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December 29, 2014

VIA ELECTRONIC FILING

Hon. Herbert H. Hilliard, Chairman
c/o Sharla Dillon
Tennessee Regulatory Authority
502 Deaderick Street, 4th 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. 14-00121

Dear Chairman Hilliard:

Attached for filing please find *TAWC's Supplemental Testimony of Linda C. Bridwell on Changes to the Qualified Infrastructure Improvement Program Rider, the Economic Development Investment Rider, and the Safety and Environmental Compliance Rider* in the above-captioned matter.

As required, an original of this filing, along with four (4) hard copies, will follow. Should you have any questions concerning this filing, or require additional information, please do not hesitate to contact me or Valeria Gomez.

Very truly yours,

BUTLER SNOW LLP


Melvin J. Malone

clw

Attachment

cc: Deron Allen, President, Tennessee-American Water Company
Cynthia Kinser, Deputy Attorney General, Consumer Advocate and Protection Division

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SUPPLEMENTAL PETITIONER'S EXHIBIT LCB-1

TENNESSEE-AMERICAN WATER COMPANY, INC.

DOCKET NO. 14-00121

SUPPLEMENTAL TESTIMONY

OF

LINDA C. BRIDWELL

ON

**CHANGES TO THE QUALIFIED INFRASTRUCTURE IMPROVEMENT PROGRAM
RIDER, THE ECONOMIC DEVELOPMENT INVESTMENT RIDER, AND THE
SAFETY AND ENVIRONMENTAL COMPLIANCE RIDER**

SPONSORING PETITIONER'S EXHIBITS:

SUPPLEMENTAL PETITIONER'S EXHIBIT SUMMARY – LCB
SUPPLEMENTAL PETITIONER'S EXHIBIT – AVG IMPACT – LCB

SUPPLEMENTAL PETITIONER'S EXHIBIT – SEC 1 – LCB

SUPPLEMENTAL PETITIONER'S EXHIBIT – SEC 2 – LCB

SUPPLEMENTAL PETITIONER'S EXHIBIT—QIIP 2—LCB

SUPPLEMENTAL PETITIONER'S EXHIBIT—EDI 2--LCB

PETITIONER'S EXHIBIT – CURRENT TARIFF SHEET NO. 12 – RIDERS – LCB
**SUPPLEMENTAL PETITIONER'S EXHIBIT – PROPOSED TARIFF SHEET NO. 12 –
RIDERS – LCB**

PETITIONER'S EXHIBIT – TAWC BOARD RESOLUTION--LCB

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Linda C. Bridwell and my business address is 2300 Richmond Road,
3 Lexington, Kentucky 40502.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by American Water Works Service Company ("AWW") as Manager of
6 Rates and Regulation for Tennessee and Kentucky.

7 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PARTICULAR**
8 **DOCKET?**

9 A. Yes. In support of the Petition filed by Tennessee-American Water Company
10 ("Tennessee American" or Company") before the Tennessee Regulatory Authority
11 ("TRA" or "Authority") in TRA Docket No. 14-00121 (the "*Petition*"), I previously
12 provided written testimony on October 29, 2014.

13 **Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?**

14 A. The purpose of this testimony is to supplement the pre-filed testimony that I filed in this
15 docket on October 29, 2014.

16 **Q. WHY ARE YOU SUBMITTING SUPPLEMENTAL TESTIMONY?**

17 A. Since Tennessee American submitted its *Petition* in this matter, the Company and the
18 Attorney General and Reporter for the State of Tennessee, through the Consumer
19 Advocate and Protection Division ("CAPD") have engaged in cooperative dialogue
20 regarding the *Petition*. In connection with such good faith discussions, the Company
21 has voluntarily agreed to make some adjustments to the *Petition*. While supplemental
22 testimony may not be necessary here, in light of the adjustments, the Company decided

1 that supplemental testimony may aid the Tennessee Regulatory Authority's ("Authority"
2 or "TRA") consideration of this matter.

3 **Q. WHAT ARE THE ADJUSTMENTS THAT YOU ARE REFERRING TO?**

4 **A.** On page 15 of my October 29, 2014 pre-filed testimony, beginning on line 6, I outlined
5 the operating expenses in the currently proposed SEC Rider, other than depreciation and
6 tax expenses. The operating expenses that I outlined included one hundred and twenty
7 thousand dollar (\$120,000) for new transportation costs to haul and dispose of residuals
8 that were previously treated through the waste disposal process, forty-four thousand
9 dollars (\$44,000) for new chemicals to be used with the sludge press, and \$24,000 for
10 new electrical costs for the operation of the sludge press. These were the only additional
11 operational expenses included in the SEC Rider, other than depreciation and tax
12 expense.

13 **Q. WERE THESE OPERATING EXPENSES APPROPRIATELY SUBMITTED**
14 **UNDER THE SEC RIDER?**

15 **A.** Yes. As set forth in my October 29, 2014 pre-filed testimony, Tennessee American
16 believes that these proposed expenses for 2015 are appropriate under the SEC Rider
17 based on the approved tariff. Even so, during the Company's discussions with the
18 CAPD, the Company agreed in good faith to remove these expenses from the SEC Rider
19 and to place them under the PCOP.

20 **Q. ARE THESE EXPENSES APPROPRIATE UNDER THE PCOP?**

21 **A.** Yes. While the Company believes that it was appropriate to reflect these expenses under
22 the **SEC Rider**, the Company has also recognized that these expenses can be

1 appropriately reflected under the PCOP as well. These expenses will be identified and
2 included in the PCOP reconciliation in 2015.

3 **Q. DOES REMOVING THESE EXPENSES FROM THE SEC RIDER TO THE**
4 **PCOP HAVE A NEGATIVE IMPACT ON CUSTOMERS?**

5 **A.** No, it does not.

6 **Q. DOES THIS CHANGE IMPACT ANY OF THE EXHIBITS THAT YOU FILED**
7 **ON OCTOBER 29, 2014?**

8 **A.** Yes, the change impacts the exhibits. It reduces the Safety and Environmental
9 Compliance Proposed Revenue Requirement from \$1,805,994 to \$1,611,797 and the
10 proposed Safety and Environmental Compliance Rider percentage from 3.84% to 3.43%.
11 The overall Proposed Revenue Requirement is reduced from \$2,638,950 to \$2,444,753
12 and the overall proposed Capital Recovery Riders percentage from 5.61% to 5.20%.
13 This is reflected on the Supplemental Petitioner's Exhibit – Summary – LCB attached
14 to my testimony. It also reduces the Average Impact of 2015 Proposed Capital
15 Adjustments on a Chattanooga Residential Customer from \$1.21 to \$1.12. This is
16 reflected in a Supplemental Petitioner's Exhibit–Avg Impact–LCB attached to my
17 testimony. The changed calculation is reflected in a Supplemental Petitioner's Exhibit
18 – SEC 1 – LCB, and the detailed calculation is shown on the Supplemental Petitioner's
19 Exhibit – SEC 2 – LCB that has lines 77, 78, 79 and 80 now reflecting zero dollars on
20 page 4 of 4.

