

# BASS

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BERRY • SIMS<sub>PLC</sub>

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**David Killion**  
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January 28, 2011

**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 01/28/11

**Re: Docket No. 10-00189: *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***

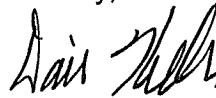
Dear Chairman Freeman:

Enclosed please find an original and five (5) sets of copies of Tennessee American Water Company's January 28<sup>th</sup> Supplemental Response to the Consumer Advocate and Protection Division's Second Discovery Request.

Please file the original and four copies of the Motion and stamp the additional copy as "filed." Then please return the stamped copy 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.

Sincerely,



David Killion

Enclosures

January 28, 2011

Page 2

cc: Mr. David Foster, Chief of Utilities Division  
Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division  
Ryan McGehee, Esq.  
Mary L. White, Esq.  
David C. Higney, Esq.  
Henry M. Walker, Esq.  
Michael A. McMahan, Esq.  
Valerie L. Malueg, Esq.  
Frederick L. Hitchcock, Esq.  
Harold L. North, Jr., Esq.  
Mark Brooks, Esq.  
Scott H. Strauss, Esq.  
Katharine M. Mapes, Esq.  
Donald L. Scholes, Esq.

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

**Responsible Witness: Michael A. Miller**

**Question:**

1. Please provide the amounts, accounts and dates for each journal entry on TAWC's books to record the "level of rate base reduction...in the Company's filing related to deferred income taxes-capitalized repairs (net of the FIN 49 reserve)." "Refer to Mike Miller's Direct Testimony, page 63, line 16-17. Provide the response in excel format.

**Response:**

Please refer to the enclosed CD and Excel document labeled as TN-CAPD-02-Q1-ATTACHMENT.

**January 28, 2011 Supplemental Response:**

The catch-up capitalized repairs for 2001-2008 were recorded as part of the tax provision for the Company (on the general ledger of the Company) in November 2009 after the final 2008 Income Tax Return was filed. Please see the attached tax provision entry for the Company recorded in November 2009, labeled as TN-CAPD-02-Q1-ATTACHMENT 2.

Journal Entry

Model (Y) ☐ Reverse or Void (RV) ☐

Document Type: JE

Document Number/Co: 38906522 09026 Explanation: Tax Provision to Return Adj

G/L Date: 11/30/09 Batch Number: 4487906 Home BU

Remaining: Ref: 1

Skip to Line:

Account No.	Subl/WOH	Amount	Explanation 2
260205.236240		161,746.00	Provision To Return
260205.690220.002		161,746.00	Provision To Return
260205.690720.002		161,746.00	Provision To Return
260205.253701		161,746.00	Provision To Return
260205.236240		503,097.00	Provision To Return
260205.690220.002		503,097.00	Provision To Return
260205.690720.002		503,097.00	Provision To Return
260205.253701		503,097.00	Provision To Return
260205.236220		63,611.00	Provision To Return
260205.690120.002		63,611.00	Provision To Return
260205.690620.002		63,611.00	Provision To Return
260205.253301		63,611.00	Provision To Return

F5=Make New Model F6=JE F15=Model JE's F13=Acct Master F24=More Keys

Provision to return adj for 2008 return  
includes 2001-2008 exp. repairs

Capitalized repairs is imbedded in the totals along with  
other 2008 adjustments

Journal Entries

Functions: Tools: Help:

Model (M) ☐ Reverse or Void (RV) ☐

Document Type: JE

Document Number/Co: 99905522 99025 Explanation: Tax Provision to Return Adj

G/L Date: 11/30/09 Batch Number: 4467980 Home BU

Remaining: Ref: 1

Skip to Line:

Account No.	Sub L/V0#	T	Amount	Explanation 2
260205.236220			204,084.00	Provision To Return
260205.690120.002			204,084.00	Provision To Return
260205.690620.002			204,084.00	Provision To Return
260205.253301			204,084.00	Provision To Return
260205.236240			1,300.00	Provision To Return
260205.690220.002			1,300.00	Provision To Return
260205.236220			483.00	Provision To Return
260205.690120.002			483.00	Provision To Return

F5=Make New Model F6=% JE F15=Model JE's F13=Acct Master F24=More Keys

**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 response to the Supplemental Response to the Second Data Requests of the Consumer Advocate and Protection Division's #1 was prepared by me or under my supervision and are true and accurate to the best of my knowledge and information.

DATED this 27<sup>th</sup> day of January, 2011.

Michael A. Miller  
(signature)

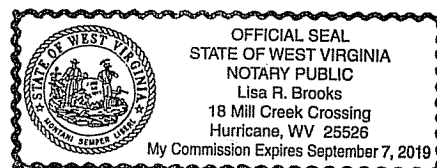
Michael A. Miller  
(printed name)

Sworn to and subscribed before me this 27<sup>th</sup> day of January, 2011.

Lisa R. Brooks  
NOTARY PUBLIC

My Commission Expires:

September 7, 2019



## 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 28<sup>th</sup> day of January, 2011, 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
	Nashville, TN 37243-0491
<input type="checkbox"/> Hand-Delivery	David C. Higney, Esq.
<input checked="" type="checkbox"/> U.S. Mail	Counsel for Chattanooga Regional
<input type="checkbox"/> Facsimile	Manufacturers Association
<input type="checkbox"/> Overnight	GRANT, KONVALINKA & HARRISON, P.C.
<input checked="" type="checkbox"/> Email	633 Chestnut Street, 9th Floor
	Chattanooga, TN 37450
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	Nashville, TN 37203
<input type="checkbox"/> Hand-Delivery	Michael A. McMahan, Esq.
<input checked="" type="checkbox"/> U.S. Mail	Valerie L. Malueg, Esq.
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<input type="checkbox"/> Overnight	OFFICE OF THE CITY ATTORNEY
<input checked="" type="checkbox"/> Email	100 East 11 <sup>th</sup> Street, Suite 200
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<input type="checkbox"/> Hand-Delivery	Frederick L. Hitchcock, Esq.
<input checked="" type="checkbox"/> U.S. Mail	Harold L. North, Jr., Esq.
<input type="checkbox"/> Facsimile	Counsel for City of Chattanooga
<input type="checkbox"/> Overnight	CHAMBLISS, BAHNER & STOPHEL, P.C.
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	Two Union Square
	Chattanooga, TN 37402

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☒ Email

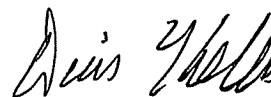
Mark Brooks, Esq.  
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