

PETITIONER'S EXHIBIT MLS-1

TENNESSEE-AMERICAN WATER COMPANY, INC.

CASE NO. _____

DIRECT TESTIMONY

OF

MELISSA L. SCHWARZELL

ON

**LABOR AND LABOR RELATED (INCLUDING LABOR, GROUP INSURANCE,
PENSION, 401K, DEFINED CONTRIBUTION PLAN, AND PAYROLL TAXES), RENT,
PROPERTY TAX**

SPONSORING PETITIONER'S EXHIBITS:

EXP-1-LABOR-MLS
EXP-7-GROUP INSURANCE-MLS
EXP-8-PENSION-MLS
EXP-14B-401K-MLS
EXP-14C-DCP-MLS
EXP-18B-PAYROLL TAX-MLS
EXP-12-RENT EXPENSE-MLS
EXP-18A-PROPERTY TAX-MLS

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1 rate issues for regulated subsidiaries of American, including Tennessee American. I
2 attended the American Water Rate School in 2010 and completed the Institute for Public
3 Utilities Advanced Regulatory Program in 2011.

4 **Q. What is the purpose of your testimony in this proceeding?**

5 A. The purpose of my testimony is to address various adjustments to Operating Expenses.
6 These include all labor-related adjustments, such as Labor and Incentive Plan, Group
7 Insurance including Other Post Employment Benefits (“OPEBs”), Pension Expense, some
8 parts of Miscellaneous Expense (401k and Defined Contribution Plan) and Payroll Tax (part
9 of General Tax). I am also testifying regarding Rent Expense and Property Tax Expense, the
10 latter of which is another component of General Tax. These adjustments are shown in
11 Exhibits:

- 12 • EXP-1-Labor-MLS
- 13 • EXP-7-Group Insurance-MLS
- 14 • EXP-8-Pension-MLS
- 15 • EXP-14B-401k-MLS
- 16 • EXP-14C-DCP-MLS
- 17 • EXP-18B-Payroll Tax-MLS
- 18 • EXP-12-Rent Expense-MLS
- 19 • EXP-18A-Property Tax-MLS.

20 Each schedule was prepared by me or under my supervision.

21 **OPERATING INCOME AND EXPENSES**

22 **Q. Please explain the adjustments to the test year and attrition year for Labor & Incentive**
23 **expense, found in EXP-1-Labor-MLS.**

1 A. EXP-1-Labor-MLS is the Company's pro forma labor & incentive expense adjustment. Test
2 year labor and incentive expense was \$5,460,560, for the twelve months ending December
3 31, 2011. Normalizing adjustments were made to remove severance costs and severance
4 related vacation payout. These adjustments reduced the test year by \$319,062, resulting in a
5 normalized test year of \$5,141,498. Typically, a normalizing adjustment would have also
6 been made to reflect hourly wage increases during the test-year, but 2011 was an anomaly.
7 No company-wide merit increases affected hourly wages for either union or non-union
8 employees in 2011. Union employees instead negotiated a one-time lump-sum payout. The
9 non-union merit increase process, which had been scheduled for December 2011, was
10 instead completed in March 2012. Because of these two changes, no wage adjustment was
11 annualized.

12 Attrition year labor and incentive expense reflects changes to wages and organization
13 through November 30, 2013. The calculation of each element of labor cost is discussed
14 below, but the attrition year total Operations and Maintenance ("O&M") cost for all of the
15 combined elements is \$5,485,758 of expense, which represents a \$408,327 adjustment from
16 the normalized test year.

17 **Q. How were the various components of attrition year labor expense calculated?**

18 A. Attrition year pro forma labor expense was calculated on a position-by-position basis, as
19 shown on Schedule EXP-1.1. It is based on 107 full time associates, which includes a few
20 changes from the current organizational chart. Compared with the current organizational
21 chart, these changes include the addition of two Engineer / On-Call positions, and the
22 elimination of one Engineering Clerk position. These changes are discussed in more detail
23 in Mr. Kevin Rogers' testimony. The first component of Labor and Incentive is regular-time

1 expense. To calculate the gross regular-time cost, each associate's pro forma salary or wage
2 was applied to a typical 2088 hour work year. For non-union positions, pro forma wages are
3 based on each associate's wages as of April 2012 (found on Schedule EXP 1.2), with a 3%
4 increase applied to annualize the attrition year merit increase scheduled for March 2013. For
5 union employees, who will be operating under a collective bargaining agreement extending
6 through the adjustment period, employee wages are based upon the applicable contract rates
7 in effect on November 30, 2013 (found on Schedule EXP-1.3). When summed, the grand
8 total gross regular time cost for all associates is \$6,313,755 for the attrition year ending
9 November 30, 2013.

10 The next component of Labor and Incentive is overtime expense. Overtime hours
11 reflected in Labor Expense are based, in sum, upon a three-year average of overtime hours
12 for each job title (found on Schedule EXP-1.4). These hours were divided equally among all
13 pro forma employees with that job title. Overtime multipliers are also based upon a three-
14 year average (calculated on Schedule EXP-1.5). Each associate's overtime gross expense is
15 calculated by multiplying his / her pro-forma hourly wage by the three-year average
16 overtime multiplier, then multiplying this by his / her overtime hours. When summed, the
17 grand total gross overtime cost for all associates is \$176,492,

18 Labor costs associated with twenty-four hour service, including shift premiums and
19 holiday premiums, are also based on three-year averages, as is the holiday premium
20 multiplier.

21 Shift premiums are differentials in hourly rate paid to employees for working the 2nd
22 or 3rd shift. Shift premium payments were assigned according to position, to equal the three-

1 year average payment in sum (found on Schedule EXP-1.6). The grand total gross cost for
2 shift premiums is \$3,433.

3 Holiday premiums are fees paid as part of the negotiated union contract to provide
4 extra compensation to employees who work on scheduled holidays such as July 4th and
5 Thanksgiving, or who do not receive an extra day off for these holidays due to scheduling.
6 These can show up in payroll records as excessive regular pay hours, or as hours paid to
7 certain premium pay codes which are not counted in “overtime” hours. Average holiday
8 premium hours were assigned by position, to total the three-year average hours in sum
9 (found on Schedule EXP-1.7). Holiday premium costs were calculated by multiplying each
10 associates pro forma hourly wage by the average holiday premium multiplier (also calculated
11 on Schedule EXP-1.7), then multiplying this by his / her holiday premium hours. The grand
12 total gross cost for holiday premiums is \$18,034.

13 Overtime meals were also based on a three-year average payment, by position
14 (shown on Schedule EXP-1.8). Providing meals during overtime work is a negotiated
15 stipulation of the union contract. The grand total gross cost is \$5,753.

16 All of these elements together total an attrition year gross labor cost of \$6,517,516.

17 **Q. Once the gross costs are calculated, how is attrition year O&M labor expense derived?**

18 A. To derive O&M labor expense, an O&M percentage is applied to each associate’s gross
19 costs. For positions with historical records, a three-year average O&M percentage was used
20 (shown on Schedule EXP-1.9). For newer positions, a projected O&M percentage was
21 assigned. Calculating each employee’s O&M labor cost is thus a simple calculation, based
22 on his / her total gross labor cost (including regular-time, overtime, shift premiums, holiday
23 premiums, and meals) multiplied by his / her O&M percentage. When each associate’s

O&M costs are totaled, a grand total O&M labor expense of \$5,334,911 is derived. The balance of the labor costs are projected to be included in capital expenditures directly charged to capital projects.

Q. How was Incentive Pay expense calculated?

A. Labor expense also includes payments made and accrued to eligible employees for the annual incentive plan (“AIP”) and long-term incentive plan (“LTIP”). Only “exempt” employees (those not eligible for overtime compensation) are eligible for AIP & LTIP compensation. For the attrition year, these expenses were based on the annual pro forma regular time pay for exempt employees and their target percentages for AIP and LTIP. Target percentages are based on the 2012 AIP and LTIP target schedule (shown on Schedule EXP-1.10), and are assigned according to each associate’s salary grade. Because AIP and LTIP are not capitalized in Tennessee, no O&M rate was applied. Attrition year AIP & LTIP total expense is \$214,915.

Q. Can you summarize all of these labor expense adjustments?

A. To summarize, total pro forma attrition year labor expense of \$5,334,911 is added to total pro forma incentive expense of \$214,915, to arrive at a total pro forma Labor and Incentive expense of \$5,549,827. In sum, this represents an adjustment of \$408,329 from the normalized test year.

Q. Please discuss the adjustments to Operating Expenses under EXP-7-Group Insurance-MLS.

A. Exhibit EXP-7-Group Insurance-MLS is the adjustment to group insurance expense which is comprised of two components: other post employment benefits (“OPEB”s), and non-OPEB group insurances.

1 **Q. What are the non-OPEB group insurances?**

2 A. Non-OPEB group insurances include the basic life, short and long term disability, accidental
3 death and disability (“AD&D”), voluntary employee beneficiary association (“VEBA”), and
4 health, dental and vision coverages that Tennessee American provides for its associates.

5 **Q. What was the test year expense for this component?**

6 A. The test year expense level for these costs was \$1,027,736. Because relevant group
7 insurance rates were effective for the calendar year 2011, which is the same period as
8 measured by the test year (January 1, 2011 – December 31, 2011), there are no normalizing
9 adjustments.

10 **Q. Can you please describe the calculation of attrition year cost for these non-OPEB**
11 **insurances?**

12 A. Certainly. Like labor expense, attrition year group insurance expense was calculated on a
13 position-by-position basis, as shown on Schedule EXP-1.1. There are several types of
14 insurance calculations to describe, and they fit well into three categories: 1) basic life, short
15 and long term disability, and AD&D; 2) VEBA, and; 3) health, dental and vision insurance.
16 Each is described below.

17 The first category (basic life, short and long term disability, and AD&D insurance)
18 was calculated based on the 2012 plan rate with an inflation factor applied to adjust to 2013
19 rates (shown on Schedule EXP-7.1). These attrition year rates are then used to calculate
20 costs for each associate, according to the insurance stipulations and with any differences
21 between rates for bargaining-unit (union) and non-bargaining-unit (non-union) associates
22 applied appropriately. The gross attrition year cost for these types of insurance is \$26,114.

1 The second category, VEBA, is a trust designed to help finance post-employment
2 benefits for some non-pension-eligible employees. It has a gross cost of \$500 per eligible
3 employee. Eligible employees for VEBA include union employees hired between January 1,
4 2006 and December 31, 2010 (as shown on Schedule EXP-7.2). The gross attrition year
5 VEBA cost is \$7,000.

6 The third category - health, dental, and vision insurance costs - was based on 2012
7 rates with an inflation factor applied to adjust to 2013 rates. The inflation factor was applied
8 to both gross plan cost and required employee contributions (as shown on Schedule EXP-
9 7.3). These attrition year plan costs and employee contributions were then assigned to each
10 associate based on his / her 2012 health, dental, and vision plan selections (as shown on
11 Schedule EXP-7.4).

12 When each associate's attrition year costs are totaled, gross company cost for health,
13 dental, and vision insurance is equal to the plan cost of \$1,532,020. When attrition year
14 employee contributions are totaled, they equal \$262,817. Gross company cost less employee
15 contributions thus net to \$1,269,203 for the attrition year. This was the amount prior to the
16 reduction for O&M factoring.

17 O&M totals for non-OPEB group insurance costs are finally calculated by totaling
18 these three categories of gross insurance expense for each associate, then multiplying the
19 total by each associate's O&M percentage. This calculation yields a grand total company
20 expense of \$1,302,317. Then the O&M percentage is applied to calculate the grand total
21 O&M company expense of \$1,072,014, as shown below. This constitutes an increase with
22 an adjustment of \$44,278 from the test year.

Line No.	Type of Group Insurance	Gross Plan Cost	Employee Contributions	Gross Plan Cost Less Employee Contributions
1	Life, AD&D, Disability	\$ 26,114		\$ 26,114
2	VEBA	\$ 7,000		\$ 7,000
3	Health, Vision, Dental	\$ 1,532,020	\$ 262,817	\$ 1,269,203
4	Gross Total (Line 1 + Line 2 + Line 3)			\$ 1,302,317
5				
6	Overall O&M Rate for Group Insurance (Line 6 / Line 4)			82.32%
7				
8	O&M Total (Line 4 for Each Associate x Associate's O&M Rate)			\$ 1,072,014

Q. Can you describe the OPEB component of group insurance expense?

A. The second component of group insurance expense relates to the accrual cost of OPEBs under the Statement of Financial Accounting Standards 106 (SFAS 106). Depending on their start date, some Tennessee American associates are eligible for OPEBs upon their retirement. Non-union associates hired before January 1, 2006 and union associates hired before January 1, 2001 are eligible for OPEBs. For those associates who are eligible, the company offers various levels of coverage for medical, dental, and prescription drug benefits, depending upon retirement date and age.

Q. What was the test year amount?

A. Test year OPEB expense was \$673,191. No normalizing adjustments were made.

Q. How was attrition year OPEB expense calculated?

A. Pro forma attrition year OPEB costs are calculated on Schedule EXP-7.5. Pro forma OPEB costs are based on the 2013 projection of postretirement welfare costs as calculated by the Company's professional actuary, Towers Watson. This total projection (\$28.7 million) is multiplied by Tennessee American's 2012 allocation percent for OPEBs, which is 2.99%,

1 based on participant ratio (as shown on Schedule EXP-7.6). This calculation yields a gross
2 annualized expense of \$858,130.

3 To calculate the O&M portion of OPEB expense, an overall O&M percentage was
4 applied. This overall O&M percentage was calculated by dividing grand total O&M Labor
5 by grand total gross labor ($\$5,334,912 / \$6,517,516 = 81.85\%$). When this percentage is
6 multiplied by gross OPEB expense, an attrition year O&M expense level of \$702,422 is
7 derived. This constitutes an increase with a positive \$29,231 adjustment from the test year.

8 **Q. What is the resulting grand total group insurance expense, for both components?**

9 A. Total O&M health, disability, VEBA, and life-related insurance expense is \$1,072,014. Total
10 O&M OPEB expense is \$702,422. When these two components of group insurance expense
11 are added together, the total attrition year sum is \$1,774,436. In sum, this represents an
12 increase of \$73,509 from the normalized test year.

13 **Q. Are there any Labor related expenses that are not included in the Labor or Group**
14 **Insurance calculations?**

15 A. Yes, there are three. Two labor related adjustments are made to Miscellaneous expense and
16 one is to the General Tax expense which I will discuss in a moment. The two Miscellaneous
17 expense items are the adjustments for 401k and Defined Contribution Plan (“DCP”). These
18 are found on the Miscellaneous expense exhibit EXP-14-Miscellaneous-DJP, but are also
19 broken out on Exhibits EXP-14B-401k-MLS and EXP-14C-DCP-MLS. Like other labor
20 related items, these expenses are calculated on a position-by-position basis, on Schedule
21 EXP-1.1.

22 **Q. Can you discuss 401k expense and the test year amount?**

1 A. Tennessee American incurs 401k expense when it matches employee contributions to 401k
2 retirement accounts. The amount of match is determined by each employee's benefit group
3 based on the hire date. For employees whose benefit group falls into an "Original" category
4 (benefit groups UPRE01 and AMERST), the company matches 50% of the first 5% of the
5 employee's contribution (for a maximum of 2.5%). For employees whose benefit group falls
6 into an "Enhanced" category (benefit groups UP0S01, UPOS06, and AMER06), the
7 company matches 100% of the first 3% and 50% of the next 2% of the employee's
8 contributions (for a maximum of 4%). The test year 401k expense amount for these
9 matching contributions was \$103,874. No normalizing adjustments were made.

10 **Q. How was 401k calculated for the attrition year?**

11 A. Attrition year gross 401k costs were calculated for each associate based on his / her attrition
12 year wages, his / her 2012 employee contribution levels, and the corresponding match for
13 each associate's benefit group (as shown on Schedule EXP-14B.1). Each associate's O&M
14 percentage was then applied to the company's 401k match cost, to derive a total net O&M
15 cost. These calculations yield a grand total attrition year gross costs of \$139,706 and a grand
16 total net O&M cost of \$111,832. This O&M costs constitutes a \$7,958 adjustment from the
17 test year.

18 **Q. Can you discuss DCP expense and the test year amount?**

19 A. DCP is a retirement savings program for employees not eligible for the defined benefit
20 pension program based on their hire date. The DCP program entails Tennessee American
21 contributing an amount equal to 5.25% of an employee's base pay into a retirement account.
22 Tennessee American associates with a benefit group of UP0S01, UPOS06, or AMER06 are
23 eligible for DCP.

