## BUTLER SNOW

June 30, 2015



### VIA ELECTRONIC FILING

Hon. Herbert H. Hilliard, Chairman c/o Sharla Dillon Tennessee Regulatory Authority 502 Deaderick Street, 4<sup>th</sup> Floor Nashville, TN 37243

RE: Petition of Tennessee-American Water Company Regarding The 2015 Investment and Related Expenses Under The Qualified Infrastructure Investment Program Rider, The Economic Development Investment Rider, and The Safety and Environmental Compliance Rider, TRA Docket No. 1400121

Dear Chairman Hilliard:

Consistent with the deliberations in the above-captioned matter at the Tennessee Regulatory Authority's June 29, 2015, Conference, enclosed please find a revised Summary of Riders tariff page, with an effective date of June 30, 2015.

Additionally, and likewise consistent with the June 29<sup>th</sup> deliberations, six (6) revised schedules previously submitted in this matter are also enclosed. Each revised schedule is entitled with a header that correlates these revised schedules to such schedules as previously submitted. Notwithstanding the foregoing, for ease of reference, please note the following: (i) four (4) of the enclosed revised schedules were attached initially as exhibits to the October 29, 2014, Prefiled Testimony of TAWC Witness Linda C. Bridwell; these four (4) revised schedules were modified and resubmitted in conjunction with the December 29, 2014, Pre-Filed Supplemental Testimony of Witness Bridwell; (ii) one (1) of the enclosed revised schedules was attached initially as an exhibit to the October 29, 2014, Pre-filed Testimony of TAWC Witness Brent E. O'Neill; and (iii) one (1) of the enclosed revised schedules was submitted at workpapers in the October 29, 2014, Petition (pp.11-20 of 49).

Finally, for administrative ease, the attached spreadsheet includes all of the aforementioned enclosed revised schedules, as well as the other schedules previously submitted in this matter that have not been revised. This spreadsheet was originally filed on October 29, 2014 with the Petition, and updated in the December 29, 2014, Pre-Filed Supplemental Testimony of TAWC Witness Bridwell.

The Pinnacle at Symphony Place 150 3rd Avenue South, Suite 1600 Nashville, TN 37201 MELVIN J. MALONE 615.651.6705 melvin.malone@butlersnow.com T 615.651.6700 F 615.651.6701 www.butlersnow.com Hon. Herbert H. Hilliard, Chairman June 30, 2015 Page 2

An original and four (4) hard copies will follow, along with an extra copy of this filing to be file-stamped for our records. Should you have any questions concerning this filing, or require additional information, please do not hesitate to contact me.

Very truly yours,

BUTLER SNOW LLP

Melvin I Malone

clw

Enclosures

cc: Deron Allen, President, Tennessee-American Water Company

Parties of Record

### CLASSIFICATION OF SERVICE

### **SUMMARY OF RIDERS**

### 1. Applicability

In addition to the other charges provided for in this Tariff under Service Classifications Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire, a Qualified Infrastructure Improvement Program ("QIIP") Rider, an Economic Development Investment Program Rider ("EDI"), a Safety and Environmental Compliance Program Rider (SEC"), and Production Costs and Other Pass-Throughs Rider ("PCOP") will apply to customers in all service areas.

### 2. The Percentage of Riders and Reconciliations

For the Riders defined in the tariffs:

QIIP	2.13 %	(I)
EDI	0.05 %	(D)
SEC	3.54 %	(I)
Subtotal of all Capital Recovery Riders	5.72 %	<b>(I)</b>
QIIP Annual Reconciliation Percentage	0.00 %	
EDI Annual Reconciliation Percentage	0.00 %	
SEC Annual Reconciliation Percentage	0.00 %	
Subtotal of all Reconciliation Percentages	0.00 %	
Total of Capital Recovery Riders and Reconciliation Percentages	5.72 %	
PCOP	-1.15 %	

- (I) Indicates Increase
- (D) Indicates Decrease

ISSUED: June 30, 2015

EFFECTIVE: June 30, 2015

BY:

Deron E. Allen
PRESIDENT

109 Wiehl Street

Chattanooga, Tennessee 37403

## STRATEGIC CAPITAL EXPENDITURE PLAN PROGRAM

**Business Unit** 

Tennessee June 27, 2014 TN BP 2015-2019 SCEP **Revision Date** Description

Year: 2015

Business Unit	Business Unit No.	Project Title				1		2		3	4	5		6
		RECURRING PROJECTS												
Tennessee	DV	Projects Funded by Others			\$	5,000	\$	5,000	\$	30,000	\$ 70,000	\$ 150,000	\$	100,000
Tennessee	A	Mains - New				30.000				130,000	300.000	10,000		30,000 210,000
Tennessee	B C	Mains - Replaced / Restored				20,000 50,000		80,000 50,000		120,000 80,000	200,000 25,000	150,000 60,000		60.000
Tennessee Tennessee	D	Mains - Unscheduled Mains - Relocated				30,000		-		30,000	40,000	100,000		50,000
Tennessee	Ē	Hydrants, Valves, and Manholes - New				-		2,000		3,000	3,000	5,000		4,000
Tennessee	F	Hydrants, Valves, and Manholes - Replaced				10,000		20,000		20,000	20,000	15,000		15,000
Tennessee	G	Services and Laterals - New				25,000		30,000		36,000	45,000	51,000		54,000
Tennessee	Н	Services and Laterals - Replaced				-		10,000		20,000	18,000	25,000		35,000
Tennessee	!	Meters - New				20,000 50.000		50,000 35,000		40,000 60,000	75,000 55.000	65,000 35,000		35,000 35,000
Tennessee	j	Meters - Replaced				68,773		73,773		78,773	123,751	87,677		92,577
Tennessee Tennessee	K I	ITS Equipment and Systems				4,000		2,000		70,773	-	-		52,511
Tennessee	M	SCADA Equipment and Systems Security Equipment and Systems				-		5,000		6,000	9,000	35,000		10,000
Tennessee	N.	Offices and Operations Centers				-		´-		· -	´-	-		· •
Tennessee	0	Vehicles				-		15,000		-	20,000	-		20,000
Tennessee	P	Tools and Equipment				5,000		-		7,000	12,000	5,000		-
Tennessee	Q	Process Plant Facilities and Equipment				65,000		250,000		280,000	350,000	230,000		90,000
Tennessee	R	Capitalized Tank Rehabilitation/Painting				•		•		-	-			15.000
Tennessee	S	Engineering Studies					4		_		 	 5,000	_	15,000
		Total Recurring Projects ACQUISITIONS			\$	317,773	\$	622,773	\$	780,773	\$ 995,751	\$ 8 <b>7</b> 8,677	\$	755,577
Tennessee														
		Total Acquisitions CENTRALLY SPONSORED PROJECTS			\$	•	\$		\$	-	\$	\$ -	\$	•
Tennessee	T26-0202	Business Transformation 2010 - 2014												
Tennessee	T26-0203	Business Transformation 2010 - 2014 Total Centrally Sponsored Projects			\$	-	\$		\$	•	\$ -	\$ -	\$	-
		INVESTMENT PROJECTS	Total	In Service Date										
Tennessee	126-020017	Electrical Motor Efficiency Enhancement (\$2.9)	2,900,000	12/31/2017										
Tennessee	126-020027	Construct 1.0MG Tank & 2500-16" ER (\$1.0)	1,000,000											
Tennessee	126-020028	Citico Plant Improvements Phase 1B (\$8.6)	8,600,000	6/30/2016										
Tennessee	126-020032	Wastewater Treatm't & Handling Impr (\$15.3)	15,300,000	5/31/2015		1,500,000		1,500,000		1,200,000	1,000,000	850,000		600,000
Tennessee	126-020034	3000'-24" Tennessee River Crossing (\$0.5)	1,000,000	12/31/2017										
Tennessee	126-020038	Retire Basin 1	600,000											
Tennessee	126-020039	Basin 2 Tube Settlers	3,500,000											
Tennessee	126-020040	Chlorine Gas Conversion	2,500,000											
Tennessee	126-000002	Post Acquisition BD Capex	1,080,000											
Tennessee	126-000001	Whitwell Acquisition Captial Investment	1,200,000	12/31/2014										
1211123522		Total Investment Projects			\$	1,500,000	\$	1,500,000	\$	1,200,000	\$ 1,000,000	\$ 850,000	\$	600,000
		Total Investment and Centrally Sponsored Projects			Ś	1,500,000	\$	1,500,000	\$	1,200,000	\$ 1,000,000	\$ 850,000	\$	600,000
		• • • • • •			<del>-</del>									
		Contributions			\$	(20,000)	\$	(20,000)	\$	(20,000)	\$ (20,000)	\$ (20,000)	\$	(20,000)
		Advances				(58,333)		(58,333)		(58,333)	(58,333)	(58,333)		(58,333)
		Total Refunds				29,167		29,167		29,167	29,167	29,167		29,167
		Gross minus BT			\$	1,822,773	\$	2,127,773	\$	2,010,773	\$ 2,065,751	\$ 1,878,677	\$	1,455,577
						(49,167)		(49,167)		(49,167)	(49,167)	(49,167)		(49,167)
		Net minus BT			\$	1,773,606	\$	2,078,606	\$	1,961,606	\$ 2,016,584	\$ 1,829,510	\$	1,406,410
		Gross plus BT			\$	1,822,773	\$	2,127,773	\$	2,010,773	\$ 2,065,751	\$ 1,878,677	\$	1,455,577
		•				(49,167)		(49,167)		(49,167)	(49,167)	 (49,167)		(49,167)
		Net plus BT			\$	1,773,606	\$	2,078,606	\$	1,961,606	\$ 2,016,584	\$ 1,829,510	\$	1,406,410

