

# BASS

BERRY • SIMS<sub>PLC</sub>

150 Third Avenue South, Suite 2800  
Nashville, TN 37201  
(615) 742-6200

David Killion  
PHONE: (615) 742-7718  
FAX: (615) 742-0414  
E-MAIL: dkillion@bassberry.com

February 16, 2011

**VIA HAND DELIVERY**

filed electronically in docket office on 02/16/11

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***

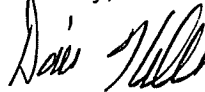
Dear Chairman Freeman:

Enclosed please find an original and five (5) sets of copies of Tennessee American Water Company's Notice of Filing of Supplemental 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)  
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)

**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**

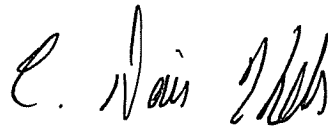
---

**NOTICE OF FILING OF SUPPLEMENTAL  
REVISED ACCOUNTING EXHIBITS AND WORK PAPERS**

---

Tennessee American Water Company ("TAWC") hereby provides this notice of filing of its supplemental revised accounting exhibits and work papers. The Tennessee Regulatory Authority, through Mr. Paul Green, has requested that TAWC provide supplemental revised accounting exhibits and work papers that reflect any revisions noted in TAWC's pre-filed rebuttal testimony. Per the Authority's request, the supplemental revised accounting exhibits and work papers contained in this filing were sent to Mr. Green on February 15, 2011. Accordingly, TAWC is now giving notice of the filing of the attached supplemental 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 16<sup>th</sup> day of February, 2011.



---

R. Dale Grimes (#006332)  
E. Steele Clayton (#017298)  
C. David Killion (#026412)  
BASS, BERRY & SIMS PLC  
150 Third Ave. South, Suite 2800  
Nashville, TN 37201  
(615) 742-6200

*Attorneys for Tennessee American  
Water Company*

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

Overall Financial Summary

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

Line No.	Description	Reference to Supporting Exhibit	Proposed Test Year
1			
2			
3			
4			
5			
6			
7	Rate Base	Exhibit 1, Schedule 2	\$120,173,523
8			
9	Operating Income at Attrition Year Present Rates	Exhibit 2, Schedule 1	3,271,861
10			
11	Earned Rate of Return		2.720%
12			
13	Rate of Return	Exhibit 3, Schedule 1	8.380%
14			
15	Required Operating Income		10,070,541
16			
17	Operating Income Deficiency		6,798,680
18			
19	Gross Revenue Deficiency Factor		1.67319346
20			
21	Revenue Deficiency		11,375,507
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

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

Computation of Attrition Year Rate Base

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

Line No.	Footnote Reference	Per Books Rate Base @ 3/31/10	Adjustments	Rate Base 13 mo average @ 12/31/11
1				
2				
3				
4				
5				
6				
7	(1)	\$210,372,273	\$16,012,217	\$226,384,490
8	(2)	3,109,318	354,257	3,463,575
9				
10		1,590,500	0	1,590,500
11	(3)	0	0	0
12				
13	(4)	0	0	0
14				
15				
16		1,933,896	0	1,933,896
17				
18		217,005,986	16,366,475	233,372,461
19				
20				
21				
22	(5)	66,599,948	5,978,096	72,578,044
23		(0)	0	(0)
24				
25				
26	(6)	1,254,728	132,542	1,387,269
27				
28	(7)	20,631,368	2,006,689	22,638,057
29				
30	(8)	6,196,602	187,001	6,383,603
31				
32	(9)	9,445,807	685,305	10,131,112
33				
34	(10)	30,769	(3,870)	26,899
35				
36	(11)	63,623	(9,669)	53,954
37				
38		104,222,844	8,976,094	113,198,939
39				
40		112,783,142	7,390,381	120,173,523
41				
42				
43				
44				
45				

Supplemental Revised Accounting Exhibits per Company Rebuttal Testimony  
Page 3 of 37

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

Attrition Year Rate Base  
Footnotes

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

Line No.	FOOTNOTE REFERENCE	DESCRIPTION	AMOUNT
1			
2			
3			
4			
5			
6			
7			
8	(1)	Net Additions to UPIS through December 31, 2011 (13 month average)	\$16,012,217
9	(2)	Adjustment to CWIP through December 31, 2011 (13 month average)	354,257
10	(3)	Adjustment to Deferred Maintenance	0
11	(4)	Adjustment to Limited -Term Utility Plant - Net	0
12			
13	(5)	Adjustment to Accumulated Provision for Depreciation of UPIS	5,978,096
14			
15	(6)	Adjustment to Accumulated Amortization of Utility Plant - Capital Lease	132,542
16			
17	(7)	Adjustment to Deferred Income Taxes	2,006,689
18			
19	(8)	Change in Customer Advances	187,001
20			
21	(9)	Change in Contributions in Aid of Construction	685,305
22			
23	(10)	Change in Unamortized Investment Tax Credit	(3,870)
24			
25			
26	(11)	Adjustment to Utility Plant Acquisition Adjustment	(9,669)
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

# Supplemental Revised Accounting Exhibits per Company Rebuttal Testimony

## Page 4 of 37

Tennessee Regulatory Authority Company: Tennessee-American Water Company			Net Additions to Utility Plant in Service & 13 Month Average From End of Test Year to End of Forecasted Period		Test Year: Twelve Months Ended: March 31, 2010 Exhibit No. 1, Schedule 2 Page 3 of 3	
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	\$0	0
2	301000	Land & Land Rights	\$210,000	\$250,000	\$460,000	860,965
3	303000	Comprehensive Planning Study	\$0	\$0	\$0	144,499
4	339600	SS Structures	\$0	\$0	\$0	47,382
5	304100	Pumping Structures	\$318,507	\$37,003	\$355,510	4,266,507
6	304200	Water Treatment Structures	\$5,214,642	\$244,108	\$5,458,750	7,408,035
7	304300	Water Treatment Structures-Depr	\$0	\$0	\$0	1,694,808
8	304301	T & D Structures	\$0	\$0	\$0	524,049
9	304400	Office Structures	\$0	\$0	\$0	394,768
10	304600	Stores, Shop, & Garage Structures	\$0	\$0	\$0	312,642
11	304700	Miscellaneous Structures	\$0	\$0	\$0	694,998
12	304800	Lakes, Rivers, & Other Inlets	\$0	\$0	\$0	489,123
13	306000	Supply Mains	\$0	\$0	\$0	603,834
14	309000	Power Generation Equipment	\$243,574	\$173,430	\$417,004	227,422
15	310100	Electric Pumping Equipment	\$0	\$0	\$0	5,909,060
16	311200	Deisel Pumping Equipment	\$0	\$0	\$0	119,296
17	311300	Other Pumping Equipment	\$0	\$0	\$0	420,932
18	311500	Water Treatment Equipment	\$6,524	\$6,524	\$13,048	12,612,181
19	320100	Granular Activated Carbon	\$214,000	\$0	\$214,000	442,189
20	330000	T & D Reservoirs & Standpipes	\$105,556	\$175,000	\$280,556	8,510,563
21	330003	T & D Reservoirs & Standpipes-Painting	\$0	\$0	\$0	3,477,221
22	330300	Ground Level Facilities	\$0	\$0	\$0	2,571
23	330400	Clearwells	\$0	\$0	\$0	680,784
24	331001	T & D Mains not Classified	\$0	\$0	\$0	2,039,803
25	331100	T & D Mains - Mains (4" or less)	\$50,000	\$328,454	\$379,454	5,349,391
26	331200	T & D Mains - Mains (6" - 8")	(\$1,936)	(\$1,158)	(\$43,094)	1,458
27	331210	T & D Mains - Mains (6" - 10")	\$1,669,345	\$2,590,300	\$4,259,645	67,319,898
28	331300	T & D Mains - Mains (10" - 16")	\$0	\$0	\$0	9,816,243
29	331350	T & D Mains - Mains (12" or More)	\$1,910,306	\$1,043,586	\$2,953,902	27,318,258
30	333000	Services	\$1,025,171	\$1,193,441	\$2,218,612	22,657,563
31	334100	Meters	\$388,012	\$510,208	\$898,220	5,098,755
32	334130	Meters-Metal Case/Old Style	\$0	\$0	\$0	3,274,936
33	334130	Meters - Plastic Case	\$0	\$0	\$0	0
34	334131	Meters - rem rd	\$0	\$0	\$0	17,907
35	334131	Meter Installations	\$481,872	\$603,368	\$1,085,180	11,757,828
36	335000	Hydrants	\$304,067	\$390,181	\$694,258	8,538,535
37	339200	Other P/E SS	\$0	\$0	\$0	6,526
38	340100	Office Furniture	\$76,340	\$40,359	\$116,699	591,338
39	340200	Computer & Peripheral Equipment	\$37,577	\$181,650	\$219,227	319,777
40	340210	Computer & Mainframe Equipment	\$0	\$0	\$0	603,486
41	340220	Computer & Periph Personal	\$2,400	\$23,826	\$26,226	353,178
42	340230	Computer & Periph Other	\$0	\$0	\$0	294,721
43	340300	Computer Software	\$15,500	\$6,992	\$22,492	431,702
44	340310	Computer Software Mainframe	\$0	\$0	\$0	3,535,059
45	340320	Computer Software Personal	\$0	\$0	\$0	177,213
46	340330	Computer Software Other	\$0	\$0	\$0	14,222
47	340400	Data Handling Equipment	\$0	\$0	\$0	15,264
48	340500	Other Office Equipment	\$0	\$0	\$0	55,208
49	341100	Light Trucks	\$221,467	\$37,100	\$258,567	1,204,633
50	341200	Heavy Trucks	\$159,903	\$234,800	\$394,703	1,308,188
51	341300	Automobiles	(\$2,700)	\$106,720	\$104,020	261,215
52	341400	Transportation-Other	\$0	\$0	\$0	452,786
53	342000	Stores Equipment	\$0	\$0	\$0	43,392
54	343000	Tools, Shop, & Garage Equipment	\$59,477	\$87,844	\$146,321	1,290,439
55	344000	Laboratory Equipment	\$9,500	\$21,500	\$31,000	419,542
56	345000	Power Operated Equipment	\$0	\$0	\$0	287,053
57	346100	Communication Equipment	\$0	\$0	\$0	517,256
58	346200	Communication Equipment-Telephone	\$0	\$0	\$0	90,325
59	347000	Miscellaneous Equipment	\$5,684	\$6,684	\$12,368	1,110,618
60	348000	Other Tangible Plant	\$0	\$0	\$0	4,918
61		Total Plant in Service	12,723,726	8,252,940	20,976,668	226,384,490