1 The test year expense total for DCP was \$129,460. No normalizing adjustments were
2 made.

3 **Q. How was DCP calculated for the attrition year?**

4 A. Attrition year DCP was calculated by multiplying the pro forma base pay of each eligible
5 associate by 5.25%. Each associate's O&M percentage was then applied to their gross DCP
6 costs. These calculations yield gross attrition year DCP costs of \$203,377 and a net O&M
7 DCP expense of \$166,201. This constitutes a \$36,741 increase or adjustment from the test
8 year.

9 It is noteworthy that DCP expense trends upward more quickly than other labor
10 expenses due to natural workforce transition. This is because new employees are all eligible
11 for this benefit, while longer-term employees are not. As a consequence, the number of DCP
12 eligible employees increases over time, as new employees join the company and longer-term
13 employees leave the company.

14 **Q. What is the amount of the Pension Expense in the Test Period?**

15 A. Exhibit EXP-8-Pension-MLS reflects the adjustments for defined benefit pension expense.

16 Test year O&M defined benefit pension expense for the twelve months ended
17 December 31, 2011 totaled \$2,872,406. There are no normalizing adjustments.

18 **Q. What is included in this test year amount?**

19 A. Test year pension expense includes two primary components: pension funding costs for
20 Tennessee American employees and retirees, and incremental Service Company pension
21 entries.

22 **Q. Can you describe the first of these in more detail?**

1 A. Yes. By far the most substantial portion of the test year expense is the pension funding costs
2 for Tennessee American employees and retirees. This expense accounts for \$2,373,406 of
3 the test year O&M total. This \$2,373,406 is the net of a gross contribution of \$2,821,063,
4 less a capitalized portion equaling \$448,992.

5 **Q. How did you calculate the attrition year defined benefit pension expense for Tennessee**
6 **American employees and retirees?**

7 A. The attrition year calculation of defined benefit pension contributions for Tennessee
8 American employee and retirees is \$1,252,643, which is the net of a gross 2013 projected
9 contribution of \$1,530,320, multiplied by an overall O&M rate of 81.85%. The Tennessee
10 American contributions and O&M rates are shown on Schedule EXP-8.1.

11 The gross contribution of \$1,530,320 was derived by multiplying the 2013 total
12 company contribution of \$103.4 million by the Tennessee American's 2012 allocation
13 percent of 1.48% (as shown on Schedule EXP-8.3).

14 **Q. Is this the same calculation method authorized in prior Tennessee American rate**
15 **orders?**

16 A. No, it is not. In prior Tennessee American rate cases, this portion of pension expense was
17 authorized based on the Tennessee American's allocation of a backward-looking Employee
18 Retirement Income Security Act (ERISA) minimum contribution amount from the
19 Company's actuarial report. The attrition year calculation in this exhibit is instead based on
20 the forward-looking contribution projection for calendar year 2013, as calculated by Towers
21 Watson's professional actuaries. These projections refer not only to the relevant time period,
22 but also take into consideration the ramifications of the 2006 Pension Protection Act, which

1 the ERISA minimum does not. Please see the testimony of Gary M. VerDouw for further
2 discussion of the proposed change in methodology for pension expense recovery.

3 **Q. Is there anything else included in the test year pension expense?**

4 A. Yes. The other component of defined benefit pension expense in the test year is the
5 regulatory entry made to true-up the pension portion of the Service Company bill to the
6 subsidiary company's authorized pension recovery method. The test year amount for these
7 entries was \$500,335 (see Schedule EXP-8.4).

8 **Q. Can you further explain these Service Company incremental pension entries?**

9 A. Yes. As discussed in Mr. VerDouw's testimony, these entries are relatively new. They
10 began to be allocated to Tennessee American in 2008, shortly after the Service Company
11 began billing its pension expense on a Financial Accounting Standard (FAS) 87 basis, rather
12 than on a contribution basis. FAS87 is a method for recognizing pension expense that is
13 based on accruals, rather than on actual contributions.

14 Because Tennessee American has been regulated on a pension contributions basis,
15 these incremental entries are made to either increase or decrease the Service Company
16 FAS87 pension bill, as needed to arrive at the actual contribution. Because contributions
17 exceeded FAS87 levels from 2008-2012, these entries have increased pension expense the
18 last several years. Contributions are expected to continue to exceed FAS87 levels through
19 the attrition year. Consequently, a portion of the attrition year pension expense is calculated
20 to reflect these costs.

21 As also discussed in Mr. VerDouw's testimony, it would appear that these entries
22 have not been addressed in either requesting or setting pension rates in prior TAWC cases.
23 The Company seeks a remedy for this issue going forward. The Company requests that these

costs be either authorized as part of pension recovery or that the entries be rendered unnecessary by a ruling indicating that Service Company pension expense should be recovered on the Service Company bill's FAS87 basis. If the latter is the case, the O&M expense associated with this incremental Service Company pension entry would be \$0. If recovery of the Service Company pension expense is preferred in a contributions format, the O&M costs related to this entry would be \$268,207.

Q. How was this incremental amount calculated?

A. This \$268,207 is calculated based on two numbers. The first number is Tennessee American's percentage of the Service Company FAS 87 vs. contributions variance. Tennessee American's percentage rounds to 2.38% for 2012 and is based on customer count (see calculation of percentage on Schedule EXP-8.4). The second factor is the variance itself, which is calculated by taking the difference between the actuary's projected 2013 Service Company pension contributions of \$22,479,160, and the projected 2013 Service Company FAS 87 pension accrual of \$11,196,100. This difference totals \$11,283,060 (see Schedule EXP-8.3 for the projections and variance). Tennessee American's portion of this difference, at 2.38%, is \$268,208.

Q. Can you summarize the pension expense adjustment?

A. To summarize, attrition year O&M pension expense is comprised of \$1,252,643 of expense for Tennessee American employees and retirees and \$268,208 to true-up the Service Company bill to contributions levels. These two components of defined benefit pension expense come together to total an attrition year O&M cost of \$1,520,851. This constitutes a negative adjustment of (\$1,351,555) from the test year.

1 It is noteworthy that this substantial negative adjustment is typical of recent pension
2 expense volatility. Please see further discussion of prudent pension expense volatility and
3 the Company's request for revised pension expense recovery methods in Mr. Gary
4 VerDouw's testimony.

5 **Q. Please discuss the labor-related adjustment to Other General Tax Expense for Payroll**
6 **Taxes.**

7 A. Certainly. One additional labor related adjustment, as mentioned previously in my
8 testimony, is made to Other General Tax for adjustments to payroll taxes. It may be found
9 on Exhibit EXP-18-General Taxes and Fees-LEK, and it may also be found broken out on
10 Exhibit EXP-18B-Payroll Tax-MLS.

11 **Q. What are the test year and attrition year amounts for Payroll Tax?**

12 A. Test year O&M payroll taxes equaled \$410,361. No normalizing adjustments were made.
13 Attrition year O&M payroll taxes include federal and state unemployment tax, and
14 Federal Insurance Contributions Act (FICA) taxes, including Social Security and Medicare
15 taxes. Like other labor-related costs, the calculation of these expenses was done on a
16 position-by-position basis, as shown on Schedule EXP-1.1. Current 2012 tax rates were
17 applied to pro forma attrition year wages.

18 Resulting attrition year gross payroll taxes total \$526,398. Each associate's gross
19 payroll taxes are multiplied by the associate's O&M percentage, to arrive at O&M payroll
20 tax expense for each associate. When totaled, these O&M payroll taxes equal \$430,422.
21 This represents an attrition year adjustment of \$20,061.

22 **Q. What are the property taxes that are included in Tennessee American's projected**
23 **expenses?**

1 A. Exhibit EXP-18-General Taxes and Fees-LEK is the general tax exhibit and includes an
2 adjustment for property taxes. The property tax adjustment itself is also broken out on
3 Exhibit EXP-18A-Property Tax-MLS.

4 Property taxes for the test year were \$2,917,425. A normalizing adjustment is made
5 to reduce this by \$167,117, due to a variance between the accrual and the actual bills. Thus
6 the normalized test year equals the amount of the 2011 bills, or \$2,750,308, as shown on
7 Schedule EXP-18A.2.

8 To calculate attrition year pro forma property tax, the test year 2011 tax bills were
9 compared against December 31, 2010 Utility Plant in Service (“UPIS”) and Materials and
10 Supplies (“M&S”), to develop ratios for both average assessment rate and average tax rate.

11 These calculations are shown on Schedule EXP-18A.1. For the 2011 tax year, the average
12 assessment rate was derived by dividing total assessed property value by total UPIS plus
13 total M&S. This yields a calculation of ($\$102,050,274 / \$222,804,827 = 45.80\%$). The
14 average tax rate per assessed dollar was then calculated by dividing total taxes owed by total
15 assessed value. This yields a calculation of ($\$2,750,308 / \$102,050,274 = 2.695\%$).

16 The average assessment rate of 45.80% & average tax rate of 2.695% were then used
17 to calculate pro forma attrition year property taxes, using annualized changes to UPIS and
18 Materials and Supplies. UPIS at 11/30/2013 is \$259,735,252. The Materials and Supplies
19 balance at 11/30/2013 is projected to be equal to the 3-year, 2009-2011 average of Materials
20 and Supplies, or \$301,364. When summed, these equal a pro forma tax basis of
21 \$260,036,615. This pro forma tax basis was then multiplied by the 2011 assessment rate of
22 45.8% to arrive at taxable property of \$119,103,379. This was multiplied by the 2011 tax

1 rate of 2.695% to calculate pro forma property taxes of \$3,209,898. This constitutes a
2 \$459,590 adjustment from the test year.

3 **Q. Please discuss the adjustments to rent expense found on Exhibit EXP-12-Rents-MLS.**

4 A. Test year rent expense was \$52,359. Two normalizing adjustments are made, both to
5 exclude non-recurring expenses.

6 The first normalizing adjustment is to remove \$6,345 in charges from real property
7 rental account 541000. These charges should have been booked to general office expense
8 instead. Test year real property rental was \$7,794. After this adjustment, the normalized test
9 year for real property rental is \$1,449. This amount relates to real property rentals of
10 ongoing easements from CSX, Norfolk Southern, and Chattooga & Chickamauga railways.

11 The second normalizing adjustment is to remove \$37,640 in non-recurring charges
12 from the equipment rental portion of rent expense. These non-recurring charges were
13 primarily associated with emergency generator rentals following a 2011 tornado. The test
14 year total for equipment rentals was \$44,565. After this adjustment, the normalized test year
15 for equipment rentals is \$6,925, which includes the cost of a postage machine, copier, post
16 office box, and ice machine.

17 When added together, adjusted test year property rental costs of \$1,449 and adjusted
18 test year equipment rental costs of \$6,925 equal a grand total of \$8,374. No attrition year
19 adjustments are made.

20 **Q. Does this conclude your direct testimony?**


21 A. Yes.

STATE OF KENTUCKY

COUNTY OF FAYETTE

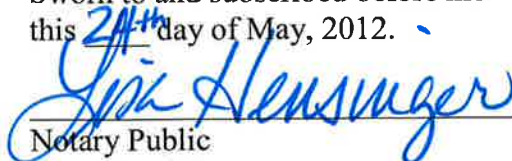
BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Melissa Schwarzell, being by me first duly sworn deposed and said that:

She is appearing as a witness on behalf of Tennessee-American Water Company before the Tennessee Regulatory Authority, and if present before the Authority and duly sworn, her testimony would set forth in the annexed transcript.



Melissa Schwarzell

Sworn to and subscribed before me
this 24th day of May, 2012.



Notary Public



Tennessee American Water Company
Docket No. 12-XXXXX
Pro Forma Adjustment of Labor Expense

Witness Responsible:

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line No.	Description	Test Year Actuals	Test Year Adjustments	Attrition Year Adjustments	Pro Forma Labor Expense
1	Test Year for the 12 Months Ended December 31, 2011	<u>\$ 5,460,560</u>			<u>\$ 5,460,560</u>
2					
3	Test Year Adjustments: of Labor Expense				
4	Remove Severance Costs		\$ (287,516)		
5	Removal of Severance Related Vacation Payout		<u>\$ (31,546)</u>		
7	Total Test Year Adjustments: of Labor Expense:		<u>\$ (319,062)</u>		<u>\$ (319,062)</u>
8					
9	Normalized Test Year of Labor Expense (Line 1 + Line 9):				<u>\$ 5,141,498</u>
10					
11	Attrition Year Adjustments at Present Rates:				
12	Pay Rate Changes & Changes to Organizational Structure			\$ 408,329	
16	Total Attrition Year Adjustments at Present Rates:			<u>\$ 408,329</u>	<u>\$ 408,329</u>
17					
18					
19	Attrition Year at Proposed Rates (Line 11 + Line 19):				<u>\$ 5,549,827</u>
20					

Schedule EXP-1.1

TAWC has asked for confidential treatment pursuant to a Motion for Entry of a Protective Order. TAWC has provided the confidential material to the Authority in a sealed envelope, and will provide the studies to the other parties to the proceeding once a protective order has been issued.

Schedule EXP-1.2

TAWC has asked for confidential treatment pursuant to a Motion for Entry of a Protective Order. TAWC has provided the confidential material to the Authority in a sealed envelope, and will provide the studies to the other parties to the proceeding once a protective order has been issued.

Tennessee American Water
Union U121, Utility Workers of Chattanooga
Wages from Test Period Through Attrition Periods
***Per Negotiated Union Contract (Note "Entry Level" label is inaccurate)**

Labor
Schedule EXP-1.3

Union Name	Job Code	Job Step	Job Step Descrip	Effective Date Begin				
YLUN01	YLJBCD01	YLJBST	YLJBST01	11/01/14	11/01/13	11/01/12	11/01/11	11/01/10
Utility Workers, Chattanooga	Accounting Clerk		.					
			.	\$24.25	\$23.72	\$23.25	\$22.79	\$22.79
	CAD Drafter	01	Level I (Entry Level)	\$23.25	\$22.72	\$22.25		
		02	Level II	\$22.25	\$21.72	\$21.25		
		03	Level III	\$21.25	\$20.72	\$20.25		
		04	Level IV	\$20.25	\$19.72	\$19.25		
		05	Level V	\$19.25	\$18.72	\$18.25		
	Customer Service Representativ		.					
		01	Level I (Entry Level)					
	Distribution Clerk		.	\$24.20	\$23.67	\$23.21		
		01	Level I (Entry Level)	\$23.20	\$22.67	\$22.21	\$19.75	\$19.75
		02	Level II	\$22.20	\$21.67	\$21.21	\$20.75	\$20.75
		03	Level III	\$21.20	\$20.67	\$20.21	\$21.75	\$21.75
		04	Level IV	\$20.20	\$19.67	\$19.21	\$22.75	\$22.75
		05	Level V	\$19.20	\$18.67	\$18.21		
	Engineering Clerk		.	\$24.20	\$23.67	\$23.21		
		01	Level I (Entry Level)	\$23.20	\$22.67	\$22.21	\$19.75	\$19.75
		02	Level II	\$22.20	\$21.67	\$21.21	\$20.75	\$20.75
		03	Level III	\$21.20	\$20.67	\$20.21	\$21.75	\$21.75
		04	Level IV	\$20.20	\$19.67	\$19.21	\$22.75	\$22.75
		05	Level V	\$19.20	\$18.67	\$18.21		
	Field Service Person		.	\$29.70	\$29.05	\$28.48	\$27.92	\$27.92
		01	Level I (Entry Level)	\$28.70	\$28.05	\$27.48		
		02	Level II	\$27.70	\$27.05	\$26.48		
		03	Level III	\$26.70	\$26.05	\$25.48		
		04	Level IV	\$25.70	\$25.05	\$24.48		
		05	Level V	\$24.70	\$24.05	\$23.48		
	Field Service Records Speciali		.	\$24.20	\$23.67	\$23.21		
		01	Level I (Entry Level)	\$23.20	\$22.67	\$22.21	\$19.14	\$19.14
		02	Level II	\$22.20	\$21.67	\$21.21	\$22.75	\$22.75

Tennessee American Water
Union U121, Utility Workers of Chattanooga
Wages from Test Period Through Attrition Periods
***Per Negotiated Union Contract (Note "Entry Level" label is inaccurate)**

Labor
Schedule EXP-1.3

Union Name	Job Code	Job Step	Job Step Descrip		Effective Date	Begin		
		03	Level III	\$21.20	\$20.67	\$20.21		
		04	Level IV	\$20.20	\$19.67	\$19.21		
		05	Level V	\$19.20	\$18.67	\$18.21		
	Field Services Representative	.		\$26.27	\$25.69	\$25.19	\$24.70	\$24.70
		01	Level I (Entry Level)	\$25.27	\$24.69	\$24.19		
		02	Level II	\$24.27	\$23.69	\$23.19		
		03	Level III	\$23.27	\$22.69	\$22.19		
		04	Level IV	\$22.27	\$21.69	\$21.19		
		05	Level V	\$21.27	\$20.69	\$20.19		
	Filter Operator	.						
		01	Level I (Entry Level)					
	Heavy Equipment Operator	.		\$25.93	\$25.36	\$24.86	\$24.37	\$24.37
		01	Level I (Entry Level)	\$24.93	\$24.36	\$23.86		
		02	Level II	\$23.93	\$23.36	\$22.86		
		03	Level III	\$22.93	\$22.36	\$21.86		
		04	Level IV	\$21.93	\$21.36	\$20.86		
		05	Level V	\$20.93	\$20.36	\$19.86		
	Laboratory Worker	.		\$24.25	\$23.72	\$23.25	\$22.79	\$22.79
		01	Level I (Entry Level)	\$23.25	\$22.72	\$22.25		
		02	Level II	\$22.25	\$21.72	\$21.25		
		03	Level III	\$21.25	\$20.72	\$20.25		
		04	Level IV	\$20.25	\$19.72	\$19.25		
		05	Level V	\$19.25	\$18.72	\$18.25		
	Laborer	.						
	Laborer/Process Tech Apprentic	.		\$24.47	\$23.93	\$23.46	\$23.00	\$23.00
		01	Level I (Entry Level)	\$23.47	\$22.93	\$22.46		
		02	Level II	\$22.47	\$21.93	\$21.46		
		03	Level III	\$21.47	\$20.93	\$20.46		
		04	Level IV	\$20.47	\$19.93	\$19.46		
		05	Level V	\$19.47	\$18.93	\$18.46		
	Laborer/Relief Operator	.						