21 **Q. DID YOU PREPARE THESE SUPPLEMENTAL EXHIBITS OR WERE THEY**
22 **PREPARED UNDER YOUR DIRECTION AND SUPERVISION?**

23 **A.** Yes.

1 **Q. WHAT WERE THE SOURCES OF THE DATA USED TO PREPARE THE**
2 **SUPPLEMENTAL PETITIONER'S EXHIBITS LISTED ABOVE?**

3 A. The data used to prepare the supplemental exhibits was acquired from the books of
4 account and business records of Tennessee American, the officers and associates of
5 Tennessee American with knowledge of the facts based on their job responsibilities and
6 activities, and other internal sources which I examined in the course of my investigation
7 of the matters addressed in this testimony.

8 **Q. DO YOU CONSIDER THIS DATA TO BE RELIABLE AND OF A TYPE THAT**
9 **IS NORMALLY USED AND RELIED ON IN YOUR BUSINESS FOR SUCH**
10 **PURPOSES?**

11 A. Yes.

12 **Q. DO THE SUPPLEMENTAL PETITIONER'S EXHIBITS LISTED ABOVE**
13 **ACCURATELY SUMMARIZE SUCH DATA AND THE RESULTS OF**
14 **ANALYSIS USING SUCH DATA?**

15 A. Yes.

16 **Q. AFTER THE ABOVE OUTLINED CHANGES, WHAT IS TENNESSEE**
17 **AMERICAN NOW PROPOSING WITH RESPECT TO THE SEC RIDER?**

18 A. After the above outlined changes, specifically removing the \$120,000 hauling and
19 disposal expense, the \$44,000 new chemicals expense and the \$24,000 new electrical
20 costs expense from the SEC Rider to the PCOP, Tennessee-American is now only
21 proposing the recognition of a return on the SEC investment, depreciation and tax
22 expenses under the SEC Rider.

1 **Q. WHAT IS THE IMPACT TO THE AVERAGE CUSTOMER BILL DUE TO THIS**
2 **SUPPLEMENTAL TESTIMONY?**

3 A. As set forth in my October 29, 2014 pre-filed testimony, page 23, LL2-7, the typical City
4 of Chattanooga residential customer using an average of 4,154 gallons per month would
5 see an increase in their bill of \$1.21 per month, or \$14.52, from the *Petition*. Based upon
6 the changes set forth in this supplemental testimony, the revised impact to the average
7 Chattanooga residential customer is reduced from \$1.21 to \$1.12 per month.

8 **Q. HAS THE TENNESSEE AMERICAN WATER COMPANY BOARD OF**
9 **DIRECTORS ADOPTED A BUDGET OF THE FORECASTED QIIP**
10 **INVESTMENT AMOUNT, FORECASTED EDI INVESTMENT AMOUNT AND**
11 **FORECASTED ECONOMIC DEVELOPMENT OPERATIONAL EXPENSES,**
12 **AND THE FORECASTED SEC INVESTMENT AMOUNT AND FORECASTED**
13 **SAFETY AND ENVIRONMENTAL COMPLIANCE OPERATIONAL**
14 **EXPENSES?**

15 A. Yes. Prior to the filing of the *Petition*, the TAWC Board of Directors adopted the
16 forecasted percentage rates for the capital riders that were submitted on October 29,
17 2014. This is evidenced by the Summary of Riders tariff page filed along with the
18 *Petition*. Subsequently, the TAWC Board of Directors approved the 2015 Budget in its
19 entirety on December 17, 2014. The Forecasted QIIP Investment Amount, Forecasted
20 EDI Investment Amount and Forecasted Economic Development Operational Expenses,
21 and the Forecasted SEC Investment Amount and Forecasted Safety and Environmental
22 Compliance Operational Expenses were included in that budget. On December 29, 2014,
23 the TAWC Board of Directors adopted a resolution that identified those items broken out

1 of the 2015 Budget, along with the revised Forecasted Safety and Environmental
2 Compliance Operational Expenses that were previously in the budget, as contemplated in
3 the riders tariffs approved by the Authority on April 14, 2014. A copy of that resolution
4 is attached to my testimony as Petitioner's Exhibit TAWC Board Resolution – LCB.

5 **Q. ARE THERE ANY OTHER CHANGES TO THE EXHIBITS YOU HAVE FILED?**

6 A. Yes. The expert witness for the CAPD, Mr. Hal Novak, submitted an informal data
7 request regarding the Company Header on Supplemental Petitioner's Exhibit—SEC
8 2—LCB reflected a pre-tax rate of return of 9.4522% rather than the agreed amount of
9 9.4544%. Tennessee American noted this as a typographical error in the heading, and
10 has corrected it on the Exhibit. That incorrect number in the heading has been corrected
11 on Supplemental Petitioner's Exhibit—QIIP 2—LCB and Supplemental Petitioner's
12 Exhibit—EDI 2—LCB as well and submitted with my testimony.

13 **Q. DO YOU WISH TO MODIFY OR REVISE YOUR OCTOBER 29, 2014**
14 **TESTIMONY FURTHER?**

15 A. No. Other than as expressly set forth in this supplemental testimony, my October 29,
16 2014 pre-filed testimony previously in this docket remains as originally submitted.

17 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

18 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 Linda C. Bridwell, 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 be as set forth in her pre-filed testimony in this matter.

Linda C. Bridwell
Linda C. Bridwell

Sworn to and subscribed before me
this 29th day of December, 2014.

Peggy A. Stone
Notary Public

My Commission Expires: 10/3/2016

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	Proposed Revenue Requirement*	Percentage Applied to Bill*	Revenue Requirement as Authorized - 2014	Percentage Applied to Bill as Authorized	Impact of Proposed Adjustments 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	288,955	0.61%	84,623	0.18%	\$ 204,332	0.43%
5							
6	SEC	1,664,812	3.54%	53,015	0.11%	\$ 1,611,797	3.43%
7							
8	Total	<u>\$ 2,955,664</u>	<u>6.28%</u>	<u>\$ 510,911</u>	<u>1.08%</u>	<u>\$ 2,444,753</u>	<u>5.20%</u>
9							
10							

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

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	Meter Fee	Volumetric Charges	Bill Before Surcharges	2014 Authorized Capital Surcharges at 1.08%	2014 PCOP at -1.15%	Total 2014 Authorized Surcharges	2015 QIIP Surcharge at 1.34%	2015 EDI Surcharge at 0.43%	2015 SEC Surcharge at 3.43%	2015 Proposed Capital Adjustments	Total Proposed Surcharges
1												
2	Chattanooga	\$ 13.96	\$ 7.60	<u>\$ 21.56</u>	\$ 0.23	\$ (0.25)	<u>\$ (0.02)</u>	\$ 0.29	\$ 0.09	\$ 0.74	<u>\$ 1.12</u>	<u>\$ 1.11</u>
3												
4	Lookout Mountain	\$ 15.66	\$ 12.39	<u>\$ 28.05</u>	\$ 0.30	\$ (0.32)	<u>\$ (0.02)</u>	\$ 0.38	\$ 0.12	\$ 0.96	<u>\$ 1.46</u>	<u>\$ 1.44</u>
5												
6	Lakeview	\$ 15.66	\$ 9.16	<u>\$ 24.82</u>	\$ 0.27	\$ (0.29)	<u>\$ (0.02)</u>	\$ 0.33	\$ 0.11	\$ 0.85	<u>\$ 1.29</u>	<u>\$ 1.27</u>
7												
8	Suck Creek	\$ 30.60	\$ 16.12	<u>\$ 46.72</u>	\$ 0.50	\$ (0.54)	<u>\$ (0.03)</u>	\$ 0.63	\$ 0.20	\$ 1.60	<u>\$ 2.43</u>	<u>\$ 2.40</u>
9												
10	Lone Oak	\$ 42.03	\$ 15.65	<u>\$ 57.68</u>	\$ 0.62	\$ (0.66)	<u>\$ (0.04)</u>	\$ 0.77	\$ 0.25	\$ 1.98	<u>\$ 3.00</u>	<u>\$ 2.96</u>
11												

