

IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

IN RE: PETITION FOR A GENERAL RATE)
INCREASE, IMPLEMENTATION OF A)
DISTRIBUTION SYSTEM INFRASTRUCTURE)
CHARGE AND THE ESTABLISHMENT OF)
TRACKING MECHANISMS FOR PURCHASED)
POWER, PENSIONS AND CHEMICAL EXPENSES)

DOCKET NO. 12-00049

filed electronically in docket
office on 08/27/12

WORK PAPERS
OF
TERRY BUCKNER

August 27, 2012

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
CONSUMER ADVOCATE AND PROTECTION DIVISION
TENNESSEE - AMERICAN WATER COMPANY
TRA DOCKET #12-00049
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OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
CONSUMER ADVOCATE AND PROTECTION DIVISION
TENNESSEE - AMERICAN WATER COMPANY
TRA DOCKET #12-00049
INDEX OF WORK PAPERS – TERRY BUCKNER

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OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
CONSUMER ADVOCATE AND PROTECTION DIVISION
OPERATING EXPENSE RECONCILIATION SUMMARY
TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

E-REC-1
08/23/12
02:07 PM

Line #		A/ (1) COMPANY TRA DOCKET #04-00288 12/31/05	A/ (2) COMPANY TRA DOCKET #06-00290 6/30/06	A/ (3) COMPANY TRA DOCKET #08-00039 11/30/2007	A/ (4) COMPANY TRA DOCKET #08-00039 11/30/2007	A/ (5) COMPANY TRA DOCKET #10-00189 11/30/2007	A/ (6) COMPANY TRA DOCKET #12-00049 11/30/2007	(7) EMPLOYEE POSITIONS	(8) 15% CAP ON UNACCOUNTED	(9) GROWTH	(10) TEST PERIOD	(11) INCENTIVE PAY PLAN	(12) CAP PERCENTS	(13) CAPD AMOUNT	DIFFERENCE
1	O&M LABOR	\$ 4,383,883	\$ 4,001,878	\$ 4,641,460	\$ 5,068,987	\$ 5,680,299	\$ 5,549,827	\$ 516,002			\$ (1,296)	\$ 115,793	\$ (269,145)	\$ 5,188,473	\$ 361,354
2	PURCHASED WATER	15,330	52,331	58,216	52,110	50,962	50,159			\$ (1,172)				51,331	(1,172)
3	FUEL AND POWER	1,755,680	1,819,430	2,274,868	1,922,043	2,511,238	2,788,212		\$ 210,857	-	-			2,577,355	210,857
4	CHEMICALS	861,861	933,913	1,075,171	1,559,222	971,922	1,030,128		43,198	-	-			986,930	43,198
5	WASTE DISPOSAL	133,438	143,948	161,721	179,088	194,993	208,436			(4,872)	-			213,308	(4,872)
6	MANAGEMENT FEES/SUPP. SERV.	3,062,940	4,006,278	4,789,601	4,335,190	5,226,034	5,816,566			991,160	-			4,825,406	991,160
7	GROUP INSURANCE	1,386,004	1,543,022	1,596,405	1,714,550	2,434,923	1,774,436			24,765	-			1,749,671	24,765
8	PENSIONS	892,790	699,154	726,428	1,161,108	2,062,140	1,520,851			579,014	-			941,837	579,014
9	REGULATORY EXPENSE	58,000	292,095	508,129	543,384	847,368	626,950			(23,365)	-			650,315	(23,365)
10	INSURANCE OTHER THAN GROUP	657,000	530,011	559,655	583,492	485,904	365,057			3,514	-			361,543	3,514
11	CUSTOMER ACCOUNTING	572,893	585,288	704,362	738,845	857,278	844,005			(3,504)	-			847,509	(3,504)
12	UNCOLLECTIBLE EXPENSE	289,530	616,171	417,277	417,756	198,122	370,747			(72,010)	-			442,757	(72,010)
13	RENTS	38,286	38,043	30,037	11,336	8,706	8,374			(346)	-			8,720	(346)
14	GENERAL OFFICE EXPENSE	193,122	575,179	244,966	245,926	217,933	280,729			(489)	-			281,218	(489)
15	MISCELLANEOUS EXPENSE	1,661,970	1,798,639	1,931,046	2,018,623	2,005,675	2,272,069			13,085	-			2,258,984	13,085
16	OTHER MAINTENANCE EXPENSE	746,632	1,110,461	1,211,604	936,345	1,110,317	993,557			(23,220)	-			1,016,777	(23,220)
17	AFUDC	(28,791)	(193,631)	(110,499)	(463,690)	(204,000)	(156,984)							(156,984)	
18	TOTAL	\$ 16,680,568	\$ 18,552,210	\$ 20,820,447	\$ 21,014,315	\$ 24,659,814	\$ 24,343,119	\$ 516,002	\$ 254,055	\$ 1,482,560	\$ (1,296)	\$ 115,793	\$ (269,145)	\$ 22,245,150	\$ 2,097,969
19	PERCENT CHANGE	11.22%	12.19%	24.82%	0.93%	17.35%	-1.28%							33.36%	
20	CUMULATIVE CHANGE EXCLUDING AFUDC			25.26%	28.54%	48.80%	46.63%							34.07%	

A/ Petition Exhibits

B/ Terry Buckner work papers.

E-PAY-1

CONFIDENTIAL

E-PAY-3

CONFIDENTIAL

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 PAYROLL CAPITALIZATION RATE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