Tennessee American Water
Union U121, Utility Workers of Chattanooga
Wages from Test Period Through Attrition Periods
***Per Negotiated Union Contract (Note "Entry Level" label is inaccurate)**

Labor
Schedule EXP-1.3

Union Name	Job Code	Job Step	Job Step Descrip	Effective Date Begin				
		01	Level I (Entry Level)					
	Laborer/Relief Process Tech	.		\$25.90	\$25.33	\$24.83	\$24.34	\$24.34
		01	Level I (Entry Level)	\$24.90	\$24.33	\$23.83		
		02	Level II	\$23.90	\$23.33	\$22.83		
		03	Level III	\$22.90	\$22.33	\$21.83		
		04	Level IV	\$21.90	\$21.33	\$20.83		
		05	Level V	\$20.90	\$20.33	\$19.83		
	Maintenance Mechanic	.		\$28.29	\$27.67	\$27.13	\$26.60	\$26.60
		01	Level I (Entry Level)	\$27.29	\$26.67	\$26.13		
		02	Level II	\$26.29	\$25.67	\$25.13		
		03	Level III	\$25.29	\$24.67	\$24.13		
		04	Level IV	\$24.29	\$23.67	\$23.13		
		05	Level V	\$23.29	\$22.67	\$22.13		
	Master M Mechanic	.		\$29.36	\$28.71	\$28.15	\$27.60	\$27.60
		01	Level I (Entry Level)	\$28.36	\$27.71	\$27.15		
		02	Level II	\$27.36	\$26.71	\$26.15		
		03	Level III	\$26.36	\$25.71	\$25.15		
		04	Level IV	\$25.36	\$24.71	\$24.15		
		05	Level V	\$24.36	\$23.71	\$23.15		
	Meter Reader	.		\$25.85	\$25.28	\$24.78	\$24.29	\$24.29
		01	Level I (Entry Level)	\$24.85	\$24.28	\$23.78		
		02	Level II	\$23.85	\$23.28	\$22.78		
		03	Level III	\$22.85	\$22.28	\$21.78		
		04	Level IV	\$21.85	\$21.28	\$20.78		
		05	Level V	\$20.85	\$20.28	\$19.78		
	Meter Repairer	.		\$26.04	\$25.47	\$24.97	\$24.48	\$24.48
		01	Level I (Entry Level)	\$25.04	\$24.47	\$23.97		
		02	Level II	\$24.04	\$23.47	\$22.97		
		03	Level III	\$23.04	\$22.47	\$21.97		
		04	Level IV	\$22.04	\$21.47	\$20.97		
		05	Level V	\$21.04	\$20.47	\$19.97		

Tennessee American Water
Union U121, Utility Workers of Chattanooga
Wages from Test Period Through Attrition Periods
***Per Negotiated Union Contract (Note "Entry Level" label is inaccurate)**

Labor
Schedule EXP-1.3

Union Name	Job Code	Job Step	Job Step Descrip	Effective Date Begin				
	Off Shift Utility Worker	.						
	On & Off Man	.				\$24.46	\$24.46	
	Outside Commercial Clerk	.						
	Process Technician	.		\$29.57	\$28.92	\$28.35	\$27.79	\$27.79
		01	Level I (Entry Level)	\$28.57	\$27.92	\$27.35		
		02	Level II	\$27.57	\$26.92	\$26.35		
		03	Level III	\$26.57	\$25.92	\$25.35		
		04	Level IV	\$25.57	\$24.92	\$24.35		
		05	Level V	\$24.57	\$23.92	\$23.35		
	Production Clerk	.		\$24.20	\$23.67	\$23.21		
		01	Level I (Entry Level)	\$23.20	\$22.67	\$22.21	\$19.75	\$19.75
		02	Level II	\$22.20	\$21.67	\$21.21	\$20.75	\$20.75
		03	Level III	\$21.20	\$20.67	\$20.21	\$21.75	\$21.75
		04	Level IV	\$20.20	\$19.67	\$19.21	\$22.75	\$22.75
		05	Level V	\$19.20	\$18.67	\$18.21		
	Pump Station Operator	.						
		01	Level I (Entry Level)					
	Relief Worker	.						
	Temporary Laborer	.						
		01	Level I (Entry Level)				\$10.03	\$10.03
		02	Level II				\$10.97	\$10.97
	Temporary Worker	.		\$9.72	\$9.52	\$9.33	\$9.15	\$9.15
		01	Level I (Entry Level)	\$9.25	\$9.25	\$9.25		
		02	Level II	\$8.25	\$8.25	\$8.25		
		03	Level III	\$7.25	\$7.25	\$7.25		
	Truck Driver/Utility Worker	.		\$25.72	\$25.15	\$24.66	\$24.18	\$24.18
		01	Level I (Entry Level)	\$24.72	\$24.15	\$23.66		
		02	Level II	\$23.72	\$23.15	\$22.66		
		03	Level III	\$22.72	\$22.15	\$21.66		
		04	Level IV	\$21.72	\$21.15	\$20.66		
		05	Level V	\$20.72	\$20.15	\$19.66		

Tennessee American Water
Union U121, Utility Workers of Chattanooga
Wages from Test Period Through Attrition Periods
***Per Negotiated Union Contract (Note "Entry Level" label is inaccurate)**

Labor
 Schedule EXP-1.3

Union Name	Job Code	Job Step	Job Step Descrip	Effective Date Begin				
	Utility Worker		.	\$25.40	\$24.84	\$24.35	\$23.87	\$23.87
		01	Level I (Entry Level)	\$24.40	\$23.84	\$23.35		
		02	Level II	\$23.40	\$22.84	\$22.35		
		03	Level III	\$22.40	\$21.84	\$21.35		
		04	Level IV	\$21.40	\$20.84	\$20.35		
		05	Level V	\$20.40	\$19.84	\$19.35		
Utility Workers, Chattanooga Total				\$2,571.27	\$2,509.39	\$2,455.38	\$700.22	\$700.22
Grand Total				\$2,571.27	\$2,509.39	\$2,455.38	\$700.22	\$700.22

Overtime Hours by Title
Three Year Average, 2009-2011

Labor
Schedule EXP-1.4

Type of Pay	Overtime					
Sum of Hours	Column Labels					
Row Labels	9	10	11	Average	# Current Positions	Hours Per Current Position
Admin Asst - Staff Supp (N)			1.5	1.5	1	1.5
CAD Drafter	2.3			2.3	1	2.3
Chemist II						
Distribution Clerk		0.5	4.3	2.4	2	1.2
Exec Asst (N)	10.0	20.0	103.0	44.3	1	44.3
Field Service Person	123.3	166.3	114.0	134.5	2	67.3
Field Service Records Speciali	232.5	285.0	334.3	283.9	2	142.0
Field Services Representative	54.5	52.3	119.0	75.3	19	4.0
Heavy Equipment Operator	674.8	716.3	905.0	765.3	9	85.0
Laboratory Worker			1.5	1.5	1	1.5
Laborer/Process Tech Apprentic			0.3	0.3	2	0.1
Laborer/Relief Process Tech	0.3	9.8	8.0	6.0	2	3.0
Maintenance Mechanic	126.5	23.0			0	
Master M Mechanic	340.5	319.3	490.8	383.5	7	54.8
Meter Reader	12.8	15.3	18.5	15.5	2	7.8
Meter Repairer	23.5	11.5	15.3	16.8	2	8.4
On & Off Man	28.0				0	
Process Technician	799.0	818.0	911.3	842.8	4	210.7
Production Clerk			0.5	0.5	1	0.5
Specialist Maint Service (N)	8.0		8.0	8.0	1	8.0
Specialist Operations (N)	2.0	4.0	18.5	8.2	1	8.2
Specialist Opns (N)	2.0		0.8		0	
Sr Spec Cross Connect (N)	10.0	33.3	35.8	26.3	2	13.2
Sr Specialist ORM		0.0		0.0	0	
Supvr Field Operations		17.0	-17.0	0.0	6	0.0
Truck Driver/Utility Worker	1,532.3	1,677.0	1,862.3	1,690.5	22	76.8
Utility Worker	46.3	41.8			0	
Grand Total	3,830.5	4,145.3	4,934.5	4,303.4		

Average Pay Multiplier Calculation
Three-Year Average, 2009-2011

Labor
Schedule EXP-1.5

Year	Overtime Hours at Various Pay Multiplier				Total Hours	Average Multiplier
	1	1.5	2	2.5		
9	4.5	3,338.8	486.8	0.5	3,830.5	1.56
10	25.3	3,452.5	667.5		4,145.3	1.58
11	11.3	4,356.0	567.3		4,934.5	1.56
Three Year Average:						1.57

Tennessee American Water
Three Years of Shift Premium Hours & Dollars, by Code & Multiplier
2009-2011, Averaged by Job Title

Labor
Schedule EXP-1.6

HOURS		Three Year Total Shift Premium Codes, Descriptions, & Premium Rates						Grand Total
Job Title	Pay Multiplier	1	2	2	3	3	3	
		First Shift	Second Shift	Second Shift	Third Shift	Third Shift	Third Shift	
		\$ -	\$ 0.36	\$ 0.50	\$ 0.36	\$ 0.41	\$ 0.60	
Laborer/Process Tech Apprentic	1	792.0	360.0	344.0	8.0	8.0	352.0	1,864.0
Laborer/Relief Process Tech	1	96.0						96.0
Process Technician	1	7,358.3	11,963.8	2,129.0		6,122.3	896.0	28,469.3
	1.5	712.3	966.8	193.0		594.0	113.0	2,579.0
	2	247.0	135.3	23.0		120.0	8.0	533.3
Grand Total		9,205.5	13,425.8	2,689.0	8.0	6,844.3	1,369.0	33,541.5

DOLLARS		Shift Premium Codes, Descriptions, & Premium Rates						Three Year Total	Three Year Average	Count Current Positions	Avg Per Position
Job Title	Pay Multiplier	1	2	2	3	3	3				
		First Shift	Second Shift	Second Shift	Third Shift	Third Shift	Third Shift				
		\$ -	\$ 0.36	\$ 0.50	\$ 0.36	\$ 0.41	\$ 0.60				
Laborer/Process Tech Apprentic	1	\$ -	\$ 129.60	\$ 172.00	\$ 2.88	\$ 3.28	\$ 211.20	\$ 518.96	\$ 172.99	2	\$ 86.49
Laborer/Relief Process Tech	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2	\$ -
Process Technician	1	\$ -	\$ 4,306.95	\$ 1,064.50	\$ -	\$ 2,510.12	\$ 537.60	\$ 8,419.17	\$ 3,260.45	4	\$ 815.11
Process Technician	1.5	\$ -	\$ 522.05	\$ 144.75	\$ -	\$ 365.31	\$ 101.70	\$ 1,133.81			
Process Technician	2	\$ -	\$ 97.38	\$ 23.00	\$ -	\$ 98.40	\$ 9.60	\$ 228.38			

**Non-"Overtime" Holiday Premium Pay
Three Year Average, 2009-2011**

Labor
Schedule EXP-1.7

Year	1 Regular	1.25 Reg 1.25	1.5 305 Hol 1.5	1.5 306 Hol 2.0	2 314 Hol 2.5	2.5 322 Hol Sch 2.5	2.5 338 Hol 3.0	Total & Average Multiplier			
								Non-Multiplier Excess Regular	Multiplier Regular Holiday	Total Holiday Related	Avg Multiplier
9 Total	219,418		216			144	32	130	296	426	1.74
10 Total	210,815		208	8	4	136	40	87	309	396	1.82
11 Total	207,256	4	216		17	112	16	111	277	388	1.71
Grand Total	864,495	4	856	8	21	528	16	128			
3 Year Average								109	294	403	1.76
# Production & Field Svcs. Employees, Who are Union:										50	
Hours Per Employee										8.1	

Tennessee American Water
Meal Money by Position
Three Year Average, 2009-2011

(Price Negotiated in Union Contract. No need for inflation factor)

Labor
Schedule EXP-1.8

Job Title	Year			Grand Total	Average	# Positions	Per Position
	9	10	11				
CAD Drafter	\$10.50			\$10.50	\$3.50	1	\$3.50
Field Service Person	\$126.00	\$100.97	\$42.00	\$268.97	\$89.66	2	\$44.83
Field Services Representative			\$21.00	\$21.00	\$7.00	19	\$0.37
Heavy Equipment Operator	\$1,417.50	\$1,396.50	\$1,858.50	\$4,672.50	\$1,557.50	9	\$173.06
Laborer/Relief Process Tech	\$10.50	\$42.00	\$31.50	\$84.00	\$28.00	2	\$14.00
Maintenance Mechanic	\$84.00	\$10.50			\$0.00	0	
Master M Mechanic	\$252.00	\$231.00	\$714.00	\$1,197.00	\$399.00	7	\$57.00
Process Technician	\$42.00	\$168.00	\$73.50	\$283.50	\$94.50	4	\$23.63
Sr Spec Cross Connect (N)		\$63.00	\$94.50	\$157.50	\$52.50	2	\$26.25
Truck Driver/Utility Worker	\$3,349.50	\$3,297.00	\$3,916.50	\$10,563.00	\$3,521.00	22	\$160.05
Utility Worker	\$94.50	\$94.50			\$0.00	0	
Grand Total	\$5,208.00	\$5,298.47	\$6,751.50	\$17,257.97	\$5,752.66		

Tennessee American Water

Three Year Average Capitalization Rate by Position (2009-2011)

Calculation: (501200+501210+501211)/(501200+501210+501211+Objects beginning with "1")

(This excludes M and J costs, Accrued Benefits & Miscellaneous Expense items from the Payroll data)