**Tennessee American Water
Safety and Environmental Compliance (SEC)
Calculation of SEC Revenue Requirement**

Line Number	Description	SEC Company Totals
1	Additions Subject to SEC:	\$ 11,054,912
2	Plus: Cost of Removal less Salvage	67,036
3	Less: Contributions in Aid to Construction (CIAC)	-
4	Less: Deferred Income Taxes	(31,465)
5	Less: Accumulated Depreciation	239,867
6	Net Investment Supplied SEC Additions:	<u>\$ 10,913,547</u>
7		
8	Pre-Tax Rate of Return:	9.45%
9	Pre-Tax Return on Additions:	<u>\$ 1,031,808</u>
10		
11	Depreciation Expense on SEC Additions:	432,984
12		
13	Operational Expenses Related to SEC	-
14		
15	Property and Franchise Taxes Associated with SEC:	<u>146,897</u>
16		
17	SEC Revenues:	<u>\$ 1,611,688</u>
18		
19	Revenue Taxes	3.19%
20	Total SEC Revenues with Revenue Taxes	<u><u>\$ 1,664,812</u></u>
21		
22	Volumetric and Metered Revenue as Per Docket No. 12-00049	<u><u>\$ 47,073,724</u></u>
23		
24	SEC Percentage to Apply to Bill:	<u><u>3.54%</u></u>
25		

Tennessee American Water Company
Safety and Environmental Compliance (SEC)
Investment Worksheet

			1	2	3	4	5	B	C	6
	SEC					= 1 + 2				= 1 + 3 + 5 + B
Line #	Account	Account Description	Additions	Retirements	CIAC	Net Investments (for Prop Tax)	Cost of Removal Net of Salvage	Accumulated Deferred Income Taxes	Accumulated Depreciation	Earnings Basis Net Investment
1	304400	Struct & Imp-T&D								
2	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Investment Projects		9,273,077	-	-	9,273,077	-	15,422	(98,758)	9,189,741
4	Total QIP		9,273,077	-	-	9,273,077	-	15,422	(98,758)	9,189,741
5										
6	304500	Structures & Improvement - General								
7	Recurring Projects		\$ 203,538	\$ (45,068)	\$ -	\$ 158,471	\$ -	\$ (734)	\$ (1,691)	\$ 201,114
8	Investment Projects		-	-	-	-	-	-	-	-
9	Total QIP		203,538	(45,068)	-	158,471	-	(734)	(1,691)	201,114
10										
11	311520	Pumping Equipment SOS								
12	Recurring Projects		\$ 281,802	\$ (9,481)	\$ -	\$ 272,321	\$ 3,882	\$ (225)	\$ (2,880)	\$ 282,579
13	Investment Projects		-	-	-	-	-	-	-	-
14	Total QIP		281,802	(9,481)	-	272,321	3,882	(225)	(2,880)	282,579
15										
16	320200	Water Trmt Equip Filter Media								
17	Recurring Projects		\$ 772,526	\$ (127,771)	\$ -	\$ 644,755	\$ 63,154	\$ 46,574	\$ (128,207)	\$ 754,048
18	Investment Projects		-	-	-	-	-	-	-	-
19	Total QIP		772,526	(127,771)	-	644,755	63,154	46,574	(128,207)	754,048
20										
21	340200	Computer & Peripheral Equipment								
22	Recurring Projects		\$ 523,969	\$ -	\$ -	\$ 523,969	\$ -	\$ (29,572)	\$ (8,331)	\$ 486,066
23	Investment Projects		-	-	-	-	-	-	-	-
24	Total QIP		523,969	-	-	523,969	-	(29,572)	(8,331)	486,066
25										
26	340315	Computer Software Special Deprec Rate								
27	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Investment Projects		-	-	-	-	-	-	-	-
29	Total QIP		-	-	-	-	-	-	-	-
30										
31	341100	Transportation Equip Lt Duty Trucks								
32	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Investment Projects		-	-	-	-	-	-	-	-
34	Total QIP		-	-	-	-	-	-	-	-
35										
36	341200	Transportation Equip Hvy Duty Trucks								
37	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	Investment Projects		-	-	-	-	-	-	-	-
39	Total QIP		-	-	-	-	-	-	-	-
40										
41	341300	Transportation Equip Autos								
42	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	Investment Projects		-	-	-	-	-	-	-	-
44	Total QIP		-	-	-	-	-	-	-	-
45										
46	343000	Tools, Shop, Garage Equipment								
47	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Investment Projects		-	-	-	-	-	-	-	-
49	Total QIP		-	-	-	-	-	-	-	-
50										
51	331001	Transmission & Distribution Mains								

Tennessee American Water Company
Safety and Environmental Compliance (SEC)
Investment Worksheet

			1	2	3	4	5	B	C	6
	SEC					= 1 + 2				= 1 + 3 + 5 + B
Line #	Investment by Plant Account	Account Description	Additions	Retirements	CIAC	Net Investments (for Prop Tax)	Cost of Removal Net of Salvage	Accumulated Deferred Income Taxes	Accumulated Depreciation	Earnings Basis Net Investment
52	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	Investment Projects		-	-	-	-	-	-	-	-
54	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70										
71	335000	Hydrants								
72	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
73	Investment Projects		-	-	-	-	-	-	-	-
74	Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
75										
76	Expenses:									
77	Chemical Expense for WasteWater handling:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78	Electric Power Expense for Wasterwater handling:		-	-	-	-	-	-	-	-
79	Hauling Expense for Wasterwater handling:		-	-	-	-	-	-	-	-
80	Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81										
82	Total		\$ 11,054,912	\$ (182,320)	\$ -	\$ 10,872,593	\$ 67,036	\$ 31,465	\$ (239,867)	\$ 10,913,547
83										
84										

