

BASS

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February 14, 2011

VIA HAND DELIVERY

filed electronically in docket office on 02/14/11

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*

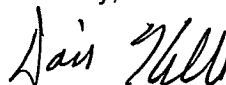
Dear Chairman Freeman:

Enclosed please find an original and five (5) sets of copies of Tennessee American Water Company's Notice of Filing of Revised Accounting Exhibits and Work Papers.

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. Paul Greene (w/enclosure)
Mr. Pat Murphy (w/enclosure)
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)

Chairman Mary Freeman
February 14, 2011
Page 2

Henry M. Walker, Esq. (w/ enclosure)
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)

9238676.1

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

IN RE:

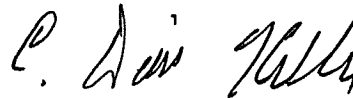
**PETITION OF TENNESSEE AMERICAN
WATER COMPANY TO CHANGE AND
INCREASE CERTAIN RATES AND
CHARGES SO AS TO PERMIT IT TO
EARN A FAIR AND ADEQUATE RATE
OF RETURN ON ITS PROPERTY USED
AND USEFUL IN FURNISHING WATER
SERVICE TO ITS CUSTOMERS**

Docket No. 10-00189

NOTICE OF FILING OF REVISED ACCOUNTING EXHIBITS AND WORK PAPERS

Tennessee American Water Company ("TAWC") hereby provides this notice of filing of its revised accounting exhibits and work papers. The Tennessee Regulatory Authority, through Mr. Paul Green, has requested that TAWC provide revised accounting exhibits and work papers that reflect any revisions noted in TAWC's pre-filed rebuttal testimony. Accordingly, TAWC is now giving notice of the filing of the attached revised accounting exhibits and work papers. The native versions of all revised accounting exhibits and work papers are included on an enclosed compact disk.

Respectfully submitted this 14th day of February, 2011.



R. Dale Grimes (#006332)
E. Steele Clayton (#017298)
C. David Killion (#026412)
BASS, BERRY & SIMS PLC
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Nashville, TN 37201
(615) 742-6200

*Attorneys for Tennessee American
Water Company*

**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 Revised Accounting Exhibits and Schedules were prepared by me or under my supervision and are true and accurate to the best of my knowledge and information.

DATED this 14th day of February, 2011.

Michael A. Miller
(signature)

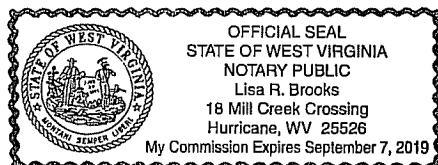
Michael A. Miller
(printed name)

Sworn to and subscribed before me this 14th day of February, 2011.

Lisa R. Brooks
NOTARY PUBLIC

My Commission Expires:

September 7, 2019



Overall Financial Summary

Tennessee Regulatory Authority
Company: Tennessee-American Water Company
Case No:

Test Year: Twelve Months Ended: March 31, 2010
Revised Exhibit No. 1, Schedule 1
Page 1 of 1

Line No.	Description	Reference to Supporting Exhibit	Proposed Test Year
1			
2			
3			
4			
5			
6			
7	Rate Base	Exhibit 1, Schedule 2	\$125,542,765
8			
9	Operating Income at Attrition Year Present Rates	Exhibit 2, Schedule 1	3,886,867
10			
11	Earned Rate of Return		3.100%
12			
13	Rate of Return	Exhibit 3, Schedule 1	8.380%
14			
15	Required Operating Income		10,520,484
16			
17	Operating Income Deficiency		6,633,617
18			
19	Gross Revenue Deficiency Factor		1,67319346
20			
21	Revenue Deficiency		11,099,325
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**Tennessee Regulatory Authority
Company: Tennessee-American Water Company
Case No:**

Line	No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
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Attrition Year Rate Base
Footnotes

Tennessee Regulatory Authority
Company: Tennessee-American Water Company
Case No:

Test Year: Twelve Months Ended: March 31, 2010
Revised Exhibit No. 1, Schedule 2
Page 2 of 3

Line No.	FOOTNOTE REFERENCE	DESCRIPTION	AMOUNT
1			
2			
3			
4			
5			
6			
7	(1)	Net Additions to UPIS through December 31, 2011 (13 month average)	\$16,012,217
8	(2)	Adjustment to CWP through December 31, 2011 (13 month average)	354,257
9	(3)	Adjustment to Deferred Maintenance	0
10	(4)	Adjustment to Limited-Term Utility Plant - Net	0
11			
12	(5)	Adjustment to Accumulated Provision for Depreciation of UPIS	5,978,096
13			
14	(6)	Adjustment to Accumulated Amortization of Utility Plant - Capital Lease	132,542
15			
16	(7)	Adjustment to Deferred Income Taxes	(3,477,553)
17			
18	(8)	Change in Customer Advances	187,001
19			
20	(9)	Change in Contributions in Aid of Construction	685,305
21			
22	(10)	Change in Unamortized Investment Tax Credit	(3,870)
23			
24	(11)	Adjustment to Utility Plant Acquisition Adjustment	(9,669)
25			
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Revised Accounting Exhibits per Company Rebuttal Testimony
Revised Exhibit No. 1 Rate Base Sch 1 thru 3
Page 4 of 19

Test Year: Twelve Months Ended: March 31, 2010
Exhibit No. 1, Schedule 2
Page 3 of 3

Net Additions to Utility Plant in Service & 13 Month Average
From End of Test Year to End of Forecasted Period

Tennessee Regulatory Authority
Company: Tennessee-American Water Company
Case No:

Line No.	Account Number	Account Description	2010 Net Additions	2011 Net Additions	Net Additions to Utility Plant in Service 4/1/10 - 12/31/11	13 month average Utility Plant in Service @ 12/31/11
1	301000	Organization	\$0	\$0	\$460,000	860,965
2	303000	Land & Land Rights	\$210,000	\$250,000	\$0	144,499
3	303000	Comprehensive Planning Study	\$0	\$0	\$0	47,382
4	304100	SS Structures	\$0	\$0	\$355,510	4,266,507
5	304200	Pumping Structures	\$318,507	\$37,003	\$5,456,750	7,408,035
6	304300	Water Treatment Structures	\$5,214,642	\$244,108	\$0	1,864,808
7	304300	Water Treatment Structures-Depr	\$0	\$0	\$0	524,049
8	304301	T & D Structures	\$0	\$0	\$0	394,768
9	304400	Office Structures	\$0	\$0	\$0	312,642
10	304600	Stores, Shop, & Garage Structures	\$0	\$0	\$0	654,998
11	304700	Miscellaneous Structures	\$0	\$0	\$0	488,123
12	304800	Lakes, Rivers, & Other Intakes	\$0	\$0	\$0	603,634
13	305000	Supply Mains	\$0	\$0	\$0	227,422
14	309000	Power Generation Equipment	\$243,574	\$173,430	\$417,004	5,809,060
15	310100	Electric Pumping Equipment	\$0	\$0	\$0	119,296
16	311200	Deisel Pumping Equipment	\$0	\$0	\$0	420,932
17	311300	Water Treatment Equipment	\$6,524	\$6,524	\$13,048	12,612,181
18	311500	Granular Activated Carbon	\$214,000	\$175,000	\$214,000	442,199
19	320100	T & D Reservoirs & Standpipes	\$105,556	\$175,000	\$280,556	8,510,563
20	330000	T & D Reservoirs & Standpipes-Painting	\$0	\$0	\$0	3,477,221
21	330003	Ground Level Facilities	\$0	\$0	\$0	2,571
22	330300	Clearwells	\$0	\$0	\$0	660,784
23	330400	T & D Mains not Classified	\$0	\$0	\$0	2,039,803
24	331001	T & D Mains - Mains (4" or less)	\$50,000	\$329,454	\$379,454	5,349,391
25	331100	T & D Mains - Mains (6" - 8")	(\$1,936)	(\$1,158)	(\$43,094)	1,458
26	331200	T & D Mains - Mains (8" - 10")	\$1,669,345	\$2,590,300	\$4,259,645	67,319,898
27	331210	T & D Mains - Mains (10" - 16")	\$0	\$0	\$0	9,818,243
28	331300	T & D Mains - Mains (16" - 24")	\$1,910,306	\$1,043,596	\$2,953,902	27,319,258
29	331350	T & D Mains - Mains (24" or More)	\$1,025,171	\$1,193,441	\$2,218,612	22,657,563
30	333000	Meters	\$388,012	\$510,208	\$898,220	5,096,755
31	334100	Meters-Metal Cases/Old Style	\$0	\$0	\$0	3,274,936
32	334130	Meters - Plastic Case	\$0	\$0	\$0	0
33	334120	Meters - rem rd	\$0	\$0	\$0	17,907
34	334131	Meter Installations	\$481,812	\$503,368	\$1,085,180	11,757,828
35	334200	Hydrants	\$304,067	\$390,191	\$594,258	8,538,535
36	335000	Other PIE SS	\$0	\$0	\$0	8,526
37	335200	Office Furniture	\$76,340	\$40,359	\$116,699	591,338
38	340100	Computer & Peripheral Equipment	\$37,577	\$181,650	\$219,227	319,777
39	340200	Computer & Mainframe Equipment	\$0	\$0	\$0	603,486
40	340210	Computer & Periph Personal	\$2,400	\$23,826	\$26,226	353,178
41	340220	Computer & Periph Other	\$0	\$0	\$0	294,721
42	340230	Computer Software	\$15,500	\$6,992	\$22,492	431,702
43	340300	Computer Software Mainframe	\$0	\$0	\$0	3,535,059
44	340310	Computer Software Personal	\$0	\$0	\$0	177,213
45	340320	Computer Software Other	\$0	\$0	\$0	14,222
46	340330	Data Handling Equipment	\$0	\$0	\$0	15,284
47	340400	Light Trucks	\$221,467	\$37,100	\$258,567	55,208
48	340500	Heavy Trucks	\$159,903	\$234,800	\$394,703	1,204,633
49	341100	Automobiles	(\$2,700)	\$106,720	\$104,020	1,308,188
50	341200	Transportation-Other	\$0	\$0	\$0	261,215
51	341300	Stores Equipment	\$0	\$0	\$0	452,786
52	341400	Tools, Shop, & Garage Equipment	\$58,477	\$87,844	\$146,321	43,392
53	342000	Laboratory Equipment	\$91,500	\$21,500	\$31,000	1,290,439
54	343000	Power Operated Equipment	\$0	\$0	\$0	419,542
55	344000	Communication Equipment	\$0	\$0	\$0	287,033
56	345000	Communication Equipment-Telephone	\$0	\$0	\$0	517,256
57	346100	Miscellaneous Equipment	\$5,684	\$6,684	\$12,368	90,325
58	346200	Other Tangible Plant	\$0	\$0	\$0	1,110,618
59	347000	Total Plant in Service	12,723,728	8,252,940	20,976,668	4,918
60	348000					226,384,490
61						
62						

JDE	UPLS	MRUC	Balance	410	410 Balance	510	510 Balance	610	610 balance	710	710 balance	810
Active	Description	PSN	310	410	410 Balance	510	510 Balance	610	610 balance	710	710 balance	810
301000	General	301	0.00	-	-	-	-	-	-	-	-	-
301300	Land & Ld Rights - PU	301	73,444	-	73,444	-	73,444	-	73,444	-	73,444	-
301400	Land & Ld Rights - WT	330	18,009	-	-	-	18,009	-	18,009	-	18,009	-
301500	Land & Ld Rights - TD	340	55,450	-	210,000	-	-	-	265,450	-	265,450	-
301600	T & D Land	340	307,484	-	-	-	-	-	307,484	-	307,484	-
301700	T & D Rights of Way	340	133,094	-	-	-	-	-	133,094	-	133,094	-
301800	Oil Res & Stand Land	340	0.00	-	-	-	-	-	-	-	-	-
301900	Land & Ld Rights - AG	349	25,022	-	25,022	-	25,022	-	25,022	-	25,022	-
302000	Struct & Improv - SS	311	47,382	-	-	-	47,382	-	47,382	-	47,382	-
302100	Struct & Improv - PU	321	3,933,768	-	-	-	3,933,768	-	3,933,768	-	3,933,768	-
302200	Struct & Improv - WT	331	2,129,558	-	-	-	2,129,558	-	2,129,558	-	2,129,558	-
302300	Struct & Improv - WT Depr	332	1,894,868	-	-	-	1,894,868	-	1,894,868	-	1,894,868	-
302400	Struct & Improv - TD	341	524,049	-	-	-	524,049	-	524,049	-	524,049	-
302500	Office Structures	390	394,768	-	-	-	394,768	-	394,768	-	394,768	-
302600	Stone Shops Garage Struct	390	312,642	-	-	-	312,642	-	312,642	-	312,642	-
302700	Misc Structures	390	654,998	-	-	-	654,998	-	654,998	-	654,998	-
302800	Lake River & Other Intake	313	483,123	-	-	-	483,123	-	483,123	-	483,123	-
302900	Supply Mains	323	227,422	-	-	-	227,422	-	227,422	-	227,422	-
303000	Pumping Equipment - Other	323	5,644,612	-	-	-	5,644,612	-	5,644,612	-	5,644,612	-
303100	Pumping Equipment - diesel	326	119,296	-	39,650	-	119,296	-	119,296	-	119,296	-
303200	Pumping Equipment - other	328	420,932	-	-	-	420,932	-	420,932	-	420,932	-
303300	Wtr Treat Equip (Non-Med)	332	12,603,850	-	-	-	12,603,850	-	12,603,850	-	12,603,850	-
303400	Oil Reservoirs & Stand Conv	342	6,464,368	-	13,000	-	6,464,368	-	6,464,368	-	6,464,368	-
303500	Dist Res & Stand - Painting	342	3,477,221	-	-	-	3,477,221	-	3,477,221	-	3,477,221	-
303600	Elevated Tank & Standpipes	345	1,900,254	-	-	-	1,900,254	-	1,900,254	-	1,900,254	-
303700	Ground level facilities	345	2,571	-	-	-	2,571	-	2,571	-	2,571	-
303800	Cleanwells	346	680,784	-	-	-	680,784	-	680,784	-	680,784	-
303900	T & D Mains Conversion	343	1,931,852	-	6,757	-	1,931,852	-	1,931,852	-	1,931,852	-
304000	T & D Mains & Leaks	343	5,339,474	-	-	-	5,339,474	-	5,339,474	-	5,339,474	-
304100	T & D Mains 6" - 10"	343	1,458	-	-	-	1,458	-	1,458	-	1,458	-
304200	T & D Mains 12" & Greater	343	64,798,557	-	137,806	-	64,798,557	-	64,798,557	-	64,798,557	-
304300	T & D Mains 12" - 16"	343	9,816,243	-	-	-	9,816,243	-	9,816,243	-	9,816,243	-
304400	T & D Mains 12" & Greater	343	24,867,028	-	5,000	-	24,867,028	-	24,867,028	-	24,867,028	-
304500	Services	346	21,199,961	-	114,900	-	21,199,961	-	21,199,961	-	21,199,961	-
304600	Mains Plastic Casing	346	0	-	10,212	-	0	-	4,570,907	-	4,570,907	-
304700	Mains Non-Plastic Casing	346	4,487,735	-	-	-	4,487,735	-	4,487,735	-	4,487,735	-
304800	Mains Metal Casing - Old Style	346	3,274,936	-	-	-	3,274,936	-	3,274,936	-	3,274,936	-
304900	Mains Metal Casing - Rem id	347	17,907	-	-	-	17,907	-	17,907	-	17,907	-
305000	Misc Installations	347	11,003,410	-	34,212	-	11,003,410	-	11,003,410	-	11,003,410	-
305100	Hydrants	348	8,064,226	-	21,653	-	8,064,226	-	8,064,226	-	8,064,226	-
305200	Other P/E - SS	317	8,526	-	-	-	8,526	-	8,526	-	8,526	-
305300	Other P/E - Comp Film Study	304	144,469	-	-	-	144,469	-	144,469	-	144,469	-
305400	Office Furniture	391	500,945	-	7,397	-	500,945	-	500,945	-	500,945	-
305500	Computers & Peripheral Equip	391	181,673	-	2,598	-	181,673	-	181,673	-	181,673	-
305600	Computers & Mainframe Equ	391	603,486	-	-	-	603,486	-	603,486	-	603,486	-
305700	Personal Computers & Periph	391	345,333	-	(7,000)	-	345,333	-	345,333	-	345,333	-
305800	Computer Software - Mainframe	391	284,721	-	-	-	284,721	-	284,721	-	284,721	-
305900	Computer Software - PC	391	3,535,059	-	-	-	3,535,059	-	3,535,059	-	3,535,059	-
306000	Personal Computer Software	391	177,213	-	-	-	177,213	-	177,213	-	177,213	-
306100	Other Computer Software	391	14,222	-	-	-	14,222	-	14,222	-	14,222	-
306200	Data Handling Equipment	391	15,284	-	-	-	15,284	-	15,284	-	15,284	-
306300	Other Office Equipment	391	55,208	-	-	-	55,208	-	55,208	-	55,208	-
306400	Light Duty Trucks	392	980,312	-	-	-	980,312	-	980,312	-	980,312	-
306500	Heavy Duty Trucks	392	1,330,223	-	-	-	1,330,223	-	1,330,223	-	1,330,223	-
306600	Other Trans Equip	392	252,706	-	-	-	252,706	-	252,706	-	252,706	-
306700	Stores Equip	393	43,382	-	-	-	43,382	-	43,382	-	43,382	-
306800	Tools/Shop/Garage Equip	394	1,207,973	-	5,677	-	1,207,973	-	1,207,973	-	1,207,973	-
306900	Laboratory Equip	395	398,988	-	-	-	398,988	-	398,988	-	398,988	-
307000	Power Operated Equip	396	287,053	-	-	-	287,053	-	287,053	-	287,053	-
307100	Comm Equip (Items: Telephones)	397	817,255	-	-	-	817,255	-	817,255	-	817,255	-
307200	Miscellaneous Equipment	398	90,325	-	-	-	90,325	-	90,325	-	90,325	-
307300	Other Tangible Property	399	4,918	-	-	-	4,918	-	4,918	-	4,918	-
307400	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
307500	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
307600	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
307700	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
307800	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
307900	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
308000	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
308100	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
308200	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
308300	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
308400	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
308500	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
308600	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
308700	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
308800	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
308900	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
309000	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
309100	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
309200	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
309300	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
309400	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
309500	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
309600	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
309700	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
309800	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
309900	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
310000	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
310100	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
310200	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
310300	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
310400	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
310500	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
310600	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
310700	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
310800	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
310900	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
311000	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
311100	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
311200	IS Balance		210,372,274	-	392,287	-	210,784,560	-	210,784,560	-	210,784,560	-
311300	IS Balance		210,372,273	-	392,287	-	210,784,559	-	210,784,559	-	210,784,559	-
311400	IS Balance</											