## STRATEGIC CAPITAL EXPENDITURE PLAN PROGRAM

Business Unit Revision Date Description Tennessee June 27, 2014 TN BP 2015-2019 SCEP

																U.5. \$	
Business Unit	Business Unit No.	Project Title		7		8		9		10		11		12		Total 2015	Surcharge Category
		RECURRING PROJECTS															
Tennessee	DV	Projects Funded by Others	\$	55,000	\$	55,000	\$	50,000	\$	60,000	\$	120,000	\$	100,000	\$	800,000	
Tennessee	Α	Mains - New		40,000		15,000		450.000		-		-				95,000	EDI
ennessee	В	Mains - Replaced / Restored		170,000		210,000		150,000		140,000		30,000		20,000		1,500,000	QIIP
ennessee	c	Mains - Unscheduled		60,000		90,000		85,000		70,000		60,000		110,000		800,000 350,000	QIIP QIIP
Tennessee	D	Mains - Relocated		100,000 5,000		30,000 8,500		8,500		6,000		3,000				48,000	EDI
Tennessee -	Ē	Hydrants, Valves, and Manholes - New		15,000		50,000		30,000		100,000		50,000		30,000		375,000	QIIP
Tennessee	G G	Hydrants, Valves, and Manholes - Replaced		50,000		46,000		41,000		36,000		36,000		30,000		480,000	Qiir
Tennessee	Н	Services and Laterals - New		33,000		23,000		21,000		25,000		20,000		20,000		250,000	QIIP
Tennessee	7	Services and Laterals - Replaced		30,000		30,000		55,000		20,000		60,000		40,000		520,000	CQ111
Tennessee Tennessee		Meters - New		75,000		45,000		80,000		120,000		85,000		50,000		725,000	QIIP
Tennessee	ĸ	Meters - Replaced		99,347		109,347		89,347		90,144		79,347		35,502		1,028,356	4
Tennessee	ì	1TS Equipment and Systems SCADA Equipment and Systems		-		4,000		100,000		45,000		30,000				185,000	SEC
Tennessee	M	Security Equipment and Systems		15,000		15,000		20,000		25,000		40,000		10,000		190,000	SEC
Tennessee	N	Offices and Operations Centers				10,000		15,000						-		25,000	
Tennessee	Ö	Vehicles		-		65,000		100,000		100,000		50,000		30,000		400,000	
Tennessee	P	Tools and Equipment		-		3,000		2,000				2,000		4,000		40,000	
Tennessee	Q.	Process Plant Facilities and Equipment		60,000		160,000		340,000		331,203		275,000		200,000		2,631,203	SEC
Tennessee	R	Capitalized Tank Rehabilitation/Painting		-		10,000		75,000		150,000		200,000		65,000		500,000	QIIP
Tennessee	S	Engineering Studies		10,000		5,000		-		-						35,000	
		Total Recurring Projects ACQUISITIONS	\$	762,347	\$	928,847	\$	1,211,847	\$	1,258,347	\$	1,020,347	\$	644,502	\$	10,177,559	
Tennessee		Acquisitions													\$		
Territedace		Total Acquisitions	\$	-	Ś	-	\$		\$	-	\$	-	\$	-	\$		
		CENTRALLY SPONSORED PROJECTS															
Tennessee	T26-0202	Business Transformation 2010 - 2014									\$	-	\$	-	\$		
Tennessee	T26-0203	Business Transformation 2010 - 2014															
		Total Centrally Sponsored Projects	\$		\$		\$		\$		\$	-	\$	-	\$	-	
		INVESTMENT PROJECTS															
Tennessee	126-020017	Electrical Motor Efficiency Enhancement (\$2.9)													\$	-	
	126-020027	Construct 1.0MG Tank & 2500-16" ER (\$1.0)													,		
Tennessee		-				150,000		250,000		300,000		400,000		500,000		1,600,000	SEC
Tennessee	126-020028	Citico Plant Improvements Phase 1B (\$8.6)		200 000						300,000		400,000		300,000			SEC
Tennessee	126-020032	Wastewater Treatm't & Handling Impr (\$15.3)		300,000		150,000		50,000								7,150,000	
Tennessee	126-020034	3000'-24" Tennessee River Crossing (\$0.5)															EDI
Tennessee	126-020038	Retire Basin 1															SEC
Tennessee	126-020039	Basin 2 Tube 5ettlers															SEC
Tennessee	126-020040	Chlorine Gas Conversion															SEC
	126-000002	Post Acquisition BD Capex															
Tennessee																	QIIP
Tennessee	126-000001	Whitwell Acquisition Captial Investment	_	200 000	<u> </u>	300.000	_	200.000	é	300.000	-	400.000	-	F00 000		0.750.000	QIIF
		Total Investment Projects	\$	300,000	\$	300,000	\$	300,000	\$	300,000	\$	400,000	\$	500,000	\$	8,750,000	
		Total Investment a nd Centrally Sponsored Projects	\$	300,000	\$	300,000	\$	300,000	\$	300,000	\$	400,000	\$	500,000	\$	8,750,000	
		Contributions	\$	(20,000)	\$	(20,000)	\$	(20,000)	\$	(20,000)	\$	(20,000)	\$	(20,000)	\$	(240,000)	
		Advances		(58,333)		(58,333)		(58,333)		(58,333)		(58,333)		(58,333)		(700,000)	
		Total Refunds		29,167		29,167		29,167		29,167		29,167		29,167		350,000	
		Total Returns		23,207		25,207		23,207		23,207		23,207		23,207		-	
		Gross minus	BT \$	1,117,347	\$	1,283,847	\$	1,561,847	\$	1,618,347	\$	1,540,347	\$	1,244,502	\$	19,727,559	
				(40.467)		(49,167)		(49,167)		(49,167)		(49,167)		(49,167)		(590,000)	
				(49,167)		(43,107)		(15,551)						( )		(550,000)	
		Net minus	вт \$	1,068,180	\$	1,234,680	\$	1,512,680	\$	1,569,180	\$	1,491,180	\$	1,195,335	\$	19,137,559	
				1,068,180		1,234,680		1,512,680		1,569,180		1,491,180		1,195,335		19,137,559	
		Net minus Gross plus		1,068,180	\$	1,234,680	\$	1,512,680 1,561,847	\$	1,569,180	\$	1,491,180	\$	1,195,335	\$	19,137,559	
			вт \$	1,068,180		1,234,680		1,512,680		1,569,180		1,491,180		1,195,335		19,137,559	

## Tennessee American Water Company Qualified Infrastructure Improvement Program (QIIP) Economic Development Rider (EDI) Safety and Environmental Compliance Rider (SEC) Average Residential Bill Impact 5/8" Meter and Usage of 5.55 CCF (or 41.54 100 Gallons)

Line Number	Area	Me	ter Fee	 /olumetric Charges	Bill Before Surcharges	14 Authorized Capital urcharges at 1.08%	4 PCOP at 1.15%	_	Total 2014 Authorized Surcharges	2015 QIIP urcharge at 1.34%	2015 EDI rcharge at - 0.13%	2015 SEC ircharge at 3.43%	015 Proposed tal Adjustments	_'	Fotal Proposed Surcharges
1 2	Chattanooga	\$	13.96	\$ 7.60	\$ 21.56	\$ 0.23	\$ (0.25)	\$	(0.02)	\$ 0.29	\$ (0.03)	\$ 0.74	\$ 1.00	\$	0.99
3 4	Lookout Mountain	\$	15.66	\$ 12.39	\$ 28.05	\$ 0.30	\$ (0.32)	\$	(0.02)	\$ 0.38	\$ (0.04)	\$ 0.96	\$ 1.30	\$	1.28
5 6	Lakeview	\$	15.66	\$ 9.16	\$ 24.82	\$ 0.27	\$ (0.29)	\$	(0.02)	\$ 0.33	\$ (0.03)	\$ 0.85	\$ 1.15	\$	1.13
7 8	Suck Creek	\$	30.60	\$ 16.12	\$ 46.72	\$ 0.50	\$ (0.54)	\$	(0.03)	\$ 0.63	\$ (0.06)	\$ 1.60	\$ 2.17	\$	2.14
9 10	Lone Oak	\$	42.03	\$ 15.65	\$ 57.68	\$ 0.62	\$ (0.66)	\$	(0.04)	\$ 0.77	\$ (0.07)	\$ 1.98	\$ 2.68	\$	2.64
11															