		7	8	9	10	11	12	
SEC		= 6 x 9.4544%	= $\frac{1+2+3}{\text{Depreciation Rate}}$	= $\frac{4 \times \text{Prop Tax Rate}}{\text{Franchise Rate}}$ + $\frac{4 \times \text{Franchise Rate}}$		= 7 + 8 + 9 + 10	= 11 / (1 - 4.482%)	
Line #	Investment by Plant Account	Account Description	Earnings Basis x PTR	Depr Exp	Prop Tax & Franchise Fees	Operational Expenses	Total Before Revenue Tax	Total With Revenue Tax
1	<u>304400</u>	Struct & Imp-T&D						
2	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Investment Projects		868,833	197,517	125,286	-	1,191,635	1,230,914
4	Total QIP		<u>\$ 868,833</u>	<u>\$ 197,517</u>	<u>\$ 125,286</u>	<u>\$ -</u>	<u>\$ 1,191,635</u>	<u>\$ 1,230,914</u>
5								
6	<u>304500</u>	Structures & Improvement - General						
7	Recurring Projects		\$ 19,014	\$ 1,791	\$ 2,141	\$ -	\$ 22,946	\$ 23,702
8	Investment Projects		-	-	-	-	-	-
9	Total QIP		<u>\$ 19,014</u>	<u>\$ 1,791</u>	<u>\$ 2,141</u>	<u>\$ -</u>	<u>\$ 22,946</u>	<u>\$ 23,702</u>
10								
11	<u>311520</u>	Pumping Equipment SOS						
12	Recurring Projects		\$ 26,716	\$ 4,983	\$ 3,679	\$ -	\$ 35,379	\$ 36,545
13	Investment Projects		-	-	-	-	-	-
14	Total QIP		<u>\$ 26,716</u>	<u>\$ 4,983</u>	<u>\$ 3,679</u>	<u>\$ -</u>	<u>\$ 35,379</u>	<u>\$ 36,545</u>
15								
16	<u>320200</u>	Water Trmt Equip Filter Media						
17	Recurring Projects		\$ 71,291	\$ 217,218	\$ 8,711	\$ -	\$ 297,219	\$ 307,016
18	Investment Projects		-	-	-	-	-	-
19	Total QIP		<u>\$ 71,291</u>	<u>\$ 217,218</u>	<u>\$ 8,711</u>	<u>\$ -</u>	<u>\$ 297,219</u>	<u>\$ 307,016</u>
20								
21	<u>340200</u>	Computer & Peripheral Equipment						
22	Recurring Projects		\$ 45,955	\$ 11,475	\$ 7,079	\$ -	\$ 64,509	\$ 66,635
23	Investment Projects		-	-	-	-	-	-
24	Total QIP		<u>\$ 45,955</u>	<u>\$ 11,475</u>	<u>\$ 7,079</u>	<u>\$ -</u>	<u>\$ 64,509</u>	<u>\$ 66,635</u>
25								
26	<u>340315</u>	Computer Software Special Deprec Rate						
27	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Investment Projects		-	-	-	-	-	-
29	Total QIP		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
30								
31	<u>341100</u>	Transportation Equip Lt Duty Trucks						
32	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Investment Projects		-	-	-	-	-	-
34	Total QIP		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
35								
36	<u>341200</u>	Transportation Equip Hvy Duty Trucks						
37	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	Investment Projects		-	-	-	-	-	-
39	Total QIP		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
40								
41	<u>341300</u>	Transportation Equip Autos						
42	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	Investment Projects		-	-	-	-	-	-
44	Total QIP		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
45								
46	<u>343000</u>	Tools, Shop, Garage Equipment						
47	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Investment Projects		-	-	-	-	-	-
49	Total QIP		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
50								
51	<u>331001</u>	Transmission & Distribution Mains						

	7	8	9	10	11	12
		=(1+2+3)x Depreciation Rate	=(4 x Prop Tax Rate) + (4 x Franchise Rate)		= 7 + 8 + 9 + 10	= 11 / (1 - 4.482%)
SEC	= 6 x 9.4544%					

Line #	Investment by Plant Account	Account Description	Earnings Basis x PTR	Depr Exp	Prop Tax & Franchise Fees	Operational Expenses	Total Before Revenue Tax	Total With Revenue Tax
52	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	Investment Projects		-	-	-	-	-	-
54	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55								
56	<u>333000</u>	Services						
57	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	Investment Projects		-	-	-	-	-	-
59	Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60								
61	<u>334100</u>	Meters						
62	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63	Investment Projects		-	-	-	-	-	-
64	Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65								
66	<u>334200</u>	Meter Installations						
67	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
68	Investment Projects		-	-	-	-	-	-
69	Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70								
71	<u>335000</u>	Hydrants						
72	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
73	Investment Projects		-	-	-	-	-	-
74	Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
75								
76	<u>Expense:</u>							
77	Chemical Expense for WasteWater handling:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78	Electric Power Expense for Wasterwater handling:		-	-	-	-	-	-
79	Hauling Expense for Wasterwater handling:		-	-	-	-	-	-
80	Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81								
82	Total		\$ 1,031,808	\$ 432,984	\$ 146,897	\$ -	\$ 1,611,688	\$ 1,664,812
83								
84								

Tennessee American Water Company
Qualified Infrastructure Improvement Program (QIIP)
Investment Worksheet

			1	2	3	4	5	B	C	6	7
						= 1 + 2				= 1 + 3 + 5 + B	= 6 x 9.4544%
		QIIP									
Line #	Investment by Plant	Account Description	Additions	Retirements	CIAC	Net Investments (for Prop Tax)	Cost of Removal Net of Salvage	Accumulated Deferred Income Taxes	Accumulated Depreciation	Earnings Basis Net Investment	Earnings Basis x PTR
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		54,000	-	-	54,000	-	60	(935)	53,125	5,023
14	Total QIP		\$ 54,000	\$ -	\$ -	\$ 54,000	\$ -	\$ 60	\$ (935)	\$ 53,125	\$ 5,023
15											
16	320200	Water Trmt Equip Filter Media									
17	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Investment Projects		72,000	-	-	72,000	-	8,597	(22,960)	57,638	5,449
19	Total QIP		\$ 72,000	\$ -	\$ -	\$ 72,000	\$ -	\$ 8,597	\$ (22,960)	\$ 57,638	\$ 5,449
20											
21	340200	Computer & Peripheral Equipment									
22	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Investment Projects		54,000	-	-	54,000	-	(2,645)	(1,069)	50,287	4,754
24	Total QIP		\$ 54,000	\$ -	\$ -	\$ 54,000	\$ -	\$ (2,645)	\$ (1,069)	\$ 50,287	\$ 4,754
25											
26	340315	Computer Software Special Deprec Rate									
27	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Investment Projects										
29	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30											
31	341100	Transportation Equip Lt Duty Trucks									
32	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Investment Projects										
34	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35											
36	341200	Transportation Equip Hvy Duty Trucks									
37	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	Investment Projects										
39	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40											
41	341300	Transportation Equip Autos									
42	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	Investment Projects										
44	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45											
46	343000	Tools, Shop, Garage Equipment									
47	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Investment Projects										
49	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50											
51	331001	Transmission & Distribution Mains									

Tennessee American Water Company
Qualified Infrastructure Improvement Program (QIIP)
Investment Worksheet