Test Year: Twelve Months Ended: March 31, 2010

**Tennessee Regulatory Authority
Company: Tennessee-American Water Company
Case No: 2008-**

JPE	NAIUSC	NAIUSC	8/10 balance	9/10	9/10 balance	10/10	10/10 balance	11/10	11/10 balance	12/10	12/10 balance	1/11	1/11 balance	2/11	2/11 balance
301000	Acad	301	73,444	-	-	-	73,444	-	-	-	73,444	-	-	-	73,444
301000	Competition	320	73,444	-	-	-	73,444	-	-	-	73,444	-	-	-	73,444
301000	Land & Ld Rights - PU	330	18,009	-	-	-	18,009	-	-	-	18,009	-	-	-	18,009
301000	Land & Ld Rights - WT	340	265,450	-	-	-	265,450	-	-	-	265,450	-	-	-	265,450
301000	Land & Ld Rights - TD	350	133,094	-	-	-	133,094	-	-	-	133,094	-	-	-	133,094
301000	T & D Land	360	307,484	-	-	-	307,484	-	-	-	307,484	-	-	-	307,484
301000	T & D Rights of Way	370	133,094	-	-	-	133,094	-	-	-	133,094	-	-	-	133,094
301000	DRP Fee & Land	380	25,022	-	-	-	25,022	-	-	-	25,022	-	-	-	25,022
301000	Land & Ld Rights - AG	390	47,382	-	-	-	47,382	-	-	-	47,382	-	-	-	47,382
301000	Street & Improv - GS	311	4,252,275	50,248	-	-	4,252,275	-	-	-	4,252,275	-	-	-	4,252,275
301000	Street & Improv - PU	321	2,026,688	25,745	-	-	2,026,688	-	-	-	2,026,688	-	-	-	2,026,688
301000	Street & Improv - WT	331	1,634,468	-	-	-	1,634,468	-	-	-	1,634,468	-	-	-	1,634,468
301000	Street & Improv - WT Depr	341	524,049	-	-	-	524,049	-	-	-	524,049	-	-	-	524,049
301000	Street & Improv - TD	351	394,768	-	-	-	394,768	-	-	-	394,768	-	-	-	394,768
301000	Office Structures	360	312,642	-	-	-	312,642	-	-	-	312,642	-	-	-	312,642
301000	Stores Shpgs Garage Struct	370	654,998	-	-	-	654,998	-	-	-	654,998	-	-	-	654,998
301000	Misc Structures	380	469,123	-	-	-	469,123	-	-	-	469,123	-	-	-	469,123
301000	Lake River & Other Inlake	313	603,834	-	-	-	603,834	-	-	-	603,834	-	-	-	603,834
301000	Power Generation Equip - Other	323	27,422	-	-	-	27,422	-	-	-	27,422	-	-	-	27,422
301000	Pumping Equip - electric	325	5,712,201	30,000	-	-	5,712,201	-	-	-	5,712,201	-	-	-	5,712,201
301000	Pumping Equip - diesel	326	119,296	-	-	-	119,296	-	-	-	119,296	-	-	-	119,296
301000	Pumping Equip - other	328	420,932	-	-	-	420,932	-	-	-	420,932	-	-	-	420,932
301000	WV Trnt Equip (Non-Media)	332	12,610,174	8,526	-	-	12,610,174	-	-	-	12,610,174	-	-	-	12,610,174
301000	C&S	334	341,189	92,500	-	-	341,189	-	-	-	341,189	-	-	-	341,189
301000	DRP Reservoirs & Stand Cont	342	6,364,368	(50,000)	-	-	6,364,368	-	-	-	6,364,368	-	-	-	6,364,368
301000	Dist. Res & Stand - Pumping	342	3,477,221	-	-	-	3,477,221	-	-	-	3,477,221	-	-	-	3,477,221
301000	Elevated Tank & Standpipes	342	1,900,254	-	-	-	1,900,254	-	-	-	1,900,254	-	-	-	1,900,254
301000	Ground level facilities	342	2,571	-	-	-	2,571	-	-	-	2,571	-	-	-	2,571
301000	Cannetals	343	680,784	-	-	-	680,784	-	-	-	680,784	-	-	-	680,784
301000	Water Main Concession	343	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852
301000	T & D Mains E - 8"	343	5,357,531	(250)	-	-	5,357,531	-	-	-	5,357,531	-	-	-	5,357,531
301000	T & D Mains E - 10"	343	1,458	-	-	-	1,458	-	-	-	1,458	-	-	-	1,458
301000	T & D Mains E - 12"	343	65,305,994	192,572	-	-	65,305,994	-	-	-	65,305,994	-	-	-	65,305,994
301000	T & D Mains E - 16"	343	9,816,243	87,988	-	-	9,816,243	-	-	-	9,816,243	-	-	-	9,816,243
301000	T & D Mains E - 24"	343	26,684,003	115,364	-	-	26,684,003	-	-	-	26,684,003	-	-	-	26,684,003
301000	Water Main Concession	343	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852
301000	T & D Mains E - 8"	343	5,357,531	(250)	-	-	5,357,531	-	-	-	5,357,531	-	-	-	5,357,531
301000	T & D Mains E - 10"	343	1,458	-	-	-	1,458	-	-	-	1,458	-	-	-	1,458
301000	T & D Mains E - 12"	343	65,305,994	192,572	-	-	65,305,994	-	-	-	65,305,994	-	-	-	65,305,994
301000	T & D Mains E - 16"	343	9,816,243	87,988	-	-	9,816,243	-	-	-	9,816,243	-	-	-	9,816,243
301000	T & D Mains E - 24"	343	26,684,003	115,364	-	-	26,684,003	-	-	-	26,684,003	-	-	-	26,684,003
301000	Water Main Concession	343	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852
301000	T & D Mains E - 8"	343	5,357,531	(250)	-	-	5,357,531	-	-	-	5,357,531	-	-	-	5,357,531
301000	T & D Mains E - 10"	343	1,458	-	-	-	1,458	-	-	-	1,458	-	-	-	1,458
301000	T & D Mains E - 12"	343	65,305,994	192,572	-	-	65,305,994	-	-	-	65,305,994	-	-	-	65,305,994
301000	T & D Mains E - 16"	343	9,816,243	87,988	-	-	9,816,243	-	-	-	9,816,243	-	-	-	9,816,243
301000	T & D Mains E - 24"	343	26,684,003	115,364	-	-	26,684,003	-	-	-	26,684,003	-	-	-	26,684,003
301000	Water Main Concession	343	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852
301000	T & D Mains E - 8"	343	5,357,531	(250)	-	-	5,357,531	-	-	-	5,357,531	-	-	-	5,357,531
301000	T & D Mains E - 10"	343	1,458	-	-	-	1,458	-	-	-	1,458	-	-	-	1,458
301000	T & D Mains E - 12"	343	65,305,994	192,572	-	-	65,305,994	-	-	-	65,305,994	-	-	-	65,305,994
301000	T & D Mains E - 16"	343	9,816,243	87,988	-	-	9,816,243	-	-	-	9,816,243	-	-	-	9,816,243
301000	T & D Mains E - 24"	343	26,684,003	115,364	-	-	26,684,003	-	-	-	26,684,003	-	-	-	26,684,003
301000	Water Main Concession	343	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852
301000	T & D Mains E - 8"	343	5,357,531	(250)	-	-	5,357,531	-	-	-	5,357,531	-	-	-	5,357,531
301000	T & D Mains E - 10"	343	1,458	-	-	-	1,458	-	-	-	1,458	-	-	-	1,458
301000	T & D Mains E - 12"	343	65,305,994	192,572	-	-	65,305,994	-	-	-	65,305,994	-	-	-	65,305,994
301000	T & D Mains E - 16"	343	9,816,243	87,988	-	-	9,816,243	-	-	-	9,816,243	-	-	-	9,816,243
301000	T & D Mains E - 24"	343	26,684,003	115,364	-	-	26,684,003	-	-	-	26,684,003	-	-	-	26,684,003
301000	Water Main Concession	343	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852
301000	T & D Mains E - 8"	343	5,357,531	(250)	-	-	5,357,531	-	-	-	5,357,531	-	-	-	5,357,531
301000	T & D Mains E - 10"	343	1,458	-	-	-	1,458	-	-	-	1,458	-	-	-	1,458
301000	T & D Mains E - 12"	343	65,305,994	192,572	-	-	65,305,994	-	-	-	65,305,994	-	-	-	65,305,994
301000	T & D Mains E - 16"	343	9,816,243	87,988	-	-	9,816,243	-	-	-	9,816,243	-	-	-	9,816,243
301000	T & D Mains E - 24"	343	26,684,003	115,364	-	-	26,684,003	-	-	-	26,684,003	-	-	-	26,684,003
301000	Water Main Concession	343	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852
301000	T & D Mains E - 8"	343	5,357,531	(250)	-	-	5,357,531	-	-	-	5,357,531	-	-	-	5,357,531
301000	T & D Mains E - 10"	343	1,458	-	-	-	1,458	-	-	-	1,458	-	-	-	1,458
301000	T & D Mains E - 12"	343	65,305,994	192,572	-	-	65,305,994	-	-	-	65,305,994	-	-	-	65,305,994
301000	T & D Mains E - 16"	343	9,816,243	87,988	-	-	9,816,243	-	-	-	9,816,243	-	-	-	9,816,243
301000	T & D Mains E - 24"	343	26,684,003	115,364	-	-	26,684,003	-	-	-	26,684,003	-	-	-	26,684,003
301000	Water Main Concession	343	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852
301000	T & D Mains E - 8"	343	5,357,531	(250)	-	-	5,357,531	-	-	-	5,357,531	-	-	-	5,357,531
301000	T & D Mains E - 10"	343	1,458	-	-	-	1,458	-	-	-	1,458	-	-	-	1,458
301000	T & D Mains E - 12"	343	65,305,994	192,572	-	-	65,305,994	-	-	-	65,305,994	-	-	-	65,305,994
301000	T & D Mains E - 16"	343	9,816,243	87,988	-	-	9,816,243	-	-	-	9,816,243	-	-	-	9,816,243
301000	T & D Mains E - 24"	343	26,684,003	115,364	-	-	26,684,003	-	-	-	26,684,003	-	-	-	26,684,003
301000	Water Main Concession	343	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852
301000	T & D Mains E - 8"	343	5,357,531	(250)	-	-	5,357,531	-	-	-	5,357,531	-	-	-	5,357,531
301000	T & D Mains E - 10"	343	1,458	-	-	-	1,458	-	-	-	1,458	-	-	-	1,458
301000	T & D Mains E - 12"	343	65,305,994	192,572	-	-	65,305,994	-	-	-	65,305,994	-	-	-	65,305,994
301000	T & D Mains E - 16"	343	9,816,243	87,988	-	-	9,816,243	-	-	-	9,816,243	-	-	-	9,816,243
301000	T & D Mains E - 24"	343	26,684,003	115,364	-	-	26,684,003	-	-	-	26,684,003	-	-	-	26,684,003
301000	Water Main Concession	343	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852	-	-	-	1,591,852
301000	T & D Mains E - 8"	343	5,357,531	(250)	-	-	5,357,531	-	-	-	5,357,531	-	-	-	5,357,531
301000	T & D Mains E - 10"	343	1,458	-	-	-	1,458	-	-	-	1,458	-	-	-	1,458
301000	T & D Mains E - 12"	343	65,305,994	192,572	-	-	65,305,994	-	-	-	65,305,994	-	-	-	65,305,994
301000	T & D Mains E - 16"	343	9,816,243	87,988	-	-	9,816,243	-	-	-	9,816,243	-	-	-	9,816,243
301000	T & D Mains E - 24"	343	26,684,003	115,364	-	-	26,684,003	-	-	-	26,684,003	-	-	-	26,684,

