quality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
Grand Total			\$ 143,063	\$ 319,545	\$ 263,044	\$ 329,185	\$ 270,342	\$ 355,345	\$ 273,188	\$ 283,925	\$ 154,719	\$ 238,097	\$ 354,365	\$ 1,054,721	\$ 4,039,540

Tennessee American Water Company
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Tennessee American Water Company CAPD-Part III-Q43 Supplemental												
Office Location		Business Unit		BU Description								
AMOUNTS TO TRANSFER TO 2004 TO 2005 COST ANALYSIS												
2004 Jan	2004 Feb	2004 Mar	2004 Apr	2004 May	2004 Jun	2004 Jul	2004 Aug	2004 Sep	2004 Oct	2004 Nov	2004 Dec	2004 total
\$ 8,880 \$	14,438 \$	11,080 \$	10,150 \$	8,374 \$	11,172 \$	11,501 \$	9,582 \$	4,243 \$	11,702 \$	6,077 \$	10,601 \$	117,801 \$
\$ 45,073 \$	92,463 \$	80,007 \$	64,193 \$	61,506 \$	73,914 \$	71,446 \$	66,968 \$	21,940 \$	65,059 \$	19,658 \$	113,326 \$	775,442 \$
\$ 15,390 \$	29,049 \$	27,441 \$	22,914 \$	21,845 \$	32,894 \$	24,611 \$	24,364 \$	1,999 \$	23,172 \$	15,120 \$	39,952 \$	278,649 \$
\$ 44,873 \$	51,573 \$	46,670 \$	47,953 \$	41,834 \$	57,586 \$	49,192 \$	35,262 \$	35,495 \$	31,891 \$	26,259 \$	63,085 \$	535,672 \$
\$ 2 \$	231 \$	761 \$	393 \$	197 \$	1,073 \$	1,058 \$	1,105 \$	52 \$	518 \$	216 \$	668 \$	6,275 \$
\$ (246) \$	(11) \$	(5,294) \$	33 \$	2,643 \$	(513) \$	(4) \$	7,574 \$	4 \$	(259) \$	(9,036) \$	12,776 \$	7,668 \$
\$ - \$	3 \$	(2,109) \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	4 \$	577 \$	(1,525) \$
\$ 9,387 \$	2,358 \$	6,120 \$	7,044 \$	5,904 \$	5,369 \$	4,857 \$	4,991 \$	6,033 \$	1,227 \$	3,204 \$	10,264 \$	66,759 \$
\$ 8,671 \$	3,236 \$	50,536 \$	107,074 \$	59,889 \$	99,554 \$	55,930 \$	65,178 \$	48,896 \$	8,158 \$	206,871 \$	662,452 \$	1,376,446 \$
\$ 494 \$	4,376 \$	3,305 \$	2,586 \$	2,449 \$	1,156 \$	1,036 \$	1,458 \$	1,084 \$	830 \$	3,196 \$	6,419 \$	28,386 \$
\$ 2,210 \$	953 \$	1,455 \$	654 \$	3,711 \$	8,329 \$	577 \$	2,976 \$	2,595 \$	4,350 \$	319 \$	2,832 \$	30,962 \$
\$ 4,575 \$	1,218 \$	1,191 \$	4,926 \$	2,188 \$	1,980 \$	1,731 \$	4,132 \$	2,913 \$	1,761 \$	7,416 \$	4,309 \$	38,342 \$
\$ (16) \$	(128) \$	(788) \$	1,745 \$	(126) \$	1,967 \$	2,044 \$	1,543 \$	1,723 \$	(56) \$	2,139 \$	1,694 \$	13,117 \$
\$ 6,943 \$	1,826 \$	3,880 \$	4,982 \$	4,510 \$	3,958 \$	3,992 \$	3,103 \$	3,711 \$	461 \$	2,655 \$	3,986 \$	44,005 \$
\$ 13,571 \$	7,355 \$	8,198 \$	8,064 \$	10,345 \$	8,099 \$	5,236 \$	7,557 \$	8,853 \$	2,757 \$	7,769 \$	7,506 \$	95,310 \$
\$ (2,063) \$	14,477 \$	(1,728) \$	1,585 \$	1,205 \$	1,018 \$	810 \$	1,348 \$	1,805 \$	389 \$	2,880 \$	2,568 \$	24,295 \$
\$ - \$	1,562 \$	2,492 \$	1,133 \$	1,677 \$	4,737 \$	2,987 \$	4,753 \$	4,233 \$	8,440 \$	6,214 \$	15,798 \$	49,952 \$
\$ 2,708 \$	\$ 1,562 \$	\$ 2,492 \$	\$ 3,181 \$	\$ 5,068 \$	\$ 2,309 \$	\$ 3,019 \$	\$ 3,441 \$	\$ 3,114 \$	\$ 1,596 \$	\$ 1,500 \$	\$ 1,303 \$	\$ 31,284 \$
\$ 1,913 \$	\$ 641 \$	\$ 3,028 \$	\$ 4,523 \$	\$ 2,521 \$	\$ 3,862 \$	\$ 1,939 \$	\$ 2,421 \$	\$ 3,281 \$	\$ 4,430 \$	\$ 2,000 \$	\$ 2,245 \$	\$ 28,503 \$
\$ 2,956 \$	\$ (799) \$	\$ 2,826 \$	\$ 5,147 \$	\$ 3,663 \$	\$ 1,457 \$	\$ 1,612 \$	\$ 5,924 \$	\$ 3,763 \$	\$ 1,668 \$	\$ 4,245 \$	\$ 9,165 \$	\$ 43,337 \$
\$ 51,349 \$	\$ 38,452 \$	\$ 80,516 \$	\$ 152,643 \$	\$ 102,996 \$	\$ 145,623 \$	\$ 85,611 \$	\$ 108,524 \$	\$ 92,023 \$	\$ 32,011 \$	\$ 250,408 \$	\$ 730,541 \$	\$ 1,870,697 \$
Southeast Region												
\$ (44,366) \$	71,663 \$	4,764 \$	12,206 \$	13,926 \$	14,767 \$	15,164 \$	20,167 \$	4,246 \$	54,558 \$	43,642 \$	63,144 \$	273,880 \$
\$ 3,734 \$	2,745 \$	3,405 \$	1,623 \$	2,359 \$	1,096 \$	815 \$	1,752 \$	2,052 \$	(1,021) \$	- \$	- \$	18,560 \$
\$ 2,599 \$	3,534 \$	4,796 \$	2,545 \$	1,932 \$	2,888 \$	- \$	- \$	- \$	- \$	- \$	- \$	18,293 \$
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\$ 11,780 \$	12,399 \$	8,006 \$	11,370 \$	10,457 \$	10,705 \$	10,973 \$	9,096 \$	(11,736) \$	13,765 \$	847 \$	13,484 \$	101,145 \$
\$ 3,996 \$	3,008 \$	3,000 \$	2,862 \$	2,274 \$	4,140 \$	2,820 \$	3,113 \$	(3,169) \$	6,700 \$	1,171 \$	6,568 \$	36,482 \$
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GRAND TOTAL	\$ 143,063	\$ 319,545	\$ 263,044	\$ 328,884	\$ 270,342	\$ 355,345	\$ 273,188	\$ 283,925	\$ 154,719	\$ 238,097	\$ 354,365	\$ 1,054,721	\$ 4,039,239
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This file has been produced natively on the accompanying disk:

TN-CAPD-01-PART III-Q43-SUPPLEMENTAL ATTACHMENT.xls

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: **Sheila Miller/Michael A. Miller**

PART III: RATE BASE

Question:

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)
JDE Acct #	Account Description	Plant in Service Balance	Acc. Deprec. Balance	Current Deprec. Rate	Net Book Value

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

Response:

Please see attached document labeled as TN-CAPD-01-PART III-Q59- ATTACHMENT that provides the calculation of book depreciation as recorded on the books of the Company for the two requested periods. Please note that the Company's revenue requirement calculation did not include any book depreciation on asset classes that have a negative book value.

December 8, 2010 Supplemental Response:

Attachment(s) previously provided in response to this request in PDF format that are Excel files are enclosed on the accompanying CD labeled as TN-CAPD-01-PART III-Q59 Q60.xls

This file has been produced natively on the accompanying disk:

TN-CAPD-01-PART III-Q59.xlsx

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: **Sheila Miller/Michael A. Miller**

PART III: RATE BASE

Question:

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)
JDE Acct #	Account Description	Plant in Service Balance	Acc. Deprec. Balance	Current Deprec. Rate	Net Book Value

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

Response:

Please see attached document labeled as TN-CAPD-01-PART III-Q60-ATTACHMENT that provides the calculation of book depreciation as recorded on the books of the Company for the requested period. Please note that the Company's revenue requirement calculation did not include any book depreciation on asset classes that have a negative book value.

December 8, 2010 Supplemental Response:

Attachment(s) previously provided in response to this request in PDF format that are Excel files are enclosed on the accompanying CD labeled as TN-CAPD-01-PART III-Q59 Q60.xls

This file has been produced natively on the accompanying disk:

TN-CAPD-01-PART III-Q60.xlsx

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: **Sheila Miller/Michael A. Miller**

PART III: RATE BASE

Question:

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:

See attached document labeled as TN-CAPD-01-PART III-Q61-ATTACHMENT that provides the requested information. The Company did not include any cost of removal or salvage in the attrition year as separate items because the net negative salvage is embedded in the book depreciation rates and appropriately lowers the rate base through the additional book depreciation recorded to accumulated depreciation through the end of the attrition year.

December 8, 2010 Supplemental Response:

Attachment(s) previously provided in response to this request in PDF format that are Excel files are enclosed on the accompanying CD labeled as TN-CAPD-01-PART III-Q61 CIAC.xls and TN-CAPD-01-PART III-Q61 cor salvage.xls

This file has been produced natively on the accompanying disk:

TN-CAPD-01-PART III-Q61 CIAC.xls

This file has been produced natively on the accompanying disk:

TN-CAPD-01-PART III-Q61 cor salvage.xls

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: **Sheila Miller**

PART III: RATE BASE

Question:

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

Response:

 Please see attached document labeled as TN-CAPD-01-PART III-Q67-ATTACHMENT.

December 8, 2010 Supplemental Response:

 Attachment(s) previously provided in response to this request in PDF format that are Excel files are enclosed on the accompanying CD labeled as TN-CAPD-01-PART III-Q67.xls

This file has been produced natively on the accompanying disk:

TN-CAPD-01-PART III-Q67.xls

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
SUPPLEMENTAL DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: **Michael A. Miller**

Question:

81. Identify each and every person whom the company expects to call as an expert, fact, or other witness at the hearing on the merits of this matter, or for whom the company expects to file Direct or Rebuttal Testimony. For each expert identified, please identify and produce:
- a. The subject matter on which the expert is expected to testify, any data, documents, materials, or other information shown to, relied upon, created by or considered by the witness as part of this case, any exhibits to be used by the witness, a full resume for the witness, the compensation to be paid for the testimony or, if a permanent employee of the company, the salary paid to the witness, and a listing of any other cases in which the witness has testified at trial, by deposition, or submitted written testimony.
 - b. Any and all engagement letters, expert reports and work papers (including drafts, if found to be discoverable and not overly broad or unduly burdensome by the TRA) created by or provided to any expert, fact or other witness.
 - c. A copy of any and all trade articles, journals, treatises, speeches and publications of any kind in any way utilized or relied upon by any of the company's proposed witnesses in evaluating, reaching conclusions or formulating an opinion in this matter, as well as articles, journals speeches, or books written by any company witness.