E-PAY-4

MONTH	YEAR		PERCENT TO TOTAL	ROLLING 12 MONTH AVERAGE	12 MONTH AVERAGE JAN-DEC
JAN	2003	A/	14.33%	-	
FEB		A/	14.31%	-	
MAR		A/	15.05%	-	
APR		A/	15.65%	-	
MAY		A/	15.89%	-	
JUN		A/	16.23%	-	
JUL		A/	16.39%	-	
AUG		A/	16.71%	-	
SEP		A/	16.78%	-	
OCT		A/	17.12%	-	
NOV		A/	17.93%	-	
DEC		A/	18.22%	16.22%	16.22%
JAN	2004	A/	18.00%	16.52%	
FEB		A/	19.08%	16.92%	
MAR		A/	20.37%	17.36%	
APR		A/	20.83%	17.80%	
MAY		A/	20.75%	18.20%	
JUN		A/	20.97%	18.60%	
JUL		A/	20.83%	18.97%	
AUG		A/	20.87%	19.31%	
SEP		A/	20.99%	19.66%	
OCT		A/	21.19%	20.00%	
NOV		A/	20.93%	20.25%	
DEC		A/	20.80%	20.47%	20.47%
JAN	2005	A/	18.32%	20.49%	
FEB		A/	19.33%	20.52%	
MAR		A/	19.81%	20.45%	
APR		A/	19.62%	20.35%	
MAY		A/	19.72%	20.27%	
JUN		A/	19.31%	20.13%	
JUL		A/	19.20%	19.99%	
AUG		A/	22.13%	20.10%	
SEP		A/	19.19%	19.95%	
OCT		A/	19.16%	19.78%	
NOV		A/	19.59%	19.67%	
DEC		A/	19.88%	19.57%	19.57%
JAN	2006	A/	18.03%	19.38%	
FEB		A/	18.36%	19.30%	
MAR		A/	19.81%	19.32%	
APR		A/	21.05%	19.44%	
MAY		A/	21.76%	19.61%	
JUN		A/	21.84%	19.82%	
JUL		A/	21.61%	20.02%	
AUG		A/	21.92%	20.00%	
SEP		A/	21.96%	20.23%	
OCT		A/	21.74%	20.45%	
NOV		A/	21.88%	20.62%	
DEC		A/	21.46%	20.77%	20.77%
JAN	2007	A/	18.20%	20.95%	
FEB		A/	18.53%	20.96%	
MAR		A/	20.18%	20.99%	
APR		A/	20.35%	20.94%	
MAY		A/	20.73%	20.85%	
JUN		A/	20.61%	20.75%	
JUL		A/	20.44%	20.65%	
AUG		A/	20.46%	20.53%	
SEP		A/	20.42%	20.40%	
OCT		A/	20.40%	20.29%	
NOV		A/	20.56%	20.20%	
DEC		B/	20.42%	20.11%	20.11%
JAN	2008	B/	20.71%	20.32%	
FEB		B/	20.96%	20.52%	
MAR		B/	21.15%	20.60%	
APR		A/	21.70%	20.71%	
MAY		A/	21.52%	20.78%	
JUN		A/	21.44%	20.85%	
JUL		A/	21.17%	20.91%	
AUG		A/	20.83%	20.92%	
SEP		A/	20.12%	20.90%	
OCT		A/	19.60%	20.83%	
NOV		A/	19.23%	20.72%	
DEC		A/	18.62%	20.57%	20.57%
JAN	2009	A/	13.59%	19.98%	
FEB		A/	15.46%	19.52%	
MAR		A/	16.11%	19.10%	
APR		A/	16.47%	18.66%	
MAY		A/	16.86%	18.28%	
JUN		A/	16.78%	17.89%	
JUL		A/	16.76%	17.52%	
AUG		A/	16.93%	17.21%	
SEP		A/	17.04%	16.95%	
OCT		C/	16.33%	16.88%	
NOV		C/	17.35%	16.53%	
DEC		C/	14.89%	16.21%	16.21%
JAN	2010	C/	13.29%	16.19%	
FEB		C/	14.87%	16.14%	
MAR		C/	13.81%	15.93%	
APR		C/	16.98%	15.97%	
MAY		C/	16.62%	15.95%	
JUN		C/	14.59%	15.77%	
JUL		C/	16.74%	15.77%	
AUG		C/	20.33%	16.10%	
SEP		C/	19.01%	16.27%	
OCT		D/	12.82%	15.98%	
NOV		D/	10.53%	15.41%	
DEC		D/	7.98%	14.83%	14.83%
JAN	2011	D/	9.39%	14.51%	
FEB		D/	12.59%	14.32%	
MAR		D/	18.53%	14.73%	
APR		D/	15.71%	14.62%	
MAY		D/	13.86%	14.39%	
JUN		D/	14.11%	14.35%	
JUL		D/	13.66%	14.10%	
AUG		D/	16.39%	13.72%	
SEP		D/	14.14%	13.31%	
OCT		D/	17.57%	13.71%	
NOV		D/	15.41%	14.11%	
DEC		D/	18.29%	14.97%	14.97%

A/ TAWC Responses to TRA First Set of Data Requests, #31 (Various Dockets).
 B/ TAWC Response to CAPD First Set of Data Requests, Part IV, #15.
 C/ TAWC Response to Consumer Advocate First Set of Data Requests, #24.
 D/ TAWC Response to Consumer Advocate First Set of Data Requests, #58.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 PAYROLL CAPITALIZATION RATE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

E-PAY-4A

Year	(000s)	
	A/ Plant Additions	B/ Capitalization Rate
2003	6,575	16.22%
2004	8,227	20.47%
2005	14,999	19.57%
2006	14,503	20.77%
2007	11,322	20.11%
2008	8,979	20.57%
2009	5,031	16.21%
2010	11,265	14.83%
2011	8,921	14.97%
Attrition Year	9,366	14.97%

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 EMPLOYEE LEVEL COMPARISON OF ACTUAL TO TRA AUTHORIZED
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

	A/ Actual	B/ Docket #03-00118	B/ Docket #04-00288	C/ Docket #06-00290	D/ Docket #08-00039	E/ Docket #10-00189	Average
Jan-03	124						
Feb-03	125						
Mar-03	124						
Apr-03	123						
May-03	123						
Jun-03	123						
Jul-03	108						
Aug-03	110	119					
Sep-03	110	119					
Oct-03	108	119					
Nov-03	108	119					
Dec-03	109	119					
Jan-04	107	119					
Feb-04	107	119					
Mar-04	107	119					113
Apr-04	106	119					
May-04	106	119					
Jun-04	104	119					
Jul-04	103	119					
Aug-04	99	119					
Sep-04	96	119					
Oct-04	95	119					
Nov-04	94	119					
Dec-04	94	119					102
Jan-05	91		106				
Feb-05	93		106				
Mar-05	98		106				
Apr-05	100		106				
May-05	100		106				
Jun-05	101		106				
Jul-05	102		106				
Aug-05	101		106				
Sep-05	102		106				
Oct-05	101		106				
Nov-05	101		106				
Dec-05	101		106				99
Jan-06	100						
Feb-06	100						
Mar-06	103						
Apr-06	104						
May-06	105						
Jun-06	106						102
Jul-06	105						
Aug-06	105						
Sep-06	106						
Oct-06	109						104
Nov-06	108						
Dec-06	107						105
Jan-07	107						105
Feb-07	105						
Mar-07	104			111			
Apr-07	109			111			
May-07	109			111			
Jun-07	109			111			
Jul-07	108			111			
Aug-07	108			111			
Sep-07	109			111			
Oct-07	109			111			
Nov-07	108			111			
Dec-07	108			111			
Jan-08	108			111			
Feb-08	109			111			108
Mar-08	109						108
Apr-08	109						
May-08	109						
Jun-08	110						
Jul-08	110						
Aug-08	110						
Sep-08	110				114		
Oct-08	110				114		
Nov-08	108				114		
Dec-08	108				114		
Jan-09	107				114		
Feb-09	107				114		
Mar-09	106				114		
Apr-09	106				114		
May-09	106				114		
Jun-09	106				114		
Jul-09	106				114		
Aug-09	104				114		107
Sep-09	104						
Oct-09	104						
Nov-09	104						
Dec-09	105						
Jan-10	104						
Feb-10	104						
Mar-10	102						
Apr-10	103						
May-10	103						
Jun-10	103						
Jul-10	102						

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 EMPLOYEE LEVEL COMPARISON OF ACTUAL TO TRA AUTHORIZED
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

P7

	A/ Actual	B/ Docket #03-00118	B/ Docket #04-00288	C/ Docket #06-00290	D/ Docket #08-00039	E/ Docket #10-00189	Average
Aug-10	103						
Sep-10	103						104
Oct-10	103						
Nov-10	93						
Dec-10	88						
Jan-11	95					110	
Feb-11	107					110	
Mar-11	107					110	
Apr-11	103					110	
May-11	102					110	
Jun-11	101					110	
Jul-11	101					110	
Aug-11	101					110	
Sep-11	100					110	
Oct-11	100					110	
Nov-11	98					110	
Dec-11	99					110	100