Revised Accounting Exhibits per Company Rebuttal Testimony
 Revised Exhibit No. 1 Rate Base Sch 1 thru 3
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Tennessee Regulatory Authority Company: Tennessee-American Water Company Case No: 2008-															Net Additions to Utility Plant in Service Calculation of 13 Month Average										Test Year: Twelve Months Ended: March 31, 2010		Page 3 of 4	
JDE	Description	NARUC Acct No.	3/11	3/11 balance	4/11	4/11 balance	5/11	5/11 balance	6/11	6/11 balance	7/11	7/11 balance	8/11	8/11 balance	9/11	9/11 balance												
301000	Organization	301	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
303300	Land & Ld Rights - PU	320	-	73,444	-	-	73,444	-	73,444	-	-	73,444	-	73,444	-	73,444												
303400	Land & Ld Rights - WT	330	-	18,009	-	-	18,009	-	18,009	-	-	18,009	-	18,009	-	18,009												
303500	Land & Ld Rights - TD	340	-	265,450	-	-	265,450	-	265,450	-	-	265,450	-	265,450	-	265,450												
303501	T & D Land	340	-	307,484	-	-	307,484	-	307,484	-	-	307,484	-	307,484	-	307,484												
303502	T & D Rights of Way	340	-	133,094	-	-	133,094	-	133,094	-	-	133,094	-	133,094	-	133,094												
303503	Dist Res & Stand Land	340	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
303600	Land & Ld Rights - AG	350	-	25,022	-	-	25,022	-	25,022	-	-	25,022	-	25,022	-	25,022												
304100	Struct & Improv - SS	311	-	47,382	-	-	47,382	-	47,382	-	-	47,382	-	47,382	-	47,382												
304200	Struct & Improv - PU	321	-	4,252,275	-	-	4,252,275	-	4,252,275	-	-	4,252,275	-	4,252,275	-	4,252,275												
304300	Struct & Improv - WT	331	1,500	7,376,200	24,000	2,000	7,393,200	15,000	7,393,200	2,000	2,000	7,395,200	3,700	7,398,900	26,590	7,425,490												
304301	Struct & Improv - WT Depr	332	-	1,694,908	-	-	1,694,908	-	1,694,908	-	-	1,694,908	-	1,694,908	-	1,694,908												
304400	Struct & Improv - TD	341	-	524,049	-	-	524,049	-	524,049	-	-	524,049	-	524,049	-	524,049												
304600	Office Structures	350	-	394,768	-	-	394,768	-	394,768	-	-	394,768	-	394,768	-	394,768												
304700	Signs Shows Gauge Struct	360	-	312,642	-	-	312,642	-	312,642	-	-	312,642	-	312,642	-	312,642												
304800	Misc Structures	390	-	654,998	-	-	654,998	-	654,998	-	-	654,998	-	654,998	-	654,998												
305000	Lake River & Other Intake	313	-	489,123	-	-	489,123	-	489,123	-	-	489,123	-	489,123	-	489,123												
306000	Supply Main	323	-	603,834	-	-	603,834	-	603,834	-	-	603,834	-	603,834	-	603,834												
310100	Power Generation Equip - Other	323	-	227,422	-	-	227,422	-	227,422	-	-	227,422	-	227,422	-	227,422												
311200	Pumping Equipment - electric	325	(1,650)	5,669,186	-	-	5,669,186	23,000	5,692,186	14,500	5,706,686	11,859	5,718,545	14,000	5,732,545	14,000	5,746,545											
311300	Pumping Equipment - diesel	328	-	119,296	-	-	119,296	-	119,296	-	-	119,296	-	119,296	-	119,296												
311500	Pumping Equipment - other	328	-	420,932	-	-	420,932	-	420,932	-	-	420,932	-	420,932	-	420,932												
320100	Wtr Treat Equip (Non-Medial)	332	-	12,610,174	-	-	12,610,174	-	12,610,174	-	-	12,610,174	-	12,610,174	-	12,610,174												
320200	GAC	334	-	442,189	-	-	442,189	-	442,189	-	-	442,189	-	442,189	-	442,189												
330000	Dist, Reservoirs & Stand Conv	342	-	6,593,924	-	-	6,593,924	-	6,593,924	-	-	6,593,924	-	6,593,924	-	6,593,924												
330003	Dist, Res & Stand - Pumping	342	-	3,477,721	-	-	3,477,721	-	3,477,721	-	-	3,477,721	-	3,477,721	-	3,477,721												
330100	Elevated Tank & Standpipes	342	-	1,900,254	-	-	1,900,254	-	1,900,254	-	-	1,900,254	-	1,900,254	-	1,900,254												
330200	Ground level facilities	342	-	2,571	-	-	2,571	-	2,571	-	-	2,571	-	2,571	-	2,571												
330400	Ground level facilities	342	-	680,784	-	-	680,784	-	680,784	-	-	680,784	-	680,784	-	680,784												
331001	T & D Main Convent	343	-	1,981,852	-	-	1,981,852	(4,000)	1,977,852	(1,850)	1,976,002	1,981,852	(1,000)	1,980,852	23,699	1,981,852												
331001	T & D Main 6" & Less	343	(1,550)	5,349,056	10,258	(4,000)	5,353,354	5,353,354	5,353,354	5,353,354	5,353,354	5,348,154	5,347,154	5,347,154	5,347,154	5,347,154												
331200	T & D Main 6" - 10"	343	-	1,458	-	-	1,458	-	1,458	-	-	1,458	-	1,458	-	1,458												
331300	T & D Main 10" - 16"	343	133,506	66,578,598	240,686	66,426	66,819,284	281,778	67,101,062	279,831	67,380,893	285,646	67,666,539	210,681	67,877,220	210,681	68,087,901											
331300	T & D Main 16" & Greater	343	-	9,816,243	-	-	9,816,243	-	9,816,243	-	-	9,816,243	-	9,816,243	-	9,816,243												
333000	Servic	345	89,340	22,335,258	58,167	22,333,655	80,398	22,414,053	147,200	22,561,253	120,489	22,681,742	130,921	22,812,663	89,075	22,901,738												
334100	Meters Plastic Case	346	-	4,989,187	43,612	5,011,799	27,800	5,039,599	50,500	5,090,099	27,396	5,117,495	27,400	5,144,895	71,200	5,216,095												
334100	Meters Not Plastic, By Type	346	-	3,274,936	-	-	3,274,936	-	3,274,936	-	-	3,274,936	-	3,274,936	-	3,274,936												
334110	Meters Metal Case - Old Style	346	-	17,907	-	-	17,907	-	17,907	-	-	17,907	-	17,907	-	17,907												
334131	Meters Metal Case - Rem id	347	59,000	11,685,822	47,612	11,697,434	28,500	11,725,934	66,500	11,792,434	30,156	11,822,590	30,000	11,852,590	73,000	11,925,590												
334200	Meters Insulations	347	19,081	8,403,461	35,735	8,439,196	25,800	8,464,996	80,600	8,545,596	48,050	8,593,646	25,339	8,619,000	42,650	8,661,650												
335000	Hydrants	348	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
335200	Other P/E - SS	317	-	8,526	-	-	8,526	-	8,526	-	-	8,526	-	8,526	-	8,526												
335500	Other P/E - Comp Plan Study	304	-	144,459	-	-	144,459	-	144,459	-	-	144,459	-	144,459	-	144,459												
340100	Office Furniture	391	-	577,285	-	-	577,285	-	577,285	-	-	577,285	-	577,285	-	577,285												
340200	Computers & Peripheral Eqp	391	23,000	603,466	41,000	30,000	633,466	30,000	663,466	5,000	668,466	23,150	673,466	(5,000)	668,466	4,000	672,466											
340210	Computers & Mainframe Equ	391	-	347,733	-	-	347,733	-	347,733	-	-	347,733	-	347,733	-	347,733												
340220	Personal Computers & Periph	391	-	294,721	-	-	294,721	-	294,721	-	-	294,721	-	294,721	-	294,721												
340230	Computer Software	391	-	430,569	-	-	430,569	-	430,569	-	-	430,569	-	430,569	-	430,569												
340300	Computer software Mainframe	391	-	3,335,059	-	-	3,335,059	-	3,335,059	-	-	3,335,059	-	3,335,059	-	3,335,059												
340310	Personal Computer Software	391	-	177,213	-	-	177,213	-	177,213	-	-	177,213	-	177,213	-	177,213												
340320	Other Computer Software	391	-	15,244	-	-	15,244	-	15,244	-	-	15,244	-	15,244	-	15,244												
340400	Data Handling Equipment	391	-	55,208	-	-	55,208	-	55,208	-	-	55,208	-	55,208	-	55,208												
340500	Other Office Equipment	391	-	1,201,779	-	-	1,201,779	-	1,201,779	-	-	1,201,779	-	1,201,779	-	1,201,779												
341100	Light Duty Trucks	392	-	1,290,126	-	-	1,290,126	-	1,290,126	-	-	1,290,126	-	1,290,126	-	1,290,126												
341200	Heavy Duty Trucks	392	-	253,006	-	-	253,006	-	253,006	-	-	253,006	-	253,006	-	253,006												
341300	Automobiles	392	-	452,786	-	-	452,786	-	452,786	-	-	452,786	-	452,786	-	452,786												
341400	Other Trans Equip	392	-	43,392	-	-	43,392	-	43,392	-	-	43,392	-	43,392	-	43,392												
342000	Stones Equip	393	-	1,295,832	-	-	1,295,832	-	1,295,832	-	-	1,295,832	-	1,295,832	-	1,295,832												
343000	ToolsShop/Garage Equip	394	-	409,388	-	-	409,388	-	409,388	-	-	409,388	-	409,388	-	409,388												
344000	Miscellaneous Equip	395	-	287,053	-	-	287,053	-	287,053	-	-	287,053	-	287,053	-	287,053												
345000	Power Operated Equip	396	-	517,256	-	-	517,256	-	517,256	-	-	517,256	-	517,256	-	517,256												
346100	Comm Equip (Non-Telephone)	397	-	90,325	-	-	90,325	-	90,325	-	-	90,325	-	90,325	-	90,325												
346200	Telephone Equipment	397	-	1,109,383	-	-	1,109,383	-	1,109,383	-	-	1,109,383	-	1,109,383	-	1,109,383												
347000	Miscellaneous Equipment	398	-	4,918	-	-	4,918	-	4,918	-	-	4,918	-	4,918	-	4,918												
348000	Other Tangible Property	399	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
357000	IS Balance	357	367,025	224,047,919	753,714	340,703	225,141,335	680,924	225,822,259	811,024	226,633,284	595,917	227,230,201	593,624	227,823,825	593,624	228,417,450											
357000	IS Balance	357	367,025	224,047,919	753,714	340,703	225,141,335	680,924	225,822,259	811,024	226,633,284	595,917	227,230,201	593,624	227,823,825	593,624	228,417,450											

Revised Accounting Exhibits per Company Rebuttal Testimony
 Revised Exhibit No. 1 Rate Base Sch 1 thru 3
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Test Year: Twelve Months Ended: March 31, 2010
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Net Additions to Utility Plant in Service
 Calculation of 13 Month Average

Tennessee Regulatory Authority
 Company: Tennessee-American Water Company
 Case No: 2008-

JDE	Description	NAUUC Acct No.	8/11 balance	10/11	10/11 balance	11/11	11/11 balance	12/11	12/11 balance	12/10 - 12/11 total	13 mo avg
301000	Office Furniture	301	73,444	-	73,444	-	73,444	-	73,444	954,772	73,444
301300	Land & Ld Rights - PU	320	18,009	-	18,009	-	18,009	-	18,009	234,117	18,009
301400	Land & Ld Rights - WT	330	265,450	-	265,450	-	265,450	-	265,450	3,450,850	265,450
301500	Land & Ld Rights - TD	340	307,484	-	307,484	-	307,484	-	307,484	3,957,222	307,484
301600	T & D Land	340	133,054	-	133,054	-	133,054	-	133,054	1,730,222	133,054
301700	T & D Rights of Way	340	25,022	-	25,022	-	25,022	-	25,022	825,286	63,484
301800	Land & Ld Rights - AG	380	-	-	-	-	-	-	-	615,960	47,382
301900	Struct & Improv - SS	311	47,382	-	47,382	-	47,382	-	47,382	4,366,507	47,382
302000	Struct & Improv - PU	321	4,289,278	-	4,289,278	-	4,289,278	-	4,289,278	96,394,457	4,289,278
302100	Struct & Improv - WT	331	7,497,150	37,300	7,534,450	34,000	7,568,450	90,158	7,658,608	22,002,495	7,658,608
302200	Struct & Improv - WT Depr	332	1,694,808	-	1,694,808	-	1,694,808	-	1,694,808	6,817,267	524,049
302300	Struct & Improv - TD	341	524,049	-	524,049	-	524,049	-	524,049	5,131,979	394,769
302400	Office Structures	390	394,769	-	394,769	-	394,769	-	394,769	312,842	312,842
302500	Store Shop Garage Stuct	390	312,842	-	312,842	-	312,842	-	312,842	8,514,574	654,956
302600	Misc Structures	390	654,956	-	654,956	-	654,956	-	654,956	-	-
302700	Lake River & Other (Intake)	313	489,123	-	489,123	-	489,123	-	489,123	5,358,559	489,123
302800	Supply Mains	323	603,934	-	603,934	-	603,934	-	603,934	2,956,686	227,422
302900	Power Generation Equip - Other	323	277,422	-	277,422	-	277,422	-	277,422	76,817,782	5,969,060
303000	Pumping Equipment - Electric	323	5,969,060	18,800	5,987,860	56,352	6,044,212	14,960	6,059,172	1,550,552	119,296
303100	Pumping Equipment - Diesel	326	119,296	-	119,296	-	119,296	-	119,296	5,472,110	420,932
303200	Pumping Equipment - other	328	420,932	-	420,932	-	420,932	-	420,932	163,958,355	12,012,161
303300	WT Treat Equip (Non-Media)	332	12,012,161	-	12,012,161	-	12,012,161	-	12,012,161	8,740,383	680,784
303400	GAC	334	442,199	-	442,199	-	442,199	-	442,199	6,610,326	2,009,800
303500	Dist. Reservoirs & Stand Conv	342	6,610,326	175,000	6,785,326	-	6,785,326	-	6,785,326	45,203,619	3,477,221
303600	Dist. Res & Stand - Paving	342	1,900,254	-	1,900,254	-	1,900,254	-	1,900,254	24,703,307	1,900,254
303700	Ground level facilities	342	2,571	-	2,571	-	2,571	-	2,571	33,424	2,571
303800	Chenille	340	680,784	-	680,784	-	680,784	-	680,784	8,650,191	680,784
303900	T & D Mains Conversion	343	1,981,652	94,454	2,076,106	225,000	2,301,106	-	2,301,106	26,517,440	2,009,800
304000	T & D Mains 4" & Less	343	5,370,593	(18,250)	5,352,343	(25,356)	5,326,987	(12,265)	5,314,722	68,942,079	5,348,291
304100	T & D Mains 6" - 16"	343	1,458	-	1,458	-	1,458	-	1,458	1,458	1,458
304200	T & D Mains 18" - 36"	343	67,555,615	272,004	68,227,619	370,345	68,597,964	285,634	68,883,598	875,159,670	67,319,898
304300	T & D Mains 42" - 60"	343	9,816,243	57,119	9,873,362	54,876	9,928,238	9,816,243	9,928,238	127,611,161	9,816,243
304400	T & D Mains 72" & Greater	343	27,633,669	57,119	27,690,788	54,876	27,745,664	75,246	27,820,910	355,137,349	27,318,258
304500	Sanitary	345	129,362	129,362	250,724	119,117	369,841	92,048	461,889	284,546,313	22,657,569
304600	Mains Plastic Cases	346	5,224,095	40,400	5,264,495	47,500	5,311,995	74,000	5,385,995	66,283,099	5,094,765
304700	Meters Not Class. By Type	346	3,274,936	-	3,274,936	-	3,274,936	-	3,274,936	4,574,166	3,274,936
304800	Meters Metal Case - Old Style	347	11,975,270	87,500	12,062,770	48,400	12,111,170	85,000	12,196,170	117,780	11,780
304900	Meters Metal Case - Rem id	347	8,656,530	25,500	8,682,030	15,354	8,697,384	32,100	8,729,484	152,851,770	11,780
305000	Hydrants	348	8,656,530	-	8,656,530	-	8,656,530	-	8,656,530	111,000,961	8,538,535
305100	Other PE - SS	317	8,526	-	8,526	-	8,526	-	8,526	110,942	8,526
305200	Other PE - Comp Plan Study	304	144,459	-	144,459	-	144,459	-	144,459	144,459	144,459
305300	Office Furniture	391	590,592	-	590,592	-	590,592	-	590,592	7,697,201	591,339
305400	Computers & Peripheral Equip	391	590,592	1,526	592,118	7,502	599,620	8,704	608,324	4,157,107	319,777
305500	Peripherals - Telephones	391	603,486	24,800	628,286	39,200	667,486	1,700	669,186	7,845,313	603,486
305600	Peripherals - Computers & Periph	391	355,333	-	355,333	8,952	364,285	7,564	371,849	4,591,311	353,178
305700	Other Computers & Periph Equip	391	294,721	4,000	298,721	(284)	298,437	3,256	301,693	3,831,278	294,721
305800	Computer software	391	430,569	-	430,569	-	430,569	-	430,569	5,612,174	431,702
305900	Computer software Mainframe	391	3,535,059	-	3,535,059	-	3,535,059	-	3,535,059	45,955,763	3,535,059
306000	Personal Computer Software	391	177,213	-	177,213	-	177,213	-	177,213	2,388,619	177,213
306100	Other Computer Software	391	15,284	-	15,284	-	15,284	-	15,284	184,884	15,284
306200	Other Computer Software	391	55,208	-	55,208	-	55,208	-	55,208	15,224	15,209
306300	Light Duty Trucks	392	1,201,779	-	1,201,779	-	1,201,779	-	1,201,779	717,701	55,209
306400	Automobiles	392	1,290,126	-	1,290,126	-	1,290,126	-	1,290,126	15,660,231	1,204,633
306500	Other Trans Equip	392	253,006	-	253,006	-	253,006	-	253,006	17,006,441	1,308,188
306600	Tools/Shop/Change Equip	393	452,786	-	452,786	-	452,786	-	452,786	3,395,752	261,215
306700	Tools/Shop/Change Equip	393	452,786	-	452,786	-	452,786	-	452,786	5,665,217	452,786
306800	Power Generation Equip	396	287,053	2,500	289,553	14,000	303,553	24,300	327,853	18,775,707	1,290,439
306900	Power Generation Equip	396	287,053	-	287,053	-	287,053	-	287,053	5,454,045	419,542
307000	Comm Equip (Non-Telephone)	397	517,256	-	517,256	-	517,256	-	517,256	3,731,688	287,053
307100	Telephone Equipment	397	90,325	-	90,325	-	90,325	-	90,325	6,724,228	517,256
307200	Miscellaneous Equipment	398	1,105,067	-	1,105,067	-	1,105,067	-	1,105,067	1,174,225	90,325
307300	Other Tangible Property	399	4,918	-	4,918	-	4,918	-	4,918	14,438,035	1,110,618
307400	IS Balance		228,003,624	1	228,004,624	1,205,389	229,209,767	1,140,155	230,349,942	2,942,598,370	228,364,490
			228,003,624	1	228,004,624	1,205,389	229,209,767	1,140,155	230,349,942	2,942,598,370	228,364,490

Test Year: Twelve Months Ended: March 31, 2010
Revised Exhibit No. 1, Schedule 3
Page 1 of 6

Computation of Working Capital

Tennessee Regulatory Authority
Company: Tennessee-American Water Company
Case No:

Line No.	Item	Amount
1		
2		
3		
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40		
41		
42		
43		
	Prepaid Taxes	284,235
	Materials & Supplies	254,110
	Deferred Regulatory Expenses	1,228,535
	Unamortized Debt Expense	460,845
	Other Deferred Debits	280,983
	Lead - Lag Study	873,000
	Total	3,381,708
	Less:	
	Incidental Collections	1,562,812
	Total	1,562,812
	Working Capital Requirement	1,818,896

Computation of Working Capital
 Lead/Lag Study

Test Year: Twelve Months Ended: March 31, 2010
 Revised Exhibit No. 1, Schedule 3
 Page 2 of 6

Tennessee Regulatory Authority
 Company: Tennessee-American Water Company
 Case No:

Line No.	Description	Days	Amount
1			
2			
3			
4			
5	Net Operating Funds		<u>37,296,455</u>
6			
7	Average Daily Operating Funds		102,182
8			
9	Composite Average Days Interval Between:		
10	(A) Date Service Furnished and Date Collections Deposited	43.53	
11			
12	(B) Date Expenses Incurred and Date of Payment	34.98	
13			
14	(C) Net Interval	<u>8.55</u>	
15			
16	Operating Funds Advanced		873,289
17			
18	Lead/Lag Study Capital		<u>873,289</u>
19			
20	Use		<u>873,000</u>
21			
22			
23			
24			
25			
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44			
45			

Composite Average Days Interval between Date Expenses
 are Incurred and Date of Payment

Tennessee Regulatory Authority
 Company: Tennessee-American Water Company
 Case No:

Test Year: Twelve Months Ended: March 31, 2010
 Revised Exhibit No. 1, Schedule 3
 Page 3 of 6

Line No.	Description	Amount	Post Payment or (Lead) Days	Dollar Days
1	Payrolls Charged to Expense - Hourly	3,674,972	17.08	62,768,518
2	Payrolls Charged to Expense - Salary	1,858,687	17.08	31,746,371
3	Purchased Water	50,962	36.44	1,857,055
4	Fuel and Power	2,511,238	28.04	70,415,101
5	Chemicals	1,069,369	23.64	25,279,692
6	Waste Disposal	197,366	73.61	14,529,558
7	AWWS Charges	5,226,034	(11.97)	(62,555,632)
8	Group Insurance	1,075,184	(13.63)	(14,654,751)
9	OPEB's	1,174,215	(1.63)	(1,913,970)
10	Pensions	2,062,140	(1.63)	(3,361,286)
11	Regulatory Expense	847,368	76.64	64,942,309
12	Insurance Other than Group	485,904	(40.00)	(19,436,151)
13	Rents	8,706	(33.42)	(290,952)
14	Uncollectibles	198,122	0.00	0
15	Maintenance Expense	1,110,317	21.74	24,138,284
16	Amortizations	0	0.00	0
17				
18				
19				
20				
21				
22				
23	Other Operating Expenses	3,023,525	34.05	102,951,035
24	Total O & M Expenses	24,574,128		
25				
26	Depreciation and Amortization	4,877,687	0.00	0
27	Taxes, Other than Income			
28	Payroll	498,774	15.79	6,928,245
29	Property Tax	2,925,146	241.00	704,960,186
30	Franchise Tax	377,690	37.50	14,163,375
31	Utility Tax	117,779	267.00	31,446,993
32	Gross Receipts Tax	529,961	(134.76)	(71,417,597)
33	SIT-Current	(815,853)	29.64	(24,181,883)
34	SIT-Deferred	(174,147)	29.64	(5,161,717)
35	Deferred Taxes	558,423	0.00	0
36	Interest Expense	4,092,694	85.08	348,206,406
37	Preferred Dividends	69,049	45.63	3,150,706
38	Net Earnings	(274,876)	0.00	0
39	Net Operating Funds	37,296,455		
40				
41				
42	Average Days Interval between Date Expenses are Incurred and Date of Payment		34.96	
43				
44				
45				
46				
47				
48				
49				
50				