		1	2	3	4	5	6	7			
QIIP		= 1 + 2					= 1 + 3 + 5 + 6		= 6 x 9.4544%		
Line #	Investment by Plant Account	Account Description	Additions	Retirements	CIAC	Net Investments (for Prop Tax)	Cost of Removal Net of Salvage	Accumulated Deferred Income Taxes	Accumulated Depreciation	Earnings Basis Net Investment	Earnings Basis x PTR
52	Recurring Projects		\$ 3,196,081	\$ (77,330)	\$ -	\$ 3,118,751	\$ 402,149	\$ (12,789)	\$ (33,507)	\$ 3,551,934	\$ 335,813
53	Investment Projects		1,020,000	-	-	1,020,000	-	(1,054)	(12,068)	1,006,878	95,194
54	Total QIP		\$ 4,216,081	\$ (77,330)	\$ -	\$ 4,138,751	\$ 402,149	\$ (13,843)	\$ (45,575)	\$ 4,558,812	\$ 431,007
55											
56	333000	Services									
57	Recurring Projects		\$ 403,918	\$ (9,520)	\$ -	\$ 394,399	\$ 133,728	\$ (1,808)	\$ (3,599)	\$ 532,240	\$ 50,320
58	Investment Projects		-	-	-	-	-	-	-	-	-
59	Total		\$ 403,918	\$ (9,520)	\$ -	\$ 394,399	\$ 133,728	\$ (1,808)	\$ (3,599)	\$ 532,240	\$ 50,320
60											
61	334100	Meters									
62	Recurring Projects		\$ 713,847	\$ (2,828)	\$ -	\$ 711,019	\$ 149,905	\$ 12,109	\$ (45,820)	\$ 830,040	\$ 78,475
63	Investment Projects		-	-	-	-	-	-	-	-	-
64	Total		\$ 713,847	\$ (2,828)	\$ -	\$ 711,019	\$ 149,905	\$ 12,109	\$ (45,820)	\$ 830,040	\$ 78,475
65											
66	334200	Meter Installations									
67	Recurring Projects		\$ 270,770	\$ (5,628)	\$ -	\$ 265,141	\$ 82,355	\$ (265)	\$ (4,994)	\$ 347,865	\$ 32,888
68	Investment Projects		-	-	-	-	-	-	-	-	-
69	Total		\$ 270,770	\$ (5,628)	\$ -	\$ 265,141	\$ 82,355	\$ (265)	\$ (4,994)	\$ 347,865	\$ 32,888
70											
71	335000	Transmission & Distribution Mains									
72	Recurring Projects		\$ 198,326	\$ (23,794)	\$ -	\$ 174,532	\$ 17,352	\$ (223)	\$ (3,771)	\$ 211,684	\$ 20,013
73	Investment Projects		-	-	-	-	-	-	-	-	-
74	Total		\$ 198,326	\$ (23,794)	\$ -	\$ 174,532	\$ 17,352	\$ (223)	\$ (3,771)	\$ 211,684	\$ 20,013
75	330003	Tank Repainting									
76	Recurring Projects		\$ 547,308	\$ -	\$ -	\$ 547,308	\$ -	\$ 18,093	\$ (59,498)	\$ 505,902	\$ 47,830
77	Investment Projects		-	-	-	-	-	-	-	-	-
78	Total		\$ 547,308	\$ -	\$ -	\$ 547,308	\$ -	\$ 18,093	\$ (59,498)	\$ 505,902	\$ 47,830
79											
80											
81											
82	Total		\$ 6,530,250	\$ (119,100)	\$ -	\$ 6,411,150	\$ 785,489	\$ 20,076	\$ (188,222)	\$ 7,147,593	\$ 675,760
83											
84											
85											

			8	9	10	11	12
			= (1+2+3) x Depreciation Rate	= (4 x Prop Tax Rate) + (4 x Franchise Rate)		= 7 + 8 + 9 + 10	= 11 / (1 - 4.482%)
QIIP							
Line #	Investment by Plant Account	Account Description	Depr Exp	Prop Tax & Franchise Fees	Operational Expenses	Total Before Revenue Tax	Total With Revenue Tax
1	<u>304400</u>	Struct & Imp-T&D					
2	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -
3	Investment Projects		-	-	-	-	-
4	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -
5							
6	<u>304500</u>	Structures & Improvement - General					
7	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -
8	Investment Projects		-	-	-	-	-
9	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -
10							
11	<u>311520</u>	Pumping Equipment SOS					
12	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -
13	Investment Projects		988	730	-	6,740	6,963
14	Total QIP		\$ 988	\$ 730	\$ -	\$ 6,740	\$ 6,963
15							
16	<u>320200</u>	Water Trmt Equip Filter Media					
17	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -
18	Investment Projects		24,257	973	-	30,679	31,690
19	Total QIP		\$ 24,257	\$ 973	\$ -	\$ 30,679	\$ 31,690
20							
21	<u>340200</u>	Computer & Peripheral Equipment					
22	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -
23	Investment Projects		1,183	730	-	6,666	6,886
24	Total QIP		\$ 1,183	\$ 730	\$ -	\$ 6,666	\$ 6,886
25							
26	<u>340315</u>	Computer Software Special Deprec Rate					
27	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -
28	Investment Projects		-	-	-	-	-
29	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -
30							
31	<u>341100</u>	Transportation Equip Lt Duty Trucks					
32	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -
33	Investment Projects		-	-	-	-	-
34	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -
35							
36	<u>341200</u>	Transportation Equip Hvy Duty Trucks					
37	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -
38	Investment Projects		-	-	-	-	-
39	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -
40							
41	<u>341300</u>	Transportation Equip Autos					
42	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -
43	Investment Projects		-	-	-	-	-
44	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -
45							
46	<u>343000</u>	Tools, Shop, Garage Equipment					
47	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -
48	Investment Projects		-	-	-	-	-
49	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -
50							
51	<u>331001</u>	Transmission & Distribution Mains					

			8	9	10	11	12
			=(1+2+3)x Depreciation Rate	=(4 x Prop Tax Rate) + (4 x Franchise Rate)		= 7 + 8 + 9 + 10	= 11 / (1 - 4.482%)
QIIP							
Line #	Investment by Plant Account	Account Description	Depr Exp	Prop Tax & Franchise Fees	Operational Expenses	Total Before Revenue Tax	Total With Revenue Tax
52	Recurring Projects		\$ 38,984	\$ 42,137	\$ -	\$ 416,934	\$ 430,677
53	Investment Projects		12,750	13,781	-	121,725	125,737
54	Total QIP		\$ 51,734	\$ 55,917	\$ -	\$ 538,659	\$ 556,414
55							
56	333000	Services					
57	Recurring Projects		\$ 4,378	\$ 5,329	\$ -	\$ 60,026	\$ 62,005
58	Investment Projects		-	-	-	-	-
59	Total		\$ 4,378	\$ 5,329	\$ -	\$ 60,026	\$ 62,005
60							
61	334100	Meters					
62	Recurring Projects		\$ 53,113	\$ 9,606	\$ -	\$ 141,195	\$ 145,849
63	Investment Projects		-	-	-	-	-
64	Total		\$ 53,113	\$ 9,606	\$ -	\$ 141,195	\$ 145,849
65							
66	334200	Meter Installations					
67	Recurring Projects		\$ 7,238	\$ 3,582	\$ -	\$ 43,709	\$ 45,150
68	Investment Projects		-	-	-	-	-
69	Total		\$ 7,238	\$ 3,582	\$ -	\$ 43,709	\$ 45,150
70							
71	335000	Transmission & Distribution Mains					
72	Recurring Projects		\$ 4,014	\$ 2,358	\$ -	\$ 26,386	\$ 27,255
73	Investment Projects		-	-	-	-	-
74	Total		\$ 4,014	\$ 2,358	\$ -	\$ 26,386	\$ 27,255
75	330003	Tank Repainting					
76	Recurring Projects		\$ 60,642	\$ 7,395	\$ -	\$ 115,866	\$ 119,685
77	Investment Projects		-	-	-	-	-
78	Total		\$ 60,642	\$ 7,395	\$ -	\$ 115,866	\$ 119,685
79							
80							
81							
82	Total		\$ 207,547	\$ 86,619	\$ -	\$ 969,927	\$ 1,001,897
83							
84							
85							