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		
4		
5		
6		
7	Prepaid Taxes	284,235
8		
9	Materials & Supplies	254,110
10		
11	Deferred Regulatory Expenses	1,228,535
12		
13	Unamortized Debt Expense	460,845
14		
15	Other Deferred Debits	280,983
16		
17	Lead - Lag Study	988,000
18		
19	Total	3,496,708
20		
21	Less:	
22		
23	Incidental Collections	1,562,812
24		
25	Total	1,562,812
26		
27	Working Capital Requirement	1,933,896
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		

Computation of Working Capital  
Lead/Lag Study

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 2 of 6

Line No.	Description	Days	Amount
1			
2			
3			
4			
5	Net Operating Funds		37,296,455
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	33.86	
13			
14	(C) Net Interval	9.67	
15			
16	Operating Funds Advanced		987,732
17			
18	Lead/Lag Study Capital		987,732
19			
20	Use		988,000
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			

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				
2				
3				
4	Payrolls Charged to Expense - Hourly	3,674,972	17.08	62,768,518
5	Payrolls Charged to Expense - Salary	1,858,687	17.08	31,746,371
6	Purchased Water	50,962	36.44	1,857,055
7	Fuel and Power	2,511,238	28.04	70,415,101
8	Chemicals	1,069,369	23.64	25,279,892
9	Waste Disposal	194,993	73.61	14,353,432
10	AWWS Charges	5,226,034	(11.97)	(62,555,632)
11	Group Insurance	1,075,184	(13.63)	(14,654,751)
12	OPEB's	1,174,215	(1.63)	(1,913,970)
13	Pensions	2,062,140	(1.63)	(3,361,286)
14	Regulatory Expense	847,368	76.64	64,942,309
15	Insurance Other than Group	485,904	(40.00)	(19,436,151)
16	Rents	8,706	(33.42)	(290,952)
17	Uncollectibles	198,122	0.00	0
18	Maintenance Expense	1,110,317	21.74	24,138,284
19	Amortizations	0	0.00	0
20				
21				
22				
23	Other Operating Expenses	3,023,526	34.05	102,951,074
24	Total O & M Expenses	24,571,737		
25				
26	Depreciation and Amortization	4,877,687	0.00	0
27	Taxes, Other than Income			
28	Payroll	438,774	15.79	6,928,245
29	Property Tax	2,800,043	241.00	674,810,363
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	FIT-Current	(716,850)	29.64	(21,247,434)
34	SIT-Current	(154,482)	29.64	(4,578,846)
35	Deferred Taxes	1,182,255	0.00	0
36	Interest Expense	3,917,656	85.08	333,314,172
37	Preferred Dividends	69,080	45.63	3,152,120
38	Net Earnings	(714,875)	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		33.86	
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	Revenues less private fire 34,044,254	14.74	501,946,743
13			
14	Private Fire billed in advance 1,735,066	(45.63)	(79,171,053)
15			
16	Total 35,779,320		422,775,690
17			
18			
19			
20			
21			
22			
23			
24			
25	Average Median Service Days	11.82	
26	Number of Days between the Reading Date and the Date the Bills are Issued	4.38	
27			
28	Number of Days between the Billed Date and the Date the Bills are paid	27.33	
29			
30			
31			
32	Total Average Days' Interval between Number of Days from Date Services are Furnished to Date Collections are Received	43.53	
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

Notes: private fire Quarterly is billed in advance  
All monthly customers are billed in arrears

Computation of Average Materials & Supplies Paid

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

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  
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

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



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								
7	Commercial	11,512,840	(109,816)	11,403,023	131,323	11,534,346	\$3,214,388	14,748,734
8								
9	Industrial	3,400,242	1,722	3,401,964	0	3,401,964	\$940,828	4,342,792
10								
11	Other Public Authorities	2,556,475	(222)	2,556,253	0	2,556,253	\$678,596	3,234,849
12								
13	Sales for Resale	1,248,931	59,562	1,308,493	0	1,308,493	\$362,033	1,670,526
14								
15	Private Fire Service	1,721,772	0	1,721,772	13,294	1,735,066	479,784	2,214,850
16								
17	Miscellaneous	0	0	0	0	0	0	0
18								
19	Total Sales of Water	36,053,695	(502,537)	35,551,158	228,162	35,779,320	9,896,509	45,675,829
20								
21								
22	Other Operating Revenues							
23								
24	Activity / New Service Fees	267,248	0	267,248	0	267,248	0	267,248
25								
26	Late Payment Penalty	317,926	(4,431)	313,495	2,012	315,507	87,269	402,776
27								
28	Rents from Water Property	170,861	0	170,861	0	170,861	0	170,861
29								
30	Sewer Billing Revenues	424,667	0	424,667	2,335	427,002	0	427,002
31								
32	Miscellaneous	72,368	66	72,435	0	72,435	0	72,435
33								
34	Reconnection Fee	264,083	0	264,083	0	264,083	0	264,083
35								
36	Total Other Operating Revenues	1,517,153	(4,365)	1,512,788	4,347	1,517,135	87,269	1,604,404
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								

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

Summary of Adjustments to Operation and Maintenance Expenses

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	Operation and Maintenance Labor	\$5,167,248	\$334,498	\$5,501,746	\$178,553	\$5,680,299	\$0	\$5,680,299
2	2	Purchased Water	\$46,840	0	46,840	4,122	50,962	0	50,962
3	3	Fuel and Power	\$2,316,133	163,093	2,479,226	32,012	2,511,238	0	2,511,238
4	4	Chemicals	\$1,139,659	(75,405)	1,064,254	5,115	1,069,369	0	1,069,369
5	5	Waste Disposal	\$183,965	0	183,965	11,028	194,993	0	194,993
6	6	Management Fees	\$5,008,401	(46,230)	4,962,171	263,863	5,226,034	0	5,226,034
7	7	Group Insurance	\$2,043,181	(31,136)	2,012,045	237,354	2,249,399	0	2,249,399
8	8	Pensions	\$1,282,517	(178,694)	1,103,823	958,317	2,062,140	0	2,062,140
9	9	Regulatory Expense	\$869,835	0	869,835	(22,467)	847,368	0	847,368
10	10	Insurance Other than Group	\$403,673	45,113	448,787	37,117	485,904	0	485,904
11	11	Customer Accounting	\$836,303	3,348	839,651	17,627	857,278	0	857,278
12	12	Uncollectible Expense	\$202,677	(8,343)	194,334	3,788	198,122	188,864	386,986
13	13	Rents	\$9,799	(1,093)	8,706	0	8,706	0	8,706
14	14	General Office Expense	\$210,461	(2,769)	207,691	10,241	217,933	0	217,933
15	15	Miscellaneous Expense	\$1,945,947	(252,769)	1,693,178	312,497	2,005,675	0	2,005,675
16	16	Other Maintenance Expense	\$1,042,628	44,838	1,087,466	22,851	1,110,317	0	1,110,317
17	17	Interest on Customer Deposits	0	0	0	0	0	0	0
18	18	AFUDC	(\$179,759)	0	(179,759)	(24,241)	(204,000)	0	(204,000)
Total Operation and Maintenance Expenses			22,529,507	(5,549)	22,523,958	2,047,779	24,571,737	188,864	24,760,601

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)
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									
			4,621,066	(268,453)	4,352,613	525,074	4,877,687	0	4,877,687