Labor
Schedule EXP-1.9

Job Title	Year	Cap	Expense	Grand Total
Admin Asst - Staff Supp (N)	11	0.00%	100.00%	100.00%
Admin Asst - Staff Supp (N) Total		0.00%	100.00%	100.00%
CAD Drafter	9	98.97%	1.03%	100.00%
	10	62.59%	37.41%	100.00%
	11	81.71%	18.29%	100.00%
CAD Drafter Total		80.96%	19.04%	100.00%
Chemist II	9	0.00%	100.00%	100.00%
	10	0.08%	99.92%	100.00%
	11	0.69%	99.31%	100.00%
Chemist II Total		0.30%	99.70%	100.00%
Distribution Clerk	9	38.90%	61.10%	100.00%
	10	39.08%	60.92%	100.00%
	11	36.45%	63.55%	100.00%
Distribution Clerk Total		38.11%	61.89%	100.00%
Engineer	9	100.00%	0.00%	100.00%
	10	100.00%	0.00%	100.00%
	11	100.00%	0.00%	100.00%
Engineer Total		100.00%	0.00%	100.00%
Engineering Clerk	9	99.17%	0.83%	100.00%
	10	78.56%	21.44%	100.00%
	11	74.27%	25.73%	100.00%
Engineering Clerk Total		84.82%	15.18%	100.00%
Exec Asst (N)	9	0.00%	100.00%	100.00%
	10	0.00%	100.00%	100.00%
	11	0.00%	100.00%	100.00%
Exec Asst (N) Total		0.00%	100.00%	100.00%
Exec Secretary (N)	10	0.00%	100.00%	100.00%
	11	0.00%	100.00%	100.00%
Exec Secretary (N) Total		0.00%	100.00%	100.00%
Field Service Person	9	0.00%	100.00%	100.00%
	10	0.00%	100.00%	100.00%
	11	0.00%	100.00%	100.00%
Field Service Person Total		0.00%	100.00%	100.00%
Field Service Records Speciali	9	0.00%	100.00%	100.00%
	10	0.00%	100.00%	100.00%
	11	0.00%	100.00%	100.00%
Field Service Records Speciali Total		0.00%	100.00%	100.00%
Field Services Representative	9	4.42%	95.58%	100.00%
	10	3.69%	96.31%	100.00%
	11	5.90%	94.10%	100.00%
Field Services Representative Total		4.69%	95.31%	100.00%
Financial Analyst III (FP&A)	11	15.00%	85.00%	100.00%
Financial Analyst III (FP&A) Total		15.00%	85.00%	100.00%
Heavy Equipment Operator	9	35.77%	64.23%	100.00%
	10	28.50%	71.50%	100.00%
	11	27.53%	72.47%	100.00%
Heavy Equipment Operator Total		30.63%	69.37%	100.00%
Lab Analyst (N)	9	0.00%	100.00%	100.00%
Lab Analyst (N) Total		0.00%	100.00%	100.00%
Laboratory Worker	9	0.00%	100.00%	100.00%
	10	0.00%	100.00%	100.00%
	11	0.00%	100.00%	100.00%
Laboratory Worker Total		0.00%	100.00%	100.00%
Laborer/Process Tech Apprentic	10	0.00%	100.00%	100.00%

Tennessee American Water

Three Year Average Capitalization Rate by Position (2009-2011)

Calculation: (501200+501210+501211)/(501200+501210+501211+Objects beginning with "1")

(This excludes M and J costs, Accrued Benefits & Miscellaneous Expense items from the Payroll data)

Labor
Schedule EXP-1.9

Job Title	Year	Cap	Expense	Grand Total
	11		1.32%	98.68%
Laborer/Process Tech Apprentic Total			0.89%	99.11%
Laborer/Relief Process Tech	9		0.00%	100.00%
	10		4.16%	95.84%
	11		2.85%	97.15%
Laborer/Relief Process Tech Total			2.57%	97.43%
Maintenance Mechanic	9		0.00%	100.00%
	10		0.49%	99.51%
Maintenance Mechanic Total			0.14%	99.86%
Master M Mechanic	9		0.00%	100.00%
	10		10.60%	89.40%
	11		2.21%	97.79%
Master M Mechanic Total			4.34%	95.66%
Meter Reader	9		0.00%	100.00%
	10		0.00%	100.00%
	11		0.00%	100.00%
Meter Reader Total			0.00%	100.00%
Meter Repairer	9		11.80%	88.20%
	10		1.18%	98.82%
	11		6.13%	93.87%
Meter Repairer Total			6.40%	93.60%
Mgr Ext Affairs (State)	9		0.00%	100.00%
	10		0.00%	100.00%
	11		0.54%	99.46%
Mgr Ext Affairs (State) Total			0.17%	99.83%
Mgr External Affairs (Corp)	9		0.00%	100.00%
Mgr External Affairs (Corp) Total			0.00%	100.00%
Mgr Field Operations (Medium)	11		17.22%	82.78%
Mgr Field Operations (Medium) Total			17.22%	82.78%
Mgr Finance (State)	9		0.00%	100.00%
	10		7.91%	92.09%
	11		6.25%	93.75%
Mgr Finance (State) Total			6.92%	93.08%
Mgr Govt & Regulatory Affairs	11		0.00%	100.00%
Mgr Govt & Regulatory Affairs Total			0.00%	100.00%
Mgr Human Resources	11		0.00%	100.00%
Mgr Human Resources Total			0.00%	100.00%
On & Off Man	9		0.00%	100.00%
	10		0.00%	100.00%
On & Off Man Total			0.00%	100.00%
President (Medium States)	9		40.00%	60.00%
	10		38.94%	61.06%
	11		34.96%	65.04%
President (Medium States) Total			37.71%	62.29%
Process Technician	9		0.27%	99.73%
	10		0.00%	100.00%
	11		1.50%	98.50%
Process Technician Total			0.60%	99.40%
Production Clerk	9		0.00%	100.00%
	10		0.00%	100.00%
	11		0.14%	99.86%
Production Clerk Total			0.05%	99.95%
Project Mgr Engr	9		100.00%	0.00%
	10		100.00%	0.00%

Tennessee American Water

Three Year Average Capitalization Rate by Position (2009-2011)

Calculation: (501200+501210+501211)/(501200+501210+501211+Objects beginning with "1")

(This excludes M and J costs, Accrued Benefits & Miscellaneous Expense items from the Payroll data)

Labor
Schedule EXP-1.9

Job Title		Year	Cap	Expense	Grand Total	
Project Mgr Engr	Total			100.00%	0.00%	100.00%
Spec Ext Affairs (State)		9		0.00%	100.00%	100.00%
		11		0.00%	100.00%	100.00%
Spec Ext Affairs (State)	Total			0.00%	100.00%	100.00%
Spec Govt Affairs (State)		10		0.00%	100.00%	100.00%
		11		0.00%	100.00%	100.00%
Spec Govt Affairs (State)	Total			0.00%	100.00%	100.00%
Specialist Maint Service (N)		9		0.00%	100.00%	100.00%
		10		0.00%	100.00%	100.00%
		11		0.00%	100.00%	100.00%
Specialist Maint Service (N)	Total			0.00%	100.00%	100.00%
Specialist Operations (N)		9		17.87%	82.13%	100.00%
		10		18.34%	81.66%	100.00%
		11		21.45%	78.55%	100.00%
Specialist Operations (N)	Total			19.32%	80.68%	100.00%
Specialist Opns (N)		9		0.76%	99.24%	100.00%
		10		0.00%	100.00%	100.00%
		11		5.38%	94.62%	100.00%
Specialist Opns (N)	Total			2.05%	97.95%	100.00%
Specialist ORM (N)		9		0.00%	100.00%	100.00%
		10		0.00%	100.00%	100.00%
Specialist ORM (N)	Total			0.00%	100.00%	100.00%
Sr HR Generalist		9		0.00%	100.00%	100.00%
		10		0.00%	100.00%	100.00%
		11		0.00%	100.00%	100.00%
Sr HR Generalist	Total			0.00%	100.00%	100.00%
Sr Secretary (N)		9		0.00%	100.00%	100.00%
Sr Secretary (N)	Total			0.00%	100.00%	100.00%
Sr Spec Cross Connect (N)		9		0.00%	100.00%	100.00%
		10		0.00%	100.00%	100.00%
		11		0.36%	99.64%	100.00%
Sr Spec Cross Connect (N)	Total			0.08%	99.92%	100.00%
Sr Specialist NRW (N)		9		0.00%	100.00%	100.00%
		10		0.11%	99.89%	100.00%
Sr Specialist NRW (N)	Total			0.05%	99.95%	100.00%
Sr Specialist ORM		10		1.85%	98.15%	100.00%
		11		5.53%	94.47%	100.00%
Sr Specialist ORM	Total			3.57%	96.43%	100.00%
Supt Field Operations		9		29.62%	70.38%	100.00%
		10		24.13%	75.87%	100.00%
		11		37.49%	62.51%	100.00%
Supt Field Operations	Total			27.96%	72.04%	100.00%
Supt Production		9		0.34%	99.66%	100.00%
		10		14.66%	85.34%	100.00%
		11		15.00%	85.00%	100.00%
Supt Production	Total			10.18%	89.82%	100.00%
Supvr Business Process		10		0.00%	100.00%	100.00%
		11		0.00%	100.00%	100.00%
Supvr Business Process	Total			0.00%	100.00%	100.00%
Supvr Field Operations		9		16.27%	83.73%	100.00%
		10		13.84%	86.16%	100.00%
		11		15.86%	84.14%	100.00%
Supvr Field Operations	Total			15.32%	84.68%	100.00%
Supvr Production		9		0.00%	100.00%	100.00%

Tennessee American Water

Three Year Average Capitalization Rate by Position (2009-2011)

Calculation: (501200+501210+501211)/(501200+501210+501211+Objects beginning with "1")

(This excludes M and J costs, Accrued Benefits & Miscellaneous Expense items from the Payroll data)

Labor
Schedule EXP-1.9

Job Title	Year	Cap	Expense	Grand Total
	10		7.72%	92.28%
	11		3.72%	96.28%
Supvr Production	Total		3.86%	96.14%
Supvr Wtr Qlty & Envrn Cmpl	9		0.00%	100.00%
	10		1.01%	98.99%
	11		1.88%	98.12%
Supvr Wtr Qlty & Envrn Cmpl	Total		0.98%	99.02%
Truck Driver/Utility Worker	9		21.48%	78.52%
	10		20.29%	79.71%
	11		27.11%	72.89%
Truck Driver/Utility Worker	Total		23.20%	76.80%
Utility Worker	9		2.30%	97.70%
	10		2.29%	97.71%
Utility Worker	Total		2.30%	97.70%
Grand Total			15.19%	84.81%

Tennessee American Water
AIP & LTIP Targets by Pay Grade, Test Year and Attrition Year

Labor
Schedule EXP-1.10

AIP		LTIP	
Salary Bar AIP Rate		Salary Bar DecYTD	
ML1	Missing	ML1	Missing
ML2	45%	ML2	Missing
ML3	Missing	ML3	Missing
ML4	30%	ML4	0.3
L05	20%	L05	0.1
L06	20%	L06	0
L07	15%	L07	0
L08	10%	L08	0
L09	10%	L09	0
L10	5%	L10	0
L11	5%	L11	0
L12	5%	L12	0
L13	Missing	L13	0
L14	Missing	L14	0
L15	Missing	L15	0
L16	Missing	L16	0
		E	0
		Temporary	0
		MGR	0
		NE	0
		SVP	0.3

HORIZON BLUECROSS/BLUESHIELD
GROUP INSURANCE PREMIUM STATEMENT
(Rates effective January 1, 2012)

FORM 392 -Current Month -
Revision date: 01/2012

COMPANY: Tennessee American Water Co.
MONTH OF: February, 2012

						2012		Inflation Factor	Attrition Year Premium
Insurance/Employees:						Premium	Rate		
ACTIVE EMPLOYEES									
LIVES	LIFE INSURANCE:								
25	2,695,000	1	Life - Basic (Non Bargaining)	\$0.168	per	\$1,000	\$452.76	1.7417%	\$0.171
73	4,738,000	2	Life - Basic (Bargaining)	\$0.168	per	\$1,000	795.98	1.7417%	\$0.171
73	730,000	3	A. D. & D. (\$10,000 cov. per employee)	\$0.020	per	\$1,000	14.60	1.7417%	\$0.020
25	2,695,000	4	A. D. & D. (Non Bargaining)	\$0.020	per	\$1,000	53.90	1.7417%	\$0.020
3	261,830	5	Life - Voluntary Under 30	\$0.066	per	\$1,000	17.28		
11	1,306,226	6	Life - Voluntary 30-34	\$0.088	per	\$1,000	114.95		
4	635,929	7	Life - Voluntary 35-39	\$0.110	per	\$1,000	69.95		
4	626,538	8	Life - Voluntary 40-44	\$0.132	per	\$1,000	82.70		
11	1,607,048	9	Life - Voluntary 45-49	\$0.210	per	\$1,000	337.48		
9	1,336,400	10	Life - Voluntary 50-54	\$0.353	per	\$1,000	471.75		
10	1,185,132	11	Life - Voluntary 55-59	\$0.651	per	\$1,000	771.52		
5	583,689	12	Life - Voluntary 60-64	\$0.827	per	\$1,000	482.71		
0	0	13	Life - Voluntary 65-69	\$1.511	per	\$1,000	0.00		
0	0	14	Life - Voluntary 70 and over	\$2.437	per	\$1,000	0.00		
		15		0	\$0.000	per	\$1,000	0.00	
44	880,000	15	Life - Dependent Spouse	\$0.250	per	\$1,000	220.00		
24	430,000	16	Life - Dependent Children	\$1.200	per	Family	28.80		
0	0	17	Life - Supplemental	\$0.313	per	\$1,000	0.00		
1	20,000	18	Life - Optional	\$0.313	per	\$1,000	6.26		
DISABILITY:									
	90,516	19	Long Term Disability (non union only)	\$0.400	per	\$100	362.06	1.7417%	\$0.407
	98	20	Short-term Managed Disability	\$2.250	per	EMPLOYEE	220.50	1.7417%	\$2.289
	0	21	A. & S.-Coverage for New Jersey only	\$0.302	per	\$10	0.00		
MEDICAL, DENTAL & PRESCRIPTION COVERAGE:									
EMPLOYEE ONLY/BW	14	22	Employees w/Single Coverage(Union)			\$540.00	7,560.00		
	0	23	Employee and Spouse Coverage(Union)			\$0.00	0.00		
	0	24	Employee and Children(Union)			\$0.00	0.00		
	57	25	Employee and Family(Union)			\$1,384.00	78,888.00		
	0	26	Employees with Single Dental coverage only(Union)			\$30.00	0.00		
	0	27	Employee and Spouse Coverage Dental(Union)			\$0.00	0.00		
	0	28	Employee and Children - Dental(Union)			\$0.00	0.00		
	1	29	Employee and Family Dental(Union)			\$75.00	75.00		
	8	30	Employees w/Single Coverage(Non-Union)			\$511.00	4,088.00		
	3	31	Employee and Spouse Coverage(Non-Union)			\$1,124.00	3,372.00		
BW EMPONLY	1	32	Employee and Children(Non-Union)			\$1,175.00	1,175.00		
BW EMP&FAMILY	12	33	Employee and Family(Non-Union)			\$1,431.00	17,172.00		
BW EMP&CHILD	6	34	Employees with Single Dental Coverage only(Non-Union)			\$31.00	186.00		
BW EMP&FAMILY	4	35	Employee and Spouse Coverage Dental(Non-Union)			\$70.00	280.00		
	1	36	Employee and Children - Dental(Non-Union)			\$73.00	73.00		
	13	37	Employee and Family Dental(Non-Union)			\$89.00	1,157.00		
Actives' subtotal:							\$118,529.20		
CONTINUATION OF COVERAGE									
MEDICAL, DENTAL & PRESCRIPTION COVERAGE:									
	0	42	Single-Union			\$567.00	0.00		
	1	43	Family (2 or more individuals)-Union			\$1,452.00	1,452.00		
		28	Under age 65 dependent (1) of a deceased retiree			\$0.00	0.00		
		29	Under age 65 dependents (>1) of a deceased retiree			\$0.00	0.00		
		30	*Medicare supplement, in Comprehensive Plan			\$0.00	0.00		
	0	44	Single Dental coverage only-Union			\$31.00	0.00		
	0	45	Family with Dependent Dental coverage only-Union			\$79.00	0.00		
	0	46	Employee-Non-Union			\$536.00	0.00		
	0	47	Employee/Spouse (2 or more individuals)-Non-Union			\$1,180.00	0.00		
	0	48	Employee/Children-Non-Union			\$1,233.00	0.00		
	0	49	Employee/Family-Non-Union			\$1,502.00	0.00		
	0	50	Employee-Non-Union(Dental Only)			\$33.00	0.00		
	0	51	Employee/Spouse Non-Union(Dental Only)			\$73.00	0.00		
	0	52	Employee/Children-Non-Union (Dental Only)			\$77.00	0.00		
	0	53	Employee/Family-Non-Union(Dental Only)			\$93.00	0.00		
Continuation of Coverage Subtotal:							\$1,452.00		
Total Premiums for Current Month:							\$119,981.20		

HORIZON BLUECROSS/BLUESHIELD
GROUP INSURANCE PREMIUM STATEMENT
(Rates effective January 1, 2012)

COMPANY: Tennessee American Water Co.
MONTH OF: February, 2012

Insurance/Employees:	Rate	Premium
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ACTIVE EMPLOYEES

LIVES LIFE INSURANCE:

		1 Life - Basic (Non Bargaining)	\$0.168 per \$1,000	\$0.00
		2 Life - Basic (Bargaining)	\$0.168 per \$1,000	0.00
		3 A. D. & D. (\$10,000 cov. per employee)	\$0.020 per \$1,000	0.00
		4 A. D. & D. (Non Bargaining)	\$0.020 per \$1,000	0.00
		5 Life - Voluntary Under 30	\$0.066 per \$1,000	0.00
		6 Life - Voluntary 30-34	\$0.088 per \$1,000	0.00
		7 Life - Voluntary 35-39	\$0.110 per \$1,000	0.00
		8 Life - Voluntary 40-44	\$0.132 per \$1,000	0.00
		9 Life - Voluntary 45-49	\$0.210 per \$1,000	0.00
		10 Life - Voluntary 50-54	\$0.353 per \$1,000	0.00
		11 Life - Voluntary 55-59	\$0.651 per \$1,000	0.00
		12 Life - Voluntary 60-64	\$0.827 per \$1,000	0.00
		13 Life - Voluntary 65-69	\$1.511 per \$1,000	0.00
		14 Life - Voluntary 70 and over	\$2.437 per \$1,000	0.00
		15 Life - Voluntary 30-34	\$0.000 per \$1,000	0.00
163	3,720,000	15 Life - Dependent Spouse	\$0.250 per \$1,000	930.00
(163)	(3,720,000)	16 Life - Dependent Children	\$1.200 per Family	(195.60)
		17 Life - Supplemental	\$0.313 per \$1,000	0.00
		18 Life - Optional	\$0.313 per \$1,000	0.00

DISABILITY:

		19 Long Term Disability (non union only)	\$0.400 per \$100	0.00
		20 Short-term Managed Disability	\$2.25 per EMPLOYEE	0.00
		21 A. & S.-Coverage for New Jersey only	\$0.302 per \$10	0.00

MEDICAL, DENTAL & PRESCRIPTION COVERAGE:

		22 Employees w/Single Coverage(Union)	\$540.00	0.00
		23 Employee and Spouse Coverage(Union)	\$0.00	0.00
		24 Employee and Children(Union)	\$0.00	0.00
		25 Employee and Family(Union)	\$1,384.00	0.00
		26 Employees with Single Dental coverage only(Union)	\$30.00	0.00
		27 Employee and Spouse Coverage Dental(Union)	\$0.00	0.00
		28 Employee and Children - Dental(Union)	\$0.00	0.00
		29 Employee and Family Dental(Union)	\$75.00	0.00
		30 Employees w/Single Coverage(Non-Union)	\$511.00	0.00
		31 Employee and Spouse Coverage(Non-Union)	\$1,124.00	0.00
		32 Employee and Children(Non-Union)	\$1,175.00	0.00
		33 Employee and Family(Non-Union)	\$1,431.00	0.00
		34 Employees with Single Dental Coverage only(Non-Union)	\$31.00	0.00
		35 Employee and Spouse Coverage Dental(Non-Union)	\$70.00	0.00
		36 Employee and Children - Dental(Non-Union)	\$73.00	0.00
		37 Employee and Family Dental(Non-Union)	\$89.00	0.00

Actives' subtotal:

\$734.40

CONTINUATION OF COVERAGE

MEDICAL, DENTAL & PRESCRIPTION COVERAGE:

		42 Single-Union	\$567.00	0.00
		43 Family (2 or more individuals)-Union	\$1,452.00	0.00
		28 Under age 65 dependent (1) of a deceased retiree	\$0.00	0.00
		29 Under age 65 dependents (>1) of a deceased retiree	\$0.00	0.00
		30 *Medicare supplement, in Comprehensive Plan	\$0.00	0.00
		44 Single Dental coverage only-Union	\$31.00	0.00
		45 Family with Dependent Dental coverage only-Union	\$79.00	0.00
		46 Employee-Non-Union	\$536.00	0.00
		47 Employee/Spouse (2 or more individuals)-Non-Union	\$1,180.00	0.00
		48 Employee/Children-Non-Union	\$1,233.00	0.00
		49 Employee/Family-Non-Union	\$1,502.00	0.00
		50 Employee-Non-Union(Dental Only)	\$33.00	0.00
		51 Employee/Spouse Non-Union(Dental Only)	\$73.00	0.00
		52 Employee/Children-Non-Union (Dental Only)	\$77.00	0.00
		53 Employee/Family-Non-Union(Dental Only)	\$93.00	0.00

Continuation of Coverage Subtotal:

\$0.00

Total expense adjustment:

734.40

HORIZON BLUECROSS/BLUESHIELD
GROUP INSURANCE PREMIUM STATEMENT
(Rates effective January 1, 2012)

COMPANY: Tennessee American Water Co.
MONTH OF: February, 2012

Insurance/Employees:	Rate	Premium
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ACTIVE EMPLOYEES

LIVES LIFE INSURANCE:

25	2,695,000	1 Life - Basic (Non Bargaining)	\$0.168 per	\$1,000	\$452.76
73	4,738,000	2 Life - Basic (Bargaining)	\$0.168 per	\$1,000	795.98
73	730,000	3 A. D. & D. (\$10,000 cov. per employee)	\$0.020 per	\$1,000	14.60
25	2,695,000	4 A. D. & D. (Non Bargaining)	\$0.020 per	\$1,000	53.90
3	261,830	5 Life - Voluntary Under 30	\$0.066 per	\$1,000	17.28
11	1,306,226	6 Life - Voluntary 30-34	\$0.088 per	\$1,000	114.95
4	635,929	7 Life - Voluntary 35-39	\$0.110 per	\$1,000	69.95
4	626,538	8 Life - Voluntary 40-44	\$0.132 per	\$1,000	82.70
11	1,607,048	9 Life - Voluntary 45-49	\$0.210 per	\$1,000	337.48
9	1,336,400	10 Life - Voluntary 50-54	\$0.353 per	\$1,000	471.75
10	1,185,132	11 Life - Voluntary 55-59	\$0.651 per	\$1,000	771.52
5	583,689	12 Life - Voluntary 60-64	\$0.827 per	\$1,000	482.71
0	0	13 Life - Voluntary 65-69	\$1.511 per	\$1,000	0.00
0	0	14 Life - Voluntary 70 and over	\$2.437 per	\$1,000	0.00
0	0	15	\$0.000 per	\$1,000	0.00
207	4,600,000	15 Life - Dependent Spouse	\$0.250 per	\$1,000	1,150.00
(139)	(3,290,000)	16 Life - Dependent Children	\$1.200 per	Family	(166.80)
0	0	17 Life - Supplemental	\$0.313 per	\$1,000	0.00
1	20,000	18 Life - Optional	\$0.313 per	\$1,000	6.26

DISABILITY:

90,516	19 Long Term Disability (non union only)	\$0.400 per	\$100	362.06
98	20 Short-term Managed Disability	\$2.25 per EMPLOYEE		220.50
0	21 A. & S.-Coverage for New Jersey only	\$0.302 per	\$10	0.00

MEDICAL, DENTAL & PRESCRIPTION COVERAGE:

14	22 Employees w/Single Coverage(Union)	\$540.00	7,560.00
0	23 Employee and Spouse Coverage(Union)	\$0.00	0.00
0	24 Employee and Children(Union)	\$0.00	0.00
57	25 Employee and Family(Union)	\$1,384.00	78,888.00
0	26 Employees with Single Dental coverage only(Union)	\$30.00	0.00
0	27 Employee and Spouse Coverage Dental(Union)	\$0.00	0.00
0	28 Employee and Children - Dental(Union)	\$0.00	0.00
1	29 Employee and Family Dental(Union)	\$75.00	75.00
8	30 Employees w/Single Coverage(Non-Union)	\$511.00	4,088.00
3	31 Employee and Spouse Coverage(Non-Union)	\$1,124.00	3,372.00
1	32 Employee and Children(Non-Union)	\$1,175.00	1,175.00
12	33 Employee and Family(Non-Union)	\$1,431.00	17,172.00
6	34 Employees with Single Dental Coverage only(Non-Union)	\$31.00	186.00
4	35 Employee and Spouse Coverage Dental(Non-Union)	\$70.00	280.00
1	36 Employee and Children - Dental(Non-Union)	\$73.00	73.00
13	37 Employee and Family Dental(Non-Union)	\$89.00	1,157.00

Actives' subtotal:

\$119,263.60

CONTINUATION OF COVERAGE

MEDICAL, DENTAL & PRESCRIPTION COVERAGE:

0	42 Single-Union	\$567.00	0.00
1	43 Family (2 or more individuals)-Union	\$1,452.00	1,452.00
0	28 Under age 65 dependent (1) of a deceased retiree	\$0.00	0.00
0	29 Under age 65 dependents (>1) of a deceased retiree	\$0.00	0.00
0	30 *Medicare supplement, in Comprehensive Plan	\$0.00	0.00
0	44 Single Dental coverage only-Union	\$31.00	0.00
0	45 Family with Dependent Dental coverage only-Union	\$79.00	0.00
0	46 Employee-Non-Union	\$536.00	0.00
0	47 Employee/Spouse (2 or more individuals)-Non-Union	\$1,180.00	0.00
0	48 Employee/Children-Non-Union	\$1,233.00	0.00
0	49 Employee/Family-Non-Union	\$1,502.00	0.00
0	50 Employee-Non-Union(Dental Only)	\$33.00	0.00
0	51 Employee/Spouse Non-Union(Dental Only)	\$73.00	0.00
0	52 Employee/Children-Non-Union (Dental Only)	\$77.00	0.00
0	53 Employee/Family-Non-Union(Dental Only)	\$93.00	0.00

Continuation of Coverage Subtotal:

\$1,452.00

TOTAL PREMIUM TO BE PAID TO TRUST:

\$120,715.60

**HORIZON BLUECROSS/BLUESHIELD
PAID PRESCRIPTIONS, INC.
GROUP INSURANCE PREMIUM STATEMENT
(Rates effective January 1, 2004)**

COMPANY: Tennessee American Water Co.
MONTH OF: February, 2012

Insurance/Retirees:	USE FOR AUTHORITIES ONLY !!!!!				Rate	Premium
AUTHORITIES RETIREES						
MEDICAL, DENTAL & PRESCRIPTION COVERAGE:						
	0	Life - Basic (Non Bargaining)	\$2.68	per	\$1,000	\$0.00
	0	Life - Supplemental	\$2.68	per	\$1,000	\$0.00
	0	Life - Optional	\$2.68	per	\$1,000	\$0.00
MEDICAL, DENTAL & PRESCRIPTION COVERAGE:						
EARLY RETIREES & RETIREES' DEPENDENTS WHO ARE AT LEAST 65 or MEDICARE DISABLED						
MEDICARE SUPPLEMENT						
	0	Personal Composite			\$0.00	0.00
	0	Dependent Composite			\$0.00	0.00

AUTHORITIES'
Retirees' Subtotal: \$0.00

Total funds collected for deposit in Trust Accounts: \$120,715.60

(includes Active employees, Contin. of Coverage, & Authorities' Retirees)

Tennessee American Water
Attrition Year VEBA Employees
(\$500 Employee Benefit for UPOS06 Benefit Group
Employees Hired before end of 12/31/10)

Group Insurance
Schedule EXP-7.2
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Employee #	Home BU	Home Business Unit	Benefit Group	DBA Type	DBA	Description	Start Date	Stop Date
50316116	260206	CHAT-Field Services	UPOS06	A	5023	UNION-VEBA	12/04/06	
50341466	260201	CHAT-Production	UPOS06	A	5023	UNION-VEBA	05/21/07	
50267313	260206	CHAT-Field Services	UPOS06	A	5023	UNION-VEBA	04/24/06	
50341517	260206	CHAT-Field Services	UPOS06	A	5023	UNION-VEBA	05/21/07	
50555973	260201	CHAT-Production	UPOS06	A	5023	UNION-VEBA	01/23/12	
50262066	260203	CHAT-Customer Service	UPOS06	A	5023	UNION-VEBA	02/13/06	
50270912	260206	CHAT-Field Services	UPOS06	A	5023	UNION-VEBA	04/24/06	
50315983	260203	CHAT-Customer Service	UPOS06	A	5023	UNION-VEBA	12/04/06	
50341514	260206	CHAT-Field Services	UPOS06	A	5023	UNION-VEBA	06/14/10	
50526892	260201	CHAT-Production	UPOS06	A	5023	UNION-VEBA	05/17/10	
50279031	260206	CHAT-Field Services	UPOS06	A	5023	UNION-VEBA	07/03/06	
50412382	260201	CHAT-Production	UPOS06	A	5023	UNION-VEBA	07/14/08	
50339372	260206	CHAT-Field Services	UPOS06	A	5023	UNION-VEBA	05/21/07	
50273104	260206	CHAT-Field Services	UPOS06	A	5023	UNION-VEBA	06/19/06	

American Water Company
Medical, Dental, and Vision Insurance - Monthly Gross Plan & Employee C

Group Insurance
Schedule EXP-7.3
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Non-Union						
Flag	Coverage	2012		Inflation Factor	Attrition Year Projection	
		Cost of Plan	Employee Contribution		Cost of Plan	Employee Contribution
		Medical / Rx	Medical / Rx		Medical / Rx	Medical / Rx
BW EMPONLYPRPPO	Employees w/ Single Coverage	\$ 511.00	\$ 82.00	1.7417%	\$ 519.90	\$ 83.43
BW EMP&SPOUSEPR	Employee and Spouse	\$ 1,124.00	\$ 181.00	1.7417%	\$ 1,143.58	\$ 184.15
BW EMP&CHILDPRI	Employee and Children	\$ 1,175.00	\$ 189.00	1.7417%	\$ 1,195.46	\$ 192.29
BW EMP&FAMILYPRI	Employee and Family	\$ 1,431.00	\$ 230.00	1.7417%	\$ 1,455.92	\$ 234.01

Flag	Coverage	2012		Inflation Factor	Attrition Year Projection	
		Cost of Plan	Employee Contribution		Cost of Plan	Employee Contribution
		Dental / Vision	Dental / Vision		Dental / Vision	Dental / Vision
BW EMPONLYDENVI	Employees w/ Single Coverage	\$ 31.00	\$ 11.00	1.7417%	\$ 31.54	\$ 11.19
BW EMP&SPOUSEDE	Employee and Spouse	\$ 70.00	\$ 23.00	1.7417%	\$ 71.22	\$ 23.40
BW EMP&CHILDDEN	Employee and Children	\$ 73.00	\$ 24.00	1.7417%	\$ 74.27	\$ 24.42
BW EMP&FAMILYDE	Employee and Family	\$ 89.00	\$ 30.00	1.7417%	\$ 90.55	\$ 30.52

Union						
Flag	Coverage	2012		Inflation Factor	Attrition Year Projection	
		Cost of Plan	Employee Contribution		Cost of Plan	Employee Contribution
		Medical / Rx	Medical / Rx		Medical / Rx	Medical / Rx
EMPLOYEE ONLY/BW	Employees w/ Single Coverage	\$ 540.00	\$ 92.00	1.7417%	\$ 549.41	\$ 93.60
FAMILY COVERAGE/E	Employee and Family	\$ 1,384.00	\$ 236.00	1.7417%	\$ 1,408.10	\$ 240.11

Flag	Coverage	2012		Inflation Factor	Attrition Year Projection	
		Cost of Plan	Employee Contribution		Cost of Plan	Employee Contribution
		Dental / Vision	Dental / Vision		Dental / Vision	Dental / Vision
EMPLOYEE ONLY/BW	Employees w/ Single Coverage	\$ 30.00	\$ 10.00	1.7417%	\$ 30.52	\$ 10.17
FAMILY COVERAGE/E	Employee and Family	\$ 75.00	\$ 25.00	1.7417%	\$ 76.31	\$ 25.44

Tennessee American Water

2012 Medical, Dental, and Vision Coverage Elections By Employee

Exhibit EXP-7-Group Insurance-MLS

Schedule EXP-7.4

Averages:	Attrition Cost to Company	Attrition Cost To Employee
Average Union Med	\$ 1,238.78	\$ 211.22
Average Union Dental	\$ 76.31	\$ 25.44
Average Non-Union Medical	\$ 1,094.02	\$ 175.84
Average Non-Union Dental	\$ 69.02	\$ 23.28