Test Year: Twelve Months Ended: March 31, 2010
 Exhibit No. 1, Schedule 3
 Page 4 of 6

Average Days Interval between Number of Days
 From Date Services are Furnished to Date Collections are Received

Tennessee Regulatory Authority
 Company: Tennessee-American Water Company
 Case No:

Line No.	Revenues Amount	Median Service Days	Dollar Days
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12	34,044,254	14.74	501,946,743
13			
14	1,735,066	(45.63)	(79,171,053)
15			
16	<u>35,779,320</u>		<u>422,775,690</u>
17			
18			
19			
20			
21			
22			
23			
24		11.92	
25			
26			
27		4.38	
28			
29			
30		27.33	
31			
32			
33			
34		<u>43.53</u>	
35			
36			
37			
38			
39			
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41			
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Notes: private fire Quarterly is billed in advance
 All monthly customers are billed in arrears

Computation of Average Materials & Supplies Paid

Tennessee Regulatory Authority
Company: Tennessee-American Water Company
Case No:

End of Month	
Date	Amount
Mar-09	347,613
Apr-09	402,814
May-09	377,802
Jun-09	368,124
Jul-09	318,939
Aug-09	296,762
Sep-09	333,712
Oct-09	344,398
Nov-09	321,963
Dec-09	301,488
Jan-10	342,557
Feb-10	325,265
Mar-10	335,827
Total	4,417,262
Average Balance	339,789

Computation of Average Materials and Supplies Unpaid

Line
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End of Month	
Date	Amount
Mar-09	72,819
Apr-09	37,813
May-09	44,500
Jun-09	41,302
Jul-09	54,837
Aug-09	51,015
Sep-09	80,838
Oct-09	52,586
Nov-09	18,040
Dec-09	38,256
Jan-10	66,200
Feb-10	482,800
Mar-10	72,819
Total	1,113,825
Average Balance	85,679

Revised Accounting Exhibits per Company Rebuttal Testimony
Revised Exhibit No. 1 Rate Base Sch 1 thru 3
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Information Entering this File

Test Year: Twelve Months Ended: March 31, 2010

Test Year 3/31/10

to Overall Financial Summary tab

<u>DESCRIPTION</u>	
Operating Income at Attrition Year Present Rates	3,886,867
Rate of Return	8.380%
Gross Revenue Deficiency Factor	1.67319346

to Rate Base Summary tab

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	Per Books	<u>Adjustments</u>	13 mo Average
		Rate Base @ 3/31/10 \$		Rate Base @ 12/11 \$
	Utility Plant in Service (UPIS)	211,962,773		
	Construction Work in Progress	3,109,318		3,463,575
	Utility Plant Capital Lease	1,590,500		
	Limited-Term Utility Plant - Net	0	0	0
	Accumulated Provision for Depreciation UPIS	66,599,948		72,578,044
	Accumulated Amortization of Utility Plant Capital Lease	1,254,728	132,542	
	Deferred Income Taxes	20,631,368		17,153,815
	Customer Advances for Construction	6,196,602		6,383,603
	Contributions in Aid of Construction	9,445,807		10,131,112
	Unamortized Investment Tax Credit	30,769		26,899
	Utility Plant Acquisition Adjustment	74,850	0	53,954
	Deferred Maintenance	0		
	110100 Acc Amort Util Plt Svc	0		
	RWIP	0		

Revised Accounting Exhibits per Company Rebuttal Testimony
Revised Exhibit No. 1 Rate Base Sch 1 thru 3
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to Net Additions tab

ACCOUNT	DESCRIPTION	2010	2011	Net Additions
		Net Additions	Net Additions	
301000	Organization	0	0	0
303000	Land & Land Rights	210,000	250,000	0
339600	Comprehensive Planning Study	0	0	0
304200	Pumping Structures	318,507	37,003	0
304300	Water Treatment Structures	5,214,642	244,108	0
304301	Water Treatment Structures-Depr	0	0	0
304400	T & D Structures	0	0	0
304500	Office Structures	0	0	0
304700	Stores , Shop, & Garage Structures	0	0	0
304800	Miscellaneous Structures	0	0	0
306000	Lakes, Rivers, & Other Intakes	0	0	0
309000	Supply Mains	0	0	0
310100	Power Generation Equipment	0	0	0
311200	Electric Pumping Equipment	243,574	173,430	0
311300	Deisel Pumping Equipment	0	0	0
311500	Other Pumping Equipment	0	0	0
320100	Water Treatment Equipment	6,524	6,524	0
320200	Granular Activated Carbon	214,000	0	0
330000	T & D Reservoirs & Standpipes	105,556	175,000	0
330003	T & D Reservoirs & Standpipes-Painting	0	0	0
330400	Clearwells	0	0	0
331001	T & D Mains not Classified	0	0	0
331100	T & D Mains - Mains (4" or less)	50,000	329,454	0
331200	T & D Mains - Mains (6" - 8")	-1,936	-41,158	0
331210	T & D Mains - Mains (6" - 10")	1,669,345	2,590,300	0
331300	T & D Mains - Mains (10" - 16")	0	0	0
331350	T & D Mains - Mains (12" or More)	1,910,306	1,043,596	0
333000	Services	1,025,171	1,193,441	0
334100	Meters	388,012	510,208	0
334130	Meters-Metal Case/Old Style	0	0	0
334120	Meters - Plastic Case	0	0	0
334131	Meters - rem rd	0	0	0
334200	Meter Installations	481,812	603,368	0
335000	Hydrants	304,067	390,191	0
339200	Other P/E SS	0	0	0
340100	Office Furniture	76,340	40,359	0
340200	Computer & Peripheral Equipment	37,577	181,650	0
340210	Computer & Mainframe Equipment	0	0	0
340220	Computer & Periph Personal	2,400	23,826	0
340230	Computer & Periph Other	0	0	0
340300	Computer Software	15,500	6,992	0
340310	Computer Software Mainframe	0	0	0
340320	Computer Software Personal	0	0	0
340330	Computer Software Other	0	0	0
340400	Data Handling Equipment	0	0	0
340500	Other Office Equipment	0	0	0
341100	Light Trucks	221,467	37,100	0
341200	Heavy Trucks	159,903	234,800	0
341300	Automobiles	-2,700	106,720	0
341400	Transportation-Other	0	0	0
342000	Stores Equipment	0	0	0
343000	Tools, Shop, & Garage Equipment	58,477	87,844	0
344000	Laboratory Equipment	9,500	21,500	0
345000	Power Operated Equipment	0	0	0
346100	Communication Equipment	0	0	0
346200	Communication Equipment-Telephone	0	0	0
347000	Miscellaneous Equipment	5,684	6,684	0
348000	Other Tangible Plant	0	0	0
	Total Plant in Service	12,723,728	8,252,940	0
		12,723,728	8,252,940	
	13 month average net additions	226,384,490		
	13 month average cap lease	1,590,500		
	to Total Working Capital tab	Per Books		Rete Base
		Average		at Mid-Point
	DESCRIPTION	3/31/10	Adjustments	Year
		\$	\$	\$
	Average Cash	13,815		
	Prepaid Insurance	95,905		
	Prepaid Taxes	284,235		
	Deferred Regulatory Expenses			1,228,535
	Unamortized Debt Expense			460,845
	Other Deferred Debits			280,983
	Incidental costs - sewer billings			1,461,215
	sales & use tax			101,597

Revised Accounting Exhibits per Company Rebuttal Testimony
Revised Exhibit No. 1 Rate Base Sch 1 thru 3
Page 17 of 19

to Expense Lag tab

<u>DESCRIPTION</u>	Attrition Year <u>Amount</u> \$				
Payrolls Charged to Expense - Hourly	3,674,972				
Payrolls Charged to Expense - Salary	1,858,687				
Purchased Water	50,962				
Fuel and Power	2,511,238				
Chemicals	1,069,369				
Waste Disposal	197,386				
AWWS Charges	5,228,034				
Group Insurance	1,075,184				
OPEB's	1,174,215				
Pensions	2,052,140				
Regulatory Expense	847,368				
Insurance Other than Group	485,904	0			
Rents	8,706				
Miscellaneous Expense	2,005,675				
Maintenance Expense	1,110,317				
Amortizations					
Uncollectibles	198,122				
Total O & M Expenses	24,574,128				
Depreciation and Amortization	4,877,687				
<u>Taxes Other than Income</u>					
Payroll	438,774	property	Franchise	Utility tx	GR tax
Other	3,950,576	2,825,146	377,690	117,779	529,961
FIT-Current	-815,853				
SIT-Current	-174,147				
Deferred Taxes	558,423				
Interest Expense	4,092,694				
Preferred Dividends	69,049				
Net Earnings (Income)	-205,827				
<u>To Revenue Lag</u>					
Revenues less Private Fire	34,044,254				
Private Fire	1,735,066				

Information Leaving this File

to Class Cost of Service file

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>13 Mo Average</u> <u>AMOUNT</u>
		\$
301000	Organization	0
303000	Land & Land Rights	860,965
339600	Comprehensive Planning Study	144,499
304100	SS Structures	47,382
304200	Pumping Structures	4,266,507
304300	Water Treatment Structures	7,408,035
304301	Water Treatment Structures-Depr	1,694,808
304400	T & D Structures	524,049
304600	Office Structures	394,768
304700	Stores , Shop, & Garage Structures	312,642
304800	Miscellaneous Structures	654,998
306000	Lakes, Rivers, & Other Intakes	489,123
309000	Supply Mains	603,834
310100	Power Generation Equipment	227,422
311200	Electric Pumping Equipment	5,909,060
311300	Diesel Pumping Equipment	119,296
311500	Other Pumping Equipment	420,932
311520	Other Pumping Equipment SS	
320100	Water Treatment Equipment	12,612,181
320200	Granular Activated Carbon	442,199
330000	T & D Reservoirs & Standpipes	6,610,309
330003	T & D Reservoirs & Standpipes-Painting	3,477,221
330100	Elevated tanks and standpipes	1,900,254
330200	Ground level facilities	2,571
330400	Clearwells	680,784
331001	T & D Mains not Classified	2,039,803
331100	T & D Mains - Mains (4" or less)	5,349,391
331200	T & D Mains - Mains (6" - 8")	1,458
331210	T & D Mains - Mains (6" - 10")	67,319,898
331300	T & D Mains - Mains (10" - 16")	9,816,243
331350	T & D Mains - Mains (12" or More)	27,318,258
333000	Services	22,657,563
334100	Meters	5,098,755
334130	Meters-Metal Case/Old Style	3,274,936
334120	Meters - Plastic Case	0
334131	Meters - rem rd	17,907
334200	Meter Installations	11,757,828
335000	Hydrants	8,538,535
339200	Other P/E SS	8,526
340100	Office Furniture	591,338
340200	Computer & Peripheral Equipment	319,777
340210	Computer & Mainframe Equipment	603,486
340220	Computer & Periph Personal	353,178
340230	Computer & Periph Other	294,721
340300	Computer Software	431,702
340310	Computer Software Mainframe	3,535,059
340320	Computer Software Personal	177,213
340330	Computer Software Other	14,222
340400	Data Handling Equipment	15,284
340500	Other Office Equipment	55,208
341100	Light Trucks	1,204,633
341200	Heavy Trucks	1,308,188
341300	Automobiles	261,215
341400	Transportation-Other	452,786
342000	Stores Equipment	43,392
343000	Tools, Shop, & Garage Equipment	1,290,439
344000	Laboratory Equipment	419,542
345000	Power Operated Equipment	287,053
346100	Communication Equipment	351,790
346190	Remote Control & Inst	165,466
346200	Communication Equipment-Telephone	90,325
347000	Miscellaneous Equipment	1,110,618
348000	Other Tangible Plant	4,918
		226,384,490
		226,384,490
		0

Revised Accounting Exhibits per Company Rebuttal Testimony
Revised Exhibit No. 1 Rate Base Sch 1 thru 3
Page 19 of 19

ACCUM PROVISION FOR DEPRECIATION	72,578,044
ACCUMULATED AMORTIZATION OF UTILITY PLANT CAPITAL LEASE	1,387,269
DEFERRED INCOME TAXES	17,153,815
DEFERRED ITC	26,899
UTILITY PLANT CAPITAL LEASE	1,590,500
LIMITED TERM UTILITY PLANT - NET	0
RWIP	(0)
<u>WORKING CAPITAL</u>	
Materials & Supplies	254,110
Deferred Expenses	1,970,363
Working Cash	-689,812
Prepaid Insurance & Taxes	284,235
UTILITY PLANT ACQUISITION ADJUSTMENT	53,954
DEFERRED MAINTENANCE	0
To Income Statement File	
Attrition Year Rate Base	125,542,765

To general tax file:

UPIS @ 12/31/10	223,096,002
materials & supplies	339,789
UPIS @ 12/31/11	231,348,942
materials & supplies	339,789

[illegible]

Operating Revenues Per Books for the Test Year and
for the Attrition Year under both Present and Proposed Rates

Test Year: Twelve Months Ended: March 31, 2010
Exhibit No. 2, Schedule 2
Page 1 of 1

Tennessee Regulatory Authority
Company: Tennessee-American Water Company
Case No:

Line No.	Description	Per Books 12 Months Ended 3/31/10	Test Year Adjustments Present Rates	Normalized Test Year	Attrition Year Adjustments	Attrition Year at Present Rates	Adjustments for Proposed Rates	Attrition Year at Proposed Rates
1	Sales of Water							
2								
3	Metered Sales to General Customers							
4								
5	Residential	\$15,613,436	(\$453,784)	\$15,159,652	\$83,545	\$15,243,197	\$4,220,880	\$19,464,077
6	Commercial	11,512,840	(109,816)	11,403,023	131,323	11,534,346	\$3,214,368	14,748,734
7								
8	Industrial	3,400,242	1,722	3,401,964	0	3,401,964	\$940,828	4,342,792
9								
10	Other Public Authorities	2,556,475	(222)	2,556,253	0	2,556,253	\$678,596	3,234,849
11								
12	Sales for Resale	1,248,931	59,562	1,308,493	0	1,308,493	\$362,033	1,670,526
13								
14	Private Fire Service	1,721,772	0	1,721,772	13,294	1,735,066	479,784	2,214,850
15								
16	Miscellaneous	0	0	0	0	0	0	0
17								
18	Total Sales of Water	36,053,695	(502,537)	35,551,158	228,162	35,779,320	9,898,509	45,675,829
19								
20								
21								
22	Other Operating Revenues							
23		267,248	0	267,248	0	267,248	0	267,248
24	Activity / New Service Fees							
25		317,926	(4,431)	313,495	2,012	315,507	87,269	402,776
26	Late Payment Penalty							
27		170,861	0	170,861	0	170,861	0	170,861
28	Rents from Water Property							
29		424,667	0	424,667	2,335	427,002	0	427,002
30	Sewer Billing Revenues							
31		72,368	66	72,435	0	72,435	0	72,435
32	Miscellaneous							
33		264,083	0	264,083	0	264,083	0	264,083
34	Reconnection Fee							
35		1,517,153	(4,365)	1,512,788	4,347	1,517,135	87,269	1,604,404
36	Total Other Operating Revenues							
37								
38								
39	Total Operating Revenues	37,570,848	(506,902)	37,063,946	232,509	37,296,455	9,983,778	47,280,233
40								
41								
42								
43								
44								
45								

TENNESSEE-AMERICAN
 OTHER REVENUES

SEWER BILLING

	Customers added		Attrition	Amt Per Class
	Normalized	Amt Per Class		
Total Residential Class	0	0	4,836	1,959
Total Commercial Class	0	0	930	377
Total Industrial Class	0	0	0	0
Total Other Public Authority	0	0	0	0
Total Other Water Utility C	0	0	0	0
total number of customers	0	0	5,766	0
	0.405		0.405	
Times \$.432	0	0	2,335	2,335

LATE PAYMENT PENALTIES

@ 3/31/10

Late Payment Penalty 317,926
 Divided Total Sales of Water 36,053,695
 Late payment adjustment ra 0.008818113

	Test Year	Attrition Year	Adjustments
	Adjustments Present Rates	Adjustments	for Proposed Rates
Total Sales of Water	(502,537)	228,162	9,896,509
Exhibit No. 2, Schedule 2			
Ratio	0.008818113	0.008818113	0.008818113
Times ratio	(4,431)	2,012	87,269

Tennessee Regulatory Authority
 Company: Tennessee-American Water Company
 Case No:

Summary of Adjustments to Operation and Maintenance Expenses

Test Year: Twelve Months Ended: March 31, 2010
 Revised Exhibit No. 2, Schedule 3
 Page 1 of 1