# Supplemental Revised Accounting Exhibits per Company Rebuttal Testimony

## Page 15 of 37

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

### Attrition Year Provision for Depreciation Expense 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 Attrition Year	New Depreciation Rates	Attrition Year Depreciation Expense
1	339600	Comprehensive Planning Study	\$144,499	10.00%	\$14,450	144,489	10.00%	\$14,450
2	304100	SS Structures	\$47,382	1.96%	\$938	47,382	1.96%	\$938
3	304200	Pumping Structures	3,953,788	1.96%	\$77,689	4,266,507	1.96%	84,477
4	304300	Water Treatment Structures	2,128,558	4.11%	\$87,484	7,405,035	4.11%	304,470
5	304301	Water Treatment Structures-Depr	1,694,008	0.00%	\$0	1,694,008	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	654,998	0.49%	\$3,209	654,998	0.49%	3,209
10	305000	Lakes, Rivers, & Other Intakes	489,123	0.83%	\$4,060	489,123	0.83%	4,060
11	305900	Supply Mains	603,834	1.87%	\$11,292	603,834	1.87%	11,292
12	310100	Power Generation Equipment	227,422	12.33%	\$28,041	227,422	12.33%	28,041
13	311200	Electric Pumping Equipment	5,604,762	2.45%	\$137,317	5,905,060	2.45%	144,772
14	311300	Deisel Pumping Equipment	119,296	2.50%	\$2,982	119,296	2.50%	2,982
15	311500	Other Pumping Equipment	251,454	1.83%	\$4,602	251,454	1.83%	4,602
16	311520	Other Pumping Equipment SS	169,477	2.45%	\$4,152	169,477	2.45%	4,152
17	320100	Water Treatment Equipment	12,603,650	1.09%	\$137,380	12,612,161	1.09%	137,473
18	320200	Granular Activated Carbon	228,199	30.31%	\$69,167	442,139	30.31%	134,631
19	330000	T & D Reservoirs & Standpipes	6,464,368	2.06%	\$134,459	6,610,309	2.06%	137,494
20	330003	T & D Reservoirs & Standpipes-Painting	3,477,221	11.06%	\$385,276	3,477,221	11.06%	385,276
21	330100	Elevated Tanks & Standpipes	1,900,254	2.74%	\$52,067	1,900,254	2.74%	52,067
22	330200	Ground Level Facilities	2,571	2.74%	\$70	2,571	2.74%	70
23	330400	Cleanwells	680,784	1.65%	\$11,233	680,784	1.65%	11,233
24	331001	T & D Mains not Classified	1,931,852	1.25%	\$24,148	2,009,803	1.25%	25,488
25	331100	T & D Mains - Mains (4" or less)	5,358,217	1.25%	\$66,978	5,349,391	1.25%	66,867
26	331200	T & D Mains - Mains (6" - 8")	1,458	1.25%	\$18	1,458	1.25%	18
27	331210	T & D Mains - Mains (8" - 10")	64,594,213	1.25%	\$807,428	67,319,697	1.25%	841,489
28	331300	T & D Mains - Mains (10" - 16")	9,816,243	1.25%	\$122,703	9,816,243	1.25%	122,703
29	331350	T & D Mains - Mains (16" - 24")	24,867,028	1.25%	\$310,886	27,318,258	1.25%	341,476
30	333000	Services	21,084,061	1.11%	\$234,033	22,857,562	1.11%	251,459
31	334100	Meters	4,467,775	7.47%	\$335,237	5,086,735	7.47%	360,977
32	334110	Meters-Metal Case/Old Style	3,274,936	7.23%	\$236,778	3,274,936	7.23%	236,776
33	334120	Meters - Plastic Case	0	7.23%	\$0	0	7.23%	0
34	334131	Meters-rem rtr	17,907	7.23%	\$1,285	17,907	7.23%	1,285
35	334200	Meter Installations	11,004,186	2.73%	\$300,415	11,737,829	2.73%	320,688
36	335000	Hydrants	8,046,226	2.30%	\$185,063	8,538,336	2.30%	196,386
37	339200	Other P/E SS	8,526	4.86%	\$399	8,526	4.86%	399
38	340100	Office Furniture	500,945	1.39%	\$6,963	591,337	1.39%	8,220
39	340200	Computer & Peripheral Equipment	181,673	2.19%	\$3,979	319,777	2.19%	7,000
40	340210	Computer & Mainframe Equipment	603,486	0.00%	\$0	603,486	0.00%	0
41	340220	Computer & Periph Personal	345,333	2.19%	\$7,563	353,178	2.19%	7,735
42	340230	Computer & Periph Other	284,721	2.19%	\$6,454	294,721	2.19%	6,454
43	340300	Computer Software	415,059	0.00%	\$0	431,702	0.00%	0
44	340310	Computer Software Mainframe	3,555,059	0.00%	\$0	3,555,059	0.00%	0
45	340320	Computer Software Personal	177,213	0.00%	\$0	177,213	0.00%	0
46	340330	Computer Software Other	14,222	0.00%	\$0	14,222	0.00%	0
47	340400	Data Handling Equipment	15,284	4.94%	\$755	15,284	4.94%	755
48	340500	Other Office Equipment	55,208	1.35%	\$767	55,208	1.35%	767
49	341100	Light Trucks	980,312	16.00%	\$156,650	1,204,633	16.00%	192,741
50	341200	Heavy Trucks	1,130,223	16.62%	\$187,843	1,308,197	16.62%	217,421
51	341300	Automobiles	255,706	11.38%	\$29,099	281,215	11.38%	39,776
52	341400	Transportation-Other	452,768	7.24%	\$32,782	452,768	7.24%	32,782
53	342000	Stores Equipment	43,392	0.00%	\$0	43,392	0.00%	0
54	343000	Tools, Shop, & Garage Equipment	1,207,973	6.89%	\$83,229	1,290,439	6.89%	88,911
55	344000	Laboratory Equipment	398,398	1.01%	\$4,024	419,542	1.01%	4,237
56	345000	Power Operated Equipment	287,053	0.00%	\$0	287,053	0.00%	0
57	346100	Communication Equipment	517,256	4.21%	\$21,776	517,256	4.21%	21,776
58	346200	Communication Equipment-Telephone	90,325	3.51%	\$3,170	90,325	3.51%	3,170
59	347000	Miscellaneous Equipment	1,102,699	6.33%	\$69,901	1,110,618	6.33%	70,302
60	348000	Other Tangible Plant	4,918	5.10%	\$251	4,918	5.10%	251
61		Amortization of CIAC			(178,032)			(189,877)
62		Total Plant in Service	209,759,771		4,246,560	225,523,525		4,171,654
63		Land			4,424,512			
64		Land Lease Asset	612,502			660,965		
65		Total	211,962,773		2.02%	1,590,500		2.12%
						227,974,990		

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

Summary of Adjustments to Taxes Other than Income

Test Year: Twelve Months Ended: March 31, 2010  
Revised Exhibit No. 2, Schedule 5  
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 Present Rates	Adjustments for Proposed Rates	Attrition Year at Proposed Rates
1	1	Property Taxes	\$2,380,025	\$242,895	\$2,622,920	\$177,123	\$2,800,043	\$0	\$2,800,043
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
11		Total	4,018,157	252,645	4,270,802	(6,555)	4,264,247	0	4,264,247

Tennessee Regulatory Authority Company: Tennessee-American Water Company Case No:		Summary of Income Taxes							Test Year: Twelve Months Ended: March 31, 2010 Revised Exhibit No. 2, Schedule 6 Page 1 of 2			
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	(\$341,441)	(\$256,033)	(\$460,817)	(\$716,850)	\$3,660,830	\$2,943,960				
2												
3	State Income Tax - Current	128,787	(179,642)	(50,855)	(103,627)	(154,482)	727,131	572,649				
4												
5	Deferred Federal Income Tax	1,433,827	(564,986)	848,841	223,110	1,071,951	0	1,071,951				
6												
7	Deferred State Income Tax	123,058	(64,705)	58,353	128,318	186,671	0	186,671				
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	(1,152,787)	523,938	(213,015)	310,923	4,387,961	4,698,884				
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												

# Supplemental Revised Accounting Exhibits per Company Rebuttal Testimony

## Page 18 of 37

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

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

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

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	\$37,570,648	\$37,570,648	\$37,063,946	\$37,063,946	\$37,296,455	\$37,296,455	\$48,671,962	\$48,671,962
2									
3	Operation and Maintenance Expense:	22,526,507	22,526,507	22,523,958	22,523,958	24,571,737	24,571,737	24,760,601	24,760,601
4	Depreciation and Amortization	4,621,066	4,621,066	4,352,613	4,352,613	4,877,687	4,877,687	4,877,687	4,877,687
5	Taxes, Other than Income	4,016,157	4,016,157	4,270,802	4,270,802	4,264,247	4,264,247	4,264,247	4,264,247
6	State Income Taxes - Current	(201,711)	(201,711)	(50,855)	(50,855)	(154,482)	(154,482)	(154,482)	(154,482)
7	State Income Taxes - Deferred	321,617	321,617	58,353	58,353	186,671	186,671	186,671	186,671
8	Federal Income Taxes - Current	(950,986)	(950,986)	(256,033)	(256,033)	(716,850)	(716,850)	(2,943,960)	(2,943,960)
9	Federal Income Taxes - Deferred	2,594,174	2,594,174	648,841	648,841	1,071,951	1,071,951	1,071,951	1,071,951
10	Investment Tax Credit	(76,368)	(76,368)	(76,368)	(76,368)	(76,368)	(76,368)	(76,368)	(76,368)
11	Subtotal	32,845,456	32,845,456	31,671,311	31,671,311	34,024,594	34,024,594	38,601,419	38,601,419
12	Total Income Before Deductions	4,725,392	4,725,392	5,392,635	5,392,635	3,271,861	3,271,861	10,070,543	10,070,543
13									
14	Total Other Income	-4,522	-4,522						
15									
16	Total Other Deductions	46,375	46,375						
17									
18	Total Taxes Applicable to Other Income and Deduction	-21,031	-21,031						
19									
20	Total Interest Charges	2,954,478	2,954,478	3,917,656	3,917,656	3,917,656	3,917,656	3,917,656	3,917,656
21									
22	Net Income	1,741,049	1,741,049	1,474,979	1,474,979	(645,795)	(645,795)	6,152,887	6,152,887
23									
24	State Income Taxes	116,430	116,430	7,498	7,498	32,189	32,189	759,320	759,320
25	Federal Income Taxes	1,539,264	1,539,264	516,440	516,440	278,733	278,733	3,939,563	3,939,563
26									
27	Prelax income	3,366,743	3,366,743	1,998,917	1,998,917	-334,872	-334,872	10,851,771	10,851,771
28									
29	Statutory Additions (Deductions):								
30	Permanent Difference								
31	617.001 Book Over Tax Travel and Entertainment	6,671	6,671	6,671	6,671	6,671	6,671	6,671	6,671
32	618.005 Medicare subsidiary	(164,631)	(164,631)	0	0	0	0	0	0
33	618.008 Lobbying Expense:	340	340	340	340	340	340	340	340
34	638.005 Nondeductible Penalties:	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
35									
36	Total Permanent Differences	(177,570)	(177,570)	6,961	6,961	6,961	6,961	6,961	6,961
37									
38	Financial Taxable Income	3,219,073	3,219,073	2,005,878	2,005,878	(327,911)	(327,911)	10,858,732	10,858,732
39									
40	Temporary Differences								
41	604.004 Contributions and Advances	17,782	17,782	0	0	0	0	0	0
42	604.004 Book Over Tax Depreciation	(267,925)	(267,925)	0	0	0	0	0	0
43	612.001 Book Over Tax Bad Debts	24,857	24,857	0	0	0	0	0	0
44	618.002 Amortization of Regulatory Assets - AFUDC	(1,014,689)	(1,014,689)	0	0	0	0	0	0
45	618.070 Deferred Maintenance Expense	(32,661)	(32,661)	0	0	0	0	0	0
46	618.025 Management Study Expense	417,444	417,444	0	0	0	0	0	0
47	618.026 Accrued OPEB Expense	(101,965)	(101,965)	0	0	0	0	0	0
48	618.029 Incentive Plan Expense	(352,479)	(352,479)	0	0	0	0	0	0
49	618.030 Regulatory Pension Expense	1,014,689	1,014,689	0	0	0	0	0	0
50	618.032 Miscellaneous Deferred Expense	(1,758,093)	(1,758,093)	0	0	0	0	0	0
51	625.001 Tax Over Book Depreciation	125,312	125,312	(1,758,093)	(1,758,093)	(1,177,715)	(1,177,715)	(1,351,745)	(1,351,745)
52	638.014 Cost of Removal	(189,432)	(189,432)	0	0	0	0	0	0
53	638.015 AFUDC over Interest Capitalized for Taxes	0	0	0	0	0	0	0	0
54	638.016 Refund of Taxable Advance	16,543	16,543	0	0	0	0	0	0
55	638.022 Accrued Vacation Pay Expense	(51,986)	(51,986)	0	0	0	0	0	0
56	638.027 Abandonment Losses	0	0	0	0	0	0	0	0
57	638.036 Net Negative Salvage	(106,293)	(106,293)	0	0	0	0	0	0
58	638.036 Miscellaneous Deferred Expense:	14,326	14,326	0	0	0	0	0	0
59	- Cost of Service Study	67,144	67,144	0	0	0	0	0	0
60	- Pavement Repairs	(1,030,162)	(1,030,162)	0	0	0	0	0	0
61	- Repair Expense	194,031	194,031	0	0	0	0	0	0
62	- Rate Case Expense	13,043	13,043	0	0	0	0	0	0
63	Depreciation Study	1,210,287	1,210,287	0	0	0	0	0	0
64	State depreciation in excess of federal	(3,000,594)	(3,000,594)	(2,788,255)	(2,788,255)	(1,874,713)	(2,048,743)	(1,874,713)	(2,048,743)
65	Total Temporary Differences								
66									
67	Federal Taxable Income Before SIT	218,539	1,428,826	(782,377)	(782,377)	(2,202,624)	(2,376,654)	8,984,019	8,809,989
68									
69	Correction to books	100,645	498,035			0	0	0	0
70	State Income Tax	125,311		(50,855)	(50,855)	(154,482)	(154,482)	572,649	572,649
71	Taxable Income	193,873	1,927,861	(731,522)	(782,377)	(2,048,142)	(2,376,654)	8,411,370	8,809,989
72									
73	Computation of Taxes:								
74	State Income Tax @ 6.50%	67,855	125,311	(256,033)	(50,855)	(716,850)	(154,482)	2,943,960	572,649
75	Federal Income Tax @ 35.00%								
76									
77	Total Current Income Tax	67,855	125,311	(256,033)	(50,855)	(716,850)	(154,482)	2,943,960	572,649
78									
79									
80									
81									
82									