Response:

- a. The Company objects to this question on the grounds that the requested information is unduly burdensome, overly broad, and contains information subject to attorney/client privilege.

At this time, the Company intends to offer the testimony and exhibits thereto that it has already filed in this case, and may rely on some or all of the responses it has provided to TRA data requests and the intervenors' discovery. The Company does not know at this time if additional testimony or exhibits will be offered, including but not limited to rebuttal testimony. The Company will seasonably supplement its responses. The list of cases in which appearances have been made by Dr. Vander Weide and Paul Herbert are attached to their testimony, and Mr. Baryenbruch's testimony history has been provided in previous CAPD discovery. Dr. Spitznagel's consulting history is provided in the schedules attached and identified as TN-CAPD-SUPPLEMENTAL-Q81-ATTACHMENT 1. Mr. Miller has testified in numerous proceedings before the public utility commissions of West Virginia, Kentucky, Tennessee and Virginia, including every WAWC rate case since 1991, every KAWC rate case since 2000, every TAWC rate case since 2000, the rate cases for VAWC in 2000, 2003 and 2009, the Divestiture Cases for KAWC and WVAWC, all of which can be found on the various commission websites. Ms. Miller has appeared in all TAWC and KAWC rate cases since 2000.

- b. Pursuant to the agreement reached by the Company, the intervenors and the TRA, the requested information is not discoverable except for the workpapers relied on and that support the expert's testimony. The working papers utilized by the Company's witnesses have been previously provided in response to TN-TRA-01-Q13.
- c. See the Company's response to part a. above.

December 8, 2010 Supplemental Response:

- b. See the attached document identified as TN-CAPD-SUPPLEMENTAL-Q81-ATTACHMENT 2.

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Baryenbruch & Company, LLC

Management Consultants

July 2, 2010

Michael A. Miller
Director of Rates and Regulation
American Water Works Service Company
P.O. Box 1906
Charleston, WV 25327

Dear Mike:

This is my proposal to perform a market comparison study for the cost of services provided by American Water Service Company, Inc. (AWSC) to Tennessee Water Company (TAWC) for the twelve months ended March 31, 2010. My study will be used in connection with a Tennessee rate case for same test period.

Study Scope and Methodology

I will follow the same approach I have successfully used in previous cost comparison studies for American Water and other utility clients. This study will answer the following questions:

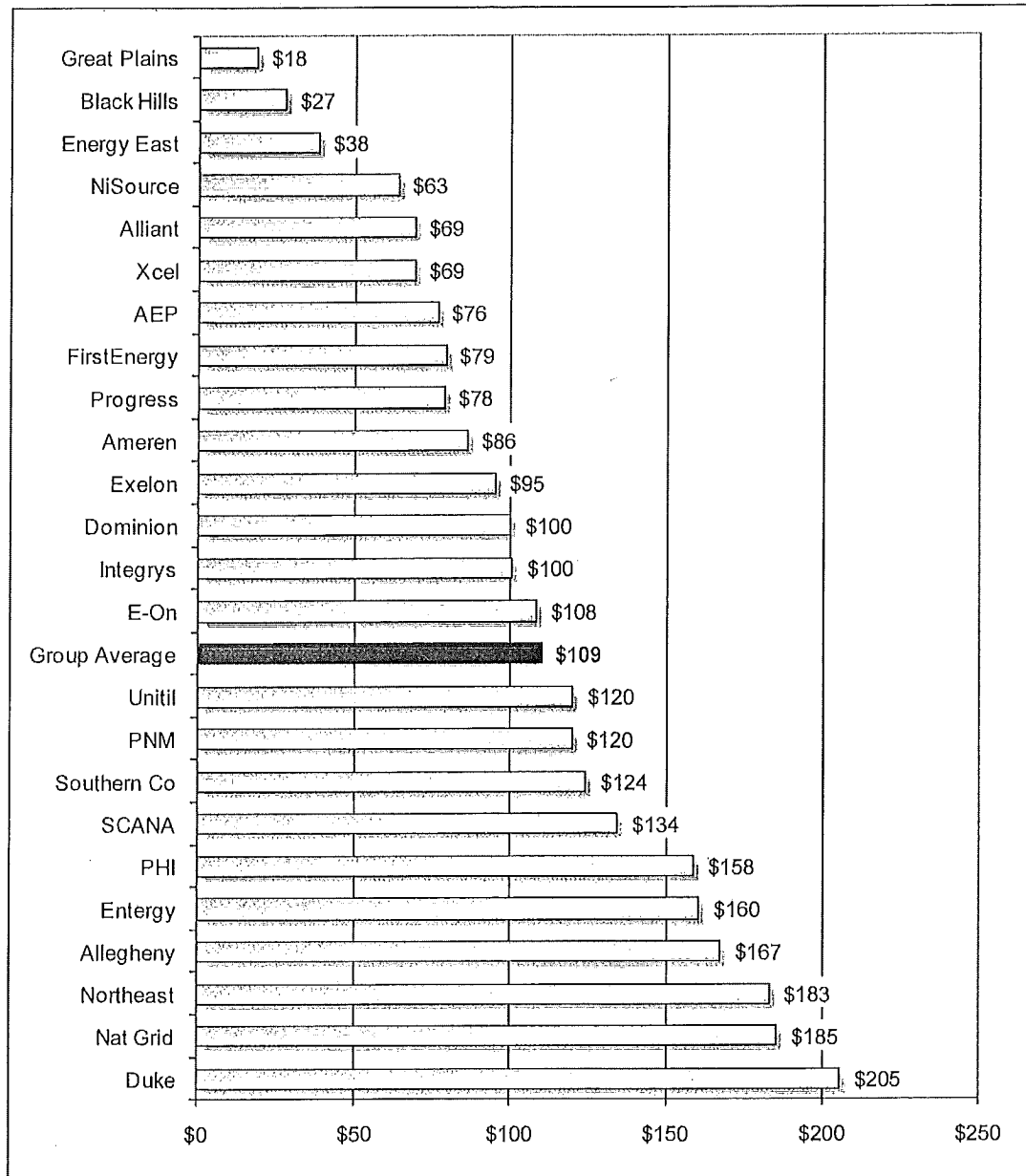
1. Were the Service Company's charges to TAWC during the twelve months ended March 31, 2010 reasonable?
2. Was TAWC charged the lower of cost or market for managerial and professional services provided by the Service Company during the twelve months ended March 31, 2010?
3. Were TAWC's twelve months ended March 31, 2010 charges from the Service Company for customer accounts services, including those provided by the National Call Centers, comparable to those of other utilities?
4. Are the services TAWC receives from Service Company necessary?

Reasonableness of AWSC's Charges

The reasonableness test will be based on TAWC's cost per customer for AWSC's twelve months ended March 31, 2010 charges compared to the cost per regulated customer for service companies that must file a Form 60 with Federal Energy Regulatory Commission (FERC). This report is designed to collect financial information from service companies that are subject to FERC's regulation. Approximately 30 service companies associated with 24 electric utilities filed a Form 60.

Mr. Michael A. Miller
July 2, 2010
Page 2 of 7

The end product of this analysis will be a cost per regulated customer comparison that supports the determination of reasonableness of AWSC's twelve months ended March 31, 2010 charges to TAWC. The graph below shows an example of this analysis from another study. This evaluation will be conducted using 2009 FERC data, the latest available service company information.



Mr. Michael A. Miller
July 2, 2010
Page 3 of 7

Lower of Cost or Market Evaluation

I will answer the second question by comparing AWSC's charges during the twelve months ended March 31, 2010 to the cost of procuring the same services from outside providers--attorneys, management consultants, accountants and engineers. This will be accomplished by converting AWSC's categorized charges into a cost per hour based on the test year dollars and hours charged to TAWC. AWSC's hourly rates are then compared to outside provider hourly billing rates.

Certain adjustments must be made to AWSC's actual charges to put its hourly rates on the same basis as outside provider hourly billing rates. For example, the table below shows the calculation of AWSC's hourly rates from the 2006 TAWC study.

	Attorney	Management Consultant	Certified Public Accountant	Professional Engineer	Total
Total management, professional & technical services charges	\$ 169,849	\$ 1,324,057	\$ 1,408,453	\$ 677,933	\$ 3,580,292
Less:					
Contract services	4,748	395,354	300,437	12,653	713,192
Travel expenses	8,977	60,781	34,559	40,128	144,445
Computer hardware/software	(1)	44,399	40,436	6,575	91,409
Severance expenses		28,534			28,534
Net Service Charges (A)	\$ 156,124	\$ 794,989	\$ 1,033,021	\$ 618,577	\$ 2,602,711
Total Hours (B)	1,396	5,167	16,097	9,335	31,995
Average Hourly Rate (A / B)	\$ 112	\$ 154	\$ 64	\$ 66	

Outside provider hourly rates will be obtained from the sources described below.

- **Certified Public Accountants** – The American Institute of Certified Public Accountants conducts a bi-annual survey of its members. I will obtain the Tennessee version of the 2008 survey which includes hourly billing rates for Tennessee CPA firms as of December 31, 2007. I will calculate an overall average hourly rate for Tennessee CPAs and escalate it for inflation to September 30, 2009, the mid-year point of 12 months ended March 31, 2010.
- **Management Consultants** – I will use the "Survey of Key Management Information, Operating Ratios for Management Consulting Firms" published by the Association of Management Consulting Firms, the industry's trade organization. I will utilize the 2009 survey, which contains 2008 hourly rate information. The survey includes average hourly billing rates for firms throughout the US. I feel it is appropriate to use national rather than a state data because management consultants do not limit their practice to any one region and typically travel to client locations. Using this survey data, I will calculate an overall average hourly rate for management consultants and escalate it for inflation to September 30, 2009.
- **Attorneys** – The Tennessee bar association does not survey its members as to their hourly billing rates. Thus, I will have to estimate average Tennessee attorney billing rates using a surveys from Michigan Lawyers Weekly and Massachusetts Lawyers Weekly (the only publicly-available data for attorney billing rates). The selected surveys' data will be adjusted for cost of living differences between the Michigan/Massachusetts law firms' cities and Chattanooga, Tennessee. The Lawyer's Weekly survey data will be as of December 31, 2007 and I will escalate the data for inflation to September 30, 2010.

Mr. Michael A. Miller
July 2, 2010
Page 4 of 7

- **Professional Engineers** – The association for professional civil engineers, the American Society of Civil Engineers, does not survey its members' billing rates. Neither does the National Society of Professional Engineers, the association for the entire engineering profession. Considering this lack of survey information, I have found the best way to obtain hourly billing rate information from engineering firms used in the past by TAWC or AWSC (for Tennessee work).

After compiling AWSC data and outsider provider data, I can then compare rates. Shown below is the comparison from my 2006 TAWC study.