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

			1	2	3	4	5	B	C	6	7
		EDI				= 1 + 2				= 1 + 3 + 5 + B	= 6 x 9.4544%
Line #	Investment by Plant Account	Account Description	Additions	Retirements	CIAC	Net Investments (for Prop Tax)	Cost of Removal Net of Salvage	Accumulated Deferred Income Taxes	Accumulated Depreciation	Earnings Basis Net Investment	Earnings Basis x PTR
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		-	-	-	-	-	-	-	-	-
14	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15											
16	320200	Water Trmt Equip Filter Media									
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									
27	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Investment Projects		-	-	-	-	-	-	-	-	-
29	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30											
31	341100	Transportation Equip Lt Duty Trucks									
32	Recurring Projects		\$ 10,478	\$ -	\$ -	\$ 10,478	\$ -	\$ (169)	\$ (1,190)	\$ 9,119	\$ 862
33	Investment Projects		-	-	-	-	-	-	-	-	-
34	Total QIP		\$ 10,478	\$ -	\$ -	\$ 10,478	\$ -	\$ (169)	\$ (1,190)	\$ 9,119	\$ 862
35											
36	341200	Transportation Equip Hvy Duty Trucks									
37	Recurring Projects		\$ 34,527	\$ -	\$ -	\$ 34,527	\$ -	\$ (496)	\$ (4,074)	\$ 29,957	\$ 2,832
38	Investment Projects		-	-	-	-	-	-	-	-	-
39	Total QIP		\$ 34,527	\$ -	\$ -	\$ 34,527	\$ -	\$ (496)	\$ (4,074)	\$ 29,957	\$ 2,832
40											
41	341300	Transportation Equip Autos									
42	Recurring Projects		\$ 9,283	\$ -	\$ -	\$ 9,283	\$ -	\$ (269)	\$ (750)	\$ 8,264	\$ 781
43	Investment Projects		-	-	-	-	-	-	-	-	-
44	Total QIP		\$ 9,283	\$ -	\$ -	\$ 9,283	\$ -	\$ (269)	\$ (750)	\$ 8,264	\$ 781
45											
46	343000	Tools, Shop, Garage Equipment									
47	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Investment Projects		-	-	-	-	-	-	-	-	-
49	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50											
51	331001	Transmission & Distribution Mains									

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

			1	2	3	4	5	B	C	6	7
	EDI					= 1 + 2				= 1 + 3 + 5 + B	= 6 x 9.4544%
Line #	Investment by Plant Account	Account Description	Additions	Retirements	CIAC	Net Investments (for Prop Tax)	Cost of Removal Net of Salvage	Accumulated Deferred Income Taxes	Accumulated Depreciation	Earnings Basis Net Investment	Earnings Basis x PTR
52	Recurring Projects		\$ 154,974	\$ -	\$ -	\$ 154,974	\$ -	\$ (593)	\$ (1,634)	\$ 152,746	\$ 14,441
53	Investment Projects		-	-	-	-	-	-	-	-	-
54	Total QJP		\$ 154,974	\$ -	\$ -	\$ 154,974	\$ -	\$ (593)	\$ (1,634)	\$ 152,746	\$ 14,441
55											
56	<u>333000</u>	Services									
57	Recurring Projects		\$ 698,308	\$ -	\$ (159,611)	\$ 698,308	\$ -	\$ (3,030)	\$ (4,868)	\$ 530,799	\$ 50,184
58	Investment Projects		-	-	-	-	-	-	-	-	-
59	Total		\$ 698,308	\$ -	\$ (159,611)	\$ 698,308	\$ -	\$ (3,030)	\$ (4,868)	\$ 530,799	\$ 50,184
60											
61	<u>334100</u>	Meters									
62	Recurring Projects		\$ 528,978	\$ -	\$ -	\$ 528,978	\$ -	\$ 9,147	\$ (34,551)	\$ 503,574	\$ 47,610
63	Investment Projects		-	-	-	-	-	-	-	-	-
64	Total		\$ 528,978	\$ -	\$ -	\$ 528,978	\$ -	\$ 9,147	\$ (34,551)	\$ 503,574	\$ 47,610
65											
66	<u>334200</u>	Meter Installations									
67	Recurring Projects		\$ 294,975	\$ -	\$ -	\$ 294,975	\$ -	\$ 305	\$ (7,041)	\$ 288,239	\$ 27,251
68	Investment Projects		-	-	-	-	-	-	-	-	-
69	Total		\$ 294,975	\$ -	\$ -	\$ 294,975	\$ -	\$ 305	\$ (7,041)	\$ 288,239	\$ 27,251
70											
71	<u>335000</u>	Hydrants									
72	Recurring Projects		\$ 26,491	\$ -	\$ -	\$ 26,491	\$ -	\$ (9)	\$ (512)	\$ 25,970	\$ 2,455
73	Investment Projects		-	-	-	-	-	-	-	-	-
74	Total		\$ 26,491	\$ -	\$ -	\$ 26,491	\$ -	\$ (9)	\$ (512)	\$ 25,970	\$ 2,455
75											
76	Expense:										
77	Chamber of Commerce - ED Program:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78	STEM Lab		-	-	-	-	-	-	-	-	-
79			-	-	-	-	-	-	-	-	-
80	Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81											
82	Total		\$ 1,758,014	\$ -	\$ (159,611)	\$ 1,758,014	\$ -	\$ 4,887	\$ (54,621)	\$ 1,548,670	\$ 146,417
83											
84											

