

# BASS

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February 14, 2011

filed electronically in docket office on 02/14/11

**VIA HAND DELIVERY**

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

**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***

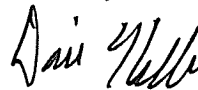
Dear Chairman Freeman:

Enclosed please find an original and five (5) sets of copies of Tennessee American Water Company's Supplemental Response to the TRA's Second Set of Data Requests, Question No. 138.

Please file the original and four copies of this material 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

Enclosure

cc: Mr. David Foster, Chief of Utilities Division (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)

Chairman Mary Freeman  
February 14, 2011  
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Michael A. McMahan, Esq. (w/ enclosure)  
Valerie L. Malueg, Esq. (w/ enclosure)  
Frederick L. Hitchcock, Esq. (w/ enclosure)  
Harold L. North, Jr., Esq. (w/ enclosure)  
Mark Brooks, Esq. (w/ enclosure)  
Scott H. Strauss, Esq. (w/ enclosure)  
Katharine M. Mapes, Esq. (w/ enclosure)  
Donald L. Scholes, Esq. (w/ enclosure)

9238759.1

**TENNESSEE AMERICAN WATER COMPANY**  
**Docket No. 10-00189**  
**Tennessee Regulatory Authority Staff Data Request No. 2**

**Responsible Witness:**     **Sheila Miller**

**RATE BASE**

**Question:**

138.    Provide the account balances at the end of each month from April 2010 through September 2010 for each rate base item.

**Response:**

See attached schedule identified as TN-TRA-02-Q138-ATTACHMENT.

**Supplemental Response:**

See the attached revised schedule identified as TN-TRA-02-Q138-SUPPLEMENTAL ATTACHMENT. Negative salvage was correctly reclassified in the accumulated depreciation balance in the original response, but the original response also inadvertently included the net negative salvage in the accumulated deferred income tax balance and net.

Tennessee American Water Company  
TN-TRA-02-Q138-SUPPLEMENTAL ATTACHMENT  
Exhibit 1 Schedule 2 Page 1

Line No.		Per Books Rate Base 4/30/10	Per Books Rate Base 5/31/10	Per Books Rate Base 6/30/10	Per Books Rate Base 7/31/10	Per Books Rate Base 8/31/10	Per Books Rate Base 9/30/10
1	<u>Additions</u>						
2	Utility Plant in Service (UPIS)	\$210,852,380	\$211,942,905	\$212,788,477	\$213,138,004	\$214,027,840	\$214,348,112
3	Construction Work in Progress	3,533,105	4,075,445	4,839,031	5,797,510	5,531,822	5,889,966
4	Utility Plant Capital Lease	1,590,500	1,590,500	1,590,500	1,590,500	1,590,500	1,590,500
5	Deferred Maintenance	0	0	0	0	0	0
6	Limited-Term Utility Plant - Net	0	0	0	0	0	0
7	Working Capital	1,011,258	1,011,258	1,011,258	1,011,258	1,011,258	1,011,258
8	same as original filing						
9	Total Additions	216,987,243	218,620,108	220,229,266	221,537,272	222,161,420	222,839,836
10	<u>Deductions</u>						
11	Accumulated Provision for Depreciation UPIS incl NNS	66,960,310	67,290,988	67,643,947	67,923,705	68,276,017	68,528,499
12	RWIP	0	0	0	0	0	0
13	Accumulated Amortization of Utility Plant Capital Lease	1,263,564	1,272,400	1,281,236	1,290,072	1,298,908	1,307,744
14	Deferred Income Taxes-less NNS	20,231,008	20,438,863	20,606,903	20,403,570	20,635,260	22,638,057
15	Customer Advances for Construction-incl current portion reclassified	6,165,332	6,115,354	6,036,293	5,986,386	6,054,070	5,641,527
16	Contributions in Aid of Construction	9,511,447	9,522,484	9,526,842	9,523,928	9,518,884	9,516,434
17	Unamortized Investment Tax Credit	30,511	30,253	29,995	29,737	29,479	29,221
18	Utility Plant Acquisition Adjustment	62,999	62,375	61,751	61,127	60,503	59,879
19	Total Deductions	104,225,171	104,732,717	105,186,967	105,218,525	105,873,121	107,721,361
20	Rate Base	112,762,072	113,887,390	115,042,299	116,318,747	116,288,299	115,118,475

Note 1: Per books based on SFAS 109, not recognized by the TRA in Case # 08-00039. The Company did a distinct calculation of ADIT for the attrition year for two items that are normalized for rate recovery - book/tax timing differences on depreciation and capitalized repairs.

**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 Tennessee Regulatory Authority #138 was prepared by me or under my supervision and are true and accurate to the best of my knowledge and information.

DATED this 14<sup>th</sup> day of February, 2011.

Michael A. Miller  
(signature)

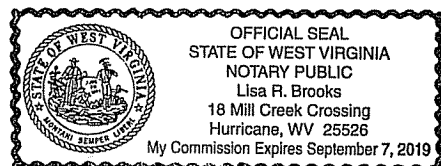
Michael A. Miller  
(printed name)

Sworn to and subscribed before me this 14<sup>th</sup> day of February, 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 14<sup>th</sup> day of February, 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
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	Nashville, TN 37243-0491
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