Line No.	Adjustment Number Reference	Description	Per Books 12 Months Ended 3/31/10	Test Year Adjustments Present Rates	Normalized Test Year	Attrition Year Adjustments	Attrition Year at Proposed Rates	Attrition Year Rates
1	1	Operation and Maintenance Labor	\$5,167,248	\$334,498	\$5,501,746	\$178,553	\$5,680,299	\$0
2	2	Purchased Water	\$46,840	0	46,840	4,122	50,962	0
3	3	Fuel and Power	\$2,316,133	163,093	2,479,226	32,012	2,511,238	0
4	4	Chemicals	\$1,139,659	(75,405)	1,064,254	5,115	1,069,369	0
5	5	Waste Disposal	\$183,965	0	183,965	13,421	197,386	0
6	6	Management Fees	\$5,008,401	(46,230)	4,962,171	263,863	5,226,034	0
7	7	Group Insurance	\$2,043,181	(31,136)	2,012,045	237,353	2,249,398	0
8	8	Pensions	\$1,282,517	(178,694)	1,103,823	958,317	2,062,140	0
9	9	Regulatory Expense	\$869,835	0	869,835	(22,467)	847,368	0
10	10	Insurance Other than Group	\$403,673	45,113	448,787	37,117	485,904	0
11	11	Customer Accounting	\$836,303	3,348	839,651	17,627	857,278	0
12	12	Uncollectible Expense	\$202,677	(6,343)	194,334	3,788	198,122	184,279
13	13	Rents	\$9,799	(1,093)	8,706	0	8,706	0
14	14	General Office Expense	\$210,461	(2,769)	207,691	10,241	217,933	0
15	15	Miscellaneous Expense	\$1,945,947	(252,769)	1,693,178	312,497	2,005,675	0
16	16	Other Maintenance Expense	\$1,042,628	44,838	1,087,466	22,851	1,110,317	0
17	17	Interest on Customer Deposits	0	0	0	0	0	0
18	18	AFUDC	(\$179,759)	0	(179,759)	(24,241)	(204,000)	0
Total Operation and Maintenance Expenses			22,529,507	(5,549)	22,523,958	2,050,170	24,574,128	184,279
								24,758,407

Summary of Adjustments to Depreciation and Amortization Expenses

Test Year: Twelve Months Ended: March 31, 2010
Exhibit No. 2, Schedule 4
Page 1 of 2

Line No.	Adjustment Number Reference	Description	Per Books 12 Months Ended 3/31/10	Test Year Adjustments Present Rates	Normalized Test Year	Attrition Year Adjustments	Attrition Year at Present Rates	Adjustments for Proposed Rates	Attrition Year at Proposed Rates
1	1	Depreciation Expense	\$4,672,090	(\$247,478)	\$4,424,612	\$536,919	\$4,961,531	\$0	\$4,961,531
2	2	Amortization of Utility Plant Acquisition Adjustment	0	0	0	0	0	0	0
3	3	Amortization of Utility Capital Lease	106,033	0	106,033	0	106,033	0	106,033
4	4	Amortization of Leased Alteration Expense	0	0	0	0	0	0	0
5	5	Amortization of Accumulated Depreciation on CIAC	(157,057)	(20,975)	(178,032)	(11,845)	(189,877)	0	(189,877)
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			4,621,066	(268,453)	4,352,613	525,074	4,877,687	0	4,877,687

Test Year: Twelve Months Ended: March 31, 2010
Exhibit No. 2, Schedule 4
Page 2 of 2

Attition Year Provision for Depreciation Expenses
For Utility Plant in Service

Tennessee Regulatory Authority
Company: Tennessee-American Water Company
Case No:

Line No.	Account Number	Account Description	Depreciable Property at 3/31/10	Depreciation Rate	Normalized Test Year Depreciation Expense	13 Month Avg. Depreciable Property at End of Attition Year	New Depreciation Rate	Attition Year Depreciation Expense
1	338600	Comprehensive Planning Stud	\$144,489	10.00%	\$14,449	144,489	10.00%	\$14,450
2	304100	SS Structures	\$7,382	1.88%	\$738	47,382	1.88%	\$898
3	304200	Slumping Structures	\$3,778	1.88%	\$378	4,265,507	1.88%	84,477
4	304300	Water Treatment Structures	2,128,558	4.11%	\$87,484	7,409,035	4.11%	304,470
5	304301	Water Treatment Structures-Drpr	1,654,808	0.00%	\$0	1,654,808	0.00%	0
6	304400	T & D Structures	524,049	2.13%	\$11,162	524,049	2.13%	11,162
7	304600	Office Structures	394,768	1.13%	\$4,461	394,768	1.13%	4,461
8	304700	Stores, Shop, & Garage Structures	312,642	0.73%	\$2,282	312,642	0.73%	2,282
9	304800	Miscellaneous Structures	654,888	0.48%	\$3,209	654,988	0.48%	3,209
10	306000	Lakes, Rivers, & Other Intakes	485,123	0.83%	\$4,060	485,123	0.83%	4,060
11	308000	Supply Mains	603,834	1.87%	\$11,282	603,834	1.87%	11,282
12	310100	Power Generation Equipment	227,422	12.33%	\$28,041	227,422	12.33%	28,041
13	311300	Electric Pumping Equipment	5,604,762	2.45%	\$137,777	5,604,762	2.45%	137,777
14	311300	Other Pumping Equipment	119,289	1.83%	\$2,182	119,289	1.83%	2,182
15	311500	Other Pumping Equipment	169,477	2.45%	\$4,152	169,477	2.45%	4,152
16	312000	Valves	12,603,650	1.09%	\$137,380	12,612,181	1.09%	137,473
17	312000	Granular Activated Carbon	228,199	30.31%	\$69,187	442,199	30.31%	134,031
18	330000	T & D Reservoirs & Standpipes	6,464,368	2.08%	\$134,459	6,610,309	2.08%	137,494
19	330003	T & D Reservoirs & Standpipes-Painting	3,477,221	11.08%	\$385,278	3,477,221	11.08%	385,278
20	330100	Elevated Tanks & Standpipes	1,900,254	2.74%	\$52,087	1,900,254	2.74%	52,087
21	330200	Ground Level Facilities	2,571	2.74%	\$70	2,571	2.74%	70
22	330400	Cleanwells	860,784	1.65%	\$11,233	860,784	1.65%	11,233
23	331001	T & D Mains not Classified	1,931,852	1.25%	\$24,148	2,039,903	1.25%	25,458
24	331001	T & D Mains - Mains (4" or less)	5,350,217	1.25%	\$66,878	5,349,318	1.25%	66,878
25	331200	T & D Mains - Mains (6" - 9")	84,504,141	1.25%	\$1,056,314	87,318,897	1.25%	1,081,814
26	331210	T & D Mains - Mains (6" - 10")	9,816,243	1.25%	\$122,703	9,816,243	1.25%	122,703
27	331300	T & D Mains - Mains (10" - 16")	24,865,028	1.25%	\$310,838	27,318,258	1.25%	341,478
28	331300	T & D Mains - Mains (16" or More)	21,084,061	1.11%	\$234,033	22,657,562	1.11%	251,489
29	334100	Meters	4,487,775	7.47%	\$335,237	5,088,755	7.47%	380,877
30	334110	Meters-Metal Case/Old Style	3,274,936	7.23%	\$236,778	3,274,936	7.23%	236,778
31	334120	Meters - Plastic Case	0	7.23%	\$0	0	7.23%	0
32	334131	Meters-rem rdr	17,907	7.23%	\$1,285	17,907	7.23%	1,285
33	334200	Hydrants	11,004,188	2.73%	\$300,415	11,787,229	2.73%	320,988
34	335000	Other P/E SS	8,046,226	2.39%	\$185,063	8,538,533	2.39%	196,388
35	338200	Office Furniture	8,528	4.89%	\$399	8,528	4.89%	399
36	340100	Computer & Peripheral Equipment	500,845	1.38%	\$6,933	500,845	1.38%	6,933
37	340200	Computer & Mainframe Equipment	181,912	0.09%	\$39	318,777	2.18%	7,003
38	340220	Computer & Equipment Peripherals	34,333	2.18%	\$753	603,468	0.00%	0
39	340300	Computer Software	294,721	0.00%	\$0	353,178	2.19%	7,735
40	340310	Computer Software Mainframe	415,069	0.00%	\$0	294,721	2.19%	7,735
41	340320	Computer Software Personal	3,535,059	0.00%	\$0	431,702	0.00%	8,454
42	340330	Computer Software Other	17,213	0.00%	\$0	431,702	0.00%	8,454
43	340400	Data Handling Equipment	14,222	0.00%	\$0	3,535,059	0.00%	0
44	340500	Other Office Equipment	15,284	4.84%	\$755	177,213	0.00%	0
45	341000	Light Trucks	55,208	1.39%	\$767	14,222	0.00%	0
46	341200	Heavy Trucks	980,312	16.62%	\$165,850	15,284	0.00%	755
47	341300	Automobiles	1,130,223	1.38%	\$157,843	55,208	1.39%	767
48	341400	Transportation-Other	42,785	7.23%	\$3,123	1,284,633	1.39%	182,721
49	341500	Stores Equipment	42,785	0.89%	\$378	1,165,421	1.39%	162,721
50	342000	Tools, Shop, & Garage Equipment	1,207,373	6.89%	\$83,229	251,215	11.98%	29,726
51	343000	Power Generation Equipment	398,388	1.01%	\$4,024	43,382	0.00%	32,782
52	343000	Power Generation Equipment	287,053	0.00%	\$0	1,290,439	6.89%	86,911
53	343000	Power Generation Equipment	517,250	4.21%	\$21,776	419,542	1.01%	4,237
54	344000	Communication Equipment	90,325	3.51%	\$3,170	287,053	0.00%	0
55	346100	Miscellaneous Equipment	1,102,699	6.33%	\$69,801	517,256	4.21%	21,778
56	346200	Other Tangible Plant	4,918	5.10%	\$251	90,325	3.51%	3,170
57	347000	Amortization of CIAC	0	0.00%	\$0	1,110,618	6.33%	70,302
58	348000	Total Plant in Service	209,759,771		(179,032)	4,918	5.10%	251
59		Land	812,502					(189,877)
60		Cap Lease Asset	1,580,500					
61		Total UP	211,962,773					
62		GL Balance	211,962,773					
63			0					
64								
65								

Test Year: Twelve Months Ended: March 31, 2010
Exhibit No. 2, Schedule 5
Page 1 of 1

Summary of Adjustments to Taxes Other than Income

Tennessee Regulatory Authority
Company: Tennessee-American Water Company
Case No:

Line No.	Adjustment Number Reference	Description	Per Books 12 Months Ended 3/31/10	Test Year Adjustments Present Rates	Normalized Test Year	Attrition Year Adjustments	Attrition Year at Present Rates	Adjustments for Proposed Rates	Attrition Year at Proposed Rates
1	1	Property Taxes	\$2,380,025	\$242,895	\$2,622,920	\$302,226	\$2,925,146	\$0	\$2,925,146
2	2	Other General Taxes	1,222,441	0	1,222,441	(197,011)	1,025,430	0	1,025,430
3	3	F.U.T.A. Taxes	5,004	181	5,185	0	5,185	0	5,185
4	4	F. I. C. A. Taxes	385,198	22,558	407,756	13,333	421,089	0	421,089
5	5	S.U.T.A. Taxes	25,489	(12,989)	12,500	0	12,500	0	12,500
12		Total	4,018,157	252,645	4,270,802	118,548	4,389,350	0	4,389,350

Summary of Income Taxes

Test Year: Twelve Months Ended: March 31, 2010
Revised Exhibit No. 2, Schedule 6
Page 1 of 2

Tennessee Regulatory Authority
Company: Tennessee-American Water Company
Case No:

Line No.	Description	Per Books 12 Months Ended 3/31/10	Test Year Adjustments Present Rates	Normalized Test Year	Attrition Year Adjustments	Attrition Year at Present Rates	Adjustments for Proposed Rates	Attrition Year at Proposed Rates
1	Federal Income Tax - Current	\$85,408	(\$398,722)	(\$313,314)	(\$502,539)	(\$815,853)	\$3,571,949	\$2,756,096
2								
3	State Income Tax - Current	128,787	(191,019)	(62,232)	(111,915)	(174,147)	709,478	535,331
4								
5	Deferred Federal Income Tax	1,433,827	(584,886)	848,841	(330,316)	518,525	0	518,525
6								
7	Deferred State Income Tax	123,058	(64,705)	58,353	57,912	116,265	0	116,265
8								
9	Amortization of ITC	(76,368)	0	(76,368)	0	(76,368)	0	(76,368)
10								
11	Adjustment of Prior Years - FIT	113,953	(113,953)	0	0	0	0	0
12								
13	Adjustment of Prior Years - SIT	(131,939)	131,939	0	0	0	0	0
14								
15	Total	1,676,725	(1,221,445)	455,280	(886,857)	(431,577)	4,281,427	3,849,850
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Computation of Current Federal and State Income Taxes Based on Current Rate for the
 Normalized and Attrition Years and Proposed Rates for the Attrition Year
 Test Year: Twelve Months Ended: March 31, 2010
 Exhibit No. 2, Schedule 6
 Page 2 of 2

Tennessee Regulatory Authority
 Company: Tennessee-American Water Company
 Case No:

Line No.	Description	Per Books Test Year Present Rates		Normalized Year Present Rates		Attrition Year Present Rates		Attrition Year Proposed Rates	
		Federal	State	Federal	State	Federal	State	Federal	State
1	Operating Revenue	\$37,570,848	\$37,570,848	\$37,063,946	\$37,063,946	\$37,398,455	\$37,286,455	\$48,385,760	\$48,385,760
2	Operation and Maintenance Expenses	22,528,507	22,528,507	22,523,958	22,523,958	24,574,128	24,574,128	24,758,407	24,758,407
3	Depreciation and Amortization	4,621,066	4,621,066	4,352,613	4,352,613	4,877,667	4,877,667	4,877,667	4,877,667
4	Taxes, Other than Income	4,018,157	4,018,157	4,270,802	4,270,802	4,389,350	4,389,350	4,389,350	4,389,350
5	State Income Taxes - Current	(201,711)	(201,711)	(62,232)	(62,232)	(174,147)	(174,147)	535,331	535,331
6	State Income Taxes - Deferred	321,617	(890,886)	58,353	(313,314)	(116,283)	(818,853)	116,283	116,283
7	Federal Income Taxes - Current	(78,368)	(78,368)	(175,368)	(175,368)	518,525	518,525	518,525	518,525
8	Federal Income Taxes - Deferred	2,594,174	(78,368)	848,841	(78,368)	518,525	(78,368)	518,525	(78,368)
9	Investment Tax Credit	32,945,458	32,945,458	31,502,653	31,502,653	32,945,458	32,945,458	32,945,458	32,945,458
10	Subtotal	4,725,392	4,725,392	3,461,293	3,461,293	3,865,887	3,865,887	10,520,168	10,520,168
11	Total Income Before Deductions								
12	Total Other Income	-4,522	-4,522						
13	Total Other Deductions	48,375	48,375						
14	Total Other Income	-4,522	-4,522						
15	Total Other Deductions	48,375	48,375						
16	Total Taxes Applicable to Other Income and Deduction	-21,031	-21,031						
17	Total Interest Charges	2,954,478	2,954,478						
18	Net Income	1,741,049	1,741,049	1,368,589	1,368,589	4,092,694	4,092,694	4,092,694	4,092,694
19	State Income Taxes	118,430	118,430	-3,879	-3,879	(205,827)	(205,827)	6,427,792	6,427,792
20	Federal Income Taxes	1,539,264	1,539,264	459,158	459,158	-373,686	-373,686	851,598	851,598
21	Profit Income	3,386,743	3,386,743	1,823,878	1,823,878	-837,405	-837,405	10,277,641	10,277,641
22	Statutory Additions (Deductions):								
23	Permanent Difference	6,671	6,671	6,671	6,671	6,671	6,671	6,671	6,671
24	617.001 Book Over Tax Travel and Entertainment	(184,831)	(184,831)	0	0	0	0	0	0
25	618.006 Medicare subsidiary	340	340	340	340	340	340	340	340
26	618.008 Lobbying Expense	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
27	638.005 Nondeductible Penalties	(177,670)	(177,670)	5,861	5,861	5,861	5,861	5,861	5,861
28	Total Permanent Difference	3,219,073	3,219,073	1,830,840	1,830,840	(830,444)	(830,444)	10,284,602	10,284,602
29	Financial Taxable Income								
30	Temporary Differences	17,782	17,782	0	0	0	0	0	0
31	604.004 Contributions and Advances	0	0	0	0	0	0	0	0
32	605.001 Book Over Tax Depreciation	(267,925)	(267,925)	0	0	0	0	0	0
33	612.001 Book Over Tax Bad Debts	24,857	24,857	0	0	0	0	0	0
34	612.002 Amortization of Regulatory Assets - AFUDC	(1,014,688)	(1,014,688)	0	0	0	0	0	0
35	618.007 Change in Multi-Year Expense	(32,661)	(32,661)	0	0	0	0	0	0
36	618.025 Management Study Expense	417,444	417,444	0	0	0	0	0	0
37	618.028 Accrued OPEB Expense	(101,985)	(101,985)	0	0	0	0	0	0
38	618.029 Incentive Plan Expense	(352,478)	(352,478)	0	0	0	0	0	0
39	618.030 Regulatory Pension Expense	(1,758,083)	(1,758,083)	0	0	0	0	0	0
40	618.032 Miscellaneous Deferred Expenses	125,312	125,312	(1,758,083)	(1,758,083)	(1,177,715)	(1,177,715)	(1,351,745)	(1,351,745)
41	628.001 Tax Over Book Depreciation	(188,432)	(188,432)	0	0	0	0	0	0
42	638.014 Cost of Removal	0	0	0	0	0	0	0	0
43	638.015 AFUDC over Interest Capitalized for Taxes	16,543	16,543	0	0	0	0	0	0
44	638.016 Refund of Taxable Advances	(51,866)	(51,866)	0	0	0	0	0	0
45	638.022 Accrued Vacation Pay Expense	0	0	0	0	0	0	0	0
46	638.027 Abandonment Losses	0	0	0	0	0	0	0	0
47	Net Negative Salvage	0	0	0	0	0	0	0	0
48	Miscellaneous Deferred Expenses	(106,293)	(106,293)	0	0	0	0	0	0
49	Cost of Service Study	14,326	14,326	0	0	0	0	0	0
50	Pavement Repairs	67,144	67,144	0	0	0	0	0	0
51	Repair Expense	(1,030,162)	(1,030,162)	0	0	0	0	0	0
52	Rate Case Expense	184,031	184,031	0	0	0	0	0	0
53	Depreciation Study	13,043	13,043	0	0	0	0	0	0
54	State depreciation in excess of federal	(3,000,534)	(3,000,534)	(2,788,255)	(2,788,255)	(1,874,713)	(2,048,743)	(1,874,713)	(2,048,743)
55	Total Temporary Differences	218,538	1,228,826	(857,415)	(857,415)	(2,505,156)	(2,676,196)	8,408,880	8,235,860
56	Federal Taxable Income Before SIT								
57	Correction to books	100,645	469,035	(62,232)	(62,232)	(174,147)	(174,147)	535,331	535,331
58	State Income Tax	125,311	125,311	(895,163)	(895,163)	(2,331,009)	(2,676,196)	7,874,559	8,235,860
59	Taxable Income	67,855	125,311	(313,314)	(313,314)	(815,953)	(174,147)	2,756,086	535,331
60	Computation of Taxes:								
61	State Income Tax @ 6.50%	67,855	125,311	(313,314)	(313,314)	(815,953)	(174,147)	2,756,086	535,331
62	Federal Income Tax @ 35.00%	67,855	125,311	(313,314)	(313,314)	(815,953)	(174,147)	2,756,086	535,331
63	Total Current Income Tax								
64	Def-AACRS prop								
65	Def - Cap rpts								
66	FIT PPT Adj								