### Tennessee American Water Economic Development Investment (EDI) Calculation of EDI Revenue Requirement

Line Number	Description	Con	EDI mpany Totals
1	Additions Subject to EDI:	\$	181,465
2	Plus: Cost of Removal less Salvage		-
3	Less: Contributions in Aid to Construction (CIAC)		-
4	Less: Deferred Income Taxes		603
5	Less: Accumulated Depreciation		2,146
6	Net Investment Supplied EDI Additions:	\$	178,716
7			
8	Pre-Tax Rate of Return:		9.45%
9	Pre-Tax Return on Additions:	\$	16,897
10			
11	Depreciation Expense on EDI Additions:		2,546
12			
13	Operational Expenses Related to EDI		-
14			
15	Property and Franchise Taxes Associated with EDI:		2,452
16			
17	EDI Revenues:	\$	21,895
18			
19	Revenue Taxes	<del>.</del>	3.19%
20	Total EDI Revenues with Revenue Taxes	\$	22,616
21			
22	Volumetric and Metered Revenue as Per Docket No. 12-00049	\$	47,073,724
23			
24	EDI Percentage to Apply to Bill:		0.05%
25			

#### Tennessee American Water Company Economic Development Investment (EDI) Investment Worksheet

EDI = 1 + 2 = 1 + 3 + 5 + B= 6 x 9.4544%

Investment by Plant Line # Account									vestments		emoval Net	Deferre	nulated d Income		mulated		s Basis Net		s Basis x
Line #	Account	Account Description	Additions	Retir	rements		CIAC	(for F	rop Tax)	of S	alvage	Ta	exes	Depr	eciation	Inve	stment	P	TR
1 2 3	Recurring Projects Investment Projects	Struct & Imp-T&D	\$ -	\$	-	\$		\$		\$	-	\$		\$	-	\$	:	\$	-
4	Total QIP		\$ -	\$	-	\$	-	\$	-	\$		\$	-	\$		\$		\$	
6 7	304500 Recurring Projects	Structures & Improvement - General	\$ -	\$	_	\$		\$		\$		\$		\$		\$		\$	
8 9	Investment Projects Total QIP		\$ -	\$		\$	-	\$	-	\$	-	\$	-	\$		\$		\$	-
10 11	311520	Pumping Equipment SOS	\$ -	Ś		\$		\$		\$		\$		\$		\$		\$	
12 13 14	Recurring Projects Investment Projects Total QIP		\$ -	- \$	-	\$	-	\$		\$	-	\$	-	\$	-	\$	-	\$	-
15 16	320200	Water Trm: Equip Filter Media																	
17 18	Recurring Projects Investment Projects		\$ - \$ -	\$ - <del>\$</del>		\$	-	\$	-	\$	-	\$		\$	<u>:</u>	\$	<u> </u>	\$	-
19 20 21	Total QIP 340200	Computer & Peripheral Equipment	\$	\$		3		ş		<del>,</del>		-3		,		<del>-</del>		<del>,</del>	
22 23	Recurring Projects Investment Projects	computer at veripheral Equipment	\$ -	\$	-	\$	-	\$		\$	· .	\$	-	\$		\$	· -	\$	<u>.</u>
24 25	Total QIP		\$ -	\$	-	\$		\$	-	\$	-	\$	-	\$	-	\$		\$	
26 27	Recurring Projects	Computer Software Special Deprec Rate	\$ -	\$		\$	-	\$	-	\$		\$	-	\$		\$		\$	-
28 29 30	Investment Projects Total QIP		\$ -	\$	-	\$	-	\$	-	\$		\$	-	\$	-	\$		\$	
31 32	341100 Recurring Projects	Transportation Equip Lt Duty Trucks	\$ -	\$		\$	-	\$	-	\$	-	\$	-	\$	-	\$		\$	
33 34 35	Investment Projects Total QIP		\$ -	\$		\$		\$		\$		\$	-	\$	•	\$	-	\$	
36 37	341200 Recurring Projects	Transportation Equip Hvy Duty Trucks	\$ -	\$		\$	-	\$		\$	-	\$	-	\$	-	\$		\$	
38 39 40	Investment Projects Total QIP		\$ -	\$	-	\$	-	\$	-	\$		\$	-	\$		\$		\$	<u> </u>
41 42	341300 Recurring Projects	Transportation Equip Autos	\$ -	\$	-	\$		\$	-	\$	-	\$		\$		\$		\$	
43 44	Investment Projects Total QIP		\$ -	\$	•	\$		\$	-	\$	-	\$		\$	•	\$	-	\$	
45 46 47	343000 Recurring Projects	Tools, Shop, Garage Equipment	\$ -	\$		\$		\$		\$	-	\$		\$		\$	-	\$	
48 49	Investment Projects Total QIP		\$ -	\$	-	\$	-	\$	-	\$		\$	-	\$	-	\$		\$	
50 51	331001	Transmission & Distribution Mains																	

### Tennessee American Water Company Economic Development Investment (EDI) Investment Worksheet

EDI = 1+2 = 1+3+5+B = 6 x 9.4544%

Accumulated **Net investments** Cost of Removal Net Deferred Income Accumulated Earnings Basis Net Earnings Basis x Investment by Plant of Salvage Depreciation (for Prop Tax) Taxes Investment PTR Additions Retirements CIAC Line# Account **Account Description** \$ 154,974 154,974 (593) (1,634) 152,746 14,441 52 Recurring Projects 53 Investment Projects 154,974 (593) (1,634) 152,746 14,441 154,974 54 Total QIP 55 56 333000 Services \$ \$ - \$ \$ \$ - \$ - \$ \$ 57 58 Recurring Projects \$ Investment Projects 59 Total 60 61 334100 Meters \$ \$ \$ \$ \$ \$ 62 Recurring Projects 63 Investment Projects 64 Total 65 Meter Installations 66 334200 \$ \$ \$ \$ \$ \$ \$ \$ 67 Recurring Projects 68 Investment Projects 69 Total 70 71 335000 Hydrants 26,491 \$ \$ \$ 26,491 \$ \$ (9) \$ (512) \$ 25,970 \$ 2,455 \$ 72 Recurring Projects 73 Investment Projects 26,491 26,491 (9) (512) 25,970 2,455 74 Total 75 76 Expense: \$ \$ \$ \$ \$ \$ \$ \$ 77 78 79 80 Total 81 181,465 181,465 (603) (2,146) 178,716 \$ 16,897 82 Total 83

84

	8	9	10	11	12
	=(1+2+3)x	= (4 x Prop Tax			
	Depreciation	Rate) + (4 x			
EDI	Rate	Franchise Rate)		= 7 + 8 + 9 + 10	= 11 / (1 - 4.482%)

Line#	Investment by Plant Account	Account Description	De	рг Ехр		Tax &	-	rational enses		l Before		al With nue Tax
1	304400	Struct & Imp-T&D										
2	Recurring Projects		\$	-	\$	-	\$		\$	-	\$	
3	Investment Projects					-		-		-		
4	Total QIP		\$		\$	-	\$	-	\$	-	\$	
5												
6	304500	Structures & Improvement - General										
7	Recurring Projects		\$	-	\$	-	\$	-	\$	-	\$	-
8	Investment Projects							-		-		
9	Total QIP		\$	-	\$		\$	-	\$	•	\$	-
10												
11	311520	Pumping Equipment SOS										
12	Recurring Projects		\$	-	\$		\$	-	\$	-	\$	-
13	Investment Projects					<u> </u>		-		-		-
14	Total QIP		\$		\$	-	\$		\$	-	\$	-
15												
16	320200	Water Trmt Equip Filter Medla										
17	Recurring Projects		\$	-	\$	-	\$	-	\$	-	\$	
18	Investment Projects			-		-				-		
19	Total QIP		\$	-	\$	-	\$		\$	-	\$	-
20												
21	340200	Computer & Peripheral Equipment										
22	Recurring Projects		\$		\$	-	\$	-	\$	-	\$	
23	Investment Projects			-		-				-		
24	Total QIP		\$	-	\$		\$		\$	-	\$	
25												
26	340315	Computer Software Special Deprec Rate	4									
27	Recurring Projects		\$	-	\$	-	\$	•	\$	-	\$	-
28	Investment Projects					<del>.</del>		-				
29	Total QIP		\$		\$		\$	-	\$		\$	
30												
31	341100	Transportation Equip Lt Duty Trucks	_						•			
32	Recurring Projects		\$	•	\$		\$	-	\$	-	\$	-
33 34	Investment Projects		\$		\$		S	<del></del>	\$		\$	-
	Total QIP		3		->		-		-		-	
35	241200	Torono estados Forda Mar Buta Taraba										
36 37	341200 Recurring Projects	Transportation Equip Hvy Duty Trucks	\$		\$		\$		\$		\$	
38	Investment Projects		Þ		ş	-	Þ		Þ	-	Þ	-
39	Total QIP		\$	<del>-</del>	\$		\$		\$	<del></del>	\$	<del>_</del>
40	Total Qir						7				3	
40	341300	Transportation Equip Autos										
42	Recurring Projects	Transportation Equip Autos	\$		\$		\$		\$		\$	
43	Investment Projects		7		7		7		~		7	
44	Total QIP		\$		\$		\$		\$		\$	<u> </u>
45	411		·		<u> </u>				Ť	-	<u> </u>	
46	343000	Tools, Shop, Garage Equipment										
47	Recurring Projects	10013) Stopy Guage Equipment	\$	_	\$		\$		\$		\$	
48	Investment Projects		*		*		*		~		•	
49	Total QIP		\$	-	\$	-	\$		\$	-	\$	
50	-					***						
51	331001	Transmission & Distribution Mains										