12 Months Ended June 30, 2006			
Service Provider	Service Company	Outside Provider	Difference-- Service Co. Greater(Less) Than Outside
Attorney	\$ 112	\$ 223	\$ (111)
Management Consultant	\$ 154	\$ 216	\$ (62)
Certified Public Accountant	\$ 64	\$ 113	\$ (49)
Professional Engineer	\$ 66	\$ 95	\$ (29)

Finally, I will calculate the net cost/savings to TAWC associated with using AWSC rather than outside providers. Using the hourly rate differences and the number of hours billed by the AWSC during the test year, the total dollar impact will be calculated. The table below shows this calculation from my 2006 TAWC study.

12 Months Ended June 30, 2006			
Service Provider	Hourly Rate Difference-- Service Co. Greater(Less) Than Outside	Service Company Hours Charged	Dollar Difference
Attorney	\$ (111)	1,396	\$ (155,217)
Management Consultant	\$ (62)	5,167	\$ (321,083)
Certified Public Accountant	\$ (49)	16,097	\$ (785,939)
Professional Engineer	\$ (29)	9,335	\$ (268,213)
Net Service Co Less Than Outside Providers			\$ (1,530,452)

Reasonableness of American Water's National Call Center Costs

The third issue—reasonableness of the National Call Center's costs—will be addressed by comparing TAWC's customer accounts expenses to those of Tennessee and neighboring electric utilities. It is difficult to compare the cost of American Water's National Call Center with outside providers of the same call center-related services. Call center survey data is proprietary and expensive to obtain.

Thus, I will utilize the next best cost comparison approach. TAWC's National Call Center charges for 12 months ended March 31, 2010 will be compared to customer accounts expenses of Tennessee and neighboring electric utilities because their data is publicly available from the 2009 FERC Form 1. The table below shows the end result of this comparison from my 2006 TAWC study. In this case, the National Call Center's cost per customer was very close to the group average.

Mr. Michael A. Miller
July 2, 2010
Page 5 of 7

Customer Account Services Expenses Per Customer	
Louisville Gas & Electric	\$ 12.61
Virginia Electric Power	\$ 15.77
Union Electric	\$ 22.38
Aquilla	\$ 22.84
Duke Power	\$ 24.35
Union Light, Heat & Power	\$ 25.75
Kentucky Utilities	\$ 25.78
Progress Energy - Carolinas	\$ 27.09
Tennessee American Water	\$ 28.32
Comparison Group Average	\$ 31.73
Kingsport Power	\$ 32.18
Appalachian Power	\$ 32.40
Kentucky Power	\$ 34.25
Georgia Power	\$ 43.44
Alabama Power	\$ 48.50
Savannah Electric	\$ 54.72
Mississippi Power	\$ 58.93
Entergy Arkansas	\$ 60.77
Entergy Mississippi	\$ 65.51

Need for AWSC's Services

The fourth issue—the need for AWSC services—will be addressed by identifying and evaluating specifically what the AWSC does for TAWC. Based on discussions with AWSC personnel, a matrix will be created showing which AWSC entities/locations are responsible for each of the functions TAWC requires to ultimately provide service to its customers. The matrix will be reviewed to determine: (1) if there was redundancy or overlap in the services being provided by the AWSC and (2) if AWSC services are typical of those needed by a stand-alone water utility. Shown below is page 1 of Exhibit 10 in my 2006 TAWC report, which will also be developed for this study.

Function/Requirement TAWC Requires	AWSC Entities/Services Compared						
	Tennessee American Water	Utility of Choice	Regional Office	State Services	Construction Office	Technical Services	Engineering Unit
Water Supply Planning							
Water Quality Planning							
Water Distribution Planning							
Water Treatment Planning							
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Mr. Michael A. Miller
July 2, 2010
Page 6 of 7

End Product

This study will culminate in a written report that documents my conclusions on the four questions concerning AWSC services to TAWC (reasonableness of AWSC's charges, lower of cost-or-market pricing, reasonableness of National Call Center charges and necessity of AWSC services). The report will include all supporting information necessary to substantiate my conclusions. I will also develop testimony that summarizes my report and the conclusions I was able to reach. A draft will be finished by Monday, July 26, 2010 and a final version will be completed by Friday, July 30, 2010.

Patrick Baryenbruch's Previous Experience

I have performed this same market cost comparison study for the clients listed below. Most of these engagements were carried out in conjunction with a rate case proceeding where I was the expert witness supporting a regulated operating utility's charges from an affiliated service company.

- American Water of Virginia – 1994, 1996, 1999, 2000, 2001, 2003, 2006, 2007, 2009
- American Water of Connecticut – 1999
- Illinois American Water Company – 2007
- American Water of Kentucky – 2003, 2006, 2008, 2009
- Long Island American Water – 2006
- American Water of Massachusetts – 2000
- American Water of Missouri – 2002
- American Water of New Jersey – 2005, 2007, 2009
- American Water of New Mexico – 2008
- American Water of Ohio – 2006
- American Water of Pennsylvania – 2008
- American Water of Tennessee – 1996, 2002, 2006
- American Water of West Virginia – 2002, 2006, 2007, 2009
- Atmos Energy Corporation (Virginia) – 2004
- Atlanta Gas Light Company (Georgia) – 2009
- Bay State Gas Company (Massachusetts) – 2004
- Columbia Gas of Virginia – 2003, 2004, 2005, 2006, 2007, 2008, 2009
- Dominion Virginia Power – 2008
- Duke Energy – 2006
- Elizabethtown Gas Company (New Jersey) – 2008
- General Water Works/Rio Rancho Utilities (New Mexico) – 1993
- Po River Water and Sewer (Virginia) – 1993, 1996, 2008
- Roanoke Gas Company – 2006
- Virginia Natural Gas Company (AGL Resources, Inc.) – 2003, 2005
- United Water of Pennsylvania – 2004
- Utilities, Inc. (Virginia) – 2006

Besides these market cost comparison studies, my firm has performed the annual affiliate transaction audits of Southern California Edison (SCE) for the years 2002 through 2005. The objective of these evaluations is to express an opinion on the extent to which SCE was in compliance with the California Public Utilities Commission's extensive affiliate transaction rules. In addition to these studies and third party audits, I provide utility clients with on-going affiliate transaction-related advice and counsel in connection with their dealings with their regulators.

Mr. Michael A. Miller
July 2, 2010
Page 7 of 7

Cost Estimate

Based on the scope of work outlined above, I estimate this study will cost \$27,745 to complete. A breakdown of the hours and dollars is detailed in the table below.

<u>Hours/Fees</u>	
Total Hours	117
Hourly Rate	\$ 235
Total Fees	\$ 27,495
<u>Expenses</u>	\$ 250
Total Fees and Expenses	<u>\$ 27,745</u>

I am willing to undertake this study on a fixed price basis, with a not-to-exceed total for fees and expenses of \$27,700. If the study does not take as much time as estimated to complete, you will only be billed for the actual costs incurred.

This budget does not include the cost of answering any potential rate case interrogatories or cross-examination. Should that be necessary, I will perform that work at an hourly rate of \$235. If travel is required, that will be charged at actual cost.

I submit invoices monthly and include a timesheet and copies of expenses to back up all charges. With each invoice I will provide a budget status so you can monitor the completion of work against amounts billed.

I want to thank you for asking me to help on this important assignment. You can be assured I will give it my utmost attention.

Sincerely,



Patrick L. Baryenbruch

RECEIVED APR 13 2010



GANNETT FLEMING, INC.
P.O. Box 67100
Harrisburg, PA 17106-7100
Location:
207 Senate Avenue
Camp Hill, PA 17011
Office: (717) 763-7211
Fax: (717) 763-4590
www.gannettfleming.com

April 9, 2010

VIA E-MAIL AND 1ST CLASS

Mr. Michael A. Miller
Manager, Rates and Regulations
American Water
1600 Pennsylvania Avenue
Charleston, WV 25302

Dear Mike:

Tennessee American Water Company
Proposal for Cost of Service and Rate Design Studies

Gannett Fleming is pleased to submit this proposal to provide cost of service allocation and rate design studies for Tennessee American Water Company's (Company) next rate case. Our submittal is based on information from our telephone conversation and our experience in conducting cost of service and rate design studies for the Company in previous rate cases. The proposal provides our understanding of the scope of services and an estimate of our fees.

Scope of Services

We understand that Tennessee American requires a consultant that has a thorough understanding of cost of service principals and rate design applications. The Company plans to file a base rate case in July 2010 based on pro forma test year operations. The cost of service allocation study we propose to conduct for the Company will be based on the base-extra capacity method as described in AWWA Manual M1. This method is the preferred method of the industry and is used and accepted in most jurisdictions. We will develop allocation factors to allocate each element of the cost of service including operation and maintenance expenses, depreciation expense, rate base, return and taxes. The allocation process will be performed in an Excel spreadsheet that will incorporate the pro forma cost information by account supplied by the Company.



Gannett Fleming

Mr. Michael A. Miller
Charleston, WV 25302

- 2 -

April 9, 2010

The proposed rate design will consider the results of the cost allocation study, existing rate structures, and input from Company management. A proof of revenue schedule will be prepared using billing determinants supplied by the Company to ensure that the proposed rate structure generates the desired level of revenue requirement. Bill comparisons will be prepared to show the impact of the proposed rates on customers at various consumption levels. Exhibits and direct testimony will be prepared to present the results of the cost allocation and rate design studies.

Subsequent to the filing of the rate case, Gannett Fleming will respond to data requests, assist in responding to the Tennessee Regulatory Authority exhibits and testimony and other parties, prepare written rebuttal testimony and testify at hearings. We will work closely with the Company and rate counsel in preparing exhibits and testimony.

Estimate of Fees

Gannett Fleming proposes to conduct the cost of service and rate design studies as outlined in the scope of services on the basis of hourly billing rates for our personnel plus reimbursement for direct expenses. Our 2010 billing rates are enclosed. These rates are subject to review and revision at year-end. Our estimate to conduct the assignment up to the filing in July 2010 excludes the time required subsequent to the filing as we have little control over the effort required for discovery and hearings. Post-filing services will be performed at our hourly rates in effect at that time. Based on our experience conducting similar assignments, we estimate that our fees up to the filing date will be \$19,000 for the cost of service allocation and rate design.

Thank you for the opportunity to submit this proposal for your consideration. We will be pleased to discuss any questions or comments you may have.

Respectfully submitted,



PAUL R. HERBERT
President
Valuation and Rate Division

Enclosure

GANNETT FLEMING, INC.
VALUATION AND RATE DIVISION

BILLING RATES

EFFECTIVE JANUARY 2, 2010

<u>Personnel</u>	<u>Hourly Rate</u>
SUPERVISORY STAFF	
P. R. Herbert, President	\$210.00
J. J. Spanos, Vice President	195.00
C. R. Clarke, Director, Western U.S. Services	195.00
L. E. Kennedy, Director, Canadian Services	195.00
H. Walker, III, Manager, Financial Studies	185.00
J. F. Wiedmayer, Jr., Project Manager, Depreciation	150.00
STAFF	
Analysts and Engineers	130.00
Associate Analysts and Engineers	115.00
Assistant Analysts and Engineers	105.00
Senior Technicians	90.00
Technicians	85.00
Support Staff	80.00

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT made and entered into this 29th day of June, 2010, by and between TENNESSEE AMERICAN WATER, a corporation having offices at 1600 Pennsylvania Avenue, Charleston, West Virginia 25302 (hereinafter referred to as "TAW"), and Dr. Edward L. Spitznagel, Jr, Professor, Washington University having offices at Campus Box 1146 – One Brookings Drive, St. Louis, Missouri 63130-4899.