A/ Per TAWC Responses, Jan. 2003 through Aug. 2005 in Docket #04-00288, Question #12; Sept. 2004 through Jan. 2007 in Docket #06-00290, Part II, Question #4, Feb. 2007 through March 2008 in Docket #08-00039, Part IV, Question #13, TAWC response TN-CAPD-01-PART 111-Q23-CONFIDENTIAL ATTACHMENT in Docket 310-00189.
 B/ Per TRA Docket #04-00288 Company Direct Testimony, M. Miller, Page 14, Lines 16-17.
 C/ Per Company Response, TRA Data Request #13, Page 5 of 68 Labor, Book 2 of 2.
 D/ Per Company Response, TRA Data Request #13, TN-TRA-01-Q013-LABOR, Page 26 of 102.
 E/Per TRA Order Docket #10-00189, Page 61.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 PAYROLL EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

E-PAY-6

	CONSUMER ADVOCATE PAYROLL		TENNESSEE AMERICAN PAYROLL	F/	DIFFERENCE
HOURLY EMPLOYEES	4,150,606	A/	4,625,449		(474,843)
SHIFT DIFFERENTIAL PAY	4,729	G/	3,433		1,296
SALARIED EMPLOYEES	1,847,475	C/	1,888,634		(41,159)
INCENTIVE PAY	99,122	D/	214,915		(115,793)
TOTAL	6,101,932		6,732,432		(630,500)
CAPITALIZATION %	14.97%	E/	17.56579%		-2.60%
CAPITALIZED PORTION	913,459		1,182,605		(269,145)
EXPENSED PORTION	5,188,473		5,549,827		(361,353)

A/ Terry Buckner work paper E-PAY-1.

B/ Terry Buckner work paper E-PAY-2.

C/ Terry Buckner work paper E-PAY-3.

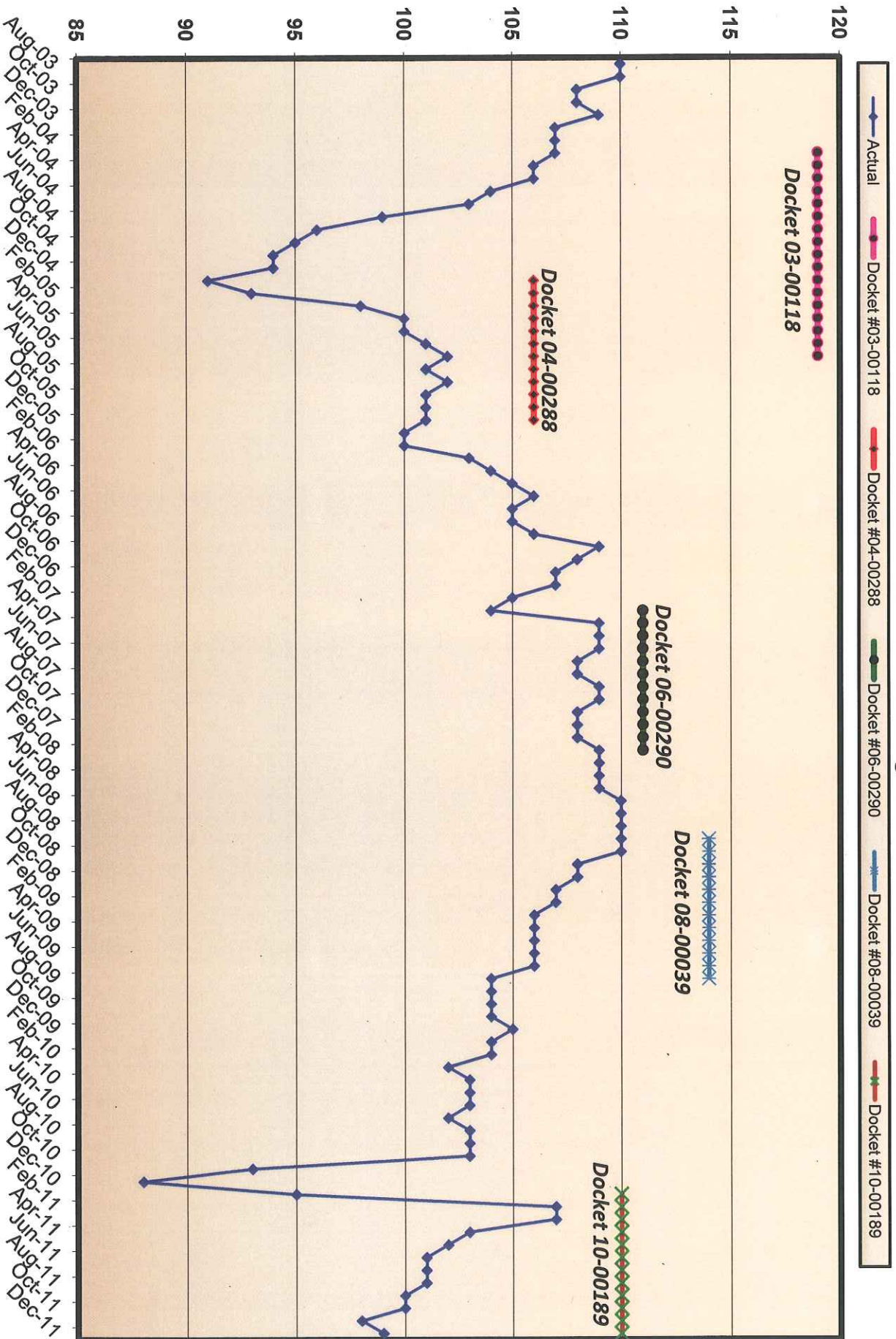
D/ 50% of TAWC forecasted amount per TRA Order Docket #10-00189, Page 61.

E/ Terry Buckner work paper E-PAY-4A.

F/ TAWC Labor and labor Related Exhibit.

G/ TAWC Response to CAPD First Set of Data Requests, #57.

Actual Employee Levels vs. TAWC Projections



OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 PURCHASED WATER EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-PW

ACCOUNT #	DESCRIPTION	A/ 12 MTD 12/31/11		B/ ADJUSTMENTS	C/ INFLATION		GROWTH FACTOR	ATTR YR AMOUNTS
		AMOUNTS	AMOUNTS		FACTOR	FACTOR		
510100	PURCHASED WATER-OUTSIDE	44,212		5,088	2,031	0		51,331
	Total	44,212		5,088	2,031	0		51,331

A/ TAWC Income Statements.

B/ Petitioner's Exhibit EXP-2-Purchased Water-LEK.

C/ Terry Buckner work paper E-GDP, annual 2.13% for 23 months growth.