	8	9	10	11	12
	=(1+2+3)x	= (4 x Prop Tax			
	Depreciation	Rate) + (4 x			
EDI	Rate	Franchise Rate)		= 7 + 8 + 9 + 10	= 11 / (1 - 4.482%)

	Investment by Plant					p Tax &		ational		al Before		al With
Line #	Account	Account Description		рг Ехр		hise Fees		enses		enue Tax		enue Tax
52	Recurring Projects		\$	1,937	\$	2,094	\$	-	\$	18,472	\$	19,081
53	Investment Projects			-				-				
54	Total QIP		\$	1,937	\$	2,094	\$		\$	18,472	\$	19,081
55												
56	333000	Services										
57	Recurring Projects		\$	-	\$	-	\$		\$	•	\$	-
58	Investment Projects			-				-		-		-
59	Total		\$	-	\$		\$	-	\$	· .	\$	
60												
61	334100	Meters										
62	Recurring Projects		\$	-	\$	-	\$	-	\$	-	\$	-
63	Investment Projects									-		
64	Total		\$	-	\$	-	\$		\$	-	\$	-
65			-									
66	334200	Meter Installations										
67	Recurring Projects		\$		\$	-	\$		\$	-	\$	-
68	Investment Projects					-				-		-
69	Total		\$	<del>.</del>	\$	-	\$	-	\$	-	\$	-
70												
71	335000	Hydrants										
72	Recurring Projects	yaranız	\$	609	\$	358	\$	-	\$	3,423	\$	3,535
73	Investment Projects		*		*	-	,		,	, -		· -
74	Total		Š	609	\$	358	\$	-	5	3,423	\$	3,535
75	rotar		<u> </u>				· · · · · · · · · · · · · · · · · · ·					
75 76	Expense:											
76 77	Expense.		\$		\$	_			\$	-	\$	-
78			~		*				*		,	
78 79								_		-		
80	Total		\$		\$		Ś		Ś		\$	
	iotai		-		~		Ÿ		Ť		<u> </u>	
81	W-A-I		-	2,546	\$	2,452	\$		\$	21,895	\$	22,616
82	Total		3	2,340	*	2,432	-		· —	21,033	· ·	22,010
83												
84												

# Tennessee American Water Company Qualified Infrastructure Improvement Program (QIIP) Economic Development Investment Rider (EDI) Safety and Environmental Compliance Rider (SEC) Summary Page

Line Number	Rate Mechanism		posed Revenue lequirement*	Percentage Applied to Bill*	ue Requirement as othorized - 2014	Percentage Applied to Bill as Authorized	_ A	Impact of Proposed djustments on Revenue Requirement	Impact of Proposed Adjustments on Bill Percentage
1									
2	QIIP	\$	1,001,897	2.13%	\$ 373,273	0.79%	\$	628,624	1.34%
3									
4	EDI		22,616	0.05%	84,623	0.18%	\$	(62,007)	-0.13%
5									
6	SEC		1,664,812	3.54%	53,015	0.11%	\$	1,611,797	3.43%
7									
8	Total	\$	2,689,326	5.72%	\$ 510,911	1.08%	\$	2,178,415	4.64%
Q		<del></del>							

<sup>\*</sup>Includes Def. Tax, Accum. Depreciation, Forfeited Discount Gross Up and does not include w/out TRA Gross Up

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### STRATEGIC CAPITAL EXPENDITURE PLAN PROGRAM

Business Unit Tennessee
Revision Date June 27, 2014
Description TN 8P 2015-2019 SCEP

Line#	E	Business Unit No.	Project Title	Account	Account Descrip	Portion to Account	In-Service (Months)	Dep Rate	Prior Year 11 Spend	Prior Year 12 Spend	2014 SCEP Reforecast	Prior 2014 SCEP
1			RECURRING PROJECTS									
2	TN	DV	Projects Funded by Others	331001	Transmission & Distribution Mains	95.5%	3	1.25%	85,950	57,300		\$ 1,308,350
3	TN	DV		333000	Services	2.3%	3	1.11%	2,070	1,380		31,510
4	TN	DV		335000	Hydrants	2.2%	3	2.30%	1,980	1,320		30,140
5												
6	TN	Α	Mains - New	331001	Transmission & Distribution Mains	100.0%	3	1.25%	0	0		91,166
7					war to the Control of the Market	05.00/		1.25%	61.170	33,880		1.000.473
8	TN	8	Mains - Replaced / Restored	331001	Transmission & Distribution Mains	96.8%	3		61,170			1,068,473
9	TN	В		333000	Services	2.9%	3	1.11%	1,833	1,015		32,010
10	TN	В		335000	Hydrants	0.3%	3	2.30%	190	105		3,311
11 12 13	TN	С	Mains - Unscheduled	331001	Transmission & Distribution Mains	100.0%	3	1.25%	62,000	50,000		746,000
14	TN	D	Mains - Relocated	331001	Transmission & Distribution Mains	96.2%	3	1.25%				240,500
15	TN	D	Walls - Relocated	333000	Services	0.5%	3	1.11%				1,250
16	TN	D		335000	Hydrants	3.3%	3	2.30%				8,250
17	IN	U		333000	Hydrants	3,370	3	2.3070				0,250
	TN	Ε	Hydrants, Valves, and Manholes - New	331001	Transmission & Distribution Mains	58.7%	1	1.25%				25,122
18	TN	E	Hydrants, valves, and Mannoles - New	335000	Hydrants	41.3%	1	2.30%				17,675
19	IN	E		333000	Hydrants	41.570		2.30%				17,073
20			Hydrants, Valves, and Manholes - Replaced	331001	Transmission & Distribution Mains	64.1%	1	1.25%				233,987
21	TN	F	Hydrants, valves, and Mannoles - Replaced	335000	Hydrants	35.9%	1	2.30%				131,047
22	TN	٢		335000	nydrants	33.5%	1	2.30%				131,047
23		-	Sandara and Laterala, Navy	333000	Services	100.0%	1	1.11%				461,000
24	TN	G	Services and Laterals - New	333000	361AICE2	100.0%	1	1.1176				401,000
25	-		Considerated Laterals Banks and	333000	Services	100.0%	1	1.11%				246,000
26	TN	н	Services and Laterals - Replaced	333000	Sel Vices	100.070	*	1.1170				240,000
27	Thi	1	Mater New	334100	Meters	64.2%	1	7.47%				361,070
28	TN	i	Meters - New	334200	Meter Installations	35.8%	1	2.73%				201,345
29	TN	'		334200	Weter Installations	33.670	1	2.7370				201,343
30			Materia Deplement	334100	Meters	72.5%	1	7.47%				480,732
31	TN	j	Meters - Replaced	334200	Meter Installations	27.5%	1	2.73%				182,346
32	TN	J		334200	Meter installations	27.570	1	2.7376				102,340
33				340200	Computer & Peripheral Equipment	100.0%	1	2.19%				148,662
34	TN	K	ITS Equipment and 5ystems	340200	Computer & Peripheral Equipment	100.0%	1	2.1376				140,002
35	T41		CCADA Favianent and Sustams	340200	Computer & Peripheral Equipment	100.0%	1	2.19%				185,414
36	TN	L	SCADA Equipment and Systems	340200	Computer & Peripheral Equipment	100.070	-	2.1370				105,414
37	TN	М	Cocurity Faulament and Systems	304500	Structures & Improvement - General	100.0%	1	1.13%				130,000
38	TN	IVI	Security Equipment and Systems	304300	Structures & Improvement - deneral	100.070	-	1.1370				130,000
39	Thi		Officer and Operations Contast	304500	Structures & Improvement - General	100.0%	1	1.13%				23,000
40	TN	N	Offices and Operations Centers	304300	Structures & Improvement - deneral	100.070	•	1.13/0				25,000
41	TNI	0	Mahislas	341100	Transportation Equip Lt Duty Trucks	19.3%	1	16.00%				17,563
42 43	TN TN	0	Vehicles	341200	Transportation Equip Hvy Duty Trucks	63.6%	1	16.62%				57,876
		0		341200	Transportation Equip Autos	17.1%	1	11.38%				15,561
44	TN	U		341300	Transportation Equip Autos	17.170	-	11.30%				13,301
45	TN	Р	Tools and Favinness	343000	Tools, 5hop, Garage Equipment	100.0%	1	6.89%				29,523
46 47	IN	Р	Tools and Equipment	343000	roois, shop, darage equipment	100.0%	•	0.0370				25,323
48	TN	Q	Process Plant Facilities and Equipment	320200	Water Trmt Equip Filter Media	57.6%	1	33.69%				53,602
49	TN	Q	Frocess Frank Facilities and Equipment	311520	Pumping Equipment SO5	21.0%	1	1.83%				19,553
50	TN	Q		340200	Computer & Peripheral Equipment	21.3%	1	2.19%				19,835
51	114	ч		340200	and the second of the second o		-					,
52 53	TN	R	Capitalized Tank Rehabilitation/Painting	330003	Tank Repainting	100.0%	1	11.08%				450,000
54	TN	s	Engineering Studies	331001	Transmission & Distribution Mains	100.0%	1	1.25%				65,554