WITNESSETH

WHEREAS, TAW is a public utility engaged in the business of providing water service to the general public in Tennessee; and

WHEREAS, TAW is currently preparing for a planned rate filing ("2010 rate case") before the Tennessee Regulatory Authority (hereinafter referred to as "TRA") on or about July 4, 2010, using a April 1, 2009 through March 31, 2010 historic test year, and a January 1, 2011 through December 31, 2011 forecasted test year; and

WHEREAS, TAW desires to engage the services of Dr. Edward L. Spitznagel, Jr. to assist in the 2010 rate case and to render services on the terms and conditions provided in this Agreement; and

WHEREAS, Dr. Edward L. Spitznagel, Jr. is in the business of rate case consulting and desires to render professional services for TAW as provided herein:

NOW, THEREFORE, TAW engages the services of Dr. Edward L. Spitznagel, Jr., and in consideration of the mutual promises contained in this contract, the parties agree as follows:

1. This Agreement shall be effective as of the date stated above and shall continue in effect until completion of the 2010 rate case or until terminated by either party by giving ten (10) days' prior written notice to the other party at the address stated above.

2. Dr. Edward L. Spitznagel, Jr. agrees to provide professional services to TAW on weather normalization issues in connection with TAW's 2010 rate case filing with the TRA. The scope of such services shall include the development of empirical evidence regarding weather normalization which shall be assembled as an exhibit for the written testimony of Dr. Edward L. Spitznagel, Jr..

3. In consideration of the services to be performed by Dr. Edward L. Spitznagel, Jr. in providing written testimony and a weather normalization exhibit, TAW agrees to pay Dr. Edward L. Spitznagel, Jr. a total fee of not more than Six Thousand and Four Hundred (\$6400) Dollars. Additional services performed by Dr. Edward L. Spitznagel, Jr. after TAW has filed the direct testimony of weather normalization, such as preparing responses to interrogatories, analyzing testimony of opposing witnesses, preparing rebuttal testimony, attending hearings, and assisting rate case counsel, shall be billed at the hourly rates specified below, plus out-of-pocket expenses.

	<u>Hourly rate</u>
Dr. Edward L. Spitznagel, Jr.	\$160.00

Invoices will be rendered monthly for services performed during the preceding month.

4. In furnishing services under the Agreement, Dr. Edward L. Spitznagel, Jr. will at all times be an independent contractor. Neither party is authorized or empowered to act as agent for the other for any purpose and shall not on behalf of the other enter into any contract, warranty, representation as to any matter.

5. This Agreement merges all previous negotiations between the parties hereto with respect to the subject matter covered hereby, and no other agreement, statement, or premise relating to the subject matter of this agreement that is not contained in it shall be valid and binding.

6. The services of Dr. Edward L. Spitznagel, Jr. are of personal nature and shall not be assigned in whole or in part by Dr. Edward L. Spitznagel, Jr. without the prior written consent of TAW.

7. This Agreement may be amended by the mutual written agreement of the contracting parties.

DR. EDWARD L. SPITZNAGEL, JR.

Dr. Edward L. Spitznagel, Jr.

By: Dr. Edward L. Spitznagel, Jr. /s/
Professor

TENNESSEE AMERICAN WATER COMPANY

By:

M. Miller
Manager Rates and Regulation
Director

Financial Strategy Associates
James H. VanderWeide, Ph.D.

3606 Stoneybrook Drive
Durham, NC 27705

Tel: (919) 383-6659 or (919) 383-1057
Fax: (919) 383-6659
jim.vanderweide@duke.edu

June 18, 2010

Mr. Mike Miller
American Water Works Service Company
Southeast Region
PO Box 1906
Charleston, WV 25327-1906

Dear Mike:

This letter confirms my agreement to perform cost of capital studies and to provide testimony on behalf of Tennessee American Water Company ("TAWC" or "the Company") in its 2010 cost of capital proceeding before the Tennessee Regulatory Authority ("TRA").

Work. I will: (1) conduct an independent study of the cost of equity capital for TAWC; (2) prepare written testimony on my cost of equity findings and return on equity (ROE) recommendation; (3) respond to data requests; (4) defend this testimony as required before the TRA; (5) as required, evaluate intervenor testimony and prepare and defend rebuttal testimony; and (6) work with TAWC's staff and attorneys as required. Direct testimony and schedules will be delivered to TAWC in timely manner for filing.

If this proceeding is settled or otherwise ended prior to completion of the work items set forth above, I will be compensated for work completed up to that time, and no additional work will be undertaken or compensated without TAWC's advance written approval.

As part of my work, I will analyze risks, study comparable companies, estimate the cost of equity using several cost of equity models, and provide an opinion as to the appropriateness of the estimate based upon the capital structure of TAWC. I will refine the studies and analyses and prepare written testimony that presents my cost of capital studies and recommendations, defend my testimony at hearings, evaluate intervenor testimony, and prepare and defend rebuttal testimony and assist Company staff and attorneys in preparation of briefs as requested.

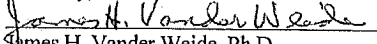
Fee. My fee is \$425 per hour for services related to the preparation and submission of the analyses and testimony. Partial hours will be pro-rated. I estimate that total expenses will be approximately \$40,000. I will be reimbursed for travel expenses incurred in connection with the case. My fee covers all aspects of the case including, but not limited to, consultation, preparation and submission of analyses, direct and rebuttal testimonies and exhibits, and providing testimony at the hearings.

Confidentiality:

During the course of performing the work set forth above, the Consultant may receive, deliver, prepare, review, analyze, reproduce, summarize or otherwise work with confidential, proprietary and/or secret information. All information received by the Consultant from the Company, or obtained or generated by the Consultant, as part of the work shall be treated by the Consultant as strictly confidential and as privileged information. The Consultant shall not disclose such information to any person other than the Managing Attorney and those persons assisting him, and shall not use such information for any purpose, except as necessary (1) to perform the work, (2) when ordered by a court of competent jurisdiction, or (3) when a document is shown to be entirely public information, without any reference to CLIENT or the work being performed by the Consultant. The Consultant shall not remove documents or other materials containing such information from the Company's premises nor use or copy such documents or other materials for any purpose, except as necessary to perform the work. The Consultant shall not under any circumstances retain, after such time as the Consultant's work is completed, any documents or other materials pertaining to the Company, or copies thereof, that come into the Consultant's possession in the course of performing the work UNLESS APPROVED BY the Company.

If this accurately describes our understanding, please acknowledge your agreement by signing in the space below and returning the original to me. I look forward to working with you and your staff.

Sincerely,


James H. VanderWeide, Ph.D.

President, Financial Strategy Associates
Date

Tennessee American Water Company
Date

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 10-00189
SUPPLEMENTAL DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: **Michael A. Miller**

Question:

102. Provide the amounts from Attachment 3-1 in the format below from the Overland Consulting regulatory audit of California American Water Company for TAWC by business unit number, budget account, and object account detail amount for the test periods ending March 2010, September 2010, and the attrition year 2011. The term "National" in this request means "AWWSC."

National (Before Allocation)

Belleville Lab

Customer Service

Finance

Human Resources

Information Technology

"NSC Functions"

Operations

Shared Services

Procurement

Total NSC

After Allocation to TAWC

Belleville Lab

Customer Service Finance

Human Resources

Information Technology

"NSC Functions"

Operations

Shared Services

Procurement

Total TAWC

Response:

The Company objects to this request on the grounds that it is overly broad, unduly burdensome and seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving these objections, see the attached document labeled as TN-CAPD-SUPPLEMENTAL-Q102-ATTACHMENT 1 for the data requested for AWWSC in total. The Company did not determine the attrition year total AWWSC costs but only determined the TAWC attrition year total by adjustments to the TAWC portion of AWWSC costs for the historical test-year. The 2011 budget process is still being completed and 2011 figures for total AWWSC are not available at this time.

See the attached document labeled as TN-CAPD-SUPPLEMENTAL-Q102-ATTACHMENT 2 that contains the 12 month adjusted actual Tennessee Service Company costs for March 2010 and September 2010, as well as the proforma periods March 2011 and December 2011.

December 8, 2010 Supplemental Response:

In the original filing of this response, the Company inadvertently attached the incorrect document for ATTACHMENT 2. Attached is the correct document labeled as TN-CAPD-SUPPLEMENTAL 2-Q102-ATTACHMENT 2 that contains the 12 month adjusted actual Tennessee Service Company costs for March 2010 and September 2010, as well as the proforma periods March 2011 and December 2011.

The Company will provide the 2011 budget for AWWSC and the costs estimated to be charged to TAWC, by business unit and by direct charge or allocation, as well as a separate report that breaks down the 2011 budget by account number and the portion charged to TAWC. These items will be provided in response to TN-CAPD-01-PART III-Q37 as soon as the budget is finalized.

TENNESSEE AMERICAN WATER COMPANY
DOCKET NO 10-00189
SUPPLEMENTAL DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION
Response Supp 2-Q102

Tennessee American
Service Company Charges by Function and Object Account (with proforma adjustments)
Excluding Capital Costs

Function	Object Account	Object Account Description	Adjusted Actual 12 Month Mar-10	Adjusted Actual 12 Month Sep-10	Proforma 12 Month Mar-11	Proforma 12 Month Dec-11
Admin	501200	Labor	(139)	(139)	(143)	(146)
	501711	Incentive Plan-Off-Annual	25,346	322	26,107	26,694
	504100	Group Ins Maintenance	(11)	(6)	(11)	(11)
	504500	Other Welfare Maintenance	1,290	7	1,329	1,358
	507100	401k	-	-	-	-
	508200	Employee Stock Purchase Plan	3,607	3,264	3,715	3,799
	534998	Benefit Overhead	12,792	2,005	13,175	13,472
	534999	General Overhead	(4,026)	7,009	(4,146)	(4,240)
	535000	Contract Services-Other	55	125	57	58
	550005	Mileage Reimbursement Personal Vehicle	-	-	-	-
	570100	Uncollectible Accounts	518	2,070	533	545
	575000	Miscellaneous	(124)	(545)	(128)	(130)
	575340	Employee Expense P/R JE	77	77	79	81
	575350	Meals Deduct	-	-	-	-
	575640	Penalties Nondeductible	(189)	100	(194)	(199)
	575740	Telephone	(27)	(26)	(28)	(28)
	575741	Cell Phone	1	1	1	1
	685325	FICA	(108)	(0)	(111)	(114)
	685350	SUTA	14	(12)	15	15
	690220	SIT-Prior Year Adjustment	(133)	-	(137)	(141)
	722306	Gains Other Non-OR	16,455	5,963	16,949	17,330
	840000	Other Interest Expense	(45)	196	(46)	(47)
Admin Total			55,353	20,410	57,014	58,297
Audit	501200	Labor	19,400	23,454	19,982	20,432
	501711	Incentive Plan-Off-Annual	2,914	4,042	3,001	3,069
	504100	Group Ins Maintenance	(8)	4	(8)	(8)
	504500	Other Welfare Maintenance	831	479	856	875
	504660	Tuition Aid	-	85	-	-
	504670	Training	208	467	214	219
	507100	401k	578	793	595	608
	508101	Defined Contribution Plan	899	1,026	926	947
	534998	Benefit Overhead	4,840	5,787	4,985	5,097
	534999	General Overhead	1,281	1,808	1,319	1,349
	535000	Contract Services-Other	1,529	3,064	1,575	1,611
	535001	Contract Services-Temp Employee	5,263	4,543	5,421	5,543
	541400	Rents-Equipment	13	13	14	14
	550005	Mileage Reimbursement Personal Vehicle	-	18	-	-
	575000	Miscellaneous	-	6	-	-
	575002	Misc General Office	3	5	3	3
	575340	Employee Expense P/R JE	582	452	600	613
	575350	Meals Deduct	35	32	36	37
	575351	Meals Non Deduct	35	32	36	37
	575620	Office & Admin Supplies	112	78	115	118
	575670	Relocation Expenses	1,003	526	1,033	1,056
	575715	Software Licenses & Support	35	35	36	36
	575740	Telephone	1	6	1	1
	575741	Cell Phone	201	160	207	211
	575998	PCard Undistributed	(1)	-	(1)	(1)
Audit Total			39,753	46,914	40,945	41,866
Benefit Svc Ctr	501200	Labor	18,530	18,518	19,086	19,515