Def - ACRS prop  
Def - Cap rrs  
Def - amt reg assets

TENNESSEE AMERICAN WATER COMPANY  
 CASE NO.  
 RATE OF RETURN SUMMARY  
 13 MONTH AVERAGE

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

Line No.	Class of Capital	13 Month Average Amount	% of Total	Adjusted Capital	Cost Rate	Average Weighted Cost
1						
2	Short-Term Debt	\$ 4,236,175	3.453%	\$4,236,175	1.900%	0.07%
3						
4	Long-Term Debt	63,032,353	51.386%	63,032,353	6.200%	3.19%
5						
6	Preferred Stock	1,381,600	1.126%	1,381,600	5.000%	0.06%
7						
8	Common Equity - Common Stock	29,862,828	24.345%	29,862,828	11.500%	2.80%
9	Retained Earnings	24,152,387	19.690%	24,152,387	11.500%	2.26%
10						
11	Total Capital	\$122,665,344	100.000%	\$122,665,344		8.38%
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						
46						
47						
48						
49						
50						

TENNESSEE AMERICAN WATER COMPANY  
LONG-TERM DEBT AVERAGING FOR FORECASTED PERIOD  
13 MONTH AVERAGE

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

Line No.	Debt Issue Type & Rate	13 Month Average	Cost Rate At Issue	Cost Rate @ Maturity	Forecasted		Annualized Cost	Average Unamortized Issue Exp	Net Carrying Value
					Amort of Issuance Exp	Unamortized Issue Exp			
1									
2									
3									
4									
5	Series 9.25%	2,500,000	9.250%	9.310%	1,511	12,720	232,750	12,720	2,487,280
6	Series 7.84%	5,700,000	7.840%	7.880%	2,262	34,312	449,160	34,312	5,665,688
7	Series 6.87%	313,846	6.870%	7.135%	833	192	22,393	192	313,654
8	Series 5.39%	15,000,000	5.390%	5.439%	7,281	18,203	815,850	18,203	14,981,797
9	Series 5.62%	19,000,000	5.620%	5.644%	4,557	39,951	1,072,360	39,951	18,960,049
10	Series 6.00%	10,650,000	6.000%	6.119%	12,651	359,498	651,674	359,498	10,290,502
11	Proposed 6.212%	9,000,000	6.212%	6.262%	4,500	87,375	563,580	87,375	8,912,625
12	Proposed 6.612%	1,230,769	6.612%	6.693%	1,000	12,231	82,375	12,231	1,218,538
13									
14									
15									
16									
17	Capital Lease	202,220	9.489%	9.489%	0	0	19,189	0	202,220
18									
19									
20									
21									
22									
23									
24									
25									
26									
27	TOTAL	\$ 63,596,835			\$ 34,596	\$ 564,482	\$ 3,909,331	\$ 564,482	\$ 63,032,353
28									
29									
30									
31									
32									
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									

13 MONTH AVERAGE COST RATE 6.20%

TENNESSEE AMERICAN WATER COMPANY  
PREFERRED STOCK AVERAGING FOR FORECASTED PERIOD  
13 MONTH AVERAGE

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

Line No.	Debt Issue Type & Rate	13 Month Average	Cost Rate At Issue	Cost Rate @ Maturity	Forecasted Amort of Issuance Exp	Annualized Cost	Average Unamortized Issue Exp	Net Carrying Value
1								
2								
3								
4								
5	Cumulative 5% Series	1,381,600	5.000%	5.000%	0	69,080	0	1,381,600
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18	TOTAL	\$ 1,381,600			\$ -	\$ 69,080	\$ -	\$ 1,381,600
19								
20								
21								
22	13 MONTH AVERAGE COST RATE		5.000%					
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								

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

Attrition Year Revenues at Current and Proposed Rates

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

Line No.	Class/Description	Per Book Sales (CCF)	Per Book Total Revenues	Normalized Sales (CCF)	Normalized Total Revenues	Current Rates Sales (CCF)	Attrition Total Revenues	Proposed Rates Sales (CCF)	Total Revenues	Total Revenue Difference	Total Revenue Percent Change
1											
2											
3											
4											
5	Residential	4,366,253	15,613,436	4,297,853	15,159,653	4,297,853	15,243,199	4,297,853	19,464,079	4,220,880	27.690%
6	Commercial	3,900,531	11,512,840	3,897,353	11,403,023	3,933,111	11,534,347	3,933,111	14,748,735	3,214,388	27.868%
7	Industrial	2,561,716	3,400,242	2,561,716	3,401,964	2,561,716	3,401,964	2,561,716	4,342,792	940,828	27.655%
8	Other Public Authority	1,032,836	2,556,475	1,032,836	2,556,253	1,032,836	2,556,253	1,032,836	3,234,849	678,596	26.547%
9	Other Water Utility	1,345,487	1,248,931	1,345,488	1,308,493	1,345,488	1,308,493	1,345,488	1,670,526	362,033	27.668%
10	Private Fire Service	0	1,721,772	0	1,721,772	0	1,735,066	0	2,214,850	479,784	27.652%
11	Public Fire Service	0	(66)	0	0	0	0	0	-	-	
12	Subtotal	13,206,823	36,053,629	13,107,989	35,551,158	13,171,004	35,779,322	13,171,004	45,675,831	9,896,509	27.660%
13											
14	Other Operating Revenues		1,517,219		1,512,788		1,517,135		1,604,404	87,269	5.752%
15											
16	Total		37,570,848		37,063,946		37,296,457		47,280,235	9,983,778	26.769%
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											
46											

Per book revenues include unbilled revenues.