TENNESSEE AMERICAN WATER COMPANY

TRA DOCKET #12-00049

FUEL AND POWER

FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

E-FP

	A/ (1,000 gallons) Water Treated	A/ (1,000 gallons) Water Billed	Unaccounted for Water	Percent Unaccounted for Water	B/ Fuel and Power
January 2011	1,065,803	758,467	307,336	28.84%	
February	989,724	716,779	272,945	27.58%	
March	1,070,730	742,065	328,665	30.70%	
April	1,034,553	745,683	288,870	27.92%	
May	1,143,844	813,423	330,421	28.89%	
June	1,240,740	1,008,800	231,940	18.69%	
July	1,280,122	952,102	328,020	25.62%	
August	1,368,139	1,086,320	281,819	20.60%	
September	1,161,198	1,062,205	98,993	8.53%	
October	1,117,300	859,842	257,458	23.04%	
November	1,012,846	729,212	283,634	28.00%	
December	1,023,934	709,117	314,817	30.75%	
Total Test Period	13,508,933	10,184,015	3,324,918	24.61%	\$ 2,738,627
Conversion to CCF	18,060,071	13,614,993	4,445,078		
Attrition Year CCF	17,721,723	13,359,922	4,361,801		\$ 2,851,458 D/
Net of 15% Unaccounted For Allowance	17,721,723	13,359,922	2,658,258	15.00%	\$ 2,577,355

A/ TAWC response to CAPD DR #94

B/ TAWC Income Statements

C/ WHN work paper R-1.01

D/ Test period grown for 23 months at 2.12% annual growth.

TENNESSEE AMERICAN WATER COMPANY
 TRA DOCKET #12-00049
 CHEMICALS
 FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

E-CHEM

	A/ (1,000 gallons) Water Treated	A/ (1,000 gallons) Water Billed	(1,000 gallons) Unaccounted for Water	Percent Unaccounted for Water	B/ Test Period Chemicals
January 2011	1,065,803	758,467	307,336	28.84%	
February	989,724	716,779	272,945	27.58%	
March	1,070,730	742,065	328,665	30.70%	
April	1,034,553	745,683	288,870	27.92%	
May	1,143,844	813,423	330,421	28.89%	
June	1,240,740	1,008,800	231,940	18.69%	
July	1,280,122	952,102	328,020	25.62%	
August	1,368,139	1,086,320	281,819	20.60%	
September	1,161,198	1,062,205	98,993	8.53%	
October	1,117,300	859,842	257,458	23.04%	
November	1,012,846	729,212	283,634	28.00%	
December	1,023,934	709,117	314,817	30.75%	
Total	13,508,933	10,184,015	3,324,918	24.61%	\$ 1,039,057
Conversion to CCF	18,060,071	13,614,993			
Attrition Year CCF	17,721,723	13,359,922	C/		\$ 1,081,866 D/
Net of 15% Unaccounted For Allowance CCF	17,721,723	13,508,335	2,658,258	15.00%	\$ 986,930

A/ TAWC response to CAPD DR #94

B/ TAWC Income Statements

C/ WHN work paper R-1.01

D/ Test period grown for 23 months at 2.12% annual growth

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 WASTE DISPOSAL EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-WASTE

ACCOUNT #	DESCRIPTION	A/ 12/31/11		B/ INFLATION		GROWTH FACTOR	ATTR YR AMOUNTS
		AMOUNTS	FACTOR	FACTOR	AMOUNTS		
511100	WASTE DISPOSAL	204,867	8,441	0	213,308		
Total		204,867	8,441	0	213,308		

A/ TAWC Income Statements

B/ Terry Buckner work paper E-GDP, annual 2.12% for 23 months growth.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 MANAGEMENT FEES/SUPPORT SERVICES EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-SUPPORT SERV

ACCOUNT # - DESCRIPTION	A/ 12/31/11		B/ INFLATION		GROWTH FACTOR	ATTR YR AMOUNTS
	AMOUNTS	ADJUSTMENTS	FACTOR	FACTOR		
534600 Mmgt Fees-Corporate	\$ 23,045		\$ 949			\$ 23,995
534601 Mmgt Fees-External Affairs/Com	109,883	(109,883)	(0)			(0)
534602 Mmgt Fees-Finance	542,652		22,357			565,009
534603 Mmgt Fees-Human Resources	212,913		8,772			221,685
534604 Mmgt Fees-Legal	182,717		7,528			190,245
534605 Mmgt Fees-Operations Svcs	187,646		7,731			195,377
534606 Mmgt Fees-Property	194,045		7,995			202,039
534607 Mmgt Fees-Business Development	127,333	(127,333)	(0)			(0)
534608 Mmgt Fees-Bus Transformation	436		18			454
534609 Mmgt Fees-Audit	27,856		1,148			29,003
534610 Mmgt Fees-Regulatory	16,196		667			16,863
534611 Mmgt Fees-Inv Relations	14,316		590			14,906
534615 SSC-Shrd Bus Srv Fees	423,708	(48,178)	15,472			391,002
534625 CSC-Shrd Bus Srv Fees	997,163		41,083			1,038,246
534635 ITS-Shrd Bus Srv Fees	1,324,915	(161,305)	47,941			1,211,551
534645 Procure-Shrd Bus Srv Fees	70,407		2,901			73,307
534655 Lab-Shrd Bus Srv Fees	121,126		4,990			126,117
534665 BSC-Shrd Bus Srv Fees	31,000		1,277			32,277
534701 Mmgt Fees-Regulated Operations	473,809		19,521			493,330
Total	\$ 5,081,165	\$ (446,699)	\$ 190,940	0		\$ 4,825,406

A/ TAWC Income Statements

B/ Terry Buckner work paper E-GDP, annual 2.12% for 23 months growth.

See Comments in Adjustments cells.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 GROUP INSURANCE EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-GI

ACCOUNT #	DESCRIPTION	A/ 12 MTD 12/31/11 AMOUNTS	B/ INFLATION FACTOR	GROWTH FACTOR	ATTR YR AMOUNTS
504100	GROUP INSURANCE	1,027,739	42,343		1,070,082
505100	PBOP	673,193	6,395		679,589
	Total	1,700,933	48,738	0	1,749,671

A/ TAWC Income Statements.

B/ Terry Buckner work paper E-GDP, 2.12% for 23 months growth.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 PENSION EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-PENSION

ACCOUNT #	DESCRIPTION	A/ 12/31/11 AMOUNTS	INFLATION FACTOR	GROWTH FACTOR	B/ ATTR YR AMOUNTS
506100	PENSION EXPENSE	2,872,408	0	0	941,837
	Total	2,872,408	0	0	941,837

A/ TAWC Income Statements

B/ Towers Watson Actuarial Report dated April 2011, Page MS-1 (\$74,841,388 * 1.48%) * (1-14.97%)

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 REGULATORY EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-REG

ACCOUNT #	DESCRIPTION	D/ 12 MTD 12/31/11		INFLATION FACTOR	GROWTH FACTOR	ATTR YR AMOUNTS
		AMOUNTS	AMOUNTS			
566100	REG COMM AMORT RATE CASE	\$ 365,915				615,971 A/
566200	REG COMM DEP STUDY/OTHER	15,272				0 B/
566700	REG COMM AMORT COST STUDY	282,047				34,333 C/
Total		\$ 663,234		0	0	650,305

A/ Consumer Advocate work paper, RB-DEFERRED RATE CASE EXPENSE.
 B/ Consumer Advocate work paper, RB-DEPR. STUDY.
 C/ Consumer Advocate work paper, RB-DEFERRED COST OF SERVICE STUDY EXPENSE.
 D/ TAWC Income Statements.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 OTHER INSURANCE EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-OI

ACCOUNT #	DESCRIPTION	A/ 12 MTD 12/31/11		B/ ADJUSTMENTS	C/ INFLATION		GROWTH FACTOR	ATTR YR AMOUNTS
		AMOUNTS	AMOUNTS		FACTOR	FACTOR		
557000	INSURANCE GENERAL LIABILITY	211,739	(790)		8,691	0	0	219,640
558000	INSURANCE WORKMAN'S COMP	104,608			4,310	0	0	108,918
559000	INSURANCE OTHER	31,679			1,305	0	0	32,985
Total		348,027	(790)		14,306	0	0	361,543

A/ TAWC Income Statements.