### STRATEGIC CAPITAL EXPENDITURE PLAN PROGRAM

Business Unit Tennessee
Revision Date June 27, 2014
Description TN 8P 2015-2019 SCEP

Revision Description		June 27, 2014 TN BP 2015-20	19 SCEP									
Line#		Business Unit No.	Project Title	Account	Account Descrip	Portion to Account	In-Service (Months)	Dep Rate	Prior Year 11 Spend	Prior Year 12 Spend	2014 SCEP Reforecast	Prior 2014 SCEP
55			Total Recurring Projects									
56 57			ACQUISITIONS									
58 59 60			Total Acquisitions									
61			CENTRALLY SPONSORED PROJECTS									
62		T26-0202	Business Transformation 2010 - 2014	340315	Computer Software Special Deprec Rate	100.0%	1	10.00%				117,256
	TN	T26-0203	Business Transformation 2010 - 2014	340315	Computer Software Special Deprec Rate	100.0%	1	10.00%				
64			Total Centrally Sponsored Projects									
65										Inception to Date	2014 SCEP	
										Spend	Reforecast	
66			INVESTMENT PROJECTS			100.0%	12/31/2017			эрени	Reforecast	
		126-020017	Electrical Motor Efficiency Enhancement (\$2.9) Construct 1.0MG Tank & 2500-16" ER (\$1.0)			100.0%	12/31/2017					
73 74	TN TN	126-020027 126-020028	Citico Plant Improvements Phase 1B (\$8.6)	320100	WT Equip Non-Media	100.0%	6/30/2016	1.09%				
74 75	TN	126-020028	Wastewater Treatm't & Handling Impr (\$15.3)	304400	Struct & Imp-T&D	100.0%	5/31/2015	2.13%		2,000,000	6,150,000	
77	TN	126-020032	3000'-24" Tennessee River Crossing (\$0.5)	301100		100.0%	12/31/2017			-,,	-,,	
79	TN	126-020038	Retire Basin 1			100.0%						
80	TN	126-020039	Basin 2 Tube Settlers			100.0%						
81	TN	126-020040	Chlorine Gas Conversion			100.0%						-
82	TN	126-020022	Post Acquisition BD Capex			100.0%						-
84	TN	126-000001	Whitwell Acquisition Capital Investment	331001	Transmission & Distribution Mains	85.0%	12/31/2014	1.25%				1,020,000
85	TN	126-000001		320200	Water Trmt Equip Filter Media	6.0%	12/31/2014	33.69%				72,000
86	TN	126-000001		311520	Pumping Equipment SOS	4.5%	12/31/2014	1.83%				54,000
87	TN	126-000001		340200	Computer & Peripheral Equipment	4.5%	12/31/2014	2.19%				54,000
88												
88												
89												
33												
90			Total DV Excluded:									

### STRATEGIC CAPITAL EXPENDITURE PLAN PROGRAM

Business Unit Tennessee
Revision Date June 27, 2014
Description TN BP 2015-2019 SCEP

Description TN BP 2015-2019 SCEP Cumulative Balance of							e of In-Serviced Plant, from 2015 Capex, by Period							
line#	Business Unit No.	Project Title	Account	1	2	3	4	5	6	7	8	9	10	11
Line#		RECURRING PROJECTS						 						
2 TN	DV	Projects Funded by Others	331001	\$ 1,355,543	\$ 1,375,375	\$ 1,386,517	\$ 1,410,393	\$ 1,467,693	\$ 1,521,810	\$ 1,587,069	\$ 1,636,411	\$ 1,669,836	\$ 1,706,445	\$ 1,760,562
3 TN		, ,	333000	31,575	31,624	31,892	32,467	33,847	35,150	36,722	37,910	38,715	39,597	40,900
4 TN			335000	30,201	30,247		31,054	32,374	33,621	35,124	36,261	37,031	37,874	39,121
5														
6 TN	1 A	Mains - New	331001	91,166	91,166	91,167	91,167	94,501	104,501	121,168	136,168	149,502	154,502	154,503
7														
8 TN	а В	Mains - Replaced / Restored	331001	1,105,596	1,142,342	1,187,515	1,277,862	1,364,983	1,497,276	1,600,530	1,736,050	1,839,304	1,952,238	2,010,318
9 TN			333000	32,231	33,014	34,367	37,074	39,684	43,647	46,741	50,801	53,894	57,277	59,017
10 TN			335000	3,332	3,412	3,552	3,832	4,102	4,512	4,832	5,252	5,572	5,922	6,102
11														
12 TN	ı c	Mains - Unscheduled	331001	800,000	833,334	876,667	901,668	948,335	976,668	1,016,669	1,066,669	1,115,003	1,168,336	1,216,670
13														
14 TN	N D	Mains - Relocated	331001	240,500	240,500	250,121	262,948	304,635	333,495	397,629	423,282	455,349	464,970	464,970
15 TM			333000	1,250	1,250	1,300	1,367	1,583	1,733	2,067	2,200	2,367	2,417	2,417
16 TN			335000	8,250	8,250	8,580	9,020	10,450	11,440	13,640	14,520	15,620	15,950	15,950
17														
18 TN	N E	Hydrants, Valves, and Manholes - New	331001	25,122	26,296	28,057	29,818	32,753	35,101	38,036	43,025	48,015	51,537	53,298
19 TM		Try and the state of the state	335000	17,675	18,501	19,740	20,979	23,044	24,696	26,761	30,272	33,782	36,260	37,499
20				,	,	,								
21 TM	N F	Hydrants, Valves, and Manholes - Replaced	331001	240,397	253,217	266,037	278,857	288,472	298,087	307,702	339,752	358,982	423,082	455,132
22 TM		11,414113, 141123, 4114113	335000	134,637	141,817		156,177	161,562	166,947	172,332	190,282	201,052	236,952	254,902
23	• •			,	,	,			,					
24 TM	N G	Services and Laterals - New	333000	486,000	516,000	552,000	597,000	648,000	702,000	752,000	798,000	839,000	875,000	911,000
25	, ,	Services and catalog free		,	,	- ,	•	,	,	•		,	,	,
26 Th	ч н	Services and Laterals - Replaced	333000	246,000	256,000	276,000	294,000	319,000	354,000	387,000	410,000	431,000	456,000	476,000
27	•			,										
28 TI	u I	Meters - New	334100	373,910	406,010	431,690	479,840	521,570	544,040	563,300	582,560	617,870	630,710	669,230
29 Ti		1110000	334200	208,505	226,405		267,575	290,845	303,375	314,115	324,855	344,545	351,705	373,185
30				,										
31 Tr	L N	Meters - Replaced	334100	516,982	542,357	585,857	625,732	651,107	676,482	730,857	763,482	821,482	908,482	970,107
32 T		etersep.	334200	196,096	205,721	222,221	237,346	246,971	256,596	277,221	289,596	311,596	344,596	367,971
33	,			,										
34 T!	N K	ITS Equipment and Systems	340200	217,435	291,207	369,980	493,731	581,408	673,985	773,332	882,679	972,026	1,062,170	1,141,517
35		The Eddiphilate and Systems		,		,		,			,			
36 TI	N L	SCADA Equipment and Systems	340200	189,414	191,414	191,414	191,414	191,414	191,414	191,414	195,414	295,414	340,414	370,414
37		Sortor Equipment on a systems		,		,	,	,	•		,			
38 TI	N M	Security Equipment and Systems	304500	130,000	135,000	141,000	150,000	185,000	195,000	210,000	225,000	245,000	270,000	310,000
39		Security Equipment and Systems			,									
40 TI	N N	Offices and Operations Centers	304500	23,000	23,000	23,000	23,000	23,000	23,000	23,000	33,000	48,000	48,000	48,000
41				,										
42 T	N O	Vehicles	341100	17,563	20,458	20,458	24,318	24,318	28,178	28,178	40,723	60,023	79,323	88,973
43 T			341200	57,876	67,416	67,416	80,136	80,136	92,856	92,856	134,196	197,796	261,396	293,196
44 T			341300	15,561	18,126	18,126	21,546	21,546	24,966	24,966	36,081	53,181	70,281	78,831
45														
46 T	N P	Tools and Equipment	343000	34,523	34,523	41,523	53,523	58,523	58,523	58,523	61,523	63,523	63,523	65,523
47														
48 T	N Q	Process Plant Facilities and Equipment	320200	91,070	235,178	396,578	598,329	730,907	782,786	817,372	909,601	1,105,587	1,296,502	1,455,021
49 T			311520	33,221	85,788		218,258	266,620	285,545	298,161	331,804	403,296	472,938	530,762
50 T			340200	33,699	87,024		221,403	270,462	289,659	302,457	336,585	409,107	479,753	538,410
51	., .,		00	,,,,,	,,		,	,	,					,
52 T	N R	Capitalized Tank Rehabilitation/Painting	330003	450,000	450,000	450,000	450,000	450,000	450,000	450,000	460,000	535,000	685,000	885,000
53	., .,			,,,,,,,		/	,	,						
54 T	N S	Engineering Studies	331001	65,554	65,55	65,554	65,554	70,554	85,554	95,554	100,554	100,554	100,554	100,554
54	., ,			,	/	,			,					