Line No.		Per books			Normalized			Attrition Year at Present Rates			Attrition Year at Proposed Rates		
		Billing Determine	Revenues	Determine	Billing Determine	Revenues	Determine	Billing Determine	Revenues	Determine	Billing Determine	Revenues	Determine
1													
2													
3													
4													
5	Chattanooga												
6	5/8 - inch meter	720,015	10.88	\$7,833,768	720,015	10.88	\$7,833,768	724,498	10.88	\$7,882,543	724,498	13.84	\$10,027,058
7	3/4 - inch meter	1,089	18.28	19,911	1,089	18.28	19,911	1,089	18.28	19,911	1,089	23.25	25,324
8	1 - inch meter	1,949	30.41	59,257	1,949	30.41	59,257	1,949	30.41	59,257	1,949	38.68	75,372
9	1 1/2 - inch meter	207	60.85	12,598	207	60.85	12,598	207	60.85	12,598	207	77.40	16,024
10	2 - inch meter	114	97.35	11,104	114	97.35	11,104	114	97.35	11,104	114	123.83	14,125
11	3 - inch meter	1	182.53	134	1	182.53	134	1	182.53	134	1	232.18	170
12	4 - inch meter	0	304.23	0	0	304.23	0	0	304.23	0	0	386.98	0
13	6 - inch meter	0	608.47	0	0	608.47	0	0	608.47	0	0	773.97	0
14	8 - inch meter	0	973.53	0	0	973.53	0	0	973.53	0	0	1,236.33	0
15	Total Meters	723,375		7,936,772	723,375		7,936,772	727,858		7,985,547	727,858		10,158,073
16													
17	Volumetric												
18	First 400 Cubic Feet	2,277,055	0.202	459,965	2,277,055	0.202	459,965	2,294,987	0.202	463,587	2,294,987	0.283	649,481
19	Next 6,100 Cubic Feet	1,626,452	3.207	5,216,032	1,539,822	3.207	4,938,210	1,546,547	3.207	4,959,777	1,546,547	4.120	6,371,774
20	Next 43,500 Cubic Feet	62,450	2.015	125,836	62,450	2.015	125,836	62,450	2.015	125,836	62,450	2.530	157,998
21	Next 450,000 Cubic Feet	2,540	1.506	3,825	2,540	1.506	3,825	2,540	1.506	3,825	2,540	1.892	4,806
22	Next 1,000,000 Cubic Feet	0	1.151	0	0	1.151	0	0	1.151	0	0	1.445	0
23	All Over 1,500,000 Cubic Feet	0	0.684	0	0	0.684	0	0	0.684	0	0	0.943	0
24	Chattanooga Amount	3,969,497		13,742,430	3,881,867		13,464,608	3,906,524		13,538,572	3,906,524		17,342,132
25													
26	Lookout Mountain												
27	5/8 - inch meter	20,711	12.21	252,878	20,711	12.21	252,878	20,853	12.21	254,612	20,853	13.84	288,602
28	3/4 - inch meter	501	18.28	9,157	501	18.28	9,157	501	18.28	9,157	501	23.25	11,647
29	1 - inch meter	1,403	30.41	42,678	1,403	30.41	42,678	1,403	30.41	42,678	1,403	38.68	54,285
30	1 1/2 - inch meter	24	60.85	1,460	24	60.85	1,460	24	60.85	1,460	24	77.40	1,858
31	2 - inch meter	31	97.35	3,021	31	97.35	3,021	31	97.35	3,021	31	123.83	3,843
32	3 - inch meter	0	182.53	0	0	182.53	0	0	182.53	0	0	232.18	0
33	4 - inch meter	0	304.23	0	0	304.23	0	0	304.23	0	0	386.98	0
34	6 - inch meter	0	608.47	0	0	608.47	0	0	608.47	0	0	773.97	0
35	8 - inch meter	0	973.53	0	0	973.53	0	0	973.53	0	0	1,236.33	0
36	Total Meters	22,670		309,194	22,670		309,194	22,812		310,928	22,812		360,235
37													
38	Volumetric												
39	First 400 Cubic Feet	73,629	0.753	55,443	73,629	0.753	55,443	74,197	0.753	55,871	74,197	1.180	87,524
40	Next 6,100 Cubic Feet	132,138	4.131	545,860	127,300	4.131	525,875	128,124	4.131	529,279	128,124	5.017	642,745
41	Next 43,500 Cubic Feet	15,806	2.939	46,454	15,806	2.939	46,454	15,806	2.939	46,454	15,806	3.477	54,161
42	Next 450,000 Cubic Feet	56	2.055	115	56	2.055	115	56	2.055	115	56	2.789	156
43	Next 1,000,000 Cubic Feet	0	1.701	0	0	1.701	0	0	1.701	0	0	2.342	0
44	All Over 1,500,000 Cubic Feet	0	1.233	0	0	1.233	0	0	1.233	0	0	1.840	0
45	Lookout Mountain Amount	221,629		957,066	216,791		937,081	218,183		942,647	218,183		1,144,821
46													

1st	400 Cubic Feet
2nd	6,100 Cubic Feet
3rd	43,500 Cubic Feet
Lone Oak Amount	

Attrition Year Revenues at Current and Proposed Rates

Line No.		Per books			Normalized			Attrition Year at Present Rates			Attrition Year at Proposed Rates		
		Billing Determine	Rates	Revenues	Billing Determine	Rates	Revenues	Billing Determine	Rates	Revenues	Billing Determine	Rates	Revenues
5	Suck Creek	2,533	23.85	60,404	2,533	23.85	60,404	2,533	23.85	60,404	2,533	19.13	48,450
6	5/8 - inch meter	0	23.85	0	0	23.85	0	0	23.85	0	0	23.25	0
7	3/4 - inch meter	12	23.85	289	12	23.85	289	12	23.85	289	12	38.68	469
8	1 - inch meter	0	23.85	0	0	23.85	0	0	23.85	0	0	77.40	0
9	1 1/2 - inch meter	0	23.85	0	0	23.85	0	0	23.85	0	0	123.83	0
10	2 - inch meter	0	23.85	0	0	23.85	0	0	23.85	0	0	232.18	0
11	3 - inch meter	0	23.85	0	0	23.85	0	0	23.85	0	0	386.98	0
12	4 - inch meter	0	23.85	0	0	23.85	0	0	23.85	0	0	773.97	0
13	6 - inch meter	0	23.85	0	0	23.85	0	0	23.85	0	0	1,238.33	0
14	8 - inch meter	0	23.85	0	0	23.85	0	0	23.85	0	0	48,919	0
15	Total Meters	2,545		60,693	2,545		60,693	2,545		60,693	2,545		
16													
17	Volumetric	4,681		0	4,681		0	4,681		0	4,681		
18	First 2 (100 CCF)	8,712	3.444	30,004	8,712	3.444	30,004	8,712	3.444	30,004	8,712	3.444	30,004
19	Next 10.67 (100 CCF)	1,665	2.583	4,301	1,665	2.583	4,301	1,665	2.583	4,301	1,665	2.583	4,301
20	All Over 12.67 (100 CCF)												
21													
22													
23	First 400 Cubic Feet												
24	Next 6,100 Cubic Feet												
25	Next 43,500 Cubic Feet												
26	Suck Creek Amount	15,058		94,998	15,058		94,998	15,058		94,998	15,058		92,537
27	Total Gross	4,398,130		15,584,473	4,302,612		15,272,353	4,329,822		15,355,894	4,329,822		19,607,980
28	Proration adjustment			0									
29	Less: Correction & Allowances	37,685		113,625	37,685		113,625	37,685		113,625	37,685		145,088
30	Net Amount	4,360,445		15,470,848	4,264,927		15,158,728	4,292,137		15,242,269	4,292,137		19,462,892
31	Net Amt. Per Revenue Summary	4,366,253		15,471,799	4,270,606		15,159,653	4,297,853		15,243,199	4,297,853		19,464,079
32	Difference	(5,808)		(951)	(5,679)		(925)	(5,716)		(930)	(5,716)		(1,187)
33	Percent Difference	-0.1330%		-0.0061%	-0.1330%		-0.0061%	-0.1330%		-0.0061%	-0.1330%		-0.0061%
34													
35													
36													
37													
38													
39													
40													
41													
42													
43													
44													
45													
46													

# Supplemental Revised Accounting Exhibits per Company Rebuttal Testimony

Page 26 of 37

Tennessee Regulatory Authority  
Commercial Class  
Company : Tennessee-American Water Company  
Case No. :  
Test Year Twelve Months Ending March 31, 2010  
Exhibit No. 4, Schedule 2  
Page No. 4 of 13

## Attrition Year Revenues at Current and Proposed Rates

Line No.	Description	Per books			Normalized			Attrition Year at Present Rates			Attrition Year at Proposed Rates		
		Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues
1	Chattanooga												
2	5/8 - inch meter	61,845	10.81	\$668,544	61,845	10.81	\$668,544	61,845	10.81	\$668,544	61,845	13.84	\$855,934
3	3/4 - inch meter	1,621	18.16	29,429	1,621	18.16	29,429	1,621	18.16	29,429	1,621	23.25	37,678
4	1 - inch meter	16,816	30.22	508,178	16,816	30.22	508,178	17,718	30.22	535,437	17,718	38.68	685,331
5	1 1/2 - inch meter	4,283	60.47	259,022	4,283	60.47	259,022	4,283	60.47	259,022	4,283	77.40	331,542
6	2 - inch meter	12,802	96.74	1,238,432	12,802	96.74	1,238,432	12,802	96.74	1,238,432	12,802	123.83	1,585,228
7	3 - inch meter	472	181.40	85,651	472	181.40	85,651	472	181.40	85,651	472	232.18	109,628
8	4 - inch meter	289	302.34	87,447	289	302.34	87,447	289	302.34	87,447	289	386.98	111,928
9	6 - inch meter	144	604.69	87,075	144	604.69	87,075	144	604.69	87,075	144	773.97	111,452
10	8 - inch meter	24	967.50	23,284	24	967.50	23,284	24	967.50	23,284	24	1,238.33	29,802
11	Total Meters	98,296		2,987,062	98,296		2,987,062	98,198		3,014,321	99,198		3,858,523
12	Volumetric												
13	First	261,144	0.201	52,490	261,144	0.201	52,490	264,752	0.201	53,215	264,752	0.283	74,925
14	Next	1,182,457	3.187	3,768,489	1,182,457	3.187	3,768,489	1,214,027	3.187	3,869,103	1,214,027	4.120	5,001,790
15	Next	1,578,059	2.003	3,160,853	1,578,059	2.003	3,160,853	1,574,929	2.003	3,154,583	1,574,929	2.530	3,984,571
16	Next	794,410	1.497	1,189,232	794,410	1.497	1,189,232	794,410	1.497	1,189,232	794,410	1.892	1,503,024
17	Next	12,676	1.144	14,501	12,676	1.144	14,501	12,676	1.144	14,501	12,676	1.445	18,317
18	All Over	0	0.679	0	0	0.679	0	0	0.679	0	0	0.943	0
19	Chattanooga Amount	3,828,746		11,172,627	3,825,616		11,166,357	3,860,794		11,294,955	3,860,794		14,441,150
20	Lookout Mountain												
21	5/8 - inch meter	638	12.14	7,747	638	12.14	7,747	638	12.14	7,747	638	13.84	8,832
22	3/4 - inch meter	24	18.16	436	24	18.16	436	24	18.16	436	24	23.25	558
23	1 - inch meter	230	30.22	6,954	230	30.22	6,954	240	30.22	7,256	240	38.68	9,287
24	1 1/2 - inch meter	36	60.47	2,177	36	60.47	2,177	36	60.47	2,177	36	77.40	2,786
25	2 - inch meter	95	96.74	9,203	95	96.74	9,203	95	96.74	9,203	95	123.83	11,780
26	3 - inch meter	0	181.40	0	0	181.40	0	0	181.40	0	0	232.18	0
27	4 - inch meter	0	302.34	0	0	302.34	0	0	302.34	0	0	386.98	0
28	6 - inch meter	0	604.69	0	0	604.69	0	0	604.69	0	0	773.97	0
29	8 - inch meter	0	967.50	0	0	967.50	0	0	967.50	0	0	1,238.33	0
30	Total Meters	1,023		26,517	1,023		26,517	1,033		26,819	1,033		33,243
31	Volumetric												
32	First	2,776	0.748	2,076	2,776	0.748	2,076	2,816	0.748	2,106	2,816	1.180	3,321
33	Next	15,249	4.105	62,596	15,249	4.105	62,596	15,576	4.105	63,938	15,576	5.017	78,137
34	Next	14,262	2.921	41,659	14,231	2.921	41,568	14,231	2.921	41,568	14,231	3.427	48,763
35	Next	5,221	2.042	10,661	5,221	2.042	10,661	5,221	2.042	10,661	5,221	2.769	14,550
36	Next	0	1.691	0	0	1.691	0	0	1.691	0	0	2.342	0
37	All Over	0	1.225	0	0	1.225	0	0	1.225	0	0	1.840	0
38	Lookout Mountain Amount	37,507		143,509	37,476		143,418	37,843		145,092	37,843		178,023