B/ Petitioner's Exhibit EXP-10-Insurance Other than Group-LCB

C/ Terry Buckner work paper E-GDP, 2.12% for 23 months growth.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 CUSTOMER ACCOUNTING EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-CA

ACCOUNT #	DESCRIPTION	A/ 12 MTD 12/31/11		B/ ADJUSTMENTS	C/ INFLATION		GROWTH FACTOR	ATTRITION YR AMOUNTS
		AMOUNTS			FACTOR			
520100	MATERIALS & SUPPLIES	1,684			69		0	1,754
575743	MISCELLANEOUS OPERATING EXPENSE	0			0		0	0
575000	MISCELLANEOUS OPERATING EXPENSE	902			37		0	939
575100	BANK SERVICE CHARGES	187,061			7,707		0	194,768
575200	COLLECTION AGENCIES	143,737			5,922		0	149,659
575320	ELECTRICITY	0			0		0	0
575500	JANITORIAL	0			0		0	0
575620	OFFICE & ADMINISTRATION SUPPLIES	0			0		0	0
575660	POSTAGE	349,971			14,419		0	364,390
575740	TELEPHONE	0			0		0	0
575820	UNIFORMS	2,336			96		0	2,432
534000	CONTRACT SERV. MGMT FEE CUST. ACCT.	0			0		0	0
575420	FORMS	120,534			4,966		0	125,500
575743	CELL PHONE	7,747			319		0	8,067
	Total	813,974			33,536		0	847,509

A/ TAWC Income Statements.

B/ Exhibit EXP-11-Customer Accounting-DJP.

C/ Terry Buckner work paper E-GDP, 2.12% for 23 months growth.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 UNCOLLECTIBLE EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-UNC

	Beginning Balance	Total Chg. Off	Net Acct. Payments	Change In Uncollectible Reserve	Ending Balance
January 2011	\$ (199,004)	\$ 22,430	\$ 9,277	\$ (13,153)	\$ (185,850)
February	(185,850)	(6,715)	(36,842)	(30,127)	(155,723)
March	(155,723)	15,274	1,104	(14,170)	(141,553)
April	(141,553)	30,579	57,418	26,839	(168,392)
May	(168,392)	86,298	99,431	13,133	(181,525)
June	(181,525)	69,550	103,334	33,784	(215,309)
July	(215,309)	66,770	95,443	28,673	(243,982)
August	(243,982)	32,697	32,830	133	(244,115)
September	(244,115)	27,362	26,107	(1,255)	(242,860)
October	(242,860)	15,088	(3,830)	(18,918)	(223,942)
November	(223,942)	51,502	51,146	(356)	(223,586)
December	(223,586)	31,922	26,635	(5,287)	(218,299)
Total		\$ 442,757			

12MTD 2011

Source: TAWC Balance Sheets and Income Statements.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 RENT EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-RENT

ACCOUNT #	DESCRIPTION	A/ 12 MTD 12/31/11		B/ ADJUSTMENTS	C/ INFLATION		GROWTH FACTOR	ATTR YR AMOUNTS
		AMOUNTS	AMOUNTS		FACTOR	FACTOR		
541000	RENT - REAL PROPERTY	7,794	(6,345)		60	0		1,509
541400	RENT - EQUIPMENT	44,566	(37,640)		285			7,211
	Total	52,360	(43,985)		345	0		8,720

A/ Per TAWC Income Statements.

B/ Exhibit EXP-12-Rents-MLS.

C/ Terry Buckner work paper E-GDP, annual 2.13% for 23 months growth.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 GENERAL OFFICE EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-GO

ACCOUNT #	DESCRIPTION	A/ 12/31/11 AMOUNTS	B/ ADJUSTMENTS	C/ INFLATION FACTOR	GROWTH FACTOR	ATTR YR AMOUNTS
520100	MATERIALS & SUPPLIES	2,135		88	0	2,223
575670	RELOCATION EXPENSES	55,802	(55,802)	(0)	0	(0)
575002	COLLECTION AGENCIES	285		12	0	297
575100	BANK SERVICE CHARGES	10		0	0	10
575260	CREDIT LINE FEES	466		19	0	486
575280	DUES/MEMBERSHIPS DEDUCTIBLE	2,249		93	0	2,342
575281	DUES/MEMBERSHIPS NON-DEDUCTIBLE	0		0	0	0
575320	ELECTRICITY	26,217		1,080	0	27,298
575340	EMPLOYEE EXPENSES	74,750		3,080	0	77,830
575351	MEALS NON-DEDUCTIBLE	13,148		542	0	13,690
575420	FORMS	57		2	0	59
575480	HEAT - OIL/GAS	3,039		125	0	3,164
575500	JANITORIAL	5,468		225	0	5,693
575620	OFFICE & ADMINISTRATION	10,376		427	0	10,803
575660	POSTAGE	2,040		84	0	2,124
575740	TELEPHONE	32,169		1,325	0	33,495
575484	HIRING BACKGROUND	78		3	0	81
575830	WATER & WASTE WATER	8,344		344	0	8,688
575350	MEALS & TRAVEL DEDUCTIBLE	21,046		867	0	21,913
575342	EMPLOYEE EXPENSES CONF/REGISTR.	5,923	6,220	500	0	12,644
575741	CELL PHONE	39,907		1,644	0	41,551
575261	CREDIT LINE FEES	14,643		603	0	15,247
575780	TRASH REMOVAL	1,519		63	0	1,582
	Total	319,673	(49,582)	11,128	0	281,218

A/ TAWC Income Statements.

B/ Petitioner's Exhibit EXP-13-General Office Expense-DJP

C/ Terry Buckner work paper E-GDP, 2.12% for 23 months growth.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 MISCELLANEOUS EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-MISC