TENNESSEE-AMERICAN WATER COMPANY
CALCULATION OF REVENUE CONVERSION FACTOR
AND PROPOSED RATE INCREASE

RATE BASE REQUESTED	125,542,765
RATE OF RETURN REQUESTED	8.380%
WTD DEBT COST	3.260%
UNCOLLECTIBLE RATIO	1.660%

REVENUES:	1.00000000
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EXPENSES:		
UNCOLLECTIBLES @		0.01660300
		<u>0.98339700</u>
STATE INCOME TAX RATE	6.50%	0.06392081
		<u>0.91947619</u>
FEDERAL INCOME TAX RATE	35.00%	0.32181667
		<u>0.59765952</u>
REVENUE CONVERSION		<u><u>1.67319346</u></u>

RATE BASE REQUESTED	125,542,765
RATE OF RETURN REQUESTED	8.380%
REQUIRED UOI	<u>10,520,484</u>
UOI AT PRESENT RATES	3,886,867
UOI DEFICIENCY	<u>6,633,617</u>

REVENUE INCREASE	11,099,325
Additional late payment penalty	87,269
	87,269
REVENUE INCREASE water only	11,012,056
ADDITIONAL UNCOLLECTIBLES	184,279
SIT	709,478
FIT	3,571,949

Information Entering this File

ACCOUNT	DESCRIPTION	PER BOOKS AMOUNT	ADJ	NORMALIZED AMOUNT	ADJ	ATTRITION YEAR AMOUNT
	<u>To Operating Revenues Tab</u>					
	Residential	15,613,436	(453,784)	15,159,652	83,545	15,243,197
	Commercial	11,512,840	(109,816)	11,403,023	131,323	11,534,346
	Industrial	3,400,242	1,722	3,401,964	0	3,401,964
	Other Public Authorities	2,556,475	(222)	2,556,253	0	2,556,253
	Sales for Resale	1,248,931	59,562	1,308,493	0	1,308,493
	Private Fire Service	1,721,772	-	1,721,772	13,294	1,735,066
	Miscellaneous	190	66	257	0	257
	Other Operating Revenues					
	Activity / New Service Fees	267,248				
	Late Payment Penalty	317,926				
	Rents from Water Property	170,861				
	Sewer Billing Revenues	424,667				
	Miscellaneous-NSF	72,178				
	Reconnection Fee	264,083				
	<u>To Operations & Maintenance Tab</u>					
	Operation and Maintenance Labor	5,167,248	334,498	5,501,746	178,553	5,680,299
	Purchased Water	46,840	0	46,840	4,122	50,962
	Fuel and Power	2,316,133	163,093	2,479,226	32,012	2,511,238
	Chemicals	1,139,559	-75,405	1,064,254	5,115	1,069,369
	Waste Disposal	183,965	0	183,965	13,421	197,386
	Management Fees	5,008,401	-46,230	4,962,171	263,863	5,226,034
	Group Insurance	2,043,181	-31,136	2,012,045	237,353	2,249,398
	Pensions	1,282,517	-178,694	1,103,823	958,317	2,062,140
	Regulatory Expense	869,835	0	869,835	-22,467	847,368
	Insurance Other than Group	403,673		448,787	37,117	485,904
	Customer Accounting	836,303	3,348	839,651	17,627	857,278
	Uncollectible Expense	202,677				
	Rents	9,799	-1,093	8,706	0	8,706
	General Office Expense	210,461	-2,769	207,691	10,241	217,933
	Miscellaneous Expense	1,945,947	-252,769	1,693,178	312,497	2,005,675
	Other Maintenance Expense-less NNS 250,720	1,042,628	44,838	1,087,466	22,851	1,110,317
	Interest on Customer Deposits	0	0			
	AFUDC	179,759	24,241	204,000		204,000
	<u>To Depreciation Tab</u>					
	Depreciation Expense	4,672,090	-247,478	4,424,612	536,919	4,961,531
	Amortization of Utility Plant Acquisition Adjustment	0	no accts to link over			
	Amortization of Utility Capital Lease	106,033	0	106,033		
	Amortization of Leased Alteration Expense	(157,057)	no accts to link over			
	Amortization of Accumulated Depreciation on CIAC	4,621,066		-157,057		-189,877

from rb backup schedule		13 mo avg
		Dec 10 - Dec 11
339600 Comprehensive Planning Study	144,499	144,499
304100 SS Structures	47,382	47,382
304200 Pumping Structures	3,933,768	4,266,507
304300 Water Treatment Structures	2,128,558	7,408,035
304301 Water Treatment Structures-Depr	1,694,808	1,694,808
304400 T & D Structures	524,049	624,049
304600 Office Structures	394,768	394,768
304700 Stores, Shop, & Garage Structures	312,642	312,642
304800 Miscellaneous Structures	654,998	654,998
306000 Lakes, Rivers, & Other Intakes	489,123	489,123
309000 Supply Mains	603,834	603,834
310100 Power Generation Equipment	227,422	227,422
311200 Electric Pumping Equipment	5,604,762	5,909,060
311300 Diesel Pumping Equipment	119,296	119,296
311500 Other Pumping Equipment	251,454	251,454
311520 Other Pumping Equipment SS	169,477	169,477
320100 Water Treatment Equipment	12,603,650	12,612,181
320200 Granular Activated Carbon	228,199	442,199
330000 T & D Reservoirs & Standpipes	6,464,368	6,610,309
330003 T & D Reservoirs & Standpipes-Painting	3,477,221	3,477,221
330100 Elevated Tanks & Standpipes	1,900,254	1,900,254
330200 Ground Level Facilities	2,671	2,671
330400 Clearwells	680,784	680,784
331001 T & D Mains not Classified	1,931,852	2,039,803
331100 T & D Mains - Mains (4" or less)	5,358,217	5,349,391
331200 T & D Mains - Mains (6" - 8")	1,458	1,458
331210 T & D Mains - Mains (6" - 10")	64,594,213	67,319,897
331300 T & D Mains - Mains (10" - 16")	9,816,243	9,816,243
331350 T & D Mains - Mains (12" or More)	24,867,028	27,318,258
333000 Services	21,084,061	22,657,562
334100 Meters	4,487,775	5,098,755
334110 Meters-Metal Case/Old Style	3,274,936	3,274,936
334120 Meters - Plastic Case	0	0
334131 Meters-rem rdr	17,907	17,907
334200 Meter Installations	11,004,198	11,757,829
335000 Hydrants	8,046,226	8,538,536
339200 Other P/E SS	8,526	8,526
340100 Office Furniture	500,945	591,337
340200 Computer & Periph Equipment	181,673	319,777
340210 Computer & Mainframe Equipment	603,486	603,486
340220 Computer & Periph Personal	345,333	353,178
340230 Computer & Periph Other	294,721	294,721
340300 Computer Software	415,069	431,702
340310 Computer Software Mainframe	3,535,059	3,535,059
340320 Computer Software Personal	177,213	177,213
340330 Computer Software Other	14,222	14,222
340400 Data Handling Equipment	15,284	15,284
340500 Other Office Equipment	55,208	55,208
341100 Light Trucks	980,312	1,204,633
341200 Heavy Trucks	1,130,223	1,308,187
341300 Automobiles	255,706	261,215
341400 Transportation-Other	452,786	452,786

EFFECTIVE GROSS RECEIPTS TAX RATE

2.8208%

To Income Statement Tab

Other Income	107,010			
AFUDC	-4,540			
Income from M & J and Contract Work	18			
Interest Income	0			
Gain/Loss on Sale of Property				GAINS/(LOSSES) NONUP-CAP
Other Deductions				
Miscellaneous Amortization	0 no acct to link			
Miscellaneous Other Deductions	46,375			
Taxes Applicable to Other Income and Deductions				
General Taxes	0 no acct to link			
State Income Taxes	-3,476			
Federal Income Taxes	-17,555			
Interest Charges				
Interest on Long-Term Debt	2,785,092	1,219,722	4,004,814	
Interest on Long-Term Capital Lease	73,859			
Amortization of Debt and Discount Expense	26,102			
Interest on Short-Term Debt	70,425	17,455	87,880	
Other Interest	0			
Allowance for Borrowed Funds Used During Construction	-72,749			
437110 Preferred Stk Dividend Credit	69,080			
<u>To Income Tax Tab</u>				
Adjustment to Deferred FIT	0			
Additional Tax Depreciation	0			

To Operating Revenues Tab

Chattanooga	723,375	0	723,375	4,483	727,858
Lookout Mountain	22,670	0	22,670	142	22,812
Lakeview	33,499	0	33,499	211	33,710
Lone Oak	1,441	0	1,441	0	1,441
Suck Creek	2,545	0	2,545	0	2,545
<u>Total Residential Class</u>		0		4,836	
Chattanooga	98,296	0	98,296	902	99,198
Lookout Mountain	1,023	0	1,023	10	1,033
Lakeview	1,941	0	1,941	18	1,959
Lone Oak	17	0	17	0	17
Suck Creek	49	0	49	0	49
<u>Total Commercial Class</u>		0		930	
Chattanooga	1,886	0	1,886	0	1,886
Lookout Mountain	0	0	0	0	0
Lakeview	0	0	0	0	0
<u>Total Industrial Class</u>		0		0	
Chattanooga	8,345	0	8,345	0	8,345
Lookout Mountain	388	0	388	0	388

Lakeview	108	0	108	0	108
Total Other Public Authority		0		0	
Chattanooga	48	0	48	0	48
Lookout Mountain	0	0	0	0	0
Lakeview	0	0	0	0	0
Total Other Water Utility Class		0		0	
From Rate Base File					
To Rev Conversion Factor Tab					
Attrition Year Rate Base					125,542,765
From Capitalization File					
Overall rate of return					8.380%
WTD DEBT COST					3.260%

Information Leaving this File

Test Year: Twelve Months Ended: March 31, 2010

Test Year 3/31/10

to Rate Base Exhibit

DESCRIPTION

Operating Income at Attrition Year Present Rates

Gross Revenue Deficiency Factor

3,886,867

1,673,19346

Attrition
Year
Amount
\$

Fuel and Power
Chemicals
Waste Disposal
AWWS Charges
Group Insurance
Pensions
Insurance Other than Group
Rents

2,511,238
1,069,369
197,386
5,226,034
2,249,398
2,062,140
485,904
8,706

Total O & M Expenses

24,574,128

Depreciation and Amortization
Taxes, Other than Income

4,877,687

Payroll

438,774

Other

3,950,576

FIT-Current

-815,853

SIT-Current

-174,147

Deferred Taxes

558,423

Interest Expense

4,092,694

Net Earnings (Income)	-205,827
<u>To Misc Line 18-25 Adj File</u>	
<u>Cust Acct Tab</u>	
Revenues Present Rates	35,779,320
<u>to Other General Taxes file</u>	
Uncollectible Ratio	1.660% to Gross Receipts Taxes - link out from O & M expense file
<u>To rate base backup CA-CIAC tab</u>	
DEPRECIATION ON CIAC (ATTRITION YEAR)	197,413
<u>To rate base backup - accum depr and amort. Tab</u>	
Property thru 8/07 ref. Exhibit No. 2, Schedule 4, Pg 2 of 2	4,246,580
To TA Class Cost of Service file	
UTILITY OPERATING INCOME - PROPOSED	10,520,486
FEDERAL TAXES	
FEDERAL UNEMPLOYMENT	5,185
FICA	421,089
FEDERAL & STATE INCOME TAXES	3,849,850
STATE AND LOCAL TAXES	
PROPERTY TAXES	2,925,146
STATE UNEMPLOYMENT	12,500
ACTIVITY / NEW SERVICE FEES AT PROPOSED RATES	267,248
RECONNECTION FEE AT PROPOSED RATES	264,083
BILLING SERVICE & MISC. OTHER REVENUES AT PROPOSED RATES	1,073,073
PRIVATE FIRE SERVICE	2,214,850
PUBLIC FIRE SERVICE	0

<u>DEPRECIATION EXPENSE</u>		Attrition
Account	Account	Year
<u>Number</u>	<u>Description</u>	<u>Amount</u>
		\$
339600	Comprehensive Planning Study	14,450
304100	SS Structures	938
304200	Pumping Structures	84,477
304300	Water Treatment Structures	304,470
304301	Water Treatment Structures-Depr	0
304400	T & D Structures	11,162
304600	Office Structures	4,461
304700	Stores , Shop, & Garage Structures	2,282
304800	Miscellaneous Structures	3,209
306000	Lakes, Rivers, & Other Intakes	4,060
309000	Supply Mains	11,292
310100	Power Generation Equipment	28,041
311200	Electric Pumping Equipment	144,772
311300	Deisel Pumping Equipment	2,982
311500	Other Pumping Equipment	4,602
311520	Other Pumping Equipment SS	4,152
320100	Water Treatment Equipment	137,473
320200	Granular Activated Carbon	134,031
330000	T & D Reservoirs & Standpipes	137,494
330003	T & D Reservoirs & Standpipes-Painting	385,276
330100	Elevated Tanks & Standpipes	52,067
330200	Ground Level Facilities	70
330400	Clearwells	11,233
331001	T & D Mains not Classified	25,498
331100	T & D Mains - Mains (4" or less)	66,867
331200	T & D Mains - Mains (6" - 8")	18
331210	T & D Mains - Mains (6" - 10")	841,499
331300	T & D Mains - Mains (10" - 16")	122,703
331350	T & D Mains - Mains (12" or More)	341,478
333000	Services	251,499
334100	Meters	380,877
334110	Meters-Metal Case/Old Style	236,778
334120	Meters - Plastic Case	0
334131	Meters-rem rdr	1,295
334200	Meter Installations	320,989
335000	Hydrants	196,386
339200	Other P/E SS	399
340100	Office Furniture	8,220
340200	Computer & Peripheral Equipment	7,003
340210	Computer & Mainframe Equipment	0
340220	Computer & Periph Personal	7,735
340230	Computer & Periph Other	6,454

340300	Computer Software	0
340310	Computer Software Mainframe	0
340320	Computer Software Personal	0
340330	Computer Software Other	0
340400	Data Handling Equipment	755
340500	Other Office Equipment	767
341100	Light Trucks	192,741
341200	Heavy Trucks	217,421
341300	Automobiles	29,726
341400	Transportation-Other	32,782
342000	Stores Equipment	0
343000	Tools, Shop, & Garage Equipment	88,911
344000	Laboratory Equipment	4,237
345000	Power Operated Equipment	0
346100	Communication Equipment	21,776
346200	Communication Equipment-Telephone	3,170
347000	Miscellaneous Equipment	70,302
348000	Other Tangible Plant	251
	Amortization of CIAC	(189,877)
	Amortization of Utility Plant Acquisition Adjustment	0
	Amortization of Utility Capital Lease	106,033
	Amortization of Leased Alteration Expense	0
	Amortization of Accumulated Depreciation on CIAC	0
	To Def FIT File	
	Composite Depreciation Rate	2.1200%
	To Rate Base File - Expense Lag Tab	
	Rents	8,706
	To Rate Base File - Revenue Lag Tab	
	Revenues less Private Fire	34,044,254
	Private Fire	1,735,066