Test Year Twelve Months Ending March 31, 2010  
Exhibit No. 4, Schedule 2  
Page No. 5 of 13

## Attrition Year Revenues at Current and Proposed Rates

Tennessee Regulatory Authority

Commercial Class

Company : Tennessee-American Water Company

Case No. :

Line No.	Description	Per books			Normalized			Attrition Year at Present Rates			Attrition Year at Proposed Rates		
		Billing Determine	Rates	Revenues	Billing Determine	Rates	Revenues	Billing Determine	Rates	Revenues	Billing Determine	Rates	Revenues
1													
2													
3													
4													
5	Lakeview												
6	5/8 - inch meter	1,641	12.14	19,917	1,641	12.14	19,917	1,641	12.14	19,917	1,641	13.84	22,706
7	3/4 - inch meter	0	18.16	0	0	18.16	0	0	18.16	0	0	23.25	0
8	1 - inch meter	216	30.22	6,529	216	30.22	6,529	234	30.22	7,073	234	38.68	9,054
9	1 1/2 - inch meter	0	60.47	0	0	60.47	0	0	60.47	0	0	77.40	0
10	2 - inch meter	84	96.74	8,126	84	96.74	8,126	84	96.74	8,126	84	123.83	10,402
11	3 - inch meter	0	181.40	0	0	181.40	0	0	181.40	0	0	232.18	0
12	4 - inch meter	0	302.34	0	0	302.34	0	0	302.34	0	0	386.98	0
13	6 - inch meter	0	604.69	0	0	604.69	0	0	604.69	0	0	773.97	0
14	8 - inch meter	0	967.50	0	0	967.50	0	0	967.50	0	0	1,238.33	0
15	Total Meters	1,941		34,572	1,941		34,572	1,959		35,116	1,959		42,162
16													
17	Volumetric												
18	First 400 Cubic Feet	4,962	0.369	1,831	4,962	0.369	1,831	5,034	0.369	1,858	5,034	1.180	5,938
19	Next 6,100 Cubic Feet	11,405	3.512	40,056	11,405	3.512	40,056	11,542	3.512	40,537	11,542	5.017	57,904
20	Next 43,500 Cubic Feet	6,182	2.328	14,392	6,164	2.328	14,351	6,164	2.328	14,351	6,164	3.427	21,123
21	Next 450,000 Cubic Feet	0	1.664	0	0	1.664	0	0	1.664	0	0	2.789	0
22	Next 1,000,000 Cubic Feet	0	1.312	0	0	1.312	0	0	1.312	0	0	2.342	0
23	All Over 1,500,000 Cubic Feet	0	0.846	0	0	0.846	0	0	0.846	0	0	1.840	0
24	Lakeview Amount	22,550		90,851	22,532		90,810	22,741		91,862	22,741		127,127
25													
26	Lone Oak												
27	5/8 - inch meter	17	32.56	568	17	32.56	568	17	32.56	568	17	28.04	489
28	3/4 - inch meter	0	32.56	0	0	32.56	0	0	32.56	0	0	23.25	0
29	1 - inch meter	0	32.56	0	0	32.56	0	0	32.56	0	0	38.68	0
30	1 1/2 - inch meter	0	32.56	0	0	32.56	0	0	32.56	0	0	77.40	0
31	2 - inch meter	0	32.56	0	0	32.56	0	0	32.56	0	0	123.83	0
32	3 - inch meter	0	32.56	0	0	32.56	0	0	32.56	0	0	232.18	0
33	4 - inch meter	0	32.56	0	0	32.56	0	0	32.56	0	0	386.98	0
34	6 - inch meter	0	32.56	0	0	32.56	0	0	32.56	0	0	773.97	0
35	8 - inch meter	0	32.56	0	0	32.56	0	0	32.56	0	0	1,238.33	0
36	Total Meters	17		568	17		568	17		568	17		489
37													
38	Volumetric												
39	First 2.67 (100 CCF)	11	0.000	0	11	0.000	0	11	0.000	0	11	1.180	14
40	In Excess 2.67 (100 CCF)	2	4.094	10	2	4.094	10	2	4.094	10	2	5.017	5
41													0
42													0
43	First 400 Cubic Feet												14
44	Next 6,100 Cubic Feet												5
45	Next 43,500 Cubic Feet												0
46	Lone Oak Amount	13		578	13		578	13		578	13		508

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	46
------	-----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----

### Volumetric

Line No.	Per books			Normalized			Attrition Year at Present Rates			Attrition Year at Proposed Rates		
	Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues
1												
2												
3												
4												
5	Lakeview											
6	5/8 - inch meter	0	12.21	0	12.21	0	-	-	12.21	-	-	13.84
7	3/4 - inch meter	0	18.28	0	18.28	0	-	-	18.28	-	-	23.25
8	1 - inch meter	0	30.41	0	30.41	0	-	-	30.41	-	-	38.68
9	1 1/2 - inch meter	0	60.85	0	60.85	0	-	-	60.85	-	-	77.40
10	2 - inch meter	0	97.35	0	97.35	0	-	-	97.35	-	-	123.83
11	3 - inch meter	0	182.53	0	182.53	0	-	-	182.53	-	-	232.18
12	4 - inch meter	0	304.23	0	304.23	0	-	-	304.23	-	-	386.98
13	6 - inch meter	0	608.47	0	608.47	0	-	-	608.47	-	-	773.97
14	8 - inch meter	0	973.53	0	932.77	0	-	-	973.53	-	-	1,238.33
15	Total Meters	0	0	0	0	0	-	-	-	-	-	0
16												
17	Volumetric											
18	First 400 Cubic Feet	0	0.372	0	0.372	0	-	-	0.372	-	-	1.180
19	Next 6,100 Cubic Feet	0	3.534	0	3.534	0	-	-	3.534	-	-	5.017
20	Next 43,500 Cubic Feet	0	2.342	0	2.342	0	-	-	2.342	-	-	3.427
21	Next 450,000 Cubic Feet	0	1.674	0	1.674	0	-	-	1.674	-	-	2.789
22	Next 1,000,000 Cubic Feet	0	1.320	0	1.320	0	-	-	1.320	-	-	2.342
23	All Over 1,500,000 Cubic Feet	0	0.852	0	0.852	0	-	-	0.852	-	-	1.840
24	Lakeview Amount	0	0	0	0	0	-	-	-	-	-	0
25												
26	Total Gross	2,563,248	3,405,193	2,563,248		3,405,193	2,563,248		3,405,193	2,563,248		4,346,914
27	Proration adjustment											
28	Less: Correction & Allowances	512	3,032	512		3,032	512		3,032	512		3,870
29	Net Amount	2,562,736	3,402,161	2,562,736		3,402,161	2,562,736		3,402,161	2,562,736		4,343,044
30	Net Amt. Per Revenue Summary	2,561,716	3,401,965	2,561,716		3,401,964	2,561,716		3,401,964	2,561,716		4,342,792
31	Difference	1,020	196	1,020		197	1,020		197	1,020		252
32	Percent Difference	0.0398%	0.0058%	0.0398%		0.0058%	0.0398%		0.0058%	0.0398%		0.0058%

**Tennessee Regulatory Authority  
Other Public Authority Class  
Company : Tennessee-American Water Company  
Case No. :**