DESCRIPTION	A/ 12 MTD 12/31/11		B/ ADJUSTMENTS	C/ INFLATION		GROWTH FACTOR	ATTR YR AMOUNTS	
	AMOUNTS			FACTOR				
OTHER WELFARE EXPENSE	47,632			1,962		0	49,595	
EMPLOYEE AWARDS	5,825			240		0	6,065	
EMPLOYEE PHYSICAL EXAMS	5,615			231		0	5,846	
SAFETY INCENTIVE	473			19			492	
TUITION AID	17,494			721		0	18,215	
TRAINING	25,342			1,044		0	26,387	
REFERRAL BONUS	250			10			260	
401 K	103,874			4,280		0	108,154	
ESOP/508101-508102/508200	137,868			5,680		0	143,548	
MATERIALS & SUPPLIES	118,043			4,863		0	122,907	
CONTRACT SERVICES - ACC/AUDIT	71,783			2,957		0	74,740	
CONTRACT SERVICES - LEGAL	277,718	(127,718)		6,180		0	156,180	
CONTRACT SERVICES - OTHER	328,757			13,545		0	342,302	
TRANSPORTATION	(33,934)			(1,398)		0	(35,332)	
TRANSPORTATION LEASE COST	4,258	(4,259)		(0)		0	(1)	
TRANSPORTATION LEASE FUEL	252,500			10,403		0	262,903	
TRANSPORTATION LEASE MAINT	173,878			7,164		0	181,042	
TRANSPORTATION EMPLOYEE REIMB.	33			1		0	35	
INSURANCE VEHICLE	23,115			952		0	24,067	
MISCELLANEOUS OPERATING EXP	230,000	(103,234)		5,223		0	169,989	
ADVERTISING	17,344	(16,454)		37		0	927	
COMMUNITY RELATIONS	9,507			392		0	9,899	
COMPANY DUES/DEDUCTIBLE	22,507	(625)		902		0	22,784	
COMPANY DUES/DEDUCTIBLE AWWA	12,026			495		0	12,522	
DIRECTORS FEES	12,700			523		0	13,223	
ELECTRICITY	87,576			3,608		0	91,185	
HEAT - OIL/GAS	11,240			463		0	11,704	
INJURIES & DAMAGES	0			0		0	0	
JANITORIAL	16,404			676		0	17,080	
LAB SUPPLIES	31,049			1,279		0	32,328	
LOBBYING EXPENSES	60,015	(60,016)		(0)		0	0	
OFFICE & ADMINISTRATION	5,607			231		0	5,838	
OVERNIGHT SHIPPING	3,277			135		0	3,412	

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 MISCELLANEOUS EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

E-MISC

DESCRIPTION	A/ 12 MTD 12/31/11 AMOUNTS	B/ ADJUSTMENTS	C/ INFLATION FACTOR	GROWTH FACTOR	ATTR YR AMOUNTS
RESEARCH & DEVELOPMENT	12,159		501	0	12,660
TELEPHONE	42,104		1,735	0	43,839
TRASH REMOVAL	6,973		287	0	7,261
TRUSTEE FEES	15,581		642	0	16,223
UNIFORMS	12,732		525	0	13,256
PURCHASING CARD	43		2	0	45
BUSINESS SERVICES PROJECT EXP.	134,872		5,557	0	140,429
SECURITY SERVICE	143,242		5,902	0	149,144
SOFTWARE LICENSES & SUPPORT	6,825		281	0	7,106
GROUPS KEEPING	1,400		58	0	1,458
PENALTIES NON-DEDUCTIBLE	(1,050)		(43)	0	0
CELL PHONE/575743	16		1	0	17
DISCOUNTS AVAILABLE	(14,699)		(606)	0	(15,305)
DISCOUNTS LOST	15		1	0	16
BILL INSERTS	4,363		180	0	4,543
Total	2,444,356	(312,307)	87,840	0	2,258,984

A/ TAWC Income Statements.

B/ Petitioner's Exhibit EXP-14-Miscellaneous Expense-DJP.

C/ Terry Buckner work paper E-GDP, 2.12% for 23 months growth.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 OTHER MAINTENANCE EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 2013

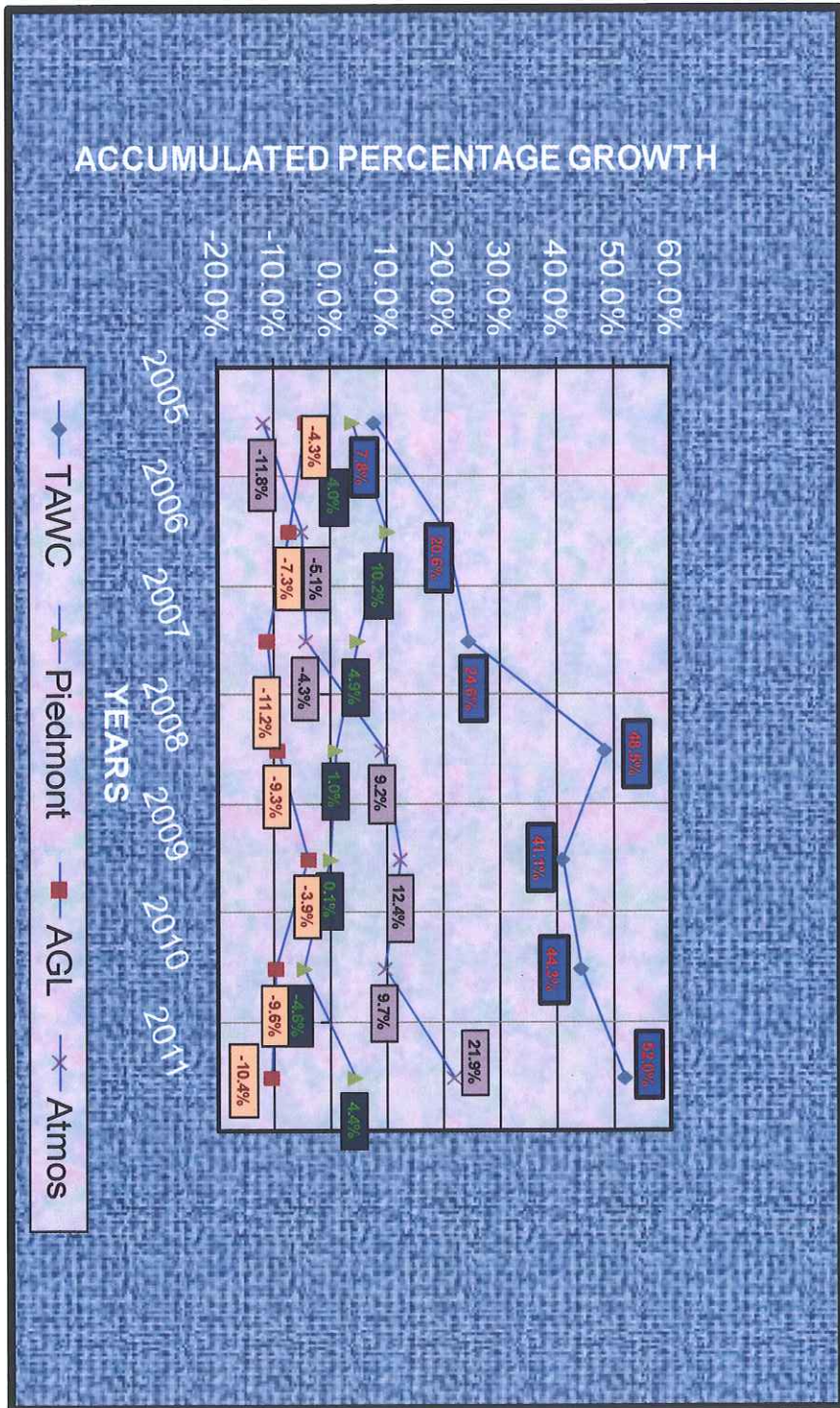
E-MAINT

ACCOUNT #	DESCRIPTION	A/ 12 MTD 12/31/11 AMOUNTS	B/ INFLATION FACTOR	GROWTH FACTOR	ATTR YR AMOUNTS
620000	MAINTENANCE	455,325	18,759	0	474,085
635000	CONTRACT SERVICE - OTHER	23,683	976	0	24,658
675000	MISCELLANEOUS MAINTENANCE	108,340	4,464	0	112,803
675250	COMPUTER EQUIPMENT	0	0	0	0
675450	OFFICE EQUIPMENT	0	0	0	0
675650	PAVING	389,196	16,035	0	405,231
Total		976,544	40,234	0	1,016,777

A/ TAWC Income Statements.