### STRATEGIC CAPITAL EXPENDITURE PLAN PROGRAM

Business Unit Tennessee
Revision Date June 27, 2014
Description TN BP 2015-2019 SCEP

88 89

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Description TN BP 2015-2019 SCEP Cumulative Balance of In-Serviced Plant, from 2015 Capital Ca											x, by Period					
Line#	Bus	siness Unit No.	Project Title	Account	1	2	3	4	s	6	7	8	9	10	11	
55			Total Recurring Projects													
56																
57			ACQUISITIONS													
58																
59			Total Acquisitions													
60																
61			CENTRALLY SPONSORED PROJECTS		******	447.056	447.056	447.256	117.256	117.356	117.356	117,256	117,256	117,256	117,256	
62		6-0202	Business Transformation 2010 - 2014	340315	117,256	117,256	117,256	117,256	117,256	117,256	117,256	117,236	117,236	117,256	117,236	
63	TN T26	6-02 <b>03</b>	Business Transformation 2010 - 2014	340315	•		-		-	-	•	-	-	•		
64			Total Centrally Sponsored Projects													
65																
66			INVESTMENT PROJECTS													
67	TN 126-	5-020017	Electrical Motor Efficiency Enhancement (\$2.9)		-	-	-		-	-		-	-	•	-	
73	TN 126-	5-020027	Construct 1.0MG Tank & 2500-16" ER (\$1.0)				-	-	-		-	-		-	-	
74	TN 126	5-020028	Citico Plant Improvements Phase 1B (\$8.6)	320100	-	-		-		-	-		-	-	-	
75	TN 126-	5-020032	Wastewater Treatm't & Handling Impr (\$15.3)	304400	-		-		14,200,000.00	14,800,000	15,100,000	15,250,000	15,300,000	15,300,000	15,300,000	
77	TN 126	6-020034	3000'-24" Tennessee River Crossing (\$0.5)		-	-	-	-	•	-	-		-	-		
79	TN 126	6-020038	Retire Basin 1		-	-				-		-	-		-	
80	TN 126	6-020039	Basin 2 Tube 5ettlers		-	-	•	-	-	•		-	-	-	-	
81	TN 126	6-020040	Chlorine Gas Conversion		-	-	-	-		-	-		-			
82	TN 126	6-020022	Post Acquisition BD Capex			-	-		-	-	-					
84	TN 126	6-000001	Whitwell Acquisition Capital Investment	331001	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	
85	TN 126	6-000001		320200	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	
86	TN 126	6-00001		311520	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	
87	TN 126	6-000001		340200	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	
88																

91 92 Total Surcharge Amt: 93 94 SEC Total: 95 96 EDI Total: 97 98 QIIP Total:

Total DV Excluded:

### STRATEGIC CAPITAL EXPENDITURE PLAN PROGRAM

Business Unit Tennessee Revision Date June 27, 2014 Description TN BP 2015-2019 SCEP

		<b>Business Unit</b>	Project Title	Account	12	
Line #		No.				Surcharge
1			RECURRING PROJECTS			
2	TN	DV	Projects Funded by Others	331001	\$ 1,811,495	
3	TN	DV		333000	42,127	
4	TN	DV		335000	40,294	
5						
6	TN	Α	Mains - New	331001	154,503	EDI
7						
8	TN	В	Mains - Replaced / Restored	331001	2,061,945	QIIP
9	TN	В		333000	60,564	QIIP
10	TN	В		335000	6,262	QIIP
11						
12	TN	С	Mains - Unscheduled	331001	1,276,670	QIIP
13						
14	TN	D	Mains - Relocated	331001	464,970	QIIP
15	TN	D		333000	2,417	QIIP
16	TN	D		335000	15,950	QIIP
17				333000	23,330	4,111
18	TN	Ε	Hydrants, Valves, and Manholes - New	331001	53,298	EDI
19	TN	E	riyorants, vaives, and mannoles - New	335000	37,499	EDI
20	114	L		333000	37,433	LDI
21	TN	F	Hydrants, Valves, and Manholes - Replaced	331001	474,362	QIIP
	TN	F	nydrants, valves, and Mannoles - Replaced		,	QIIP
22	IN	F		335000	265,672	QIIP
23	-		*	222000	044 000	
24	TN	G	Services and Laterals - New	333000	941,000	
25					***	
26	TN	н	Services and Laterals - Replaced	333000	496,000	QIIP
27						
28	TN	1	Meters - New	334100	694,910	
29	TN	1		334200	387,505	
30						
31	TN	1	Meters - Replaced	334100	1,006,357	QIIP
32	TN	1		334200	381,721	QIIP
33						
34	TN	K	ITS Equipment and Systems	340200	1,177,018	
35						
36	TN	L	SCADA Equipment and Systems	340200	370,414	SEC
37						
38	TN	M	Security Equipment and Systems	304500	320,000	SEC
39						
40	TN	N	Offices and Operations Centers	304500	48,000	
41						
42	TN	0	Vehicles	341100	94,763	
43	TN	0		341200	312,276	
44	TN	0		341300	83,961	
45						
46	TN	Р	Tools and Equipment	343000	69,523	
47						
48	TN	Q	Process Plant Facilities and Equipment	320200	1,570,307	SEC
49	TN	Q		311520	572,816	SEC
50	TN	Q		340200	581,070	SEC
51		ч		3-0200	301,070	320
52	TN	R	Capitalized Tank Rehabilitation/Painting	330003	950,000	QIIP
53	114	n	Capitanzeo Tank Kenabintation/Fainting	330003	330,000	QIII
53 54	TN	S	Engineering Studies	331001	100,554	
54	IN	3	Elikiliseriyik atrigles	331001	100,334	

#### STRATEGIC CAPITAL EXPENDITURE PLAN PROGRAM

98

Business Unit Tennessee Revision Date June 27, 2014 Description TN BP 2015-2019 SCEP

**Business Unit** Project Title Account 12 No. Surcharge Line# 55 **Total Recurring Projects** 56 57 ACQUISITIONS 58 59 **Total Acquisitions** 60 CENTRALLY SPONSORED PROJECTS 61 62 TN T26-0202 Business Transformation 2010 - 2014 340315 117,256 TN T26-0203 8usiness Transformation 2010 - 2014 340315 63 64 **Total Centrally Sponsored Projects** 65 66 INVESTMENT PROJECTS 67 TN 126-020017 Electrical Motor Efficiency Enhancement (\$2.9) 73 TN 126-020027 Construct 1.0MG Tank & 2500-16" ER (\$1.0) 74 TN 126-020028 Citico Plant Improvements Phase 1B (\$8.6) 320100 SEC 75 TN 126-020032 Wastewater Treatm't & Handling Impr (\$15.3) 304400 15,300,000 SEC 77 TN 126-020034 3000'-24" Tennessee River Crossing (\$0.5) ED1 79 TN 126-020038 Retire Basin 1 SEC 80 TN 126-020039 Basin 2 Tube Settlers 5EC 81 TN 126-020040 Chlorine Gas Conversion SEC 82 TN 126-020022 Post Acquisition BD Capex 84 TN 126-000001 Whitwell Acquisition Capital Investment 331001 1,020,000 QIIP 85 320200 72,000 QIIP TN I26-000001 86 TN 126-000001 311520 54,000 QIIP 87 TN I26-000001 340200 54,000 QIIP 88 Total DV 88 Included: 89 Total DV Excluded: 90 91 Total Surcharge Amt: 92 93 94 SEC Total: 95 96 EDI Total: 97