TENNESSEE AMERICAN WATER COMPANY
DOCKET NO 10-00189
SUPPLEMENTAL DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION
Response Supp 2-Q102

Tennessee American
Service Company Charges by Function and Object Account (with proforma adjustments)
Excluding Capital Costs

Function	Object Account	Object Account Description	Adjusted Actual 12 Month Mar-10	Adjusted Actual 12 Month Sep-10	Proforma 12 Month Mar-11	Proforma 12 Month Dec-11
	501711	Incentive Plan-Off-Annual	1,252	1,264	1,289	1,318
	504100	Group Ins Maintenance	(18)	-	(18)	(18)
	504500	Other Welfare Maintenance	10	28	10	11
	504610	Employee Awards	10	14	11	11
	504670	Training	38	38	39	40
	507100	401k	431	432	444	454
	508101	Defined Contribution Plan	259	261	267	273
	534998	Benefit Overhead	9,525	10,368	9,811	10,032
	534999	General Overhead	490	531	505	516
	535000	Contract Services-Other	(2)	-	(2)	(2)
	535001	Contract Services-Temp Employee	225	225	232	237
	575000	Miscellaneous	-	27	-	-
	575340	Employee Expense P/R JE	10	39	10	10
	575350	Meals Deduct	15	11	16	16
	575351	Meals Non Deduct	15	11	16	16
	575620	Office & Admin Supplies	155	142	160	164
	575740	Telephone	17	18	17	18
	575741	Cell Phone	16	23	17	17
	675250	Comp Equip Hardware	28	-	29	30
Benefit Svc Ctr Total			31,007	31,950	31,937	32,656
Business Development	501200	Labor	34,006	41,523	35,026	35,815
	501711	Incentive Plan-Off-Annual	7,497	9,182	7,721	7,895
	504100	Group Ins Maintenance	(21)	-	(21)	(22)
	504500	Other Welfare Maintenance	42	3,150	44	45
	504670	Training	914	288	941	962
	507100	401k	200	205	206	211
	508101	Defined Contribution Plan	1,497	1,946	1,541	1,576
	532000	Contract Services-Accounting	728	-	750	767
	533000	Contract Services-Legal	566	-	583	596
	534998	Benefit Overhead	20,035	21,833	20,636	21,101
	534999	General Overhead	4,037	3,303	4,158	4,252
	535000	Contract Services-Other	394	241	406	415
	541000	Rents-Real Property	-	(319)	-	-
	541001	Rents-Real Property Intercompany	1,422	2,600	1,465	1,498
	550000	Transportation IT-Admin	66	22	67	69
	550005	Mileage Reimbursement Personal Vehicle	-	1	-	-
	575000	Miscellaneous	58	-	60	61
	575002	Misc General Office	10	-	10	10
	575340	Employee Expense P/R JE	2,911	2,368	2,998	3,066
	575342	Employee Exp Conf/Registration	480	485	494	505
	575350	Meals Deduct	531	304	547	560
	575351	Meals Non Deduct	531	304	547	560
	575620	Office & Admin Supplies	43	69	44	45
	575670	Relocation Expenses	120	8	124	126
	575715	Software Licenses & Support	2,196	1,994	2,262	2,313
	575740	Telephone	52	53	54	55
	575741	Cell Phone	115	158	118	121
	575998	PCard Undistributed	94	-	97	99
	675000	Misc Maintenance	4	4	4	4
Business Development Total			78,528	89,720	80,884	82,704

TENNESSEE AMERICAN WATER COMPANY
DOCKET NO 10-00189
SUPPLEMENTAL DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION
Response Supp 2-Q102

Tennessee American
Service Company Charges by Function and Object Account (with proforma adjustments)
Excluding Capital Costs

Function	Object Account	Object Account Description	Adjusted	Adjusted	Proforma	Proforma
			Actual 12 Month Mar-10	Actual 12 Month Sep-10	12 Month Mar-11	12 Month Dec-11
Business Transformation	501200	Labor	(75)	-	(78)	(79)
	501711	Incentive Plan-Off-Annual	(13)	-	(14)	(14)
	504100	Group Ins Maintenance	(4)	-	(4)	(4)
	504341	Defined Contr Supp Exec Retirement Plan Exp	(5)	-	(6)	(6)
	504342	401 K Restoration Exp	(33)	-	(34)	(35)
	504500	Other Welfare Maintenance	-	-	-	-
	504660	Tuition Aid	-	-	-	-
	504670	Training	-	(26)	-	-
	507100	401k	(1)	-	(1)	(1)
	508101	Defined Contribution Plan	(2)	-	(2)	(2)
	534998	Benefit Overhead	(60)	-	(62)	(63)
	534999	General Overhead	(154)	-	(159)	(162)
	535000	Contract Services-Other	-	(0)	-	-
	575000	Miscellaneous	534	534	550	563
	575340	Employee Expense P/R JE	(212)	(514)	(218)	(223)
	575350	Meals Deduct	(13)	(24)	(14)	(14)
	575351	Meals Non Deduct	(30)	(22)	(31)	(32)
	575620	Office & Admin Supplies	(5)	(30)	(5)	(5)
	575670	Relocation Expenses	-	-	-	-
	575740	Telephone	-	-	-	-
	575998	PCard Undistributed	-	(1)	-	-
	675250	Comp Equip Hardware	-	-	-	-
	722306	Gains Other Non-OR	9	-	9	9
Business Transformation Total			(66)	(83)	(68)	(70)
CSC	501200	Labor	452,553	441,560	466,130	476,618
	501210	Labor Non Scheduled Overtime	1,297	1,402	1,336	1,366
	501211	Labor Overtime	48,179	49,680	49,625	50,741
	501711	Incentive Plan-Off-Annual	8,686	8,658	8,947	9,148
	504100	Group Ins Maintenance	11,049	11,068	11,380	11,636
	504500	Other Welfare Maintenance	639	2,060	658	673
	504610	Employee Awards	3,300	2,920	3,399	3,476
	504670	Training	992	1,217	1,022	1,045
	507100	401k	3,496	3,520	3,601	3,682
	508101	Defined Contribution Plan	802	833	826	844
	531000	Contract Services-Engineering	14,280	3,850	14,709	15,040
	534998	Benefit Overhead	284,788	299,132	293,332	299,932
	534999	General Overhead	205,875	196,922	212,051	216,823
	535000	Contract Services-Other	5,273	1,102	5,431	5,553
	535001	Contract Services-Temp Employee	3,636	1,782	3,746	3,830
	541000	Rents-Real Property	13,450	14,554	13,854	14,165
	550002	Transportation Lease Fuel	-	1	-	-
	550005	Mileage Reimbursement Personal Vehicle	-	20	-	-
	575000	Miscellaneous	(53)	46	(54)	(55)
	575002	Misc General Office	-	21	-	-
	575250	Condemnation Costs	0	0	0	0
	575320	Electricity	7,555	7,808	7,782	7,957
	575340	Employee Expense P/R JE	2,256	2,865	2,324	2,376
	575342	Employee Exp Conf/Registration	262	299	270	276
	575350	Meals Deduct	204	365	210	215
	575351	Meals Non Deduct	204	365	210	215

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Function	Object Account	Object Account Description	Adjusted Actual 12 Month Mar-10	Adjusted Actual 12 Month Sep-10	Proforma 12 Month Mar-11	Proforma 12 Month Dec-11
	575480	Heat - Oil/Gas	232	238	239	244
	575500	Janitorial	-	-	-	-
	575610	Merger Transactional Costs	0	0	0	0
	575620	Office & Admin Supplies	67	95	69	71
	575625	Overnight Shipping	-	-	-	-
	575660	Postage	23	-	24	24
	575670	Relocation Expenses	697	589	718	734
	575715	Software Licenses & Support	402	361	414	424
	575740	Telephone	7,935	7,943	8,173	8,357
	575741	Cell Phone	825	846	850	869
	575998	PCard Undistributed	(12)	(3)	(12)	(13)
	675000	Misc Maintenance	2	-	2	2
	675250	Comp Equip Hardware	20	1	21	21
	675450	Office Equipment	-	7	-	-
	685325	FICA	-	68	-	-
CSC Total			1,078,918	1,062,196	1,111,285	1,136,289
External Affairs/Communication	501200	Labor	84,077	71,684	86,600	88,548
	501711	Incentive Plan-Off-Annual	15,114	13,364	15,568	15,918
	504100	Group Ins Maintenance	(12)	47	(13)	(13)
	504341	Defined Contr Supp Exec Retirement Plan Exp	20	-	21	21
	504342	401 K Restoration Exp	15	-	16	16
	504500	Other Welfare Maintenance	1,397	9,073	1,439	1,471
	504610	Employee Awards	-	7	-	-
	504660	Tuition Aid	-	159	-	-
	504670	Training	408	64	420	430
	507100	401k	1,060	800	1,092	1,117
	508101	Defined Contribution Plan	3,208	2,832	3,304	3,378
	534998	Benefit Overhead	27,702	30,984	28,533	29,175
	534999	General Overhead	4,771	5,115	4,914	5,024
	535000	Contract Services-Other	17,962	18,946	18,501	18,917
	541000	Rents-Real Property	978	(136)	1,007	1,030
	541001	Rents-Real Property Intercompany	1,438	2,453	1,482	1,515
	541400	Rents-Equipment	6	6	6	6
	550000	Transportation IT-Admin	530	187	546	558
	550002	Transportation Lease Fuel	10	-	10	10
	550005	Mileage Reimbursement Personal Vehicle	-	61	-	-
	575000	Miscellaneous	3,169	3,225	3,264	3,337
	575002	Misc General Office	137	121	141	145
	575250	Condemnation Costs	69	-	71	72
	575320	Electricity	22	17	22	23
	575340	Employee Expense P/R JE	6,379	6,484	6,571	6,719
	575342	Employee Exp Conf/Registration	438	572	451	461
	575350	Meals Deduct	377	277	389	398
	575351	Meals Non Deduct	378	277	389	398
	575620	Office & Admin Supplies	352	512	363	371
	575625	Overnight Shipping	61	48	63	64
	575670	Relocation Expenses	-	3,554	-	-
	575715	Software Licenses & Support	2,050	519	2,111	2,159
	575740	Telephone	200	200	206	211
	575741	Cell Phone	612	910	630	644