46

Line No.	Per books			Normalized			Attrition Year at Present Rates			Attrition Year at Proposed Rates			
	Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues	
1													
2													
3													
4													
5	Lakeview	60	12.21	733	60	12.21	733	60	12.21	733	60	13.84	831
6	5/8 - inch meter	0	18.28	0	-	18.28	-	-	18.28	-	-	23.25	0
7	3/4 - inch meter	12	30.41	365	12	30.41	365	12	30.41	365	12	38.68	464
8	1 - inch meter	12	60.85	731	12	60.85	731	12	60.85	731	12	77.40	929
9	1 1/2 - inch meter	24	97.35	2,338	24	97.35	2,338	24	97.35	2,338	24	123.83	2,973
10	2 - inch meter	0	182.53	0	-	182.53	-	-	182.53	-	-	232.18	0
11	3 - inch meter	0	304.23	0	-	304.23	-	-	304.23	-	-	386.98	0
12	4 - inch meter	0	608.47	0	-	608.47	-	-	608.47	-	-	773.97	0
13	6 - inch meter	0	973.53	0	-	973.53	-	-	973.53	-	-	1,238.33	0
14	8 - inch meter	108											
15	Total Meters			4,167	108		4,167	108		4,167	108		5,197
16													
17	Volumetric	189	0.372	70	189	0.372	70	189	0.372	70	189	1.180	223
18	First 400 Cubic Feet	1,511	3.534	5,340	1,511	3.534	5,340	1,511	3.534	5,340	1,511	5.017	7,580
19	Next 6,100 Cubic Feet	744	2.342	1,742	744	2.342	1,742	744	2.342	1,742	744	3.427	2,549
20	Next 43,500 Cubic Feet	0	1.874	0	0	1.874	-	-	1.874	-	-	2.789	0
21	Next 450,000 Cubic Feet	0	1.320	0	0	1.320	-	-	1.320	-	-	2.342	0
22	Next 1,000,000 Cubic Feet	0	0.852	0	0	0.852	-	-	0.852	-	-	1.840	0
23	All Over 1,500,000 Cubic Feet	2,444					11,319	2,444		11,319	2,444		15,549
24	Lakeview Amount												
25													
26	Total Gross	1,035,242		2,561,837	1,035,242		2,561,837	1,035,242		2,561,837	1,035,242		3,241,916
27	Proration adjustment												
28	Less: Correction & Allowances	2,311		5,599	2,311		5,599	2,311		5,599	2,311		7,086
29	Net Amount	1,032,931		2,556,238	1,032,931		2,556,238	1,032,931		2,556,238	1,032,931		3,234,830
30	Net Amt. Per Revenue Summary	1,032,836		2,556,254	1,032,836		2,556,253	1,032,836		2,556,253	1,032,836		3,234,849
31	Difference	95		(16)	95		(15)	95		(15)	95		(19)
32	Percent Difference	0.0092%		-0.0006%	0.0092%		-0.0006%	0.0092%		-0.0006%	0.0092%		-0.0006%

# Supplemental Revised Accounting Exhibits per Company Rebuttal Testimony

Page 33 of 37

Tennessee Regulatory Authority  
Other Water Utility Class  
Company : Tennessee-American Water Company  
Case No. :  
Test Year Twelve Months Ending March 31, 2010  
Exhibit No. 4, Schedule 2  
Page No. 11 of 13

Attrition Year Revenues at Current and Proposed Rates

Line No.	Description	Per books			Normalized			Attrition Year at Present Rates			Attrition Year at Proposed Rates		
		Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues
1													
2													
3													
4													
5	Chattanooga												
6	5/8 - inch meter	0	10.88	\$0	-	10.88	\$0	-	10.88	\$0	0	13.84	\$0
7	3/4 - inch meter	0	18.28	0	-	18.28	0	-	18.28	0	-	23.25	0
8	1 - inch meter	0	30.41	0	-	30.41	0	-	30.41	0	-	38.68	0
9	1 1/2 - inch meter	0	60.85	0	-	60.85	0	-	60.85	0	-	77.40	0
10	2 - inch meter	12	97.35	1,181	12	97.35	1,181	12	97.35	1,181	12	123.83	1,502
11	3 - inch meter	0	182.53	0	-	182.53	0	-	182.53	0	-	232.18	0
12	4 - inch meter	36	304.23	10,993	36	304.23	10,993	36	304.23	10,993	36	386.98	13,983
13	6 - inch meter	0	608.47	0	-	608.47	0	-	608.47	0	-	773.97	0
14	8 - inch meter	0	973.53	0	-	973.53	0	-	973.53	0	-	1,238.33	0
15	Total Meters	48		12,174	48		12,174	48		12,174	48		15,485
16													
17	Volumetric												
18	First 400 Cubic Feet	5	0.202	1	5	0.202	1	5	0.202	1	5	0.283	1
19	Next 6,100 Cubic Feet	1	3.207	3	1	3.207	3	1	3.207	3	1	4.120	4
20	Next 43,500 Cubic Feet	0	2.015	0	0	2.015	0	0	2.015	0	0	2.530	0
21	Next 450,000 Cubic Feet	0	1.506	0	0	1.506	0	0	1.506	0	0	1.892	0
22	Next 1,000,000 Cubic Feet	0	1.151	0	0	1.151	0	0	1.151	0	0	1.445	0
23	All Over 1,500,000 Cubic Feet	0	0.684	0	0	0.684	0	0	0.684	0	0	0.943	0
24	FL Oglethorpe	469,025	0.9353	427,124	469,025	0.9353	438,679	469,025	0.9353	438,679	469,025	1.1940	560,016
25	Catoosa Co	27,241	0.9353	25,479	27,241	0.9353	25,479	27,241	0.9353	25,479	27,241	1.1940	32,526
26	Signal Mtn	415,455	0.8977	360,674	415,455	0.8977	372,954	415,455	0.8977	372,954	415,455	1.1460	476,111
27	Walden's Ridge	434,358	1.0572	448,567	434,358	1.0572	459,203	434,358	1.0572	459,203	434,358	1.3500	586,383
28	Chattanooga Amount	1,346,085		1,274,022	1,346,085		1,308,493	1,346,085		1,308,493	1,346,085		1,670,526
29													
30	Lookout Mountain												
31	5/8 - inch meter	0	12.21	0	0	12.21	0	0	12.21	0	0	13.84	0
32	3/4 - inch meter	0	18.28	0	0	18.28	0	0	18.28	0	0	23.25	0
33	1 - inch meter	0	30.41	0	0	30.41	0	0	30.41	0	0	38.68	0
34	1 1/2 - inch meter	0	60.85	0	0	60.85	0	0	60.85	0	0	77.40	0
35	2 - inch meter	0	97.35	0	0	97.35	0	0	97.35	0	0	123.83	0
36	3 - inch meter	0	182.53	0	0	182.53	0	0	182.53	0	0	232.18	0
37	4 - inch meter	0	304.23	0	0	304.23	0	0	304.23	0	0	386.98	0
38	6 - inch meter	0	608.47	0	0	608.47	0	0	608.47	0	0	773.97	0
39	8 - inch meter	0	973.53	0	0	973.53	0	0	973.53	0	0	1,238.33	0
40	Total Meters	0		0	0		0	0		0	0		0
41													
42	Volumetric												
43	First 400 Cubic Feet	0	0.753	0	0	0.753	0	0	0.753	0	0	1.180	0
44	Next 6,100 Cubic Feet	0	4.131	0	0	4.131	0	0	4.131	0	0	5.017	0
45	Next 43,500 Cubic Feet	0	2.939	0	0	2.939	0	0	2.939	0	0	3.427	0
46	Next 450,000 Cubic Feet	0	2.055	0	0	2.055	0	0	2.055	0	0	2.789	0
47	Next 1,000,000 Cubic Feet	0	1.701	0	0	1.701	0	0	1.701	0	0	2.342	0
48	All Over 1,500,000 Cubic Feet	0	1.233	0	0	1.233	0	0	1.233	0	0	1.840	0
49	Lookout Mountain Amount	0		0	0		0	0		0	0		0



Test Year Twelve Months Ending March 31, 2010  
Exhibit No. 4, Schedule 2  
Page No. 13 of 13

Attrition Year Revenues at Current and Proposed Rates

Tennessee Regulatory Authority  
Private and Public Fire  
Company : Tennessee-American Water Company  
Case No. :

Line No.	Normalized Year at Present Rates			Attrition Year at Present Rates			Attrition Year at Proposed Rates		
	Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues	Billing Determinate	Rates	Revenues
Class/Description									
Private Fire Service									
1	1 - Inch Service	0	\$28.34	\$0	0	\$28.34	\$0	0	\$36.18
2	1 1/2 - Inch Service	1	\$63.92	64	1	\$63.92	64	1	81.60
3	2 - Inch Service	16	\$113.68	1,819	16	\$113.68	1,819	16	145.12
4	2 1/2 - Inch Service	1	\$173.35	173	1	\$173.35	173	1	221.29
5	3 - Inch Service	2	\$255.53	511	2	\$255.53	511	2	326.19
6	4 - Inch Service	107	\$511.71	54,753	107	\$511.71	54,753	107	653.21
7	6 - Inch Service	878	\$1,022.61	897,852	891	\$1,022.61	911,146	891	1,305.38
8	8 - Inch Service	307	\$2,046.95	628,414	307	\$2,046.95	628,414	307	2,612.98
9	10 - Inch Service	17	\$3,070.65	52,201	17	\$3,070.65	52,201	17	3,919.75
10	12 - Inch Service	21	\$4,094.54	85,985	21	\$4,094.54	85,985	21	5,226.77
11	Total Private Fire Service	1,350		1,721,772	1,363		1,735,066	1,363	
12									
13									
14									
15									
16									
17									
18									
19									
20									
21	Public Fire Service								
22									
23	Ridgeside	13	0.00	0	13	0.00	0	13	0.00
24	Public Fire	4,976	0.00	0	4,976	0.00	0	4,976	0.00
25	Total Public Fire Service	4,989		0	4,989		0	4,989	
26									
27	Total Private and Public Fire Service Revenues			\$1,721,772		\$1,735,066			\$2,214,850