		8	9	10	11	12	
		= (1+2+3) x Depreciation Rate	= (4 x Prop Tax Rate) + (4 x Franchise Rate)		= 7 + 8 + 9 + 10	= 11 / (1 - 4.482%)	
EDI							
Line #	Investment by Plant Account	Account Description	Depr Exp	Prop Tax & Franchise Fees	Operational Expenses	Total Before Revenue Tax	Total With Revenue 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		-	-	-	-	-
14	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -
15							
16	320200	Water Trmt Equip Filter Media					
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					
27	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -
28	Investment Projects		-	-	-	-	-
29	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -
30							
31	341100	Transportation Equip Lt Duty Trucks					
32	Recurring Projects		\$ 1,676	\$ 142	\$ -	\$ 2,680	\$ 2,768
33	Investment Projects		-	-	-	-	-
34	Total QIP		\$ 1,676	\$ 142	\$ -	\$ 2,680	\$ 2,768
35							
36	341200	Transportation Equip Hvy Duty Trucks					
37	Recurring Projects		\$ 5,738	\$ 466	\$ -	\$ 9,037	\$ 9,335
38	Investment Projects		-	-	-	-	-
39	Total QIP		\$ 5,738	\$ 466	\$ -	\$ 9,037	\$ 9,335
40							
41	341300	Transportation Equip Autos					
42	Recurring Projects		\$ 1,056	\$ 125	\$ -	\$ 1,963	\$ 2,028
43	Investment Projects		-	-	-	-	-
44	Total QIP		\$ 1,056	\$ 125	\$ -	\$ 1,963	\$ 2,028
45							
46	343000	Tools, Shop, Garage Equipment					
47	Recurring Projects		\$ -	\$ -	\$ -	\$ -	\$ -
48	Investment Projects		-	-	-	-	-
49	Total QIP		\$ -	\$ -	\$ -	\$ -	\$ -
50							
51	331001	Transmission & Distribution Mains					

		8	9	10	11	12	
		=(1+2+3)x Depreciation Rate	= (4 x Prop Tax Rate) + (4 x Franchise Rate)		= 7 + 8 + 9 + 10	= 11 / (1 - 4.482%)	
EDI							
Line #	Investment by Plant Account	Account Description	Depr Exp	Prop Tax & Franchise Fees	Operational Expenses	Total Before Revenue Tax	Total With Revenue Tax
52	Recurring Projects		\$ 1,937	\$ 2,094	\$ -	\$ 18,472	\$ 19,081
53	Investment Projects		-	-	-	-	-
54	Total QJP		\$ 1,937	\$ 2,094	\$ -	\$ 18,472	\$ 19,081
55							
56	<u>333000</u>	Services					
57	Recurring Projects		\$ 5,980	\$ 9,435	\$ -	\$ 65,598	\$ 67,760
58	Investment Projects		-	-	-	-	-
59	Total		\$ 5,980	\$ 9,435	\$ -	\$ 65,598	\$ 67,760
60							
61	<u>334100</u>	Meters					
62	Recurring Projects		\$ 39,515	\$ 7,147	\$ -	\$ 94,271	\$ 97,379
63	Investment Projects		-	-	-	-	-
64	Total		\$ 39,515	\$ 7,147	\$ -	\$ 94,271	\$ 97,379
65							
66	<u>334200</u>	Meter Installations					
67	Recurring Projects		\$ 8,053	\$ 3,985	\$ -	\$ 39,289	\$ 40,584
68	Investment Projects		-	-	-	-	-
69	Total		\$ 8,053	\$ 3,985	\$ -	\$ 39,289	\$ 40,584
70							
71	<u>335000</u>	Hydrants					
72	Recurring Projects		\$ 609	\$ 358	\$ -	\$ 3,423	\$ 3,535
73	Investment Projects		-	-	-	-	-
74	Total		\$ 609	\$ 358	\$ -	\$ 3,423	\$ 3,535
75							
76	<u>Expense:</u>						
77	Chamber of Commerce - ED Program:		\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 41,318
78	STEM Lab		-	-	5,000	5,000	5,165
79			-	-	-	-	-
80	Total		\$ -	\$ -	\$ 45,000	\$ 45,000	\$ 46,483
81							
82	Total		\$ 64,565	\$ 23,752	\$ 45,000	\$ 279,734	\$ 288,955
83							
84							

TENNESSEE-AMERICAN WATER COMPANY

TRA NO. 19
Original Sheet No. 12-Riders-1

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

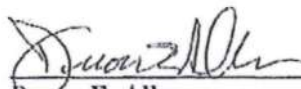
For the Riders defined in the tariffs :

QIIP	0.79 %
EDI	0.18 %
<u>SEC</u>	<u>0.11 %</u>
Subtotal of all Capital Recovery Riders	1.08 %
QIIP Annual Reconciliation Percentage	0.00 %
EDI Annual Reconciliation Percentage	0.00 %
<u>SEC Annual Reconciliation Percentage</u>	<u>0.00 %</u>
Subtotal of all Reconciliation Percentages	0.00 %
Total of Capital Recovery Riders and Reconciliation Percentages	1.08 %
PCOP	-1.15 %

ISSUED: March 25, 2014

EFFECTIVE: April 15, 2014

BY:


Deron E. Allen
PRESIDENT

109 Wiehl Street
Chattanooga, Tennessee 37403

TENNESSEE-AMERICAN WATER COMPANY

TRA NO. 19

First Revised Sheet No. 12-Riders-1

CLASSIFICATION OF SERVICESUMMARY 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

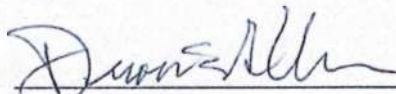
For the Riders defined in the tariffs :

QIIP	2.13 %	(I)
EDI	0.61 %	(I)
<u>SEC</u>	<u>3.54 %</u>	(I)
Subtotal of all Capital Recovery Riders	6.28 %	(I)
QIIP Annual Reconciliation Percentage	0.00 %	
EDI Annual Reconciliation Percentage	0.00 %	
<u>SEC Annual Reconciliation Percentage</u>	<u>0.00 %</u>	
Subtotal of all Reconciliation Percentages	0.00 %	
Total of Capital Recovery Riders and Reconciliation Percentages	6.28 %	
PCOP	-1.15 %	

ISSUED: December 29, 2014

EFFECTIVE: January 13, 2015

BY:


 Deron E. Allen
 PRESIDENT

109 Wiehl Street
 Chattanooga, Tennessee 37403


Tennessee-American Water Company, Inc.
Secretary's Certificate

I, Staci Olsen, being the Assistant Secretary of Tennessee-American Water Company, Inc. ("Company"), do hereby certify that the following Resolution was duly approved by Unanimous Consent of the Board of Directors of said Company, effective as of December 17, 2014, and that said Resolution has not been rescinded, amended or modified:

RESOLVED, that the 2015 Budget, in the form presented to the Board and attached hereto as Exhibit A, be and hereby is approved effective as of January 1, 2015

IN WITNESS WHEREOF, I have hereunto affixed my signature and the seal of the Company as of the date hereof.