Employee #	Benefit Group	Union / NU	Home BU	Home Business Unit	Plan ID	Plan Description	Plan Selection Code	Plan Selection Description	Status	Effective Date	Flag 1	Flag 2	Attrition Cost to Company	Attrition Cost To Employee
10017486	AMERST	N	260206	CHAT-Field Services	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/14/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52
10017486	AMERST	N	260206	CHAT-Field Services	PRPPO-NU	Prem PPO/NU	BEF	BW EMP&FAMILY	ACT	12/14/11	NP	BW EMP&FAMILYPRPPO-NU	\$ 1,455.92	\$ 234.01
50237926	UPOS01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
26000049	UPRE01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000028	AMERST	N	260203	CHAT-Customer Service	PRPPO-NU	Prem PPO/NU	BEM	BW EMPONLY	ACT	12/26/11	NP	BW EMPONLYPRPPO-NU	\$ 519.90	\$ 83.43
26000028	AMERST	N	260203	CHAT-Customer Service	DENVISNU	Dent/Vis(Prem) NU	BES	BW EMP&SPOUSE	ACT	12/14/11	ND	BW EMP&SPOUSEDENVISNU	\$ 71.22	\$ 23.40
50543754	AMER06	N	260205	CHAT-Admin & Gen	INSNOCOV	Insurance - No coverage			ACT	12/27/10	NI	INSNOCOV	\$ -	\$ -
50316116	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50341466	UPOS06	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000041	AMERST	N	260206	CHAT-Field Services	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/14/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52
26000041	AMERST	N	260206	CHAT-Field Services	PRPPO-NU	Prem PPO/NU	BEF	BW EMP&FAMILY	ACT	12/14/11	NP	BW EMP&FAMILYPRPPO-NU	\$ 1,455.92	\$ 234.01
50267313	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50108180	UPOS01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50341517	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000133	UPRE01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50195340	UPOS01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000121	AMERST	N	260201	CHAT-Production	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/14/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52
26000121	AMERST	N	260201	CHAT-Production	PRPPO-NU	Prem PPO/NU	BEF	BW EMP&FAMILY	ACT	12/14/11	NP	BW EMP&FAMILYPRPPO-NU	\$ 1,455.92	\$ 234.01
50069216	UPOS01	U	260201	CHAT-Production	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
26000162	UPRE01	U	260201	CHAT-Production	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
50555973	UPOS06	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50107207	UPOS01	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50563882	UPOS06	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
26000033	UPRE01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50563895	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
26000039	UPRE01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
26000109	AMER06	N	260201	CHAT-Production	DENVISNU	Dent/Vis(Prem) NU	BEM	BW EMPONLY	ACT	12/14/11	ND	BW EMPONLYDENVISNU	\$ 31.54	\$ 11.19
26000109	AMER06	N	260201	CHAT-Production	PRPPO-NU	Prem PPO/NU	BEM	BW EMPONLY	ACT	12/14/11	NP	BW EMPONLYPRPPO-NU	\$ 519.90	\$ 83.43
26000150	UPRE01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50569425	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50563884	UPOS06	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50566893	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50568201	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
18508611	UPRE01	U	260206	CHAT-Field Services	DEN-VISI	Dental & Vision Only (Premi	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UD	FAMILY COVERAGE/BWDEN-VISI	\$ 76.31	\$ 25.44
50240644	UPOS01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50104651	UPOS01	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50589485	AMER06	N	260205	CHAT-Admin & Gen	DENVISNU	Dent/Vis(Prem) NU	BEM	BW EMPONLY	ACT	01/23/12	ND	BW EMPONLYDENVISNU	\$ 31.54	\$ 11.19
50589485	AMER06	N	260205	CHAT-Admin & Gen	PRPPO-NU	Prem PPO/NU	BEM	BW EMPONLY	ACT	01/23/12	NP	BW EMPONLYPRPPO-NU	\$ 519.90	\$ 83.43
26000171	UPRE01	U	260214	CHAT-Engineering	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000153	UPRE01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
50262066	UPOS06	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11

Tennessee American Water

2012 Medical, Dental, and Vision Coverage Elections By Employee

Exhibit EXP-7-Group Insurance-MLS

Schedule EXP-7.4

Averages:	Attrition Cost to Company	Attrition Cost To Employee
Average Union Med	\$ 1,238.78	\$ 211.22
Average Union Dental	\$ 76.31	\$ 25.44
Average Non-Union Medical	\$ 1,094.02	\$ 175.84
Average Non-Union Dental	\$ 69.02	\$ 23.28

Employee #	Benefit Group	Union / NU	Home BU	Home Business Unit	Plan ID	Plan Description	Plan Selection Code	Plan Selection Description	Status	Effective Date	Flag 1	Flag 2	Attrition Cost to Company	Attrition Cost To Employee
26000108	AMERST	N	260219	CHAT-Loss Control	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/14/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52
26000108	AMERST	N	260219	CHAT-Loss Control	PRPPO-NU	Prem PPO/NU	BEF	BW EMP&FAMILY	ACT	12/14/11	NP	BW EMP&FAMILYPRPPO-NU	\$ 1,455.92	\$ 234.01
50195323	UPOS01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50568169	UPOS06	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/26/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
26000186	AMERST	N	260201	CHAT-Production	DENVISNU	Dent/Vis(Prem) NU	BEC	BW EMP&CHILD	ACT	12/14/11	ND	BW EMP&CHILDDENVISNU	\$ 74.27	\$ 24.42
26000186	AMERST	N	260201	CHAT-Production	PRPPO-NU	Prem PPO/NU	BEC	BW EMP&CHILD	ACT	12/14/11	NP	BW EMP&CHILDPRPPO-NU	\$ 1,195.46	\$ 192.29
26000085	UPRE01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000164	UPRE01	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50270912	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
50315983	UPOS06	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000056	UPRE01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50226412	UPOS01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50193778	UPOS01	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000112	UPRE01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
50191242	UPOS01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50243218	UPOS01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50341514	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50564600	AMER06	N	260206	CHAT-Field Services	SSDPD-NU	Dental/Vision Taxable NonUn	BEM	BW EMPONLY	ACT	12/26/11	ND	BW EMPONLYSSDPD-NU	\$ -	\$ -
50564600	AMER06	N	260206	CHAT-Field Services	SSDPM-NU	Medical Taxable NonUnion	BEM	BW EMPONLY	ACT	12/26/11	NM	BW EMPONLYSSDPM-NU	\$ -	\$ -
50564600	AMER06	N	260206	CHAT-Field Services	DENVISNU	Dent/Vis(Prem) NU	BES	BW EMP&SPOUSE	ACT	12/26/11	ND	BW EMP&SPOUSEDENVISNU	\$ 71.22	\$ 23.40
50564600	AMER06	N	260206	CHAT-Field Services	PRPPO-NU	Prem PPO/NU	BES	BW EMP&SPOUSE	ACT	12/26/11	NP	BW EMP&SPOUSEPRPPO-NU	\$ 1,143.58	\$ 184.15
50397103	AMER06	N	260205	CHAT-Admin & Gen	DENVISNU	Dent/Vis(Prem) NU	BEM	BW EMPONLY	ACT	12/14/11	ND	BW EMPONLYDENVISNU	\$ 31.54	\$ 11.19
50397103	AMER06	N	260205	CHAT-Admin & Gen	PRPPO-NU	Prem PPO/NU	BEM	BW EMPONLY	ACT	12/14/11	NP	BW EMPONLYPRPPO-NU	\$ 519.90	\$ 83.43
50206915	AMERST	N	260305	SCUD-Admin & Gen	DENVISNU	Dent/Vis(Prem) NU	BEM	BW EMPONLY	ACT	12/14/11	ND	BW EMPONLYDENVISNU	\$ 31.54	\$ 11.19
50206915	AMERST	N	260305	SCUD-Admin & Gen	PRPPO-NU	Prem PPO/NU	BEM	BW EMPONLY	ACT	12/14/11	NP	BW EMPONLYPRPPO-NU	\$ 519.90	\$ 83.43
50526892	UPOS06	U	260201	CHAT-Production	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
50279031	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000071	UPRE01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50565847	AMER06	N	260206	CHAT-Field Services	DENVISNU	Dent/Vis(Prem) NU	BEM	BW EMPONLY	ACT	12/14/11	ND	BW EMPONLYDENVISNU	\$ 31.54	\$ 11.19
50565847	AMER06	N	260206	CHAT-Field Services	PRPPO-NU	Prem PPO/NU	BEM	BW EMPONLY	ACT	12/14/11	NP	BW EMPONLYPRPPO-NU	\$ 519.90	\$ 83.43
50620090	AMER06	N	260205	CHAT-Admin & Gen	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/26/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52
50620090	AMER06	N	260205	CHAT-Admin & Gen	PRPPO-NU	Prem PPO/NU	BEF	BW EMP&FAMILY	ACT	12/26/11	NP	BW EMP&FAMILYPRPPO-NU	\$ 1,455.92	\$ 234.01
50390540	AMER06	N	260201	CHAT-Production	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/14/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52
50390540	AMER06	N	260201	CHAT-Production	PRPPO-NU	Prem PPO/NU	BEF	BW EMP&FAMILY	ACT	12/14/11	NP	BW EMP&FAMILYPRPPO-NU	\$ 1,455.92	\$ 234.01
26000078	AMERST	N	260203	CHAT-Customer Service	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/14/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52
26000078	AMERST	N	260203	CHAT-Customer Service	PRPPO-NU	Prem PPO/NU	BEF	BW EMP&FAMILY	ACT	12/14/11	NP	BW EMP&FAMILYPRPPO-NU	\$ 1,455.92	\$ 234.01
50300097	AMER06	N	260214	CHAT-Engineering	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/14/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52
50300097	AMER06	N	260214	CHAT-Engineering	PRPPO-NU	Prem PPO/NU	BEF	BW EMP&FAMILY	ACT	12/14/11	NP	BW EMP&FAMILYPRPPO-NU	\$ 1,455.92	\$ 234.01
50066140	UPOS01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50563885	UPOS06	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
50304317	AMER06	N	260201	CHAT-Production	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/14/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52

Tennessee American Water

2012 Medical, Dental, and Vision Coverage Elections By Employee

Exhibit EXP-7-Group Insurance-MLS

Schedule EXP-7.4

Averages:	Attrition Cost to Company	Attrition Cost To Employee
Average Union Med	\$ 1,238.78	\$ 211.22
Average Union Dental	\$ 76.31	\$ 25.44
Average Non-Union Medical	\$ 1,094.02	\$ 175.84
Average Non-Union Dental	\$ 69.02	\$ 23.28

Employee #	Benefit Group	Union / NU	Home BU	Home Business Unit	Plan ID	Plan Description	Plan Selection Code	Plan Selection Description	Status	Effective Date	Flag 1	Flag 2	Attrition Cost to Company	Attrition Cost To Employee
50304317	AMER06	N	260201	CHAT-Production	PRPPO-NU	Prem PPO/NU	BEM	BW EMPONLY	ACT	12/26/11	NP	BW EMPONLYPRPPO-NU	\$ 519.90	\$ 83.43
26000120	UPRE01	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50569414	UPOS06	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50608430	AMER06	N	260205	CHAT-Admin & Gen	DENVISNU	Dent/Vis(Prem) NU	BEM	BW EMPONLY	ACT	12/14/11	ND	BW EMPONLYDENVISNU	\$ 31.54	\$ 11.19
50608430	AMER06	N	260205	CHAT-Admin & Gen	PRPPO-NU	Prem PPO/NU	BEM	BW EMPONLY	ACT	12/14/11	NP	BW EMPONLYPRPPO-NU	\$ 519.90	\$ 83.43
50566890	UPOS06	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000104	UPRE01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50507240	AMER06	N	260206	CHAT-Field Services	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/14/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52
50507240	AMER06	N	260206	CHAT-Field Services	PRPPO-NU	Prem PPO/NU	BEF	BW EMP&FAMILY	ACT	12/14/11	NP	BW EMP&FAMILYPRPPO-NU	\$ 1,455.92	\$ 234.01
26000119	UPRE01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000163	UPRE01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000083	AMERST	N	260206	CHAT-Field Services	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/14/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52
26000083	AMERST	N	260206	CHAT-Field Services	PRPPO-NU	Prem PPO/NU	BEF	BW EMP&FAMILY	ACT	12/14/11	NP	BW EMP&FAMILYPRPPO-NU	\$ 1,455.92	\$ 234.01
26000141	AMERST	N	260206	CHAT-Field Services	DENVISNU	Dent/Vis(Prem) NU	BES	BW EMP&SPOUSE	ACT	12/14/11	ND	BW EMP&SPOUSEDENVISNU	\$ 71.22	\$ 23.40
26000141	AMERST	N	260206	CHAT-Field Services	PRPPO-NU	Prem PPO/NU	BES	BW EMP&SPOUSE	ACT	12/14/11	NP	BW EMP&SPOUSEPRPPO-NU	\$ 1,143.58	\$ 184.15
26000151	UPRE01	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50066038	UPOS01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50569412	UPOS06	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
50563886	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	EMB	EMPLOYEE ONLY/BW	ACT	12/14/11	UP	EMPLOYEE ONLY/BWPREM PPO	\$ 549.41	\$ 93.60
26000984	UPRE01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50412382	UPOS06	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50566892	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50238070	UPOS01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000985	UPRE01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000152	UPRE01	U	260214	CHAT-Engineering	INSNOCOV	Insurance - No coverage			ACT	12/27/10	UI	INSNOCOV	\$ -	\$ -
26000077	UPRE01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50339372	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50273104	UPOS06	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000110	UPRE01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000004	AMERST	N	260206	CHAT-Field Services	DENVISNU	Dent/Vis(Prem) NU	BES	BW EMP&SPOUSE	ACT	12/14/11	ND	BW EMP&SPOUSEDENVISNU	\$ 71.22	\$ 23.40
26000004	AMERST	N	260206	CHAT-Field Services	PRPPO-NU	Prem PPO/NU	BES	BW EMP&SPOUSE	ACT	12/14/11	NP	BW EMP&SPOUSEPRPPO-NU	\$ 1,143.58	\$ 184.15
26000007	UPRE01	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000158	UPRE01	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000137	AMERST	N	260201	CHAT-Production	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/14/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52
26000137	AMERST	N	260201	CHAT-Production	PRPPO-NU	Prem PPO/NU	BEF	BW EMP&FAMILY	ACT	12/14/11	NP	BW EMP&FAMILYPRPPO-NU	\$ 1,455.92	\$ 234.01
26001419	UPRE01	U	260201	CHAT-Production	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50192499	UPOS01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
50237996	UPOS01	U	260203	CHAT-Customer Service	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000117	UPRE01	U	260214	CHAT-Engineering	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000132	UPRE01	U	260206	CHAT-Field Services	PREM PPO	Premium PPO	FAB	FAMILY COVERAGE/BW	ACT	12/14/11	UP	FAMILY COVERAGE/BWPREM PI	\$ 1,408.10	\$ 240.11
26000182	AMERST	N	260201	CHAT-Production	DENVISNU	Dent/Vis(Prem) NU	BEF	BW EMP&FAMILY	ACT	12/14/11	ND	BW EMP&FAMILYDENVISNU	\$ 90.55	\$ 30.52

Tennessee American Water

2012 Medical, Dental, and Vision Coverage Elections By Employee

Exhibit EXP-7-Group Insurance-MLS

Schedule EXP-7.4

Averages:

Attrition
Cost to
Company

Attrition
Cost To
Employee

Average Union Med	\$ 1,238.78	\$ 211.22
Average Union Dental	\$ 76.31	\$ 25.44
Average Non-Union Medical	\$ 1,094.02	\$ 175.84
Average Non-Union Dental	\$ 69.02	\$ 23.28

Employee #	Benefit Group	Union / NU	Home BU	Home Business Unit	Plan ID	Plan Description	Plan Selection Code	Plan Selection Description	Status	Effective Date	Flag 1	Flag 2	Attrition Cost to Company	Attrition Cost To Employee
26000182	AMERST	N	260201	CHAT-Production	PRPPO-NU	Prem PPO/NU	BEF	BW EMP&FAMILY	ACT	12/14/11	NP	BW EMP&FAMILYPRPPO-NU	\$ 1,455.92	\$ 234.01

Tennessee American Water
Attrition Year Worksheet for Other Post-Employment Benefits (OPEB's)

	Annual Amount 2012*	Annual Amount 2013*	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Company Gross OPEB	\$ 29,982,716	\$ 28,700,000												
Tennessee Allocation*	2.99%	2.99%	\$ 74,706.93	\$ 71,510.83	\$ 71,510.83	\$ 71,510.83	\$ 71,510.83	\$ 71,510.83	\$ 71,510.83	\$ 71,510.83	\$ 71,510.83	\$ 71,510.83	\$ 71,510.83	\$ 71,510.83
Attrition Year Gross Sum	\$ 858,130.00													
Attrition Year O&M Rate	81.85%													
Attrition Year Net O&M OPEB	\$ 702,422.14													