Line No.	Rates Effective October 1, 2008										Proposed Rates				Percent Increase	
	Chattanooga					Lookout					Lookout				Percent Increase	
	Chattanooga	Mountain	Lakeview	Chattanooga	Lookout	Mountain	Lakeview	Lone Oak	Suck Creek	Chattanooga	Mountain	Lakeview	Percent Increase			
1	10.88	12.21	12.21	13.84	13.84	13.84	28.04	19.13	27.0588%	13.34971%	13.34971%	13.34971%				
2	18.28	18.28	18.28	23.25	23.25	23.25	33.25	38.68	27.18818%	27.18818%	27.18818%	27.18818%				
3	30.41	30.41	30.41	38.68	38.68	38.68	38.68	38.68	27.19500%	27.19500%	27.19500%	27.19500%				
4	60.85	60.85	60.85	77.40	77.40	77.40	77.40	77.40	27.19803%	27.19803%	27.19803%	27.19803%				
5	97.35	97.35	97.35	123.83	123.83	123.83	123.83	123.83	27.20082%	27.20082%	27.20082%	27.20082%				
6	182.53	182.53	182.53	232.18	232.18	232.18	232.18	232.18	27.20101%	27.20101%	27.20101%	27.20101%				
7	304.23	304.23	304.23	386.98	386.98	386.98	386.98	386.98	27.19982%	27.19982%	27.19982%	27.19982%				
8	608.47	608.47	608.47	773.97	773.97	773.97	773.97	773.97	27.19937%	27.19937%	27.19937%	27.19937%				
9	973.53	973.53	973.53	1,238.33	1,238.33	1,238.33	1,238.33	1,238.33	27.19988%	27.19988%	27.19988%	27.19988%				
10	10.81	12.14	12.14	13.84	13.84	13.84	28.04	19.13	28.02960%	14.00329%	14.00329%	14.00329%				
11	18.16	18.16	18.16	23.25	23.25	23.25	33.25	38.68	28.02863%	28.02863%	28.02863%	28.02863%				
12	30.22	30.22	30.22	38.68	38.68	38.68	38.68	38.68	27.99471%	27.99471%	27.99471%	27.99471%				
13	60.47	60.47	60.47	77.40	77.40	77.40	77.40	77.40	27.99735%	27.99735%	27.99735%	27.99735%				
14	96.74	96.74	96.74	123.83	123.83	123.83	123.83	123.83	28.00289%	28.00289%	28.00289%	28.00289%				
15	181.4	181.4	181.4	232.18	232.18	232.18	232.18	232.18	27.99338%	27.99338%	27.99338%	27.99338%				
16	302.34	302.34	302.34	386.98	386.98	386.98	386.98	386.98	27.99497%	27.99497%	27.99497%	27.99497%				
17	604.69	604.69	604.69	773.97	773.97	773.97	773.97	773.97	27.99451%	27.99451%	27.99451%	27.99451%				
18	967.50	967.50	967.50	1,238.33	1,238.33	1,238.33	1,238.33	1,238.33	27.99276%	27.99276%	27.99276%	27.99276%				
19	0.202	0.753	0.372	0.283	1.180	1.180	1.180	1.180	40.09901%	56.85364%	217.09729%	217.09729%				
20	3.207	4.131	3.534	4.120	5.017	5.017	5.017	5.017	28.46697%	21.43796%	41.95252%	41.95252%				
21	2.015	2.939	2.342	2.530	3.427	3.427	3.427	3.427	25.59311%	16.59074%	46.31093%	46.31093%				
22	1.506	2.055	1.674	1.892	2.789	2.789	2.789	2.789	25.63081%	35.69639%	66.58315%	66.58315%				
23	1.151	1.701	1.320	1.445	2.342	2.342	2.342	2.342	25.54301%	37.66031%	77.39409%	77.39409%				
24	0.684	1.233	0.852	0.943	1.840	1.840	1.840	1.840	37.86550%	49.19724%	115.31572%	115.31572%				
25	0.9353			1.194					27.65957%							
26	0.8977			1.146					27.65957%							
27	1.0572			1.350					27.69500%							
28	0.201	0.748	0.369	0.283	1.180	1.180	1.180	1.180	40.79602%	57.70079%	219.67532%	219.67532%				
29	3.187	4.105	3.512	4.120	5.017	5.017	5.017	5.017	29.27518%	22.20711%	42.84174%	42.84174%				
30	2.903	2.921	2.328	2.530	3.427	3.427	3.427	3.427	26.31053%	37.30921%	47.19080%	47.19080%				
31	1.497	2.042	1.664	1.892	2.789	2.789	2.789	2.789	26.38611%	36.56229%	67.58425%	67.58425%				
32	1.144	1.691	1.312	1.445	2.342	2.342	2.342	2.342	26.31119%	38.47439%	78.47576%	78.47576%				
33	0.679	1.225	0.846	0.943	1.840	1.840	1.840	1.840	38.88071%	50.17159%	117.44704%	117.44704%				

Test Year Twelve Months Ending March 31, 2010  
Exhibit No 4, Schedule 3  
Page No. 2 of 2

Comparison of Present and Proposed Rates

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

Line No.		Rates Effective October 1, 2008				Proposed Rates				Percent Increase	
		Chattanooga	Lookout Mountain	Lakeview		Chattanooga	Lookout Mountain	Lakeview		Chattanooga	Lookout Mountain
4	Private Fire Service										
5											
6	1 - Inch Service	28.34				36.18				27.65228%	
7	1 1/2 - Inch Service	63.92				81.60				27.65228%	
8	2 - Inch Service	113.68				145.12				27.65228%	
9	2 1/2 - Inch Service	173.35				221.29				27.65228%	
10	3 - Inch Service	255.53				326.19				27.65228%	
11	4 - Inch Service	511.71				653.21				27.65228%	
12	6 - Inch Service	1,022.61				1,305.38				27.65228%	
13	8 - Inch Service	2,046.95				2,612.98				27.65228%	
14	10 - Inch Service	3,070.65				3,919.75				27.65228%	
15	12 - Inch Service	4,094.54				5,226.77				27.65228%	
16		975.54				1,245.30				27.65228%	
17	Public Fire Service										
18											
19	Ridgeside	0.00				0.00				#DIV/0!	
20										#DIV/0!	
21	Public Fire	0.00				0.00					
22											
23	Suck Creek & Lone Oak present and proposed:										
24											
25	Suck Creek										
26	First 1500 gal	2	Residential	CCF	Commercial		Residential:	Commercial:			
27	Next 8000 gal	10.67	23.85 meter charge	23.70		First 400 CF	1.180	1.180			
28	All over 9500 gal	>12.67	4.59	3.44	4.56	3.423 Next 5,100 CF	5.017	5.017			
29			3.44	2.583	3.42	2.567 Next 43,500 CF	3.427	3.427			
30	Lone Oak										
31	First 2000 gal	2.67	32.76 meter charge	32.56		First 400 CF	1.180	1.180			
32	All over 2000 gal	>2.67	5.48	4.120	5.46	Next 5,100 CF	5.017	5.017			
33						Next 43,500 CF	3.427	3.427			

**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 16<sup>th</sup> day of February, 2011.

Michael A. Miller  
(signature)

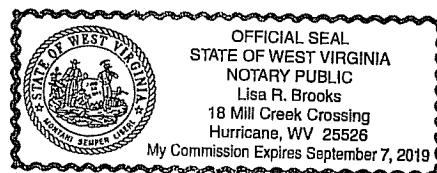
Michael A. Miller  
(printed name)

Sworn to and subscribed before me this 16<sup>th</sup> day of February, 2011.

Lisa R. Brooks  
NOTARY PUBLIC

My Commission Expires:

September 7, 2019



## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served by way of the method(s) indicated, on this the 16<sup>th</sup> day of February, 2011, upon the following:

<input checked="" type="checkbox"/> Hand-Delivery	Ryan McGehee, Esq.
<input type="checkbox"/> U.S. Mail	Mary L. White, Esq.
<input type="checkbox"/> Facsimile	Counsel for the Consumer Advocate
<input type="checkbox"/> Overnight	and Protection Division
<input checked="" type="checkbox"/> Email	OFFICE OF THE ATTORNEY GENERAL
	425 5th Avenue North, 2nd Floor
	Nashville, TN 37243-0491
<input type="checkbox"/> Hand-Delivery	David C. Higney, Esq.
<input type="checkbox"/> U.S. Mail	Counsel for Chattanooga Regional
<input type="checkbox"/> Facsimile	Manufacturers Association
<input checked="" type="checkbox"/> Overnight	GRANT, KONVALINKA & HARRISON, P.C.
<input checked="" type="checkbox"/> Email	633 Chestnut Street, 9th Floor
	Chattanooga, TN 37450
<input checked="" type="checkbox"/> Hand-Delivery	Henry M. Walker, Esq.
<input type="checkbox"/> U.S. Mail	Counsel for Chattanooga Regional
<input type="checkbox"/> Facsimile	Manufacturers Association
<input type="checkbox"/> Overnight	BRADLEY, ARANT, BOULT, CUMMINGS, PLC
<input checked="" type="checkbox"/> Email	1600 Division Street, Suite 700
	Nashville, TN 37203
<input type="checkbox"/> Hand-Delivery	Michael A. McMahan, Esq.
<input type="checkbox"/> U.S. Mail	Valerie L. Malueg, Esq.
<input type="checkbox"/> Facsimile	City of Chattanooga (Hamilton County)
<input checked="" type="checkbox"/> Overnight	OFFICE OF THE CITY ATTORNEY
<input checked="" type="checkbox"/> Email	100 East 11 <sup>th</sup> Street, Suite 200
	Chattanooga, TN 37402
<input type="checkbox"/> Hand-Delivery	Frederick L. Hitchcock, Esq.
<input type="checkbox"/> U.S. Mail	Harold L. North, Jr., Esq.
<input type="checkbox"/> Facsimile	Counsel for City of Chattanooga
<input checked="" type="checkbox"/> Overnight	CHAMBLISS, BAHNER & STOPHEL, P.C.
<input checked="" type="checkbox"/> Email	1000 Tallan Building
	Two Union Square
	Chattanooga, TN 37402

☒ Hand-Delivery  
☐ U.S. Mail  
☐ Facsimile  
☐ Overnight  
☒ Email

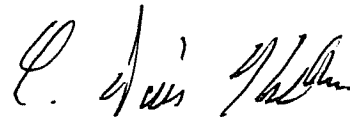
Mark Brooks, Esq.  
Counsel for Utility Workers Union of America,  
AFL-CIO and UWUA Local 121  
521 Central Avenue  
Nashville, TN 37211

☐ Hand-Delivery  
☐ U.S. Mail  
☐ Facsimile  
☒ Overnight  
☒ Email

Scott H. Strauss, Esq.  
Katharine M. Mapes, Esq.  
Counsel for UWUA, AFL-CIO and UWUA Local 121  
SPIEGEL & MCDIARMID LLP  
1333 New Hampshire Avenue, NW  
Washington, DC 20036

☒ Hand-Delivery  
☐ U.S. Mail  
☐ Facsimile  
☐ Overnight  
☒ Email

Donald L. Scholes, Esq.  
Counsel for Walden's Ridge Utility District and Signal  
Mountain  
BRANSTETTER, STRANCH & JENNINGS PLLC  
227 Second Avenue North  
Fourth Floor  
Nashville, TN 37201



---