QIIP Total:

Workpaper 2015 In-Serviced SCEP Page 6 of 10 Revised June 30, 2015

### STRATEGIC CAPITAL EXPENDITURE PLAN PROGRAM

Business Unit Tennessee
Revision Date June 27, 2014
Description TN BP 2015-2019 5CEP

2015 Amounts for Surcharge

								Amounts for Surch	arge							
		Business Unit					Average Retires									
		No.	Project Title	Account	Ave	rage Plant in	(Replacement				Cost of Removal	Tax Depr		Y2 Tax		Tax over Book
Line#		NO.				Service	Projects Only)	Average CIAC	Depre	ciation Expense	Less Salvage	class life	Depr Rate	Depr Rate	Tax Depreciation	Depreciation
1			RECURRING PROJECTS													
2	TN	DV	Projects Funded by Others	331001	\$	1,538,269			\$	19,228		25 yr	0.02	0.04	42,390	23,161
3	TN	DV		333000		35,695			\$	396		25 yr	0.02	0.04	994	598
4	TN	DV		335000		34,142			\$	785		25 yr	0.02	0.04	951	165
5																
6	TN	Α	Mains - New	331001		117,322			\$	1,467		25 yr	0.02	0.04	3,155	1,689
7																
8	TN	В	Mains - Replaced / Restored	331001		1,526,495	(36,934)		\$	18,620	192,072	25 yr	0.02	0.04	40,750	22,131
9	TN	В		333000		44,640	(1,052)		\$	484	14,779	25 yr	0.02	0.04	1,199	715
10	TN	В		335000		4,615	(554)		\$	93	404	25 yr	0.02	0.04	124	31
11																
12	TN	С	Mains - Unscheduled	331001		995,591	(24,089)		\$	12,144	125,271	25 yr	0.02	0.04	27,543	15,399
13		_										-			,	
14	TN	D	Mains - Relocated	331001		349,528	(8,457)		\$	4,263	43,980	25 yr	0.02	0.04	9,299	5,036
15	TN	D	Trains Treiseates	333000		1,817	(43)		\$	20	601	25 yr	0.02	0.04	48	29
16	TN	D		335000		11,990	(1,438)		\$	243	1,049	25 yr	0.02	0.04	319	76
17	114	0		333000		22,550	(2).55)		*	2.0	2,013	20 %	0102	0.0	015	,,,
18	TN	E	Hydrants, Valves, and Manholes - New	331001		37,652			Ś	471		25 yr	0.02	0.04	1.009	538
19	TN	E	Hydrants, valves, and Mannoles - New	335000		26,491			Ś	609		25 yr	0.02	0.04	710	101
20	IN	E		333000		20,451			7	003		23 91	0.02	0.04	710	101
	T.,	F	Hydrants, Valves, and Manholes - Replaced	331001		324,466	(7,851)		\$	3,958	40,826	25 yr	0.02	0.04	9,096	5,139
21	TN	F	nydrants, valves, and Mannoles - Replaced	335000		181,721	(21,802)		\$	3,678	15,899	25 yr	0.02	0.04	5,094	1,416
22	TN	F		333000		101,721	(21,802)		Þ	3,078	13,055	23 ¥1	0.02	0.04	3,094	1,416
23			a de la contra Nove	222000		600 300		(159,611)	4	5,980		25	0.02	0.04	40.445	12.426
24	TN	G	Services and Laterals - New	333000		698,308		(159,611)	\$	5,980		25 yr	0.02	0.04	18,415	12,436
25						257.452	(0.405)			2.074	440.047				2512	
26	TN	Н	Services and Laterals - Replaced	333000		357,462	(8,425)		\$	3,874	118,347	25 yr	0.02	0.04	9,610	5,735
27																40.4.00.43
28	TN	1	Meters - New	334100		528,978			\$	39,515		25 yr	0.02	0.04	14,540	(24,974)
29	TN	1		334200		294,975			\$	8,053		25 yr	0.02	0.04	8,108	55
30																
31	TN	J	Meters - Replaced	334100		713,847	(2,828)		\$	53,113	149,905	25 yr	0.02	0.04	19,485	(33,628)
32	TN	J		334200		270,770	(5,628)		\$	7,238	82,355	25 yr	0.02	0.04	7,391	152
33																
34	TN	K	ITS Equipment and Systems	340200		675,781			\$	14,800		5 yr	0.2	0.32	143,253	128,453
35																
36	TN	Ł	SCADA Equipmentand Systems	340200		238,106			\$	5,215		5 yr	0.2	0.32	59,496	54,282
37																
38	TN	M	Security Equipment and Systems	304500		203,538	(45,068)		\$	1,791	-	39 yr	0.01282	0.02564	3,512	1,721
39																
40	TN	N	Offices and Operations Centers	304500		31,462			\$	356		39 yr	0.01282	0.02564	500	144
41																
42	TN	0	Vehicles	341100		10,478	-		\$	1,676		5 yr	0.2	0.32	2,360	683
43	TN	0		341200		34,527	-		\$	5,738	-	5 yr	0.2	0.32	7,776	2,037
44	TN	0		341300		9,283			\$	1,056	-	5 yr	0.2	0.32	2,091	1,034
45																
46	TN	Р	Tools and Equipment	343000		53,292			\$	3,672		25 yr	0.02	0.04	1,359	(2,313)
47																
48	TN	Q	Process Plant Facilities and Equipment	320200		772,526	(127,771)		\$	217,218	63,154	25 yr	0.02	0.04	16,614	(200,604)
49	TN	Q		311520		281,802	(9,481)		\$	4,983	3,882	25 yr	0.02	0.04	6,060	1,077
50	TN	Q		340200		285,863	-		Ś	6,260	-,	5 yr	0.2	0.32	59,756	53,495
51		٠,							-	-,		•	-/-		,	,
52	TN	R	Capitalized Tank Rehabilitation/Painting	330003		547,308			\$	60,642		25 yr	0.02	0.04	16,213	(44,429)
53		"	arb			,				,- /-		/			,	(
54	TN	S	Engineering Studies	331001		83,246			\$	1,041		25 yr	0.02	0.04	2.742	1,701
J-4		,	Englishering acousts	552531		,				-,		,			-,=	-,

### STRATEGIC CAPITAL EXPENDITURE PLAN PROGRAM

Business Unit Tennessee
Revision Date June 27, 2014
Description TN BP 2015-2019 5CEP

2015 Amounts for Surcharge

				Militaria salata Be												
Line#	Business Unit No.	Project Title	Account	Average Plant in Service	(Repl	ge Retires lacement ects Only)	Aver	age CIAC	Depreci	ation Expense	Cost of Removal Less Salvage	Tax Depr class life	Y1 Tax Depr Rate	Y2 Tax Depr Rate T	ax Depreciation	Tax over Book Depreciation
55		Total Recurring Projects														
56		Total Health of Total														
57 58		ACQUISITIONS														
59		Total Acquisitions														
60		Total Acquisitions														
61		CENTRALLY SPONSDRED PROJECTS														
	TN 736 0303	Business Transformation 2010 - 2014	340315	117,256					\$	11,726		3 yr	0.3333	0.3333	39,081	27,356
62	TN T26-0202		340315	117,230					Ś	-		J 4.	0.3555	0.3333	03,001	27,050
63	TN T26-0203	Business Transformation 2010 - 2014	340313	•					7							
64		Total Centrally Sonsored Projects														
65																
66		INVESTMENT PROJECTS														
67	TN 126-020017	Electrical Motor Efficiency Enhancement (\$2.9)		-					\$	-						
73	TN 126-020027	Construct 1.0MG Tank & 2500-16" ER (\$1.0)		-					\$					0.04		
74	TN 126-020028	Citico Plant Improvements Phase 1B (\$8.6)	320100	-					\$	-		2S yr	0.02	0.04		-
75	TN 126-020032	Wastewater Treatm't & Handling Impr (\$15.3)	304400	9,273,077					\$	197,517		39 yr	0.01282	0.02564	118,881	(78,636)
77	TN 126-020034	3000'-24" Tennessee River Crossing (\$0.5)		-					\$	•						
79	TN 126-020038	Retire Basin 1		-												
80	TN 126-020039	Basin 2 Tube Settlers		•												
81	TN 126-020040	Chlorine Gas Conversion		-					\$							
82	TN 126-020022	Post Acquisition BD Capex		-					\$	-						
84	TN 126-000001	Whitwell Acquisition Capital Investment	331001	1,020,000					\$	12,750		2S yr	0.02		11,291	(1,459)
85	TN 126-000001		320200	72,000					\$	24,257		25 yr	0.02		797	(23,460)
86	TN 126-000001		311520	54,000					\$	988		25 yr	0.02		598	(390)
87	TN 126-000001		340200	54,000					\$	1,183		5 yr	0.2		5,978	4,795
88																
00														_		
88				\$ 21,912,319	\$	(301,420)	\$	(159,611)	\$	757,099	\$ 852,526			_	718,586	\$ (38,512)
89																
03														_		
90		Total DV Excluded:		\$ 20,304,213	\$	(301,420)	\$	(159,611)	\$	736,689	\$ 852,526			_	\$ 674, <u>2</u> 52	\$ (62,437)
														_		
91		Total Surcharge Amt:		\$ 17,766,627	\$	(301,420)	\$		\$	643,077	\$ 852,526			-	\$ 434,028	\$ (209,049)
92		Total Surchaige Aint.		3 17,700,027	-	(302,420)	,		<u>,                                      </u>	043,077	V 032,320			-	754,620	(203)0.137
93				£ 11.054.043	<del>-</del>	(103 330)	<u>,</u>		÷	432,984	\$ 67,036			-	\$ 264,319	\$ (168,665)
94		SEC Total:		\$ 11,054,912	\$	(182,320)	\$	<u> </u>	\$	432,984	\$ 67,036			-	204,319	3 (100,003)
95					-		_		_					_	A 4.000	A 2222
96		EDI Total:		\$ 181,465	\$	•	\$	-	\$	2,546	\$ -			_	\$ 4,874	\$ 2,328
97														_		
98		QIIP Total:		\$ 6,530,250	\$	(119,100)	\$	-	\$	207,547	\$ 785,489			_	\$ 164,835	\$ (42,712)