B/ Terry Buckner work paper E-GDP, annual 2.13% for 23 months growth.

O&M Expense Growth Comparison By Company



Office of the Attorney General - State of Tennessee
 Consumer Advocate and Protection Division
 TRA Docket 12-00049
 Tennessee American Water Company

E-GDP

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 ANALYSIS OF THE GROSS DOMESTIC PRODUCT ("GDP") CHAINED PRICE DEFLATOR
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

YEAR	QUARTER			ATTR YR GDP IDP
	1/1 - 3/31	4/1 - 6/30	7/1 - 9/30	10/1 - 12/31
2010	110.216	110.706	111.238	111.795
2011	112.372	113.109	113.950	113.987
AVERAGE GDP DEFLATOR FOR YEAR 2011				2.13%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table 1.1.9

Bureau of Economic Analysis

Table 1.1.9. Implicit Price Deflators for Gross Domestic Product

[Index numbers, 2005=100] Seasonally adjusted

Last Revised on: July 27, 2012 - Next Release Date August 29, 2012

Line	2010	2010	2010	2010	2011	2011	2011	2011
	I	II	III	IV	I	II	III	IV
1 Gross domestic product	110.216	110.706	111.238	111.795	112.372	113.109	113.950	113.987
2 Personal consumption expenditures	110.639	110.797	111.150	111.747	112.636	113.630	114.290	114.590
3 Goods	105.021	104.279	104.536	105.557	107.263	108.817	109.630	109.567
4 Durable goods	92.358	91.900	91.369	90.880	90.759	91.109	90.963	90.382
5 Nondurable goods	112.458	111.556	112.270	114.178	116.971	119.239	120.627	120.880
6 Services	113.645	114.279	114.683	115.053	115.500	116.190	116.769	117.268
7 Gross private domestic investment	104.338	104.755	104.867	105.143	105.674	106.295	106.797	106.630
8 Fixed investment	104.768	104.759	105.063	105.488	105.857	106.492	106.969	107.326
9 Nonresidential	105.165	105.297	105.590	105.973	106.471	107.153	107.660	108.062
10 Structures	119.862	120.659	121.475	122.575	124.054	126.022	127.749	129.150
11 Equipment and software	99.793	99.688	99.797	99.939	100.131	100.424	100.554	100.648
12 Residential	102.583	102.075	102.430	103.025	102.861	103.296	103.643	103.804
13 Change in private inventories	---	---	---	---	---	---	---	---
14 Net exports of goods and services	---	---	---	---	---	---	---	---
15 Exports	108.930	110.262	110.526	113.087	116.104	118.475	118.988	117.838
16 Goods	107.723	109.175	109.461	112.757	116.357	119.027	119.393	117.924
17 Services	111.601	112.668	112.890	113.741	115.388	117.051	117.904	117.514
18 Imports	113.181	112.595	111.735	114.445	119.419	123.053	122.458	122.452
19 Goods	112.908	112.144	111.064	113.982	119.697	123.766	123.133	123.316
20 Services	113.993	114.234	114.459	116.150	117.440	118.912	118.531	117.613
21 Government consumption expenditures and gross investment	116.555	116.917	117.409	118.465	119.968	121.172	121.902	121.908
22 Federal	113.012	113.336	113.665	114.307	115.696	116.716	117.368	117.114
23 National defense	113.418	113.693	113.944	114.739	116.437	117.372	118.043	117.776
24 Nondefense	112.197	112.618	113.103	113.437	114.216	115.399	116.013	115.785
25 State and local	118.659	119.046	119.648	120.994	122.572	123.900	124.682	124.870
Addendum:								
26 Gross national product	110.210	110.690	111.217	111.775	112.362	113.106	113.940	113.985

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 OTHER TAX EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

Tax	Consumer Advocate	T-OTAX0
Property Tax	\$ 2,757,695 A/	
TRA Inspection Fee	131,826 B/	
FUTA Taxes	3,536 C/	
FICA Taxes	388,348 C/	
SUTA Taxes	12,512 C/	
Franchise Tax	408,873 D/	
Gross Receipts Tax	807,678 E/	
Total	<u>\$ 4,510,467</u>	

A/ Terry Buckner work paper T-OTAX1.

B/ Terry Buckner work paper T-OTAX2.

C/ Terry Buckner work paper T-OTAX3.

D/ Terry Buckner work paper T-OTAX8.

E/ Terry Buckner work paper T-OTAX7.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 PROPERTY TAX SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

Year	Property Tax Amount	Gross Assessment	Percentage of Property Tax to Assessment
2000		\$ 42,010,000	A/
2001	\$ 2,388,401	A/ 46,890,000	A/ 5.0936%
2002	2,365,524	A/ 46,900,000	A/ 5.0438%
2003	2,231,085	A/ 47,325,000	A/ 4.7144%
2004	2,296,102	B/ 48,423,000	A/ 4.7418%
2005	2,411,210	B/ 50,495,000	A/ 4.7751%
2006	2,521,971	C/ 51,956,000	A/ 4.8541%
2007	2,602,064	C/ 56,001,000	A/ 4.6465%
2008	N/A	58,620,000	A/
2009	2,442,053	C/ 56,320,000	A/ 4.3360%
2010	2,540,571	C/ 54,712,000	A/ 4.6435%
2011	2,750,309	C/ 58,824,000	A/ 4.6755%
2012	2,690,697	A/ 57,549,000	A/ 4.6755%
2013	2,757,695	58,981,970	A/ 4.6755%
ATTRITION YR	\$ 2,757,695		

A/ OFFICE OF STATE ASSESSED PROPERTIES.

B/ TAWC RESPONSE TO FIRST SET OF TRA DATA REQUEST #47, TRA Docket #12-00049

C/ Consumer Advocate work paper T-OTAX1A

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 JURISDICTIONAL PROPERTY TAX SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

T-OTAX1A

	C/ 2011	C/ 2010	C/ 2009	C/ 2008	A/ 2007	A/ 2006
Chattanooga	1,017,408	\$ 945,971	\$ 821,849		\$ 967,575	\$ 967,535
Lookout Mountain	14,315	13,326		16,064	12,404	11,765
Hamilton County	1,648,979	1,522,118	1,567,997		1,560,710	1,478,472
Tallen Holdings	30,041	29,978	27,228		28,835	27,445
Marion County	6,768	4,912	5,025		2,979	3,457
Rossville	3,215	3,184	3,106		4,621	4,790
Dade County					185	174
Catoosa County	6,304	5,111	5,191		1,496	3,984
Walker County	21,272	14,288	9,788		23,259	24,349
Sequatchie County	2,007	1,683	1,869			

Total	\$ 2,750,309	\$ 2,540,571	\$ 2,442,053	\$ 16,064	\$ 2,602,064	\$ 2,521,971
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A/ TAWC response to TRA #13, TN-TRA-01-Q103-GENERAL TAXES, TRA Docket #08-00039.

B/ TAWC response to TRA #13, TN-TRA-01-Q013-GENERAL TAXES-PROPERTY TAX, Pages 1 through 110.