Tennessee American Water Company

ADJ. NO.	ADJUSTMENT	Residential	Commercial	Normalized Industrial	OPA	OWU	Public Fire	Priv Fire	Other Rev	Total
OPERATING REVENUE ADJUSTMENTS										
1	Weather Normalization	(312,121)	(6,402)	0	0	0	0	0	0	-318,523
2	Annualize Signal Min rate increase 7/1/09	0	0	0	0	12,280	0	0	0	12,280
3	Difference in BA and reported revenues	(26)	(1)	(1)	(1)	1	0	0	0	(26)
4	Annualize Fort Oglethorpe for rate change effective 11/1/09	0	0	0	0	11,555	0	0	0	11,555
5	Eliminate Net Change in Accrued Revenues	(141,636)	(79,193)	1,723	(221)	25,090	0	0	0	(194,237)
6	Annualization for rate decrease effective 9/1/09	0	(34,520)	0	0	0	0	0	0	(34,520)
7	Adjustment for billing error 3/1/0 (Construction Enterprises)	0	10,299	0	0	0	0	0	0	10,299
8	Annualize Walden's Ridge rate increase 6/1/09	0	0	0	0	10,636	0	0	0	10,636
9	Adjustment for annualization of other revenues	0	0	0	0	0	0	0	(4,431)	(4,431)
10	Adjustment for attrition year other revenues	0	0	0	0	0	0	0	0	0
11	Annualization of Year End Customers	0	0	0	0	0	0	0	0	0
12	Sewer Billing	0	0	0	0	0	0	0	0	0
13	Adjustment to Public Fire billing	0	0	0	0	0	66	0	0	66
	TOTAL OPERATING REVENUES ADJUSTMENTS	(453,784)	(109,816)	1,722	(222)	59,562	66	0	(4,431)	(506,902)
OPERATION AND MAINTENANCE EXPENSES ADJUSTMENTS										
13	To adjust Labor expense for the pro forma year	Normalized 334,498	Attrition 178,553	Adjustments for increase						
14	Adjust purchased water to reflect budget	0	4,122							
15	To adjust Fuel & Power expense to reflect the change in system delivery	163,093	32,012							
16	To Adjust Chemicals to reflect the change in system delivery	(75,405)	5,115							
17	Waste disposal adjustment to reflect sewer rate increase	0	13,421							
18	To adjust management fees based upon the 12 mo ending 3/1/0 actual less one time charges and disallowed costs multiplied by applicable inflation factor	(46,230)	253,863							
19	To adjust Group Insurance	(31,136)	237,353							
20	To adjust pensions based upon pension payments for 2011	(178,694)	958,317							
21	Rate Case Expense adjustment for current case	0	(22,467)							
22	Insurance Other than Group adjustment to reflect 2010 actual and adjusted for 2011	45,113	37,117							

23	Customer Accounting - Includes postage adjustment of \$3,348 which reflects increase in postage rates in May 2007 and an inflation adjustment	3,348	17,627	
24	Uncollectible Expense	(8,343)	3,788	184,279
25	Rents - adjust for Oce Imagistics copier lease not renewed, adj canon copier lease, eliminate non-recurring charge, adj C & C lease payments and ice machine rental	(1,093)	0	
26	Adjust general office expenses for postage, one month of sewer payments, eliminate duplicate payment and inflation adjustment	(2,769)	10,241	
27	Adjust miscellaneous expenses to eliminate lobbying expenses, penalties, non-recurring costs, gasoline costs, eliminate temporary employee expenses and institutional and promotional ads, adj Tn One-Call costs, amortization of Management Audit expenses, and inflationary adjustment	(252,769)	312,497	
28	Adjust maintenance for inflation and additional paving costs	44,838	22,851	
27	AFUDC adjustment	0	(24,241)	
	TOTAL OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS	<u>(5,549)</u>	<u>2,050,170</u>	<u>184,279</u>
	DEPRECIATION EXPENSE AND AMORTIZATION ADJUSTMENTS			
28	To reflect depreciation on the Company's adjusted end-of-period depreciable plant	(247,478)	536,919	
29	To reflect amortization to accumulated depreciation of CIAC	(20,975)	(11,845)	
	TOTAL DEPRECIATION EXPENSE AND AMORTIZATION ADJUSTMENTS	<u>(268,453)</u>	<u>525,074</u>	
	INCOME TAX ADJUSTMENTS			
30	To recognize the tax effect of adjustments to operating revenues, expenses, rate base, and statutory addbacks and deducts.	(1,221,445)	(886,657)	4,281,427
	TOTAL INCOME TAX ADJUSTMENTS	<u>(1,221,445)</u>	<u>(886,657)</u>	<u>4,281,427</u>
	TAXES OTHER THAN INCOME ADJUSTMENTS			
31	To conform Gross Receipts, Special Taxes and City License Taxes to a level based upon present rate revenues.	0	(197,011)	0
32	To conform Property Taxes for the rate year-includes the 19% increase for the City of Chattanooga	242,895	302,226	
33	To conform Payroll Taxes for the rate year.	9,750	13,333	
	TOTAL TAXES OTHER THAN INCOME ADJUSTMENTS	<u>252,645</u>	<u>118,548</u>	<u>0</u>
	INTEREST EXPENSE ADJUSTMENTS	1,069,136	0	4,465,706
	PREFERRED DIVIDENDS ADJUSTMENTS	69,049	0	4,465,706
		<u>1,138,185</u>		

Schedule Title :Test Year

Test Year: Twelve Months Ended: March 31, 2010

Test Year **3/31/10**

**Tennessee American Water Company
CWIP**

	12/31/2011	Net Additions	Capital Spending	CWIP Bal
				1,156,225
1/31/11		341,843	789,977	1,604,359
2/28/11		270,124	687,603	2,021,838
3/31/11		475,528	797,101	2,343,411
4/30/11		811,905	690,732	2,222,238
5/31/11		375,215	920,211	2,767,234
6/30/11		952,668	906,375	2,720,941
7/31/11		827,587	1,288,864	3,182,218
8/31/11		600,034	1,226,137	3,808,321
9/30/11		681,874	1,641,358	4,767,804
10/31/11		1,152,017	1,851,310	5,467,097
11/30/11		1,286,604	1,911,718	6,092,211
12/31/11		1,204,595	1,984,963	6,872,579
				Bal @ 12/11
				45,026,476
			revised 13 mo avg	3,463,575

Tennessee American Water
 Projection of Additions & Retirements

Budget DV	NARUG Acct No.	JDE Acct No.	3/2010 CWIP	capex 4/10	Apr-10		May-10		Jun-10	
					In Service	Retire	In Service	Retire	In Service	Retire
	343	331100								
	343	331210	59238		13460		34238			
	343	331350								
	345	333000	1006		5500		765		17917	
	348	335000	1436		15000		5647			
	321	304200	77064							
A										
	343	331210								
Credit in CWIP	343	331210	-1							
Credit in CWIP	348	335000	-233							
B										
	343	331100								
	343	331210			10115	3358		0	34377	5623
	343	331350			10678	8000	10719	1500		
	348	335000					4000	563		
C										
	343	331210	83570		27145	2500	0		0	
D										
	343	331100								
	343	331210	153207		90523	1500	35000	1200		
	343	331350								
E										
	348	335000	2886		3500				3500	
F										
	348	335000	4563		4653	1500	4823		11900	
G										
	345	333000			103000		45630		67344	
H										
	345	333000	356		8000	1600	9600		10756	1244
I										
	346	334100	20324		20712		27400		17000	
	347	334200	21682		36712		28600		29000	
J										
	346	334100	119		34000	44500	6500	1100	101100	68900
	347	334200	185		30000	32500	50000	7600	50000	51000
	391.23	340200								
	391.25	340300								
K										
	391.21	340200	31630				2658			
L										
	331	304300							29385	
M										
	331	304500								
N										
	391.2	340100			7397					
O										
	392.11	341100					0		0	
	392.12	341200								
	392.2	341300								
	397.2	346200								
P										
	394	343000					7200	1523	5040	
	391.21	340200								

Tennessee American Water
Projection of Additions & Retirements

Budget Q	NARUC Acct No.	JDE Acct No.	3/2010 CWIP	capex 4/10	Apr-10		May-10		Jun-10	
					In Service	Retire	In Service	Retire	In Service	Retire
	395	344000			1500					
	391.23	340300								
	399	348000	12020							
	321	304100	471							
	321	304200	17439							
	331	304300	74							
	329	312000	250		41500	1650			23000	
	398	347000								
	332	320100								
	334	320200	25573		13000					
	342	330000	49							
R										
	342	330000	22241							
S										
	301	301000	34523							
26020503, Cillico WTP Pretreatment Phase 1										
	331	304300	1685515							
Cillico WTP Filtration Phase 2										
	331	304300								
IP-2602-7 Convert East Ridge Reservoir to Pump Storage										
	343	331001								
	331	304300								
IP-2602-16 - Office Building										
	389	303600								
IP-2602-19 Pressure Reduction										
	343	331001								
IP-2602-21 Missionary Ridge Storage Tank										
	340	303500								
	342	330100								
26029804 Replace Lkt. Mtn Supply Line										
	340	303500	40724							
	343	331210					210000	1500		
	343	331350	625578				1588000	2500		
IP-2602-4 Ringold Road at I-75										
	340	303500								
	343	331400	25538							
	343	331210								
CS - 2602-1 - Business Transformation CPS										
	339	339600	134812							
CS - 2602-3 - Business Transformation ERT										
	391.25	340300	34720							
IP-2602-24 - Unallocated Indirect Overhead CWIP Charges in Eng Ovr Acct.										
	339	339600	34162							
Total			\$3,151,322.19		\$484,394.60	\$92,108.00	\$2,071,715.55	\$17,486.00	\$400,318.85	\$126,767.00

Tennessee American Water
 Projection of Additions & Retirements

Budget DV	NARUC Acct No.	JDE Acct No.	Jul-10		Aug-10		Sep-10		Oct-10	
			In Service	Retire	In Service	Retire	In Service	Retire	In Service	Retire
	343	331100		1820					1600	
	343	331210	185093		124048		183792		135443	
	343	331350	45000		60000		45203			
	345	335000	12000		16461		8404		55472	
	346	335000	10000	2000	8235		28000		52250	
	321	304200			221256		50248			
A										
	343	331210	18235						11583	
Credit in CWIP	343	331210								
Credit in CWIP	348	335000								1850
B										
	343	331100								
	343	331210	56256		83456	2500			65256	
	343	331350								
	348	335000		354	8000	1000	15000		1500	150
G										
	343	331210	8826	356	0		9980	1200	0	
D										
	343	331100							25735	2610
	343	331210							35895	3500
	343	331350			25268	1200	45235	2450		
E										
	348	335000			7000		17000		15000	
F										
	348	335000	20000	1500	10000	2500	7100	1500	5000	2500
G										
	345	333000	45517		54630		91850		62415	
H										
	345	333000	20756	1244	16000	11000	26555	11445	27000	12038
I										
	346	334100	10000		12000		10000		25000	
	347	334200	14000		17000		14000		35000	
J										
	346	334100	20000		36500	1100	25000		91000	32000
	347	334200	20000		25000		36500	1100	120000	45000
	391.23	340220							10000	
	391.25	340300							13000	
K										
	391.21	340200	3514						19020	1200
L										
	331	304300					10565		16000	
M										
	331	304300	22000	3000			17130		15000	
N										
	391.2	340100	4500				25578		32285	
O										
	392.11	341100	0							
	392.12	341200			171603	17900		4800	125316	
	392.2	341300			2100	5300		3200		600
	397.2	346200								
P										
	394	343000			9000		7560		15000	
	391.21	340200								

Tennessee American Water
Projection of Additions & Retirements

Budget	NARUC Acct No.	JDE Acct No.	Jul-10		Aug-10		Sep-10		Oct-10	
			In Service	Retire	In Service	Retire	In Service	Retire	In Service	Retire
Q	395	344000	2500		3000				2500	
	391.23	340300							4000	
	399	348000								
	321	304100								
	321	304200			48570	1567				
	331	304300							25000	
	325	312000	15789	1200	35000	5000	30000		36000	1200
	398	347000					6524		5684	
	332	320100					95000	2500	100000	
	334	320200								
	342	330000								
R	342	330000				50000		50000	205556	
S	301	301000								
26020503, Clilco WTP Pretreatment Phase 1										
	331	304300							5301305	285873
Clilco WTP Filtration Phase 2										
	331	304300								
IP-2602-7 Convert East Ridge Reservoir to Pump Storage	343	331001								
	343	304300								
IP-2602-16 - Office Building	389	303600								
IP-2602-19 Pressure Reduction	343	331001								
IP-2602-21 Missionary Ridge Storage Tank	340	303500								
	342	330100								
26029804 Replace Lkt. Min Supply Line	340	303500								
	343	331210								
	343	331350								
IP-2602-4 Ringold Road at I-75	340	303500								
	343	331400								
	343	331210								
CS - 2602-1 - Business Transformation CPS	339	339500								
CS - 2602-3 - Business Transformation ERT	391.25	340300								
IP-2602-24 - Unallocated Indirect Overhead										
CWIP Charges in Eng Ovr Acct.	339	339500								
Total			\$453,988.20	\$11,474.00	\$992,026.79	\$101,167.00	\$808,374.00	\$78,195.00	\$6,650,795.03	\$388,621.00

[illegible]

Tennessee American Water
Projection of Additions & Retirements

Budget Q	NARUC Acct No.	JDE Acct No.	Nov-10		Dec-10		Jan-11		Feb-11		Mar-11	
			In Service	Retire	In Service	Retire	In Service	Retire	In Service	Retire	In Service	Retire
		395	344000				1500					
		391.23	340300									
		398	348000	1500								
		321	304100									
		321	304200									
		331	304300	32000	25000				5000	500		
		328	312000	38211	35000	1876	21500					1650
		398	347000				1000					
		332	320100									
		334	320200	10000								
		342	330000									
	R											
		342	330000									
	S											
		301	301000									
	26020503, Cillico WTP Pretreatment Phase 1											
		331	304300									
	Cillico WTP Filtration Phase 2											
		331	304300									
	IP-2602-7 Convert East Ridge Reservoir to Pump Storage											
		343	331001									
		331	304300									
	IP-2602-16 - Office Building											
		389	303600									
	IP-2602-19 Pressure Reduction											
		343	331001	50000								
	IP-2602-21 Missionary Ridge Storage Tank											
		340	303500									
		342	330100									
	26029804 Replace Lkt. Mtn Supply Line											
		340	303500									
		343	331210									
		343	331350									
	IP-2602-4 Ringold Road at I-75											
		340	303500									
		343	331400									
		343	331210									
	CS - 2602-1 - Business Transformation CPS											
		339	339500									
	CS - 2602-3 - Business Transformation ERT											
		391.25	340300									
	IP-2602-24 - Unallocated Indirect Overhead											
	CWIP Charges in Eng Ovr Acct.											
		339	339500									
	Total			\$650,027.40	\$9,182.00	\$950,720.76	\$33,737.00	\$341,843.00	\$270,124.00	\$12,723.00	\$475,528.00	\$107,703.00

Tennessee American Water
 Projection of Additions & Retirements

Budget DV	NARUC Acct No.	JDE Acct No.	Apr-11		May-11		Jun-11		Jul-11		Aug-11	
			In Service	Retire	In Service	Retire	In Service	Retire	In Service	Retire	In Service	Retire
	343	331100										
	343	331210	32456		54840		162278		197800		3500	
	343	331350									202045	
	345	333000	16461		3404		80472		72000		65316	
	346	335000	8235		2800		57250		30200		12639	
	321	304200										
A												
	343	331210			21586							
Credit in CWIP	343	331210										
Credit in CWIP	348	335000										
B												
	343	331100	10258									
	343	331210	88000	6500			4000	1850	64569	1850	75500	1000
	343	331350			17000		10000					
	348	335000	12000	1000	8000		1000	150	3000	150	2500	1000
G												
	343	331210	0								9000	
D												
	343	331100										
	343	331210	126365	1635					19281	1719		
	343	331350	250000	1600	56235		13256	180648	265000			
E												
	348	335000	7000		7000			7000	7000		7000	
F												
	348	335000	12000	2500	9000			16000	9000	400	5000	800
G												
	345	333000	35306		71850			58224	43977		57605	
H												
	345	333000	8000	1600	9600		4456	9756	1244	5244	9000	1000
I												
	346	334100	20712		27400			27000			22000	
	347	334200	26712		28600			29000	30156		30000	
J												
	346	334100	45000	22100	2200		1800	56000	24500		6500	1100
	347	334200	41900	21000				80000	42500			
	391.23	340220							7600			
	391.25	340300										
K												
	391.21	340200	41000		30000			38000			23800	1650
L												
	331	304300	21000					11000			700	
M												
	331	304300	3000		2000			3000	2000		3000	
N												
	391.2	340100	4500	1256	4500			4500	9553	2500		
O												
	392.11	341100	0		0			0	0			
	392.12	341200										
	392.2	341300										
	392.2	346200										
P												
	394	343000			7200			7040	6000		9000	
	391.21	340200							5000		1000	

Tennessee American Water
 Projection of Additions & Retirements

Budget	NARUC Acct No.	JDE Acct No.	Apr-11		May-11		Jun-11		Jul-11		Aug-11	
			In Service	Retire	In Service	Retire	In Service	Retire	In Service	Retire	In Service	Retire
Q	395	344000			12000				2500		3000	
	391.23	340300										
	399	346000										
	321	304100										
	331	304300									38570	1567
	325	311200										
	398	347000					23000		15789	1200	16859	5000
	332	320100										
	334	320200										
R	342	330000										
	342	330000										
S	301	301000										
26020503, Cllico WTP Pretreatment Phase 1												
	331	304300										
Cllico WTP Filtration Phase 2												
	331	304300										
IP-2602-7 Convert East Ridge Reservoir to Pump Storage												
	343	331001										
	331	304300										
IP-2602-16 - Office Building												
	389	303600										
IP-2602-19 Pressure Reduction												
	343	331001										
IP-2602-21 Missionary Ridge Storage Tank												
	340	303500										
	342	330100										
26029804 Replace Lkt. Min Supply Line												
	340	303500										
	343	331210										
	343	331350										
IP-2602-4 Ringold Road at I-75												
	340	303500										
	343	331400										
	343	331210										
CS - 2602-1 - Business Transformation CPS												
	339	339500										
CS - 2602-3 - Business Transformation ERT												
	391.25	340300										
IP-2602-24 - Unallocated Indirect Overhead CWIP Charges in Eng Ovr Acct.												
	339	339500										
Total			\$811,905.00	\$59,191.00	\$375,215.00	\$34,512.00	\$552,668.00	\$72,744.00	\$827,587.00	\$16,563.00	\$500,034.00	\$13,117.00