### STRATEGIC CAPITAL EXPENDITURE PLAN PROGRAM

Business Unit
Revision Date
Description

Tennessee
June 27, 2014
TN BP 2015-2019 SCEP

		Business Unit	Project Title	Account		Depreciation Deferred Tax (DTA,			D	Depreciation Deferred Tax (DTA,
Line #		NO.			Tax Rate	(DTU)	NOTES	A	ccum Dep	(DTL))
1			RECURRING PROJECTS							
2	TN	DV	Projects Funded by Others	331001	0.39225	(9,085)	This should be zero if related to non-taxable CIAC	\$	(16,879) \$	
3	TN	DV		333000	0.39225	(234)	This should be zero if related to non-taxable CIAC	\$	(353) \$	. ,
4	TN	DV		335000	0.39225	(65)	This should be zero if related to non-taxable CIAC	\$	(701) \$	(17)
5						4550				
6 7	TN	А	Mains - New	331001	0.39225	(662)		\$	(1,239) \$	(450)
8	TN	В	Mains - Replaced / Restored	331001	0.39225	(8,681)		\$	(15,526) \$	(5,911)
9	TN	В		333000	0.39225	(281)		\$	(397) \$	(199)
10	TN	В		335000	0.39225	(12)		\$	(82) \$	(4)
11										
12	TN	С	Mains - Unscheduled	331001	0.39225	(6,040)		\$	(10,841) \$	(4,143)
13										
14	TN	D	Mains - Relocated	331001	0.39225	(1,975)		\$	(3,575) \$	
15	TN	D		333000	0.39225	(11)		\$	(17) \$	
16	TN	D		335000	0.39225	(30)		\$	(212) \$	(10)
17										
18	TN	E	Hydrants, Valves, and Manholes - New	331001	0.39225	(211)		\$	(395) \$	(143)
19	TN	E		335000	0.39225	(39)		\$	(512) \$	(9)
20										
21	TN	F	Hydrants, Valves, and Manholes - Replaced	331001	0.39225	(2,016)		\$	(3,565) \$	(1,408)
22	TN	F		335000	0.39225	(556)		\$	(3,477) \$	(208)
23		_								
24	TN	G	Services and Laterals - New	333000	0.39225	(4,878)		\$	(4,868) \$	(3,030)
25	-			222000	0.30335	(2.250)			(2.405) 6	(4.500)
26	TN	н	Services and Laterals - Replaced	333000	0.39225	(2,250)		\$	(3,185) \$	(1,600)
27	TN		Adabasa Nassa	334100	0.30335	9,796		,	(24 554) . 6	0.147
28	TN	l I	Meters - New	334100	0.39225 0.39225			\$	(34,551) \$	
29	TN	'		334200	0.39225	(22)		>	(7,041) \$	305
30	TN	J	Meters - Replaced	334100	0.39225	13,191		\$	(45,820) \$	12,109
31 32	TN	j	Meters - Replaced	334200	0.39225	(60)		\$	(4,994) \$	
33	1114	,		334200	0.35225	(00)		,	(4,554) \$	(203)
34	TN	К	ITS Equipment and Systems	340200	0.39225	(50,386)		\$	(8,877) \$	(29,906)
35	114	κ.	113 Equipment and systems	340200	0.33223	(50,500)		,	(0,077) \$	(23,500)
36	TN	ι	SCADA Equipment and Systems	340200	0.39225	(21,292)		\$	(4,774) \$	(17,559)
37	114		SCADA Equipment and Systems	340200	0.53223	(22,232)		~	(4,,,4) \$	(17,555)
38	TN	м	Security Equipment and Systems	304500	0.39225	(675)		\$	(1,691) \$	(734)
39			second Equipment and Systems		0.05225	(0.5)			(2)052) \$	(751)
40	TN	N	Offices and Operations Centers	304500	0.39225	(57)		\$	(263) \$	. (71)
41						47			(===) +	(/
42	TN	0	Vehicles	341100	0.39225	(268)		\$	(1,190) \$	(169)
43	TN	0		341200	0.39225	(799)		\$	(4,074) \$	, , , ,
44	TN	0		341300	0.39225	(406)		\$	(750) \$	
45									. , .	,,
46	TN	P	Tools and Equipment	343000	0.39225	907		\$	(2,846) \$	735
47										
48	TN	Q	Process Plant Facilities and Equipment	320200	0.39225	78,687		\$	(128,207) \$	46,574
49	TN	Q		311520	0.39225	(422)		\$	(2,880) \$	(225)
50	TN	Q		340200	0.39225	(20,983)		\$	(3,556) \$	(12,013)
51										
52	TN	R	Capitalized Tank Rehabilit:ation/Painting	330003	0.39225	17,427		\$	(59,498) \$	18,093
53										
S4	TN	S	Engineering Studies	331001	0.39225	(667)		\$	(1,193) \$	(492)

Depreciation
Deferred Tax (DTA,
(DTL))

(15,210)

15,422

(1,054)

8,597

(2,645)

Accum Dep

\$ (16,620) \$

- \$ (98,758) \$

(12,068) \$

(22,960) \$

(935) \$ (1,069) \$

\$

\$

\$

Tennessee American Water Company Qualified Infrastructure Improvement Program Economic Development Rider Safety and Environmental Compliance Rider

### STRATEGIC CAPITAL EXPENDITURE PLAN PROGRAM

Business Unit Tennessee
Revision Date June 27, 2014
Description TN BP 2015-2019 SCEP

Line#		Business Unit No.	Project Title	Account	Tax Rate	Depreciation Deferred Tax (DTA, (DTL))	NOTES
55			Total Recurring Projects				
56 57			ACQUISITIONS				
58 59 60			Total Acquisitions				
61			CENTRALLY SPONSORED PROJECTS				
62	TN	T26-0202	Business Transformation 2010 - 2014	340315	0.39225	(10,730)	
63	TN	T26-0203	Business Transformation 2010 - 2014	340315			
64			Total Centrally Sponsored Projects				
65							
66			INVESTMENT PROJECTS				
67	TN	126-020017	Electrical Motor Efficiency Enhancement (\$2.9)			-	
73	TN	126-020027	Construct 1.0MG Tank & 2500-16" ER (\$1.0)	220400	0.00005		
74	TN	126-020028	Citico Plant Improvements Phase 1B (\$8.6)	320100	0.39225	20.045	
75 77	TN TN	126-020032 126-020034	Wastewater Treatm't & Handling Impr (\$15.3) 3000'-24" Tennessee River Crossing (\$0.5)	304400	0.39225	30,845	
79	TN	126-020034	Retire Basin 1			•	
80	TN	126-020038	Basin 2 Tube Settlers				
81	TN	126-020039	Chlorine Gas Conversion				
82	TN	126-020022	Post Acquisition BD Capex				
84	TN	126-000001	Whitwell Acquisition Capital Investment	331001	0.39225	572	
85	TN	126-000001	The state of the s	320200	0.39225	9,202	
86	TN	126-000001		311520	0.39225	153	
87	TN	126-000001		340200	0.39225	(1,881)	
88							
88						\$ 15,106	See note under DV above
89							
90			Total DV Excluded:		,	\$ 24,491	
91			Total Surcharge Amt:			\$ 82,000	
92			iotai sui chaige Amit:			₹ 02,000	
93 94			SEC Total:			\$ 66,159	
95			SEC TOTAL.			7 00,135	
96			EDI Total:			\$ (913)	
97			25.1012		,	(325)	
98			QIIP Total:		,	\$ 16,754	