C/ TAWC response to TRA MFR #47.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
CONSUMER ADVOCATE AND PROTECTION DIVISION
TRA INSPECTION FEE
TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

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T-OTAX2

	<u>2013 AMOUNT</u>	
GROSS OPERATING REVENUES FOR THE ATTRITION YEAR	43,259,375	A/
LESS: UNCOLLECTIBLES	<u>(442,757)</u>	B/
NET REVENUES	42,816,618	
TENNESSEE PERCENT	<u>94.03%</u>	C/
	40,259,181	
LESS: EXEMPTION	<u>5,000</u>	
TAX BASE	40,254,181	
.425% OF FIRST \$1,000,000	4,250	
.325% OF EXCESS	<u>127,576</u>	
TOTAL INSPECTION FEE	<u><u>131,826</u></u>	

A/ Consumer Advocate Attrition Year Revenue

B/ Terry Buckner work paper E-UNC.

C/ 93.8743% per TAWC response TN-CAPD-01#86attachment, Page 5 of 29.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 PAYROLL TAX EXPENSE SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

P33

T-OTAX3

	PAYROLL TAXES Consumer Advocate	B/ PAYROLL TAXES TAWC	DIFFERENCE
<u>FICA TAXES</u>			
HOURLY EMPLOYEES	\$ 310,018	A/	
SALARIED EMPLOYEES	138,756	C/	
SHIFT/AIP	7,945		
TOTAL	<u>\$ 456,719</u>		
CAPITALIZATION %	14.97%	D/	
CAPITALIZED PORTION	<u>\$ 68,371</u>		
NON UTILITY %	0.00%		
NON UTILITY PORTION	<u>\$ -</u>		
EXPENSED PORTION	<u><u>\$ 388,348</u></u>		
<u>FUTA TAXES</u>			
UNION EMPLOYEES	3,150	A/	
SALARIED EMPLOYEES	1,008	C/	
TOTAL	<u>4,158</u>		
CAPITALIZATION %	14.97%	D/	
CAPITALIZED PORTION	<u>\$ 622</u>		
NON UTILITY %	0.00%		
NON UTILITY PORTION	<u>\$ -</u>		
EXPENSED PORTION	<u><u>3,536</u></u>		
<u>SUTA TAXES</u>			
HOURLY EMPLOYEES	11,475	A/	
SALARIED EMPLOYEES	3,240	C/	
TOTAL	<u>\$ 14,715</u>		
CAPITALIZATION %	14.97%	D/	
CAPITALIZED PORTION	<u>\$ 2,203</u>		
NON UTILITY %	0.00%		
NON UTILITY PORTION	<u>\$ -</u>		
EXPENSED PORTION	<u><u>\$ 12,512</u></u>		
TOTAL PAYROLL TAXES	<u><u>\$ 404,396</u></u>	<u><u>\$ 430,422</u></u>	<u><u>\$ 26,026</u></u>

A/ Terry Buckner Work Paper T-OTAX4.
 B/ TAWC Exhibit EXP-18B-Payroll Tax-MLS
 C/ Terry Buckner Work Paper T-OTAX6.
 D/ Terry Buckner Work Paper E-PAY-4.

T-0TAX-4

CONFIDENTIAL

T-0TAX-4

CONFIDENTIAL

T-0TAX-4

CONFIDENTIAL

T-0TAX-6

CONFIDENTIAL

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
CONSUMER ADVOCATE AND PROTECTION DIVISION

T-OTAX7

GROSS RECEIPTS TAX SUMMARY

TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

	2013 Forecast	A/ 2012 Forecast
Gross Receipts	\$ 42,729,559 B/	\$ 42,729,559
Less: Georgia Receipts @6.1257%	(2,617,485)	(2,617,485)
Exemption	(5,000)	(5,000)
Taxable Receipts	40,107,074 C/	40,107,074
Tax Rate	3.00%	3.00%
Taxes	1,203,212	1,203,212
Less: Franchise Tax	(397,462) D/	(394,158) D/
Excise Tax	-	-
Net Tax	<u>\$ 805,750</u>	<u>\$ 809,054</u>
Tax 12/1/12-6/30/13		
Tax 7/1/13-11/30/13	335,729	471,948
Total Tax	<u>\$ 807,678</u>	

A/ TAWC 2011 Income Statement.

B/ TAWC 2011 Income Statement.

C/ 93.8743% per TAWC response TN-CAPD-01#86attachment, Page 5 of 29.

D/ Terry Buckner work paper, T-OTAX8.

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE AND PROTECTION DIVISION
 STATE FRANCHISE TAX SUMMARY
 TENNESSEE AMERICAN WATER COMPANY TRA DOCKET #12-00049
 FOR THE ATTRITION YEAR ENDED NOVEMBER 30, 2013

T-OTAX8

NET PLANT AT DECEMBER 31, 2009	AMOUNT	
MATERIALS AND SUPPLIES & CWIP AT DECEMBER 31, 2009	\$ 146,432,516	
RENT VALUE AT DECEMBER 31, 2009	28,454	
TAX RATE OF \$.25 PER \$100 OF NET PLANT AND M&S	0.25	
FRANCHISE TAX AMOUNT FOR 2009	<u>\$ 366,152</u>	A/
NET PLANT AT DECEMBER 31, 2010	\$ 153,041,002	B/
MATERIALS AND SUPPLIES & CWIP AT DECEMBER 31, 2010	-	
RENT VALUE AT DECEMBER 31, 2010	27,218	
TAX RATE OF \$.25 PER \$100 OF NET PLANT AND M&S	0.25	
FRANCHISE TAX AMOUNT FOR 2010	<u>\$ 382,671</u>	
NET PLANT AT DECEMBER 31, 2011	\$ 157,511,566	C/
MATERIALS AND SUPPLIES & CWIP AT DECEMBER 31, 2011	-	
RENT VALUE AT DECEMBER 31, 2011	151,660	C/
TAX RATE OF \$.25 PER \$100 OF NET PLANT AND M&S	0.25	
FRANCHISE TAX AMOUNT FOR 2011	<u>\$ 394,158</u>	
NET PLANT AT DECEMBER 31, 2012	\$ 158,958,268	D/
MATERIALS AND SUPPLIES & CWIP AT DECEMBER 31, 2012	-	
RENT VALUE AT DECEMBER 31, 2012	26,494	E/
TAX RATE OF \$.25 PER \$100 OF NET PLANT AND M&S	0.25	
FRANCHISE TAX AMOUNT FOR 2012	<u>\$ 397,462</u>	
NET PLANT AT NOVEMBER 30, 2013	\$ 163,522,751	D/
MATERIALS AND SUPPLIES & CWIP AT NOVEMBER 30, 2013	-	
RENT VALUE AT NOVEMBER 30, 2013	26,494	E/
TAX RATE OF \$.25 PER \$100 OF NET PLANT AND M&S	0.25	
FRANCHISE TAX AMOUNT FOR 2013	<u>\$ 408,873</u>	

A/ TAWC response TN-CAPD-01-PART III-Q55-ATTACHMENT, Page 47 of 90.
 B/ TAWC response CADDR1#86attachment, Page 19 of 29.
 C/ TAWC Balance Sheet and Income Statement
 D/ WHN work paper
 E/ Terry Buckner work paper E-RENT