American Water

Allocation of 2012 Post-Retirement Welfare Cost

Not Reflecting Purchase Accounting

Based on census data collected as of July 1, 2011

	Allocation Count	FAS 106 Cost Allocation % ⁽⁵⁾	Expense Allocation	Retiree Contribution Allocation	Total Exp and Retiree Contribution Allocation
AMERICAN WATER RESOURCES INC	2	0.02%	5,997	479	6,476
AMERICAN WATER WORKS COMPAN	12	0.13%	38,978	3,113	42,091
AMERICAN WATER SERVICES (AAET	22	0.24%	71,959	5,746	77,705
AMERICAN WATER SERVICES		0.00%	-	-	-
Corp	2	0.02%	5,997	479	6,476
O&M Inc.	2	0.02%	5,997	479	6,476
CDM	-	0.00%	-	-	-
AWW SERVICE COMPANY					
AWWS Corp ⁽¹⁾	236	2.55%	764,559	61,054	825,613
Belleville, IL Lab (R)	21	0.23%	68,960	5,507	74,467
AWWS Eastern Division	9	0.10%	29,983	2,394	32,377
AWWS Western Division	2	0.02%	5,997	479	6,476
Western (L)	19	0.21%	62,964	5,028	67,992
Hershey, PA Data Center (W) ⁽²⁾	9	0.10%	29,983	2,394	32,377
Haddon Heights IS ⁽²⁾	4	0.04%	11,993	958	12,951
Northeast Region	12	0.13%	38,978	3,113	42,091
Southeast Region	52	0.56%	167,903	13,408	181,311
Indiana Region ⁽²⁾	8	0.09%	26,984	2,155	29,139
Central Region	69	0.75%	224,870	17,957	242,827
Alton, IL Call Center	53	0.57%	170,901	13,647	184,548
Shared Services	97	1.05%	314,819	25,140	339,959
Pensacola Call Center	-	0.00%	-	-	-
ITS	82	0.89%	266,846	21,309	288,155
Procurement/Supply Chain	14	0.15%	44,974	3,591	48,565
CA-Amer Vil Dis	2	0.02%	5,997	479	6,476
IL-Amer Inter	2	0.02%	5,997	479	6,476
IN-Amer Kokomo	-	0.00%	-	-	-
IN-Amer Terre Haute	2	0.02%	5,997	479	6,476
IN-Amer Northwest	2	0.02%	5,997	479	6,476
KY-Amer	2	0.02%	5,997	479	6,476
MO-St. Louis - Craig Road	3	0.03%	8,995	718	9,713
MO-St. Louis - Service Center	2	0.02%	5,997	479	6,476
NJ-Amer Corp	3	0.03%	8,995	718	9,713
NJ-Amer Lakew	2	0.02%	5,997	479	6,476
PA-Amer Corp	-	0.00%	-	-	-
PA-Amer Ptsbg	2	0.02%	5,997	479	6,476
PA-Amer WilkesB	2	0.02%	5,997	479	6,476
WV-Amer Salt Rock	<u>2</u>	<u>0.02%</u>	<u>5,997</u>	<u>479</u>	<u>6,476</u>

American Water

**Allocation of 2012 Post-Retirement Welfare Cost
Not Reflecting Purchase Accounting**

Based on census data collected as of July 1, 2011

	Allocation Count	FAS 106 Cost Allocation % ⁽⁵⁾	Expense Allocation	Retiree Contribution Allocation	Total Exp and Retiree Contribution Allocation
	713	7.70%	2,308,674	184,360	2,493,034
NORTHEAST DIVISION					
LONG ISLAND	187	2.02%	605,651	48,364	654,015
NEW JERSEY - AM ⁽³⁾	1,619	17.52%	5,252,972	419,478	5,672,450
	1,806	19.54%	5,858,623	467,842	6,326,465
MID-ATLANTIC DIVISION					
MARYLAND - AM	24	0.26%	77,955	6,225	84,180
PENNSYLVANIA - AM	2,064	22.34%	6,698,132	534,880	7,233,012
VIRGINIA - AM	154	1.67%	500,711	39,984	540,695
WEST VIRGINIA - AM	683	7.39%	2,215,723	176,937	2,392,660
	2,925	31.66%	9,492,521	758,026	10,250,547
CENTRAL DIVISION					
ILLINOIS - AM	653	7.07%	2,119,778	169,276	2,289,054
INDIANA - AM	639	6.91%	2,071,806	165,445	2,237,251
IOWA - AM	150	1.62%	485,720	38,787	524,507
KENTUCKY - AM	241	2.61%	782,549	62,491	845,040
MICHIGAN - AM	13	0.14%	41,976	3,352	45,328
MISSOURI - AM	1,249	13.52%	4,053,663	323,707	4,377,370
TENNESSEE - AM	276	2.99%	896,483	71,589	968,072
	3,222	34.86%	10,451,975	834,647	11,286,622
OTHER					
OHIO - AM	168	1.82%	545,685	43,576	589,261
CALIFORNIA - AM	299	3.24%	971,440	77,575	1,049,015
HAWAII	25	0.27%	80,953	6,465	87,418
ARIZONA - AM ⁽⁴⁾	20	0.22%	65,962	5,267	71,229
NEW MEXICO - AM ⁽⁴⁾	24	0.26%	77,955	6,225	84,180
	536	5.81%	1,741,995	139,108	1,881,103
TOTAL	9,242	100.0%	29,982,716	2,394,279	32,376,995

1. AWWWS Corp also includes participants from the following localities: 5, 8, and 100 as well as participants from ACMS and some former Citizens companies.
2. The allocation percentage for retiree contributions is equal to the ratio of inactive participants for that company to inactive participants for the entire American system.
3. Also includes Elizabethtown retirees and spouses
4. Includes Arizona and New Mexico active employees who are retirement eligible as of January 1, 2012.
5. The allocation percentage for each company is equal to the ratio of total participants for that company to total participants for the entire American system.

Tennessee American Water Company
Docket No. 12-XXXXX
Pro Forma Adjustment of 401k Expense

Witness Responsible:

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line No.	Description	Test Year Actuals	Test Year Adjustments	Attrition Year Adjustments	Pro Forma 401K Expense
1	Test Year for the 12 Months Ended December 31, 2011	<u>\$ 103,874</u>			<u>\$ 103,874</u>
2					
3	Test Year Adjustments: of 401K Expense:				
7	Total Test Year Adjustments: of 401K Expense:		<u>\$ -</u>		<u>\$ -</u>
8					
9	Normalized Test Year of 401K Expense (Line 1 + Line 9):				<u>\$ 103,874</u>
10					
11	Attrition Year Adjustments at Present Rates:				
12	Adjustment for Pay Rate Changes & Changes to Organizational Structure			<u>\$ 7,958</u>	
14	Total Attrition Year Adjustments at Present Rates:			<u>\$ 7,958</u>	<u>\$ 7,958</u>
15					
16					
17	Attrition Year at Proposed Rates (Line 11 + Line 19):				<u>\$ 111,832</u>
18					

Tennessee American Water Company
Docket No. 12-XXXXX
Pro Forma Adjustment of DCP Expense

Witness Responsible:

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line No.	Description	Test Year Actuals	Test Year Adjustments	Attrition Year Adjustments	Pro Forma DCP Expense
1	Test Year for the 12 Months Ended December 31, 2011	\$ 129,460			\$ 129,460
2					
3	Test Year Adjustments: of DCP Expense:				
7	Total Test Year Adjustments: of DCP Expense:		\$ -		\$ -
8					
9	Normalized Test Year of DCP Expense (Line 1 + Line 9):				\$ 129,460
10					
11	Attrition Year Adjustments at Present Rates:				
	Adjustment for Pay Rate Changes, Changes to Organizational Structure, & Transition of Workforce				
12	(Newer Employees DCP Eligible, Longer-Term Employees Not Eligible)			\$ 36,741	
14	Total Attrition Year Adjustments at Present Rates:			\$ 36,741	\$ 36,741
15					
16					
17	Attrition Year at Proposed Rates (Line 11 + Line 19):				\$ 166,201
18					

Tennessee American Water Company

2012 401k Actual Match

Amounts: According to

Employee Contribution

Elections, Benefit Groups, and

Corresponding Match Rates

Schedule EXP-14B.1

Miscellaneous

Schedule EXP-14B.1

Page 1 of 3

		Match Rate:	50%	100%	100%	50%	No	50%	No	No	No					
Percent Range of Employee Contribution:			1-5	1-3	1-3	4-5	Match	4-5	Match	Match	Match					
							6-20		6-20	6-20	Catchup					

Tennessee American Water Company

2012 401k Actual Match

Amounts: According to
Employee Contribution
Elections, Benefit Groups, and
Corresponding Match Rates

Schedule EXP-14B.1

Miscellaneous

Schedule EXP-14B.1

Page 2 of 3

		Match Rate: 50%	100%	100%	50%	No Match	50%	No Match	No Match	No Match							
Percent Range of Employee Contribution:		1-5	1-3	1-3	4-5	6-20	4-5	6-20	6-20	Catchup							
Benefit Group	Employee #	3020	3084	3086	3087	3088	3089	3094	6930	6934	Grand Total	Total Match					
													# Participants	# Active Emp	Participat ion Rate	Avg Match	Participation Rate x Avg Match (Match Rate for Benefit Group's New Hires)
	50107207		3				2				5	4.0%					
	50108180		3				2				5	4.0%					
	50191242		3				2				5	4.0%					
	50192499		3				2				5	4.0%					
	50195323		3				2	1			6	4.0%					
	50195340		3				2				5	4.0%					
	50226412		3				2				5	4.0%					
	50237926		3				2				5	4.0%					
	50238070		3				2				5	4.0%					
	50240644		3				2	3			8	4.0%					
UPOS06	50267313		3				2				5	4.0%	13	27	48%	3.6%	1.7%
	50270912		1								1	1.0%					
	50273104		3								3	3.0%					
	50279031		3				2				5	4.0%					
	50316116		3				2				5	4.0%					
	50341466		3				2	1			6	4.0%					
	50341517		3				2	1			6	4.0%					
	50412382		3				2				5	4.0%					
	50526892		3				2				5	4.0%					
	50563895		3				2	5			10	4.0%					
	50566892		3				2				5	4.0%					
	50569412		3				2				5	4.0%					
	50569414		3								3	3.0%					
UPRE01	18508611	5									5	2.5%	22	29	76%	2.2%	1.7%

Tennessee American Water Company

2012 401k Actual Match

Amounts: According to
Employee Contribution
Elections, Benefit Groups, and
Corresponding Match Rates

Schedule EXP-14B.1

Exhibit EXP-8-Pensions-MLS

Tennessee American Water Company
Docket No. 12-XXXXX
Pro Forma Adjustment of Pension Expense

Witness Responsible:

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line No.	Description	Test Year Actuals	Test Year Adjustments	Attrition Year Adjustments	Pro Forma Pension Expense
1	Tennessee American Pension Cost	\$ 2,372,071			
2	Service Company Incremental Entry	\$ 500,335			
3	Test Year for the 12 Months Ended December 31, 2011	\$ 2,872,406			\$ 2,872,406
4					
5	Test Year Adjustments: of Pension Expense:		\$ -		
6	Total Test Year Adjustments: of Pension Expense:		\$ -		\$ -
7					
8	Normalized Test Year of Pension Expense (Line 1 + Line 9):				\$ 2,872,406
9					
10	Attrition Year Adjustments at Present Rates:				
11	Adjust Tennessee American Pension Cost			\$ (1,119,428)	
12	Adjust Service Co. Incremental Entry			(232,128)	
13	Total Attrition Year Adjustments at Present Rates:			\$ (1,351,555)	\$ (1,351,555)
14					
15	Tennessee American Pension Cost				\$ 1,252,643
16	Service Co. Incremental Pension Cost				\$ 268,208
17	Attrition Year at Proposed Rates (Line 11 + Line 19):				\$ 1,520,851
18					

**Tennessee American Water
Attrition Year Pension Expense**

Exhibit EXP-8-Pensions-MLS
Schedule EXP-8.1
Page 1 of 1

	Attrition Year Gross Costs	Attrition Year O&M Rate	Attrition Year Net O&M Cost
Tennessee American Contributions	\$ 1,530,320.00	81.85%	\$ 1,252,643.12
Service Co. Incremental Contribution Cost	\$ 268,207.75	100.00%	\$ 268,207.75
Total	\$ 1,798,527.75		\$ 1,520,850.88

American Water
Projected Qualified Pension Contributions For Calendar Years 2013
REVISED ON 3/16/2012

COMPANY	Company Code	Locality Code	Active Participants	Valuation Earnings	Allocation Percentage *	Expense Allocation	2012 Actual Contributions	2013 Projected Contributions	2013 Projected FAS Rounded	2013 Variance of Contributions vs. FAS	2012 FAS Rounded	2012 Variance of Contributions vs. FAS
American Water Resources Inc.	21	24	0	\$0	0.00%	-	-	-				
AMERICAN WATER WORKS COMPANY	2	N/A	2	\$166,603	0.06%	36,746	57,720	62,040				
AMERICAN WATER SERVICES (AAET, L.P.)	99001	N/A	1	\$65,232	0.02%	12,249	19,240	20,680				
AMERICAN WATER SERVICES (Corp)	99002	N/A	1	\$95,970	0.03%	18,373	28,860	31,020				
O&M Inc.	99016	N/A	1	\$279,645	0.10%	61,243	96,200	103,400				
CDM	99003	20	1	\$73,828	0.03%	18,373	28,860	31,020				
AWW SERVICE COMPANY												
AWWS Corp	3	1	81	\$10,807,175	3.68%	2,253,738	3,540,160	3,805,120	\$ 1,895,200	1,909,920	\$ 2,252,160	1,288,000
Belleville, IL Lab (R)	3	2	20	1,218,882	0.42%	257,220	404,040	434,280	\$ 216,300	217,980	\$ 257,040	147,000
AWWS Eastern Division	3	3	1	114,823	0.04%	24,497	38,480	41,360	\$ 20,600	20,760	\$ 24,480	14,000
AWWS Western Division	3	4	2	229,130	0.08%	48,994	76,960	82,720	\$ 41,200	41,520	\$ 48,960	28,000
Western (L)	3	6	11	1,791,532	0.61%	373,582	586,820	630,740	\$ 314,150	316,590	\$ 373,320	213,500
Northeast Region	3	10	3	436,515	0.15%	91,864	144,300	155,100	\$ 77,250	77,850	\$ 91,800	52,500
Southeast Region	3	11	25	3,229,644	1.10%	673,672	1,058,200	1,137,400	\$ 566,500	570,900	\$ 673,200	385,000
Central Region	3	13	67	6,654,499	2.27%	1,390,214	2,183,740	2,347,180	\$ 1,169,050	1,178,130	\$ 1,389,240	794,500
Alton, IL Call Center	3	14	336	15,161,082	5.16%	3,160,133	4,963,920	5,335,440	\$ 2,657,400	2,678,040	\$ 3,157,920	1,806,000
Shared Services	3	15	82	7,003,045	2.39%	1,463,705	2,299,180	2,471,260	\$ 1,230,850	1,240,410	\$ 1,462,680	836,500
Pensacola Call Center	3	16	168	6,223,715	2.12%	1,298,349	2,039,440	2,192,080	\$ 1,091,800	1,100,280	\$ 1,297,440	742,000
ITS	3	17	73	7,176,633	2.45%	1,500,451	2,356,900	2,533,300	\$ 1,261,750	1,271,550	\$ 1,499,400	857,500
Procurement/Supply Chain	3	19	22	2,231,873	0.76%	465,446	731,120	785,840	\$ 391,400	394,440	\$ 465,120	266,000
CA-Amer Vil Dis	3	53	1	88,001	0.03%	18,373	28,860	31,020	\$ 15,450	15,570	\$ 18,360	10,500
IL-Amer Inter	3	154	1	82,881	0.03%	18,373	28,860	31,020	\$ 15,450	15,570	\$ 18,360	10,500
IN-Amer Kokomo	3	205	1	88,872	0.03%	18,373	28,860	31,020	\$ 15,450	15,570	\$ 18,360	10,500
IN-Amer Terre Haute	3	214	1	89,827	0.03%	18,373	28,860	31,020	\$ 15,450	15,570	\$ 18,360	10,500
IN-Amer Northwest	3	215	1	48,533	0.02%	12,249	19,240	20,680	\$ 10,300	10,380	\$ 12,240	7,000
KY-Amer	3	300	1	45,099	0.02%	12,249	19,240	20,680	\$ 10,300	10,380	\$ 12,240	7,000
MO-St. Louis - Craig Road	3	459	3	272,975	0.09%	55,119	86,580	93,060	\$ 46,350	46,710	\$ 55,080	31,500
MO-St. Louis - Service Center	3	460	1	81,647	0.03%	18,373	28,860	31,020	\$ 15,450	15,570	\$ 18,360	10,500
NJ-Amer Corp	3	500	1	115,737	0.04%	24,497	38,480	41,360	\$ 20,600	20,760	\$ 24,480	14,000
NJ-Amer Lakew	3	503	1	92,401	0.03%	18,373	28,860	31,020	\$ 15,450	15,570	\$ 18,360	10,500
PA-Amer Corp	3	600	1	225,289	0.08%	48,994	76,960	82,720	\$ 41,200	41,520	\$ 48,960	28,000
PA-Amer Ptsbg	3	603	1	83,835	0.03%	18,373	28,860	31,020	\$ 15,450	15,570	\$ 18,360	10,500
PA-Amer WilkesB	3	604	1	52,171	0.02%	12,249	19,240	20,680	\$ 10,300	10,380	\$ 12,240	7,000
WV-Amer Salt Rock	3	763	1	86,063	0.03%	18,373	28,860	31,020	\$ 15,450	15,570	\$ 18,360	10,500
Total AWW Service Company			907	\$63,731,879	21.74%	13,314,206	20,913,880	22,479,160	\$ 11,196,100	\$ 11,283,060	\$ 13,304,880	\$ 7,609,000
NORTHEAST DIVISION												
LONG ISLAND	38	N/A	65	\$5,586,399	1.91%	1,169,739	1,837,420	1,974,940				
NEW JERSEY - AM	18	N/A	634	50,409,556	17.19%	10,527,651	16,536,780	17,774,460				
			699	\$55,995,955	19.10%	11,697,390	18,374,200	19,749,400				
MID-ATLANTIC DIVISION												
MARYLAND - AM	13	N/A	6	\$382,810	0.13%	79,616	125,060	134,420				
PENNSYLVANIA - AM	24	N/A	768	53,122,431	18.12%	11,097,210	17,431,440	18,736,080				
VIRGINIA - AM	27	N/A	56	3,670,359	1.25%	765,536	1,202,500	1,292,500				
WEST VIRGINIA - AM	28	N/A	226	15,390,389	5.24%	3,209,126	5,040,880	5,418,160				
			1,056	\$72,555,989	24.74%	15,151,488	23,799,880	25,581,160				
CENTRAL DIVISION												
ILLINOIS - AM	9	N/A	315	\$21,091,126	7.19%	4,403,363	6,916,780	7,434,460				
INDIANA - AM	10	N/A	227	14,644,794	4.98%	3,049,896	4,790,760	5,149,320				
IOWA - AM	11	N/A	40	2,481,014	0.85%	520,565	817,700	878,900				
KENTUCKY - AM	12	N/A	88	5,831,903	1.99%	1,218,733	1,914,380	2,057,660				
MICHIGAN - AM	16	N/A	6	351,252	0.12%	73,491	115,440	124,080				
MISSOURI - AM	17	N/A	485	32,125,015	10.96%	6,712,220	10,543,520	11,332,640				
TENNESSEE - AM	26	N/A	64	4,347,617	1.48%	906,395	1,423,760	1,530,320	\$ 762,200.00	768,120.00	\$ 905,760.00	518,000.00
			1,225	\$80,872,721	27.57%	16,884,663	26,522,340	28,507,380				
OTHER												
OHIO - AM	22	N/A	70	\$4,442,958	1.52%	930,892	1,462,240	1,571,680				
CALIFORNIA - AM	5	N/A	168	14,127,413	4.81%	2,945,783	4,627,220	4,973,540				
HAWAII	30	N/A	10	820,681	0.28%	171,480	269,360	289,520				
			248	\$19,391,052	6.61%	4,048,155	6,358,820	6,834,740				
Total			4,141	\$293,228,874	100.00%	61,242,886	96,200,000	103,400,000	\$ 51,500,000		\$ 61,200,000	
							96,200,000	103,400,000				