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Function	Object Account	Object Account Description	Adjusted Actual 12 Month Mar-10	Adjusted Actual 12 Month Sep-10	Proforma 12 Month Mar-11	Proforma 12 Month Dec-11
	575998	PCard Undistributed	(90)	33	(92)	(94)
	675000	Misc Maintenance	4	4	4	4
	675250	Comp Equip Hardware	35	(103)	36	37
	722306	Gains Other Non-OR	73	-	75	77
External Affairs/Communication Total			172,948	172,295	178,137	182,145
Finance	501200	Labor	325,959	293,191	335,738	343,292
	501210	Labor Non Scheduled Overtime	50	106	51	52
	501711	Incentive Plan-Off-Annual	48,458	44,958	49,912	51,035
	504100	Group Ins Maintenance	(118)	62	(121)	(124)
	504341	Defined Contr Supp Exec Retirement Plan Exp	5	-	6	6
	504342	401 K Restoration Exp	1	-	1	1
	504500	Other Welfare Maintenance	3,596	4,590	3,704	3,787
	504610	Employee Awards	-	4	-	-
	504660	Tuition Aid	282	735	290	297
	504670	Training	829	1,615	854	873
	507100	401k	9,351	8,558	9,632	9,848
	508101	Defined Contribution Plan	10,120	8,792	10,423	10,658
	532000	Contract Services-Accounting	2,792	9,941	2,876	2,940
	533000	Contract Services-Legal	(146)	68	(150)	(153)
	534998	Benefit Overhead	117,133	116,037	120,647	123,361
	534999	General Overhead	18,893	16,300	19,460	19,897
	535000	Contract Services-Other	41,402	39,424	42,644	43,603
	535001	Contract Services-Temp Employee	7,734	3,757	7,966	8,146
	541000	Rents-Real Property	110	81	113	116
	541001	Rents-Real Property Intercompany	699	1,413	719	736
	550000	Transportation IT-Admin	607	222	626	640
	550002	Transportation Lease Fuel	100	100	103	106
	550005	Mileage Reimbursement Personal Vehicle	-	63	-	-
	575000	Miscellaneous	1,353	490	1,393	1,425
	575002	Misc General Office	260	462	268	274
	575320	Electricity	-	(33)	-	-
	575340	Employee Expense P/R JE	8,387	7,864	8,639	8,833
	575342	Employee Exp Conf/Registration	161	304	166	169
	575350	Meals Deduct	942	1,027	970	992
	575351	Meals Non Deduct	946	1,027	975	997
	575620	Office & Admin Supplies	1,216	2,554	1,253	1,281
	575660	Postage	-	8	-	-
	575670	Relocation Expenses	12,240	8,002	12,607	12,891
	575715	Software Licenses & Support	(21)	440	(21)	(22)
	575740	Telephone	804	284	828	846
	575741	Cell Phone	539	699	555	567
	575743	Wireless Service 1st	-	0	-	-
	575998	PCard Undistributed	(22)	16	(22)	(23)
	675000	Misc Maintenance	3	-	3	3
	675250	Comp Equip Hardware	-	5	-	-
	685430	Other Taxes and Licenses	18	-	19	19
	722306	Gains Other Non-OR	99	-	102	104
Finance Total			614,783	573,170	633,226	647,474
Human Resources	501200	Labor	74,567	74,256	76,804	78,532
	501210	Labor Non Scheduled Overtime	40	36	41	42

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	501211	Labor Overtime	30	105	31	32
	501711	Incentive Plan-Off-Annual	13,728	15,576	14,140	14,458
	504100	Group Ins Maintenance	(17)	50	(18)	(18)
	504341	Defined Contr Supp Exec Retirement Plan Exp	8	-	8	8
	504342	401 K Restoration Exp	6	-	6	6
	504500	Other Welfare Maintenance	3,047	6,386	3,138	3,209
	504610	Employee Awards	371	809	382	391
	504620	Employee Physical Exam	144	24	148	152
	504660	Tuition Aid	3,657	2,252	3,766	3,851
	504670	Training	1,481	1,203	1,525	1,560
	507100	401k	1,798	1,993	1,852	1,894
	508101	Defined Contribution Plan	2,482	2,298	2,557	2,614
	520100	Materials & Supplies Operations	42	119	43	44
	533000	Contract Services-Legal	2,740	6,799	2,823	2,886
	534998	Benefit Overhead	45,466	50,807	46,830	47,883
	534999	General Overhead	4,808	5,702	4,952	5,063
	535000	Contract Services-Other	29,588	26,278	30,475	31,161
	535001	Contract Services-Temp Employee	3,025	3,006	3,115	3,186
	541000	Rents-Real Property	358	(123)	369	377
	541001	Rents-Real Property Intercompany	547	994	563	576
	550000	Transportation IT-Admin	557	189	573	586
	550005	Mileage Reimbursement Personal Vehicle	-	93	-	-
	575000	Miscellaneous	196	103	202	206
	575002	Misc General Office	205	43	211	216
	575340	Employee Expense P/R JE	5,536	5,617	5,702	5,830
	575342	Employee Exp Conf/Registration	630	578	649	663
	575350	Meals Deduct	875	697	901	922
	575351	Meals Non Deduct	875	697	901	922
	575420	Forms	6	-	6	6
	575620	Office & Admin Supplies	658	709	678	693
	575625	Overnight Shipping	(4)	(4)	(4)	(4)
	575660	Postage	2	2	2	2
	575670	Relocation Expenses	3,323	4,884	3,423	3,500
	575715	Software Licenses & Support	3,704	2,959	3,816	3,901
	575740	Telephone	236	165	243	248
	575741	Cell Phone	750	615	773	790
	575998	PCard Undistributed	50	(68)	51	53
	675000	Misc Maintenance	15	25	15	16
	675450	Office Equipment	48	48	50	51
	722306	Gains Other Non-OR	49	-	50	51
Human Resources Total			205,626	215,921	211,794	216,560
Investor Relations	501200	Labor	3,154	3,245	3,249	3,322
	501711	Incentive Plan-Off-Annual	696	754	717	733
	504100	Group Ins Maintenance	(3)	-	(3)	(4)
	504341	Defined Contr Supp Exec Retirement Plan Exp	1	-	1	1
	504342	401 K Restoration Exp	1	-	1	1
	507100	401k	80	82	82	84
	508101	Defined Contribution Plan	158	162	163	167
	534998	Benefit Overhead	3,330	3,670	3,430	3,507
	534999	General Overhead	880	980	906	927

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Function	Object Account	Object Account Description	Adjusted Actual 12 Month Mar-10	Adjusted Actual 12 Month Sep-10	Proforma 12 Month Mar-11	Proforma 12 Month Dec-11
	535000	Contract Services-Other	3,025	3,924	3,116	3,186
	550000	Transportation IT-Admin	54	19	56	57
	550005	Mileage Reimbursement Personal Vehicle	-	7	-	-
	575000	Miscellaneous	3	-	3	3
	575002	Misc General Office	3	-	3	3
	575340	Employee Expense P/R JE	887	918	914	934
	575342	Employee Exp Conf/Registration	280	349	288	295
	575350	Meals Deduct	46	26	48	49
	575351	Meals Non Deduct	46	26	48	49
	575620	Office & Admin Supplies	52	125	53	54
	575625	Overnight Shipping	0	0	0	0
	575660	Postage	17	416	17	18
	575740	Telephone	33	54	34	35
	575741	Cell Phone	116	114	119	122
	575998	PCard Undistributed	-	115	-	-
	675000	Misc Maintenance	4	4	4	4
	722306	Gains Other Non-OR	15	-	15	16
Investor Relations Total			12,878	14,991	13,265	13,563
ITS	501200	Labor	269,015	287,895	277,086	283,320
	501210	Labor Non Scheduled Overtime	3,159	4,350	3,254	3,327
	501211	Labor Overtime	86	47	89	91
	501711	Incentive Plan-Off-Annual	24,224	28,277	24,951	25,512
	504100	Group Ins Maintenance	158	608	163	167
	504341	Defined Contr Supp Exec Retirement Plan Exp	7	-	8	8
	504342	401 K Restoration Exp	6	-	6	6
	504500	Other Welfare Maintenance	3,537	5,738	3,643	3,725
	504610	Employee Awards	19	4	19	20
	504620	Employee Physical Exam	62	62	64	65
	504660	Tuition Aid	1,584	2,009	1,631	1,668
	504670	Training	7,965	9,858	8,204	8,388
	507100	401k	6,017	6,431	6,198	6,337
	508101	Defined Contribution Plan	7,284	8,408	7,503	7,672
	534998	Benefit Overhead	91,434	97,652	94,177	96,296
	534999	General Overhead	432,724	491,620	445,706	455,734
	535000	Contract Services-Other	111,495	118,221	114,840	117,424
	535001	Contract Services-Temp Employee	3,232	4,437	3,329	3,404
	541000	Rents-Real Property	3,215	2,907	3,312	3,386
	541001	Rents-Real Property Intercompany	55	55	57	58
	550000	Transportation IT-Admin	134	39	138	141
	550001	Transportation Lease Cost	0	0	0	0
	550002	Transportation Lease Fuel	1	0	1	1
	550005	Mileage Reimbursement Personal Vehicle	-	221	-	-
	575000	Miscellaneous	1,110	1,186	1,144	1,169
	575002	Misc General Office	51	252	52	53
	575100	Bank Service Charges	84	84	87	88
	575250	Condemnation Costs	-	-	-	-
	575340	Employee Expense P/R JE	12,011	13,642	12,371	12,649
	575342	Employee Exp Conf/Registration	884	1,162	911	931
	575350	Meals Deduct	933	1,339	961	982
	575351	Meals Non Deduct	933	1,333	961	982