	NARUG	JDE	Sep-11		Oct-11		Nov-11		Dec-11		Totals	
Budget DV	Acct No.	Acct No.	In Service	Retire	In Service	Retire	In Service	Retire	In Service	Retire	In Service	Retire
	343	331100									1600	5320
	343	331210	105000		165000	176300			65995		2346575.686	0
	343	331350									150203	0
	345	333000	20000		60000	39700			19943		649994	0
	348	335000	25000		5000				15100		338831	4000
	321	304200									271504	0
A											0	0
	343	331210			42876				8659		144098	0
Credit in CWIP	343	331210										
Credit in CWIP	348	335000										
B												
	343	331100	25689	1850			18250	23090				0
	343	331210	105236						82000	12265	46062	83177
	343	331350			31750	76910				921117	26562	37649
	348	335000	3150							104469	5500	5500
										73894	7434	7434
C											0	0
	343	331210	5000		9000		1200		6000	1200	109174	8656
D											0	0
	343	331100									0	2265
	343	331210		4555	56358	117735		2265	126735	812857	37649	37649
	343	331350	15545		23599	56489	1582		75236	1154153	35923	35923
E											0	0
	348	335000	7000		17000	10000			7000		143837	0
F											0	0
	348	335000	8000	500	6000	6000	1500		10000		170176	21046
G											0	0
	345	333000	66365		65900	75981			71739		1418104	0
H											0	0
	345	333000	9755	6445	13500	14568	10038		10600	10234	248395	96871
I											0	0
	346	334100	25000		27000	20000			25000		460620	0
	347	334200	29000		37000	29000			35000		587780	0
J											0	0
	346	334100	95100	48900	36500	20500	21100		61000	12000	755900	318300
	347	334200	75000	31000	50500	30500	11100		45000	15000	300200	300200
	391.23	340220				8962			7264		33826	7600
	391.25	340300				1236			3256		17482	0
K											0	0
	391.21	340200		5000	24600				1700		222727	9500
L											0	0
	331	304300	23000		14500		5000				129130	5000
M											0	0
	331	304300	2000		3000	2000			55000		139130	3500
N											0	0
	391.12	340100	4000		1526	7502			8024		122955	6298

[illegible]

Tennessee American Water

Projection of Additions & Retirements

Budget BY	NARUC Acct No.	JDE Acct No.	2010		2011	
			In Service	Retirements	In Service	Retirements
	343	331100	1600	1820	0	3500
	343	331210	1062405	0	1284171	0
	343	331350	150203	0	0	0
	345	333000	253835	0	395149	0
	348	335000	161971	2000	176860	2000
	321	304200	271504	0	0	0
A			0	0	0	0
	343	331210	50489	0	93599	0
Credit In CWIP	343	331210				
Credit In CWIP	348	335000				
B						
	343	331100	10115	11831	35947	71340
	343	331210	277525	2500	643592	23862
	343	331350	36719	4500	67750	1000
	348	335000	31000	3217	42894	4217
			0	0	0	0
			0	0	0	0
C			55174	5056	54000	3600
D			0	0	0	2265
	343	331100	250383	17575	562474	20074
	343	331210	152080	10696	1002073	25227
	343	331350	50837	0	93000	0
E			0	0	0	0
	348	335000	76176	10700	94000	10346
F			0	0	0	0
G			676104	0	742000	0
	345	333000	0	0	0	0
H			135835	40603	112560	56288
I			166112	0	294508	0
	346	334100	224312	0	363468	0
J			370500	148700	385300	169600
	347	334200	385100	130600	409500	169600
	391.23	340220	10000	7600	23826	0
	391.25	340300	13000	0	4492	0
			0	0	0	0
K			40427	2850	182300	6650
L			59130	0	0	0
	331	304300	59130	0	70000	5000
M			0	0	0	0
	331	304300	59130	3000	80000	500
N			0	0	0	0
	391.2	340100	78840	2500	44115	3756
O			250567	29100	43500	6400
	392.11	341100	171603	11700	238000	3200
	392.12	341200	0	2700	106720	0
	392.2	341300	0	0	0	0
	397.2	346200	0	0	0	0
P			60000	1523	88000	155
	394	343000	0	0	6000	0
	391.21	340200				

		2010		2011			
Budget	NARUG Acct No.	JDE Acct No.	In Service	Retirements	In Service	Retirements	
Q		395	344000	9500	0	21500	0
		391.23	340300	4000	1500	4000	1500
		399	348000			0	0
		321	304100	0	0	0	0
		321	304200	48570	1567	38570	1567
		331	304300	83950	0	84108	500
		325	311200	2545000	10926	184356	10926
		399	347000	5684	0	6684	0
		332	320100	5524	0	5524	0
		334	320200	216000	4000	0	0
R		342	330000	0	0	0	0
		342	330000	205556	100000	300000	125000
S			0	0	0	0	0
		301	301000	0	0	0	0
26020503, Cillico WTP Pretreatment Phase 1			0	0	0	0	0
		331	304300	5301305	285873	0	0
			0	0	0	0	0
				0	0	0	0
Cillico WTP Filtration Phase 2		331	304300	0	0	0	0
			0	0	0	0	0
			0	0	0	0	0
			0	0	0	0	0
IP-2602-7 Convert East Ridge Reservoir to Pump Storage		343	331001	0	0	235000	0
		331	304300	0	0	15000	0
		389	303600	0	0	250000	0
				0	0	0	0
IP-2602-19 Pressure Reduction		343	331001	0	0	0	0
IP-2602-21 Missionary Ridge Storage Tank			50000	0	0	94454	0
		340	303500	0	0	0	0
26029804 Replace Lkt. Mtn Supply Line		342	330100	0	0	0	0
		340	303500	210000	0	0	0
IP-2602-4 Ringold Road at I-75		343	331210	0	1500	0	0
		343	331350	1589000	2500	0	0
		340	303500	0	0	0	0
CS - 2602-1 - Business Transformation CPS		343	331400	0	0	0	0
		343	331210	0	0	0	0
		339	339500	0	0	0	0
CS - 2602-3 - Business Transformation ERT			0	0	0	0	0
		391.25	340300	0	0	0	0
IP-2602-24 - Unallocated Indirect Overhead GWIP Charges in Eng. Ovr. Acct.			0	0	0	0	0
		339	339600	0	0	0	0
Total			\$13,582,365.17	\$886,637.00	\$8,975,993.99	\$728,054.00	

13,151,159.50

fp_number	proj_mgr	est_in_service_date	fp_descr	aug_yr1	sep_yr1	oct_yr1	nov_yr1	dec_yr1	total_prior	year
RP-26-A			Mains - New	500.99	13,222.60	13,222.60	5,298.99	15,222.59	390,229.37	2011
RP-26-B			Mains - Replaced/Re	66,608.80	84,999.99	82,500.00	82,500.00	85,000.02	2,584,821.99	2011
RP-26-C			Mains - Unscheduled	3,000.00	1,000.00	2,800.00	4,220.00	7,000.00	740,259.55	2011
RP-26-D			Mains - Relocated	37,000.00	36,100.02	36,100.02	36,100.02	26,099.98	776,713.28	2011
RP-26-E			Hydrants, Valves, an	5,860.00	8,650.01	8,749.99	8,650.01	8,649.99	254,184.00	2011
RP-26-F			Hydrants, Valves, an	8,000.00	8,000.00	7,000.00	7,000.00	7,000.00	381,500.72	2011
RP-26-G			Services and Laterals	60,370.69	60,562.51	63,021.86	63,396.51	67,349.42	2,932,562.60	2011
RP-26-H			Services and Laterals	9,400.00	9,400.00	9,400.00	9,400.00	9,400.00	424,995.70	2011
RP-26-I			Meters - New	54,833.42	54,833.42	54,833.42	54,833.42	54,832.38	2,267,622.83	2011
RP-26-J			Meters - Replaced	66,853.25	73,060.25	66,164.25	66,164.25	73,060.25	3,797,753.47	2011
RP-26-K			ITS Equipment and S	-	24,800.00	1,700.00	-	(0.01)	295,914.59	2011
RP-26-L			SCADA Equipment a	7,752.16	15,802.47	14,311.67	-	-	161,702.08	2011
RP-26-M			Security Equipment &	2,000.14	3,000.21	2,000.14	3,000.21	51,998.18	319,270.68	2011
RP-26-N			Offices and Operatio	5,000.00	3,800.00	3,837.00	4,000.00	4,000.00	118,191.89	2011
RP-26-O			Vehicles	-	-	117,940.00	150,800.00	119,480.00	1,417,633.49	2011
RP-26-P			Tools and Equipment	10,000.00	10,000.00	12,000.00	12,000.00	26,000.00	197,599.25	2011
RP-26-Q			Process Plant Faciliti	13,963.00	85,000.00	150,000.00	65,003.00	-	1,350,474.21	2011
RP-26-R			Capitalized Tank Rel	29,999.99	29,999.99	29,999.99	15,000.00	15,000.07	513,450.94	2011
RP-26-S			Engineering Studies	-	5,000.05	-	5,000.05	16,955.18	39,523.46	2011
DV-26			PROJECTS FUNDEI	215,000.02	299,999.99	250,000.02	299,999.99	300,000.00	5,051,423.48	2011
26020503	Kristina E. McGee	10/31/2010 0:00	Citico WTP Improve	195,648.00	364,651.00	454,385.00	569,121.00	575,776.00	6,135,431.80	2011
26029804	Kate S. Narley	6/15/2010 0:00	CHAT-Replace Lkt W	-	-	-	-	-	1,640,332.73	2011
IP-2602-16	Randal Taylor	12/30/2012 0:00	Office Building	113,984.36	110,354.73	111,935.86	109,587.10	145,742.15	-	2011
IP-2602-18	Randal Taylor	12/30/2014 0:00	Electrical Motor Effici	-	-	-	-	-	50,000.00	2011
IP-2602-19	Ronald C. Schleifer	12/31/2012 0:00	NRW Pressure Redu	9,451.31	9,514.33	9,577.76	9,028.90	5,938.71	-	2011
IP-2602-20	Randal Taylor	12/31/2014 0:00	Interconnects Adjace	-	-	-	-	-	-	2011
IP-2602-21	Randal Taylor	12/31/2014 0:00	Missionary Ridge Sic	-	-	-	-	-	-	2011
IP-2602-22	Randal Taylor	12/31/2014 0:00	Conversion to ARCV	-	-	-	-	-	-	2011
IP-2602-24	Randal Taylor	12/31/2010 0:00	Unallocated Indirect	-	-	-	-	-	484,334.28	2011
IP-2602-25	Randal Taylor	12/31/2015 0:00	Post Acquisition Inve	9,995.45	9,995.45	10,018.20	-	-	50,000.00	2011
IP-2602-26	Randal Taylor	12/31/2015 0:00	Install New Hill City F	-	-	-	-	-	-	2011
IP-2602-29		12/31/2015 0:00	Install 5,700' of 16"-I	-	-	-	-	-	-	2011
IP-2602-30		12/31/2015 0:00	5800'-16" Main in Na	-	-	-	-	-	-	2011
IP-2602-31		12/31/2015 0:00	Construct 1.0MG Tar	-	-	-	-	-	-	2011
IP-2602-4	Randal Taylor	12/31/2014 0:00	5933 lf of 20" Ringgo	-	-	-	-	-	-	2011
IP-2602-6	John S. Watson	12/31/2014 0:00	Wastewater Treatm't	-	-	-	-	-	25,538.48	2011
IP-2602-7		12/31/2011 0:00	Convert ER Reservo	21,809.28	39,588.59	58,872.86	49,759.06	31,061.01	-	2011
IP-2602-9	Randal Taylor	12/31/2014 0:00	Repl Lktout Mtn Pum	-	-	-	-	-	-	2011
CS-2602-1	Athanasios T. Birbilis	6/30/2010 0:00	Business Transforme	-	-	-	-	-	134,192.80	2011
CS-2602-3	Athanasios T. Birbilis	12/31/2014 0:00	Business Transforme	150,341.00	151,257.00	152,173.00	153,090.00	210,631.00	991,116.00	2011

[illegible]

TENNESSEE AMERICAN WATER COMPANY
 DEFERRED RATE CASE EXPENSE REVISED
 FOR THE ATTRITION YEAR ENDING DECEMBER 31, 2011

TRA Docket #06-00290				TRA Docket #08-00039				TRA Docket #10-00189			
Balance	March 2010	Beginning Balance	Amortization	Unamortized	Amortization	Unamortized	Beginning Balance	Amortization	Unamortized	Amortization	Total
		\$ 131,156	\$	\$ 123,871	7,639	\$ 129,861					\$ 253,733
	April		7,287	116,595	7,639	122,222					238,807
	May		7,287	109,298	7,639	114,583					223,882
	June		7,287	102,012	7,639	106,944					208,956
	July		7,287	94,725	7,639	99,306					194,031
	August		7,287	87,439	7,639	91,667					179,105
	September		7,287	80,152	7,639	84,028					164,180
	October		7,287	72,866	7,639	76,389					149,254
	November		7,287	65,579	7,639	68,750					137,421
	December 2010		7,287	58,292	7,639	61,194					1,374,821
	January		7,287	51,006	30,556	313,194					1,577,520
	February		7,287	43,719	30,556	282,638					1,505,220
	March		7,287	36,433	30,556	252,082					1,432,919
	April		7,287	29,146	30,556	221,525					1,360,619
	May		7,287	21,860	30,556	190,971					1,288,318
	June		7,287	14,573	30,556	160,415					1,216,018
	July		7,287	7,287	30,556	129,859					1,143,717
	August		7,287	(0)	30,556	99,303					1,071,417
	September		7,287		30,556	68,747					999,116
	October		7,287		22,917	45,830					941,741
	November		7,287		22,917	22,914					884,366
	December 2011		7,287		22,914	0					826,995
	Thirteen Month Avg			\$ 25,223		\$ 142,767			\$ 1,033,743	\$	1,201,753

Balance	TRA Docket #08-00039		Amortization	Unamortized	TRA Docket #10-00189		Amortization	Unamortized	Total
	Beginning Balance	17,191			Beginning Balance				
March 2010	\$	\$							\$
April				955					16,236
May				955					15,281
June				955					14,326
July				955					13,371
August				955					12,416
September				955					11,461
October				955					10,506
November				955					9,551
December 2010				955		24,560		24,560	33,156
January				955			682	23,878	31,518
February				955			682	23,196	29,881
March				955			682	22,513	28,244
April				955			682	21,831	26,506
May				955			682	21,149	24,969
June				955			682	20,467	23,332
July				955			682	19,784	21,695
August				955			682	19,102	20,057
September				955	0		682	18,420	18,420
October							682	17,738	17,738
November							682	17,056	17,056
December 2011							682	16,373	16,373
Thirteen Month Avr				\$			\$	20,467	\$ 23,773

TENNESSEE AMERICAN WATER COMPANY
DEFERRED DEPRECIATION STUDY EXPENSE
FOR THE ATTRITION YEAR ENDING DECEMBER 31, 2011

Balance	March 2010	TRA Docket #08-00039		Amortization	Unamortized
		Beginning Balance	\$		
		15,651	\$		
	April	870	\$	870	14,782
	May	870		870	13,912
	June	870		870	13,043
	July	870		870	12,173
	August	870		870	11,304
	September	870		870	10,434
	October	870		870	9,565
	November	870		870	8,695
	December 2010	870		870	7,826
	January	870		870	6,956
	February	870		870	6,087
	March	870		870	5,217
	April	870		870	4,348
	May	870		870	3,478
	June	870		870	2,609
	July	870		870	1,739
	August	870		870	870
	September				-
	October				
	November				
	December 2011				
	Thirteen Month Avg				
			\$	3,010	
			\$		3,010
			\$		1,228,535

13 month average of unamortized balance of
regulatory expenses

TENNESSEE AMERICAN WATER COMPANY
CALCULATION OF PAYROLL RELATED ITEMS
TEST YEAR: MARCH 31, 2010
REVISED PENSION EXPENSE

Pension Funding - Projected funding as of December 2011	\$2,449,880
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Percent to Operation & Maintenance Expenses	84.17%
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Pension Costs to Operations	<u>2,062,140</u>
original filing	<u>1,645,113</u>
variance	<u>417,027</u>

TENNESSEE AMERICAN WATER COMPANY
CALCULATION OF OPEB EXPENSE
TEST YEAR: March 31, 2010
REVISED OPEB EXPENSE

ATTRITION YEAR OPEB EXPENSES

	255,000.00	
2011 FAS 106 COSTS	\$1,395,000	
TOTAL PARTICIPANTS IN CALCULATION	<u>294</u>	
COST PER PARTICIPANT	4,745	
ADJUSTED OPEB COST - REVISED	<u>1,395,000</u>	
	84.17%	<u><u>1,174,215</u></u>
	original filing	<u>959,573</u>
	variance	<u>214,642</u>

**TENNESSEE AMERICAN WATER COMPANY
REGULATORY EXPENSES
ATTRITION YEAR ENDING DECEMBER 31, 2008**

[illegible]

		2006 RC	2008 RC	
Balance 3/31/10		131,158	137,500	
Amtz		65,579	68,750	
Balance @ 12/31/10	7286.58	<u>65,579</u>	<u>68,750</u>	65,579
2006 case-9 months				343,750
2008 rate case	7638.89			413,497
2006 rate case reserved				
2010 rate case				
2008 Cost of Service Study				
Balance 3/31/10		\$	17,191	
Amtz	955	<u>\$</u>	<u>8,596</u>	
Balance 12/31/10		9 mos remaining \$	8,596	
2008 Depreciation Study				
Balance 3/31/10		\$	15,651	
Amtz	869.5	<u>\$</u>	<u>7,826</u>	
Balance 12/31/10		9 mos remaining \$	7,826	
2010 COS		8,120		
2008 COS		8,596		
2008 Depr Study		7,826		
		\$	<u>24,542</u>	24,542
				847,368

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 14th day of February, 2011, upon the following:

☒ Hand-Delivery	Ryan McGehee, Esq.
☐ U.S. Mail	Mary L. White, Esq.
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☐ Overnight	and Protection Division
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☐ Facsimile	Manufacturers Association
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