* The allocation percentage for each company is equal to the ratio of uncapped valuation earnings for that company to total uncapped valuation earnings for the entire American system.

Fiscal Year	P and L	P and L Line	Account	Account Description
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[illegible]

2011 TAWC FAS Costs

[illegible]

Sum of GLAA					GLPN														
GLFY	GMR004	GLOBJ	GMDL01	GLEXA	1	2	3	4	5	6	7	8	9	10	11	12	Grand Total		
12	P15	Pensions	506100	Pension Oper AG	2011 Def Pension Costs	\$	25,999.28	\$	25,999.28										
					2012 Reclasp HR B/U's	\$	-	\$	-										
					2012 Pension Costs	\$	75,532.92												
					2012 ERISA Cost	\$	78,664.83	\$	78,664.83										
					2012 Pension Cost			\$	75,532.92										
					Adjust Service Co ERISA alloc			\$	(21,853.18)										
									adjust Operating Co ERISA			\$	(71,102.16)						
								Pension Oper AG Total	\$	180,197.03	\$	180,197.03	\$	(92,955.34)					
				Pensions Total	\$	145,163.30	\$	141,292.16	\$	(127,460.27)									

2012 TAWC FAS Costs

2012 TAWC Contributions in Excess of FAS 87	\$ 78,664.83	\$ 78,664.83
2012 Service Co. Contributions in Excess of FAS 87	\$ 25,999.28	\$ 25,999.28
2012 Unadjusted Net Expense	\$ 180,197.03	\$ 180,197.03

True Up - Mo

True-Up -Monthly Reduction to 2012 Service Co Contributions	\$	(10,926.59)	\$	(10,926.59)	(See True Up, Above)
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2012 TAWC FAS 87 Level Costs

[illegible]

Monthly Service Co. Variance I

TN Monthly Entry	\$ 15,072.69
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2012 Portion of Total	2.38%
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Tennessee American Water Company
Docket No. 12-XXXXX
Pro Forma Adjustment of Payroll Tax Expense

Witness Responsible:

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line No.	Description	Test Year Actuals	Test Year Adjustments	Attrition Year Adjustments	Pro Forma Payroll Tax Expense
1	Test Year for the 12 Months Ended December 31, 2011	<u>\$ 410,361</u>			<u>\$ 410,361</u>
2					
3	Test Year Adjustments: of Payroll Tax Expense:				
			\$ -		
7	Total Test Year Adjustments: of Payroll Expense:		<u>\$ -</u>		<u>\$ -</u>
8					
9	Normalized Test Year of Payroll Expense (Line 1 + Line 9):				<u>\$ 410,361</u>
10					
11	Attrition Year Adjustments at Present Rates:				
12	Adjustment for Pay Rate Changes & Changes to Organizational Structure			\$ 20,061	
14	Total Attrition Year Adjustments at Present Rates:			<u>\$ 20,061</u>	<u>\$ 20,061</u>
15					
16					
17	Attrition Year at Proposed Rates (Line 11 + Line 19):				<u>\$ 430,422</u>
18					

Petitioner's Exhibit EXP-18A-Property Tax-MLS

Tennessee American Water Company
Docket No. 12-XXXXX
Pro Forma Adjustment of Property Tax Expense

Witness Responsible:

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line No.	Description	Test Year Actuals	Test Year Adjustments	Attrition Year Adjustments	Pro Forma Property Tax Expense
1	Test Year for the 12 Months Ended December 31, 2011	<u>\$ 2,917,425</u>			<u>\$ 2,917,425</u>
2					
3	Total Test Year Adjustments: of Property Tax Expense:				
4	True-Up Accrual		<u>\$ (167,117)</u>		
5	Total Test Year Adjustments: of Property Tax Expense:		<u>\$ (167,117)</u>		<u>\$ (167,117)</u>
6					
7	Normalized Test Year of Property Tax Expense (Line 1 + Line 9):				<u>\$ 2,750,308</u>
8					
9	Attrition Year Adjustments at Present Rates:				
10	Changes to Amounts of Utility Plant In Service and Materials & Supplies			<u>\$ 459,590</u>	
11	Total Attrition Year Adjustments at Present Rates:			<u>\$ 459,590</u>	<u>\$ 459,590</u>
12					
13					
14	Attrition Year at Proposed Rates (Line 11 + Line 19):				<u>\$ 3,209,898</u>
15					

Tennessee American
Calculation of Attrition Year Property Tax

Petitioner's Exhibit EXP-18A-Property Tax-MLS
Schedule EXP-18A.1

Line No.	Description	Total
1	Test Year Property Tax Expense, Per Books	\$ 2,917,425
2	Property Taxes for 2011 (Per Bills)	\$ 2,750,308
3	Normalizing Adjustment (Line 2 - Line 1)	\$ (167,117)
4	Normalized Property Tax 2011 (Line 2 + Line 3)	\$ 2,750,308
5		
6	Assessed Value 2011 (Per Bills)	\$ 102,050,274
7		
8	Utility Plant in Service for 2011 Bills	\$ 222,438,372
9	Materials & Supplies for 2011 Bills	\$ 366,455
10	Total Property for 2011 Bills	\$ 222,804,827
11		
12	Test Year Assessment Rate (Line 6 / Line 10)	45.80%
13		
14	Test Year Average Tax Rate (Line 4 / Line 6)	2.695%
15		
16	Utility Plant in Service Balance 11/30/2013	\$ 259,735,252
17	Materials & Supplies, 3 Year Average Balance	\$ 301,364
18	Property for Pro Forma Tax Basis:	\$ 260,036,615
19		
20	Attrition Year Assessed Value (Line 13 x Line 19)	\$ 119,103,379
21	Attrition Year Taxes (Line 21 x Line 15)	\$ 3,209,898
22		

Tennessee American Water
Property Taxes Assessed January 1, 2011, Payable October 2011

Petitioner's Exhibit EXP-18A-Property Tax-MLS
Schedule EXP-18A.2

State	County	Municipality	Notes	Map Location	2011 Assessed Value Payable Oct 2011	Total Personal & Property Tax Due Oct 2011	Total Water Quality Fee in '11	Total Obligation in 2011
TN		City of Chattanooga		099-016.03	\$ -	\$ -	\$ 192.00	\$ 192.00
TN		City of Chattanooga		108D-A-002.02	\$ 26,900.00	\$ 621.12	\$ 1,056.00	\$ 1,677.12
TN		City of Chattanooga		1280-C-004	\$ -	\$ -	\$ 864.00	\$ 864.00
TN		City of Chattanooga		128P-L-012	\$ -	\$ -	\$ 96.00	\$ 96.00
TN		City of Chattanooga		135E-E-001	\$ -	\$ -	\$ 96.00	\$ 96.00
TN		City of Chattanooga		1360-A-003	\$ -	\$ -	\$ 2,304.00	\$ 2,304.00
TN		City of Chattanooga		1360-A-004	\$ -	\$ -	\$ 768.00	\$ 768.00
TN		City of Chattanooga		136P-A-001	\$ -	\$ -	\$ 1,920.00	\$ 1,920.00
TN		City of Chattanooga		136P-D-001	\$ -	\$ -	\$ 8,448.00	\$ 8,448.00
TN		City of Chattanooga		139-006.04	\$ -	\$ -	\$ 288.00	\$ 288.00
TN		City of Chattanooga		154H-A-004.02	\$ -	\$ -	\$ 96.00	\$ 96.00
TN		City of Chattanooga		1550-A-013	\$ -	\$ -	\$ 96.00	\$ 96.00
TN		City of Chattanooga		156C-T-013	\$ -	\$ -	\$ 768.00	\$ 768.00
TN		City of Chattanooga		156F-D-018	\$ -	\$ -	\$ 96.00	\$ 96.00
TN		City of Chattanooga		156K-J-005.01	\$ -	\$ -	\$ 96.00	\$ 96.00
TN		City of Chattanooga		1590-C-025.01	\$ -	\$ -	\$ 96.00	\$ 96.00
TN		City of Chattanooga		167B-B-007	\$ -	\$ -	\$ 192.00	\$ 192.00
TN		City of Chattanooga		167K-C-015	\$ -	\$ -	\$ 384.00	\$ 384.00
TN		City of Chattanooga		PSWS 0-016-00-PP	\$ 43,262,510.00	\$ 998,931.00	\$ -	\$ 998,931.00
TN		City of Chattanooga	Per Lease Agreement w/ Tallon Holdings	145D W 003.03	\$ 578,800.00	\$ 13,364.49	\$ 672.00	\$ 14,036.49
					\$ 43,868,210.00	\$ 1,012,916.61	\$ 18,528.00	\$ 1,031,444.61
TN	Hamilton			108 D 002.02	\$ 26,900.00	\$ 743.84		\$ 743.84
TN	Hamilton			159M A 024.01	\$ -	\$ -	\$ -	\$ -
TN	Hamilton			Chattanooga 1 - PP	\$ 43,262,510.00	\$ 1,196,294.93		\$ 1,196,294.93
TN	Hamilton			City of Red Bank 3R - PP	\$ 3,361,120.00	\$ 129,917.37		\$ 129,917.37
TN	Hamilton			County South - Outside (2) PP	\$ 383,213.00	\$ 10,596.61		\$ 10,596.61
TN	Hamilton			Ridgeside(2R)-PP	\$ 148,416.00	\$ 6,923.90		\$ 6,923.90
TN	Hamilton			Town of East Ridge(2E)-PP	\$ 6,670,697.00	\$ 279,182.01		\$ 279,182.01
TN	Hamilton			Town of Lookout Mountain(3L)-PP	\$ 915,646.00	\$ 25,319.44		\$ 25,319.44
TN	Hamilton		Per Lease Agreement w/ Tallon Holdings	145D W 003.03	\$ 578,800.00	\$ 16,004.98		\$ 16,004.98
					\$ 55,347,302.00	\$ 1,664,983.08	\$ -	\$ 1,664,983.08
TN	Marion			WS001600	\$ 312,102.00	\$ 6,768.00		\$ 6,768.00
					\$ 312,102.00	\$ 6,768.00	\$ -	\$ 6,768.00
TN	Sequatchie			WS001600	\$ 95,853.00	\$ 2,007.00	\$ -	\$ 2,007.00
					\$ 95,853.00	\$ 2,007.00	\$ -	\$ 2,007.00
TN		Town of Lookout Mountain		Tax Bill No. 110	\$ 915,646.00	\$ 13,460.00		\$ 13,460.00
					\$ 915,646.00	\$ 13,460.00	\$ -	\$ 13,460.00
GA	Catoosa			P2888	\$ 281,318.00	\$ 6,303.78		\$ 6,303.78
					\$ 281,318.00	\$ 6,303.78	\$ -	\$ 6,303.78
GA		City of Lookout Mountain		P3494	\$ 100,604.00	\$ 855.13		\$ 855.13
					\$ 100,604.00	\$ 855.13	\$ -	\$ 855.13
GA		City of Rossville		2004 063	\$ 58,788.00	\$ 531.15		\$ 531.15
GA		City of Rossville		2024 030	\$ 85,977.00	\$ 776.80		\$ 776.80
GA		City of Rossville		P1 3148	\$ 211,008.00	\$ 1,906.46		\$ 1,906.46
					\$ 355,773.00	\$ 3,214.41	\$ -	\$ 3,214.41
					\$ -	\$ -		\$ -
GA	Walker			OP870 010-PP	\$ 7,115.00	\$ 160.00		\$ 160.00
GA	Walker			2-004-063-County	\$ 58,788.00	\$ 1,460.89		\$ 1,460.89
GA	Walker			2-024-030-County	\$ 85,977.00	\$ 2,136.52		\$ 2,136.52
GA	Walker			2P870 030-PP	\$ 211,008.00	\$ 5,243.54		\$ 5,243.54
GA	Walker			4P870 020-PP	\$ 100,604.00	\$ 2,500.00		\$ 2,500.00
GA	Walker			6P870 010-PP	\$ 309,974.00	\$ 9,771.00		\$ 9,771.00
					\$ 773,466.00	\$ 21,271.95	\$ -	\$ 21,271.95
					\$ -	\$ -		\$ -
Sum Test Year					\$ 102,050,274.00	\$ 2,731,779.96	\$ 18,528.00	\$ 2,750,307.96

Exhibit EXP-12-Rents-MLS

Tennessee American Water Company
Docket No. 12-XXXXX
Pro Forma Adjustment of Rent Expense
Test Year for the 12 Months Ended December 31, 2011

Witness Responsible:

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Line No.	Description	Test Year Actuals	Test Year Adjustments	Attrition Year Adjustments	Pro Forma Rent Expense
1	Test Year for the 12 Months Ended December 31, 2011	\$ 52,359			\$ 52,359
2					
3	Test Year Adjustment of Rent Expense:				
4	Non-Recurring Expenses, Real Property Rental		\$ (6,345)		
5	Non-Recurring Expenses, Equipment Rental		(37,640)		
6			-		
7					
8	Total Test Year Adjustment of Rent Expense:		\$ (43,985)		(43,985)
9					
10	Normalized Test Year of Rent Expense (Line 1 + Line 12):				\$ 8,374
11					
12	Attrition Year Adjustment at Present Rates:				
13	No Attrition Year Adjustment Proposed			\$ -	
14					
15					
16					
17					
18	Total Attrition Year Adjustment at Present Rates:			\$ -	-
19					
20					
21	Attrition Year at Proposed Rates (Line 14 + Line 22):				\$ 8,374
22					