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Function	Object Account	Object Account Description	Adjusted	Adjusted	Proforma	Proforma
			Actual 12 Month Mar-10	Actual 12 Month Sep-10	12 Month Mar-11	12 Month Dec-11
	575480	Heat - Oil/Gas	211	-	217	222
	575620	Office & Admin Supplies	1,196	1,320	1,232	1,260
	575625	Overnight Shipping	38	27	39	40
	575670	Relocation Expenses	(42)	(80)	(43)	(44)
	575680	Research & Development Exp	1	1	1	1
	575710	Security Service	110	12	114	116
	575715	Software Licenses & Support	9,995	12,387	10,294	10,526
	575740	Telephone	2,650	2,500	2,730	2,791
	575741	Cell Phone	2,666	3,174	2,746	2,808
	575742	Data Lines	1,330	1,260	1,370	1,401
	575780	Trash Removal	-	17	-	-
	575998	PCard Undistributed	(118)	(19)	(121)	(124)
	675000	Misc Maintenance	5,562	530	5,729	5,858
	675250	Comp Equip Hardware	238	138	245	251
	675450	Office Equipment	-	3	-	-
	685325	FICA	-	227	-	-
	685350	SUTA	-	3	-	-
	721304	(blank)	134	(10)	138	141
	722306	Gains Other Non-OR	24	-	24	25
ITS Total			1,005,416	1,109,328	1,035,579	1,058,879
Laboratory	501200	Labor	40,674	40,672	41,894	42,837
	501210	Labor Non Scheduled Overtime	-	1	-	-
	501711	Incentive Plan-Off-Annual	2,483	2,590	2,558	2,616
	504100	Group Ins Maintenance	21	75	22	22
	504500	Other Welfare Maintenance	31	61	32	33
	504610	Employee Awards	105	83	108	111
	504620	Employee Physical Exam	-	4	-	-
	504670	Training	40	96	42	43
	507100	401k	855	887	881	901
	508101	Defined Contribution Plan	769	772	792	810
	534998	Benefit Overhead	19,666	20,519	20,256	20,712
	534999	General Overhead	32,406	30,643	33,378	34,129
	535000	Contract Services-Other	191	91	197	201
	535001	Contract Services-Temp Employee	25	97	26	27
	536000	Contract Services-Lab Testing	(10,351)	(10,614)	(10,662)	(10,901)
	541000	Rents-Real Property	24	110	25	25
	541400	Rents-Equipment	268	204	276	282
	550001	Transportation Lease Cost	-	0	-	-
	550002	Transportation Lease Fuel	2	1	2	2
	550005	Mileage Reimbursement Personal Vehicle	-	6	-	-
	575000	Miscellaneous	253	212	260	266
	575002	Misc General Office	1,662	2,068	1,712	1,750
	575260	Credit Line Fees	1	1	1	1
	575320	Electricity	-	-	-	-
	575340	Employee Expense P/R JE	231	241	238	244
	575342	Employee Exp Conf/Registration	26	26	27	27
	575350	Meals Deduct	43	51	44	45
	575351	Meals Non Deduct	43	51	44	45
	575460	Grounds Keeping	146	128	150	154
	575480	Heat - Oil/Gas	-	-	-	-

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Function	Object Account	Object Account Description	Adjusted Actual 12 Month Mar-10	Adjusted Actual 12 Month Sep-10	Proforma 12 Month Mar-11	Proforma 12 Month Dec-11
	575500	Janitorial	427	427	439	449
	575545	Lab Supplies	4,299	13,646	4,428	4,528
	575620	Office & Admin Supplies	16,008	5,557	16,489	16,860
	575625	Overnight Shipping	452	1,743	465	476
	575660	Postage	55	39	57	58
	575710	Security Service	84	212	86	88
	575715	Software Licenses & Support	74	126	76	78
	575740	Telephone	97	(88)	100	102
	575741	Cell Phone	37	34	38	39
	575780	Trash Removal	105	144	109	111
	575998	PCard Undistributed	(4)	(30)	(4)	(4)
	675000	Misc Maintenance	3,377	3,829	3,478	3,556
	675250	Comp Equip Hardware	57	86	59	60
	675350	HVAC Equipment	595	433	613	627
Laboratory Total			115,277	115,233	118,735	121,407
Legal	501200	Labor	46,957	48,589	48,366	49,454
	501210	Labor Non Scheduled Overtime	-	12	-	-
	501711	Incentive Plan-Off-Annual	9,612	10,618	9,901	10,124
	504100	Group Ins Maintenance	(26)	25	(27)	(28)
	504500	Other Welfare Maintenance	8	302	8	8
	504610	Employee Awards	-	4	-	-
	504620	Employee Physical Exam	81	81	83	85
	504670	Training	10	-	10	10
	507100	401k	1,060	1,177	1,092	1,117
	508101	Defined Contribution Plan	2,061	2,319	2,123	2,171
	533000	Contract Services-Legal	8,110	7,601	8,353	8,541
	533001	Contract Services-Litigation	(0)	-	(0)	(0)
	534998	Benefit Overhead	37,395	37,233	38,516	39,383
	534999	General Overhead	11,216	10,089	11,553	11,813
	535000	Contract Services-Other	5,075	4,572	5,228	5,345
	535001	Contract Services-Temp Employee	-	(199)	-	-
	541000	Rents-Real Property	-	(573)	-	-
	541001	Rents-Real Property Intercompany	2,551	4,981	2,627	2,686
	550000	Transportation IT-Admin	384	125	396	405
	550005	Mileage Reimbursement Personal Vehicle	-	47	-	-
	575000	Miscellaneous	395	333	407	416
	575002	Misc General Office	48	11	49	51
	575340	Employee Expense P/R JE	1,136	2,203	1,170	1,196
	575342	Employee Exp Conf/Registration	182	926	187	191
	575350	Meals Deduct	74	89	77	78
	575351	Meals Non Deduct	74	89	77	78
	575420	Forms	421	416	434	443
	575620	Office & Admin Supplies	112	82	116	118
	575670	Relocation Expenses	-	709	-	-
	575740	Telephone	61	104	63	65
	575741	Cell Phone	213	219	219	224
	575998	PCard Undistributed	(6)	(21)	(6)	(6)
	722306	Gains Other Non-OR	10	-	10	10
Legal Total			127,214	132,165	131,030	133,978
Operation Services	501200	Labor	103,527	104,327	106,633	109,032

TENNESSEE AMERICAN WATER COMPANY
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CONSUMER ADVOCATE AND PROTECTION DIVISION
Response Supp 2-Q102

Tennessee American
Service Company Charges by Function and Object Account (with proforma adjustments)
Excluding Capital Costs

Function	Object Account	Object Account Description	Adjusted	Adjusted	Proforma	Proforma
			Actual 12 Month Mar-10	Actual 12 Month Sep-10	12 Month Mar-11	12 Month Dec-11
	501210	Labor Non Scheduled Overtime	136	136	140	143
	501711	Incentive Plan-Off-Annual	11,656	12,335	12,006	12,276
	504100	Group Ins Maintenance	33	130	34	34
	504342	401 K Restoration Exp	9	-	9	9
	504500	Other Welfare Maintenance	131	194	135	138
	504610	Employee Awards	298	341	307	314
	504620	Employee Physical Exam	7	7	7	7
	504660	Tuition Aid	64	320	66	68
	504670	Training	457	701	471	481
	507100	401k	2,396	2,399	2,468	2,523
	508101	Defined Contribution Plan	404	377	416	426
	520100	Materials & Supplies Operations	55	55	56	58
	533000	Contract Services-Legal	193	86	199	203
	534998	Benefit Overhead	57,192	64,387	58,908	60,233
	534999	General Overhead	6,195	7,769	6,381	6,525
	535000	Contract Services-Other	4,288	618	4,417	4,516
	541000	Rents-Real Property	557	-	574	587
	541400	Rents-Equipment	23	-	24	24
	550000	Transportation IT-Admin	550	231	566	579
	550002	Transportation Lease Fuel	4	-	4	5
	550003	Transportation Lease Maintenance	-	-	-	-
	550005	Mileage Reimbursement Personal Vehicle	-	60	-	-
	575000	Miscellaneous	255	327	263	269
	575002	Misc General Office	12	12	12	12
	575340	Employee Expense P/R JE	10,697	9,905	11,018	11,265
	575342	Employee Exp Conf/Registration	356	988	367	375
	575350	Meals Deduct	1,391	1,551	1,432	1,465
	575351	Meals Non Deduct	1,391	1,551	1,432	1,465
	575620	Office & Admin Supplies	395	539	407	416
	575625	Overnight Shipping	486	391	500	512
	575660	Postage	0	-	0	0
	575670	Relocation Expenses	560	960	576	589
	575710	Security Service	8	535	9	9
	575715	Software Licenses & Support	203	698	209	214
	575740	Telephone	176	204	182	186
	575741	Cell Phone	922	784	949	971
	575742	Data Lines	26	26	27	27
	575820	Uniforms	-	48	-	-
	575998	PCard Undistributed	67	(68)	69	71
	620000	Materials & Supplies Maintenance	586	422	604	617
	675000	Misc Maintenance	3,227	1,283	3,323	3,398
	675250	Comp Equip Hardware	8	-	8	9
	722306	Gains Other Non-OR	42	-	43	44
Operation Services Total			208,981	214,625	215,250	220,093
Procurement	501200	Labor	32,782	31,720	33,765	34,525
	501711	Incentive Plan-Off-Annual	3,778	3,752	3,892	3,979
	504100	Group Ins Maintenance	18	69	18	19
	504500	Other Welfare Maintenance	178	190	184	188
	504660	Tuition Aid	76	395	78	80
	504670	Training	144	120	148	152

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Service Company Charges by Function and Object Account (with proforma adjustments)
Excluding Capital Costs

Function	Object Account	Object Account Description	Adjusted	Adjusted	Proforma	Proforma
			Actual 12 Month Mar-10	Actual 12 Month Sep-10	12 Month Mar-11	12 Month Dec-11
	507100	401k	784	759	808	826
	508101	Defined Contribution Plan	392	369	403	412
	534998	Benefit Overhead	13,503	12,436	13,908	14,221
	534999	General Overhead	699	659	720	736
	535000	Contract Services-Other	776	714	800	818
	550000	Transportation IT-Admin	76	25	78	80
	550005	Mileage Reimbursement Personal Vehicle	-	5	-	-
	575000	Miscellaneous	3	3	3	3
	575340	Employee Expense P/R JE	237	663	244	249
	575342	Employee Exp Conf/Registration	2	23	2	2
	575350	Meals Deduct	51	71	53	54
	575351	Meals Non Deduct	51	71	53	54
	575620	Office & Admin Supplies	160	77	165	168
	575740	Telephone	208	143	215	220
	575741	Cell Phone	398	384	410	419
	575998	PCard Undistributed	-	-	-	-
	675250	Comp Equip Hardware	3	-	3	3
	722306	Gains Other Non-OR	10	-	10	10
Procurement Total			54,328	52,649	55,958	57,217
Property	501200	Labor	-	-	-	-
	504100	Group Ins Maintenance	(13)	-	(13)	(13)
	504500	Other Welfare Maintenance	(13)	(6)	(13)	(14)
	504670	Training	-	-	-	-
	534998	Benefit Overhead	4,556	5,212	4,692	4,798
	534999	General Overhead	283,800	284,775	292,314	298,891
	535000	Contract Services-Other	8	8	8	8
	550003	Transportation Lease Maintenance	-	0	-	-
	575000	Miscellaneous	-	-	-	-
	575320	Electricity	(113)	-	(116)	(119)
	575340	Employee Expense P/R JE	(14)	-	(15)	(15)
	575350	Meals Deduct	-	-	-	-
	575351	Meals Non Deduct	-	-	-	-
	575620	Office & Admin Supplies	(40)	(192)	(42)	(43)
	575625	Overnight Shipping	-	10	-	-
	575660	Postage	-	-	-	-
	575740	Telephone	(1)	(5)	(1)	(1)
	575998	PCard Undistributed	(3)	4	(3)	(3)
	675000	Misc Maintenance	0	-	0	0
	810301	Interest Cap Lease-AW02	-	-	-	-
Property Total			288,167	289,804	296,812	303,490
Regulated Operations	501200	Labor	159,800	164,052	164,594	168,297
	501210	Labor Non Scheduled Overtime	272	272	280	286
	501711	Incentive Plan-Off-Annual	15,584	17,610	16,052	16,413
	504100	Group Ins Maintenance	(8)	37	(8)	(8)
	504342	401 K Restoration Exp	15	-	16	16
	504500	Other Welfare Maintenance	161	1,109	166	169
	504610	Employee Awards	27	29	28	28
	504620	Employee Physical Exam	206	118	212	217
	504660	Tuition Aid	21	1,790	21	22
	504670	Training	232	194	239	245

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Tennessee American
Service Company Charges by Function and Object Account (with proforma adjustments)
Excluding Capital Costs

Function	Object Account	Object Account Description	Adjusted Actual 12 Month Mar-10	Adjusted Actual 12 Month Sep-10	Proforma 12 Month Mar-11	Proforma 12 Month Dec-11
	507100	401k	2,427	3,212	2,500	2,556
	508101	Defined Contribution Plan	4,519	5,939	4,654	4,759
	520100	Materials & Supplies Operations	4	-	4	4
	533000	Contract Services-Legal	178	160	183	188
	534998	Benefit Overhead	122,420	100,738	126,093	128,930
	534999	General Overhead	105,513	99,417	108,679	111,124
	535000	Contract Services-Other	7,653	4,553	7,883	8,060
	541000	Rents-Real Property	1,054	(2,131)	1,086	1,110
	541001	Rents-Real Property Intercompany	10,605	19,405	10,923	11,169
	541400	Rents-Equipment	381	245	392	401
	550000	Transportation IT-Admin	426	143	439	449
	550001	Transportation Lease Cost	180	570	186	190
	550002	Transportation Lease Fuel	34	76	36	36
	550003	Transportation Lease Maintenance	4	9	4	4
	550005	Mileage Reimbursement Personal Vehicle	-	59	-	-
	575000	Miscellaneous	(12,450)	(14,864)	(12,823)	(13,112)
	575002	Misc General Office	87	57	89	91
	575340	Employee Expense P/R JE	8,384	5,738	8,635	8,829
	575342	Employee Exp Conf/Registration	2,064	1,399	2,126	2,174
	575350	Meals Deduct	1,497	1,230	1,542	1,577
	575351	Meals Non Deduct	1,292	1,230	1,331	1,361
	575420	Forms	33	27	34	35
	575545	Lab Supplies	2	-	2	2
	575620	Office & Admin Supplies	4,323	3,378	4,453	4,553
	575625	Overnight Shipping	96	88	99	101
	575660	Postage	105	23	108	110
	575670	Relocation Expenses	654	367	673	688
	575680	Research & Development Exp	9	9	9	9
	575715	Software Licenses & Support	148	233	153	156
	575740	Telephone	327	319	337	345
	575741	Cell Phone	162	445	167	171
	575998	PCard Undistributed	60	(356)	62	63
	575999	Purchased Card	-	-	-	-
	722306	Gains Other Non-OR	142	-	147	150
	760500	Non-Op Employee Exp Deduct	8	-	9	9
	810300	Interest Cap Lease-Outside	60	48	62	64
Regulated Operations Total			438,715	416,975	451,876	462,043
Regulatory Services	501200	Labor	4,592	4,207	4,730	4,836
	501711	Incentive Plan-Off-Annual	1,114	1,204	1,147	1,173
	504100	Group Ins Maintenance	(2)	-	(2)	(2)
	504500	Other Welfare Maintenance	-	3	-	-
	504670	Training	6	6	6	6
	507100	401k	31	9	32	32
	508101	Defined Contribution Plan	40	12	42	43
	534998	Benefit Overhead	3,613	3,724	3,722	3,805
	534999	General Overhead	352	1,060	363	371
	535000	Contract Services-Other	907	4,334	934	955
	550000	Transportation IT-Admin	118	40	122	125
	550005	Mileage Reimbursement Personal Vehicle	-	8	-	-
	575000	Miscellaneous	3,095	911	3,188	3,259

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Service Company Charges by Function and Object Account (with proforma adjustments)
Excluding Capital Costs

Function	Object Account	Object Account Description	Adjusted Actual 12 Month Mar-10	Adjusted Actual 12 Month Sep-10	Proforma 12 Month Mar-11	Proforma 12 Month Dec-11
	575340	Employee Expense P/R JE	911	737	939	960
	575342	Employee Exp Conf/Registration	128	59	132	135
	575350	Meals Deduct	34	37	35	36
	575351	Meals Non Deduct	34	37	35	36
	575620	Office & Admin Supplies	11	7	11	11
	575740	Telephone	2	2	2	2
	575741	Cell Phone	39	38	41	41
	722306	Gains Other Non-OR	30	-	31	32
Regulatory Services Total			15,056	16,434	15,508	15,857
SSC	501200	Labor	259,423	289,077	267,206	273,218
	501210	Labor Non Scheduled Overtime	4,860	1,593	5,005	5,118
	501211	Labor Overtime	19	19	19	20
	501711	Incentive Plan-Off-Annual	22,279	27,509	22,947	23,463
	504100	Group Ins Maintenance	36	282	37	38
	504500	Other Welfare Maintenance	519	572	534	546
	504610	Employee Awards	57	104	59	60
	504620	Employee Physical Exam	-	-	-	-
	504660	Tuition Aid	1,672	1,613	1,722	1,761
	504670	Training	1,782	1,377	1,836	1,877
	507100	401k	5,948	7,068	6,126	6,264
	508101	Defined Contribution Plan	5,423	6,892	5,586	5,711
	534998	Benefit Overhead	103,176	117,226	106,271	108,662
	534999	General Overhead	9,698	10,663	9,989	10,214
	535000	Contract Services-Other	7,294	8,911	7,513	7,682
	535001	Contract Services-Temp Employee	1,424	429	1,466	1,499
	536000	Contract Services-Lab Testing	6	1	6	6
	550000	Transportation IT-Admin	265	78	273	279
	550002	Transportation Lease Fuel	1	1	1	1
	550005	Mileage Reimbursement Personal Vehicle	-	7	-	-
	575000	Miscellaneous	(5,850)	(3,664)	(6,025)	(6,161)
	575002	Misc General Office	572	616	589	602
	575340	Employee Expense P/R JE	1,515	1,379	1,560	1,595
	575342	Employee Exp Conf/Registration	145	116	150	153
	575350	Meals Deduct	357	465	367	376
	575351	Meals Non Deduct	357	430	367	376
	575610	Merger Transactional Costs	1	-	1	1
	575620	Office & Admin Supplies	786	443	810	828
	575670	Relocation Expenses	42	10	43	44
	575715	Software Licenses & Support	(133)	(127)	(137)	(140)
	575740	Telephone	38	59	39	40
	575741	Cell Phone	226	277	232	238
	575998	PCard Undistributed	(1)	-	(1)	(1)
	675000	Misc Maintenance	6	1	6	6
	675250	Comp Equip Hardware	170	41	175	179
	675450	Office Equipment	77	(4)	79	81
	685325	FICA	-	25	-	-
	685350	SUTA	-	4	-	-
	685430	Other Taxes and Licenses	18	10	18	19
SSC Total			422,205	473,504	434,871	444,656
Total			4,965,086	5,048,200	5,114,039	5,229,105

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Excluding Capital Costs

			Adjusted Actual 12 Month Mar-10	Adjusted Actual 12 Month Sep-10	Proforma 12 Month Mar-11	Proforma 12 Month Dec-11
Function	Object Account	Object Account Description				
Adjustments:						
		Misc P-Card Charges & Rounding	(2,915)		(3,003)	(3,071)
Total Management Fees			4,962,171	5,048,200	5,111,036	5,226,034

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

Responsible Witness:

Question:

123. In testimony before the Kentucky Public Service Commission, Mr. Mike Miller testified that weather normalization had been used in Tennessee since 1989. In TAWC's appeal of Docket 08-00039, the Company utilizes pre-filed testimony from a 1991 Tennessee Public Service Commission ("TPSC") in support of its position on Dr. Spitznagel's weather normalization adjustment. The TRA does not maintain public records of TPSC dockets. Provide copies of all testimony and final orders of the rate cases, from 1985 through 1995, filed by TAWC before the TPSC that are in the company's possession.

Response:

The Company objects to this request on the grounds that it is overly broad, unduly burdensome and seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. In addition, most of the pertinent data was in the working papers and accounting exhibits which are not part of the case files maintained by the Company for each TAWC rate case.

Without waiving these objections, the Company has reviewed the orders and testimony in its rate case files and provides the testimony of Mr. Edwin Oxley and Mr. Edward Grubb, employees of AWWSC who provided testimony concerning the weather normalization issue in the Company's 1991 and 1996 rate cases which both ended in settlement. In Mr. Oxley's testimony in the 1991 case, (beginning on page 3, question and answer 10) he indicates the Company used the weather normalization approach used by the Staff in the Company's previous rate case (case number TPSC U-89-15388). In Mr. Grubb's testimony from the 1996 rate case (Case number U-96-00959) he again describes (beginning on page 3-line 15 and continuing to page 6 line 9) that the Company utilized the regression model developed by the Tennessee Public Service Commission Staff and has been used by the Staff in the last three rates cases.

Copies of the testimony of Mr. Oxley and Mr. Grubb are attached to this response and identified as TN-CAPD-SUPPLEMENTAL-Q123-ATTACHMENT. The Company could find no other mention of WNA because its historical TAWC rate case records are limited and presumably because the cases ended in settlement with no dispute or issue regarding the WNA approach.

December 8, 2010 Supplemental Response:

As stated during the December 2, 2010 meet and confer, the Company will make its copy of all rate case testimony and final orders from 1985 through 1995 available at the offices of Bass, Berry & Sims, PLC for inspection and copying.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

**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

AFFIDAVIT

STATE OF WEST VIRGINIA

COUNTY OF KANAWHA

I, MICHAEL A. MILLER, Treasurer/Comptroller for Tennessee American Water Company, do hereby certify that the foregoing responses to the First Supplemental Responses to the Consumer Advocate and Protection Division's Data Requests #39, 40, 59, 60, 61, 67, 81, 102, 123 and Second Supplemental Responses to #35 and 43 were prepared by me or under my supervision and are true and accurate to the best of my knowledge and information.

DATED this 27th day of December, 2010.

Michael A. Miller
(signature)

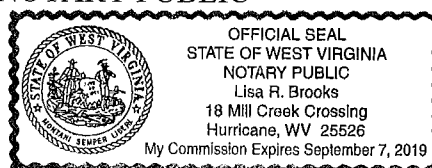
MICHAEL A. MILLER
(printed name)

Sworn to and subscribed before me this 27th day of December, 2010.

My Commission Expires:

September 7, 2019

Lisa R. Brooks
NOTARY PUBLIC



CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served by way of the method(s) indicated, on this the 8th day of December, 2010, upon the following:

<input checked="" type="checkbox"/> Hand-Delivery	Ryan McGehee, Esq.
<input type="checkbox"/> U.S. Mail	Mary L. White, Esq.
<input type="checkbox"/> Facsimile	Counsel for the Consumer Advocate
<input type="checkbox"/> Overnight	and Protection Division
<input checked="" type="checkbox"/> Email	OFFICE OF THE ATTORNEY GENERAL
	425 5th Avenue North, 2nd Floor
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<input type="checkbox"/> Hand-Delivery	David C. Higney, Esq.
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<input type="checkbox"/> Facsimile	Manufacturers Association
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<input checked="" type="checkbox"/> Overnight	OFFICE OF THE CITY ATTORNEY
<input checked="" type="checkbox"/> Email	100 East 11 th Street, Suite 200
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	Chattanooga, TN 37402

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227 Second Avenue North
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12.12 Munnies