Dated: December 17, 2014



Staci Olsen
Assistant Secretary



Balance Sheet Monthly Profile View (\$K)
E26_Tennessee American
2015

Year: fy15
 Scenario: plan
 Version: working
 Entity: e26
 ID: Comprehensive
 Movement: Total_Movement
 TP: TradingPartner

Exhibit A

ASSETS

	BegBalance	JANYTD	FEBYTD	MARYTD	APRYTD	MAYYTD	JUNYTD	JULYTD	AUGYTD	SEPYTD	OCTYTD	NOVYTD	DECYTD
Utility Plant in Service	271,984	272,106	272,535	273,099	273,896	274,668	275,280	275,852	276,574	277,546	278,570	279,440	279,951
Construction Work in Progress	10,832	12,279	13,614	14,894	16,064	17,141	18,415	18,743	19,077	19,435	19,878	20,549	21,101
Utility Plant Accumulated Depreciation/Amortization	(88,413)	(88,829)	(89,245)	(89,662)	(90,081)	(90,500)	(90,922)	(91,344)	(91,767)	(92,192)	(92,619)	(93,048)	(93,478)
Total Utility Plant Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility property net of accumulated depreciation	194,403	195,556	196,903	198,330	199,879	201,309	202,773	203,251	203,884	204,789	205,829	206,941	207,575
Nonutility property net of accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Property Plant and Equipment	194,403	195,556	196,903	198,330	199,879	201,309	202,773	203,251	203,884	204,789	205,829	206,941	207,575

Cash and Cash Equivalents	47	(420)	(357)	(183)	(75)	47	(285)	(150)	(34)	93	239	368	80
Restricted funds-current	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable net	3,207	3,561	3,739	3,362	3,806	3,597	3,534	3,684	3,583	3,707	3,348	3,134	3,068
Unbilled Revenues	3,244	3,051	3,194	3,213	3,332	3,571	3,421	3,560	3,421	3,514	3,378	3,523	3,456
Materials and supplies	491	604	583	605	600	610	600	681	700	682	599	586	593
Current portion of deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets of discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets	689	758	726	694	758	726	694	758	726	694	758	726	694
Total Current Assets	7,678	7,554	7,885	7,692	8,421	8,551	7,965	8,533	8,396	8,689	8,322	8,337	7,892
Regulatory assets	6,807	6,751	6,696	6,641	6,585	6,530	6,475	6,420	6,362	6,301	6,239	6,177	6,116
Other investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Funds - Long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Long Term Assets	(194)	(194)	(194)	(194)	(194)	(194)	(194)	(194)	(194)	(194)	(194)	(194)	(194)
Total Regulatory & Other L/T Assets	6,613	6,558	6,502	6,447	6,392	6,336	6,281	6,226	6,169	6,107	6,045	5,984	5,922
Total Assets	208,694	209,668	211,290	212,469	214,692	216,196	217,019	218,010	218,449	219,585	220,197	221,262	221,389

CAPITAL & LIABILITIES

Common Stock	13,754	13,754	13,754	13,754	13,754	13,754	13,754	13,754	13,754	13,754	13,754	13,754	13,754
Paid in Capital	25,004	25,005	25,007	27,008	27,010	27,012	27,013	27,015	27,017	27,018	27,020	27,022	27,023
Retained Earnings	26,903	27,328	27,762	27,249	27,717	28,277	28,196	28,943	29,716	29,166	29,778	30,204	28,927
Accumulated other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Stockholders' equity	65,661	66,088	66,523	68,012	68,482	69,043	68,964	69,713	70,487	69,939	70,553	70,980	69,705
Preferred Stock without mandatory redemption requirements	-	-	-	-	-	-	-	-	-	-	-	-	-
Noncontrolling Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	65,661	66,088	66,523	68,012	68,482	69,043	68,964	69,713	70,487	69,939	70,553	70,980	69,705
Long term debt	60,696	60,697	60,697	60,698	60,698	60,699	60,699	64,700	64,700	64,701	64,701	64,702	64,702
Redeemable preferred stock at redemption value	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Long-term debt	60,696	60,697	60,697	60,698	60,698	60,699	60,699	64,700	64,700	64,701	64,701	64,702	64,702
Total Capitalization	126,357	126,784	127,220	128,710	129,180	129,742	129,663	134,412	135,188	134,640	135,254	135,682	134,407
Short Term Debt	13,541	15,801	18,062	17,839	18,383	18,029	19,736	14,564	13,928	15,637	14,345	15,275	17,768
Current Portion of Long-term Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of redeemable stock at redemption value	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable	5,260	2,736	4,222	4,325	4,416	3,713	4,043	4,193	4,110	4,527	4,899	4,919	4,655
Taxes Accrued	1,687	2,259	(413)	66	953	2,825	1,650	2,842	2,911	3,129	3,842	3,400	2,558
Interest Accrued	580	802	1,025	278	428	652	608	838	1,075	345	510	743	704
Liabilities of Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	1,920	1,930	1,978	2,024	2,061	2,089	2,149	2,173	2,211	2,256	2,278	2,319	2,355
Total Current Liabilities	22,987	23,528	24,873	24,532	26,241	27,308	28,185	24,400	24,235	25,894	25,873	26,656	28,040
Customer Advances for Construction	4,818	4,848	4,877	4,906	4,935	4,964	4,993	5,023	5,052	5,081	5,110	5,139	5,168
Deferred Income Taxes	39,733	39,597	39,609	39,514	39,440	39,472	39,385	39,288	39,341	39,298	39,265	39,317	39,213
Deferred investment tax credits	582	575	569	563	556	550	544	537	531	524	518	512	505
Regulatory liability	2,238	2,242	2,224	2,212	2,191	2,188	2,161	2,149	2,104	2,035	1,948	1,932	1,916
Accrued Pension	(1,690)	(1,625)	(1,709)	(1,643)	(1,578)	(1,662)	(1,596)	(1,531)	(1,641)	(1,576)	(1,510)	(1,621)	(1,556)
Accrued postretirement benefit expense	705	752	658	705	752	658	705	752	658	705	752	658	705
Other Deferred Credits	300	300	300	300	300	300	300	300	300	300	300	300	300
Regulatory & Other Long Term Liabilities	46,686	46,689	46,528	46,556	46,598	46,470	46,492	46,518	46,344	46,367	46,383	46,237	46,252
Contributions in aid of construction	12,664	12,666	12,669	12,671	12,674	12,676	12,678	12,680	12,682	12,684	12,686	12,688	12,690
Total Capital and Liabilities	208,694	209,668	211,290	212,469	214,692	216,196	217,019	218,010	218,449	219,585	220,197	221,262	221,389



Year: 1/15
Scenario: plan
Model: 2015
Entity: 208
ID: Comprehensive
Movement: Total_Movement
TP: TotalPartner

Petitioner's Exhibit--TAWC Board Resolution--LCB

Page 3 of 6

Wednesday, December 17, 2014 11:36:22 AM

P&L Monthly Activity View (\$K)

E26_Tennessee American

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	DECYTD
OPERATING REVENUES													
Water revenues	3,871	3,732	3,727	3,895	4,007	4,406	4,571	4,521	4,496	4,222	3,843	3,839	49,117
Sewer revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating revenues	109	108	110	113	113	119	123	120	116	113	108	108	1,361
Market-based revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Management revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating revenues	3,980	3,839	3,836	3,998	4,120	4,525	4,694	4,642	4,612	4,335	3,948	3,947	50,478
OPERATIONS & MAINTENANCE EXPENSE													
Purchased water	(2)	(2)	(2)	(2)	(2)	6	6	10	4	4	4	2	28
Fuel and Power	221	202	211	208	223	249	255	257	245	231	211	208	2,720
Chemicals	77	65	78	74	80	75	78	122	132	122	71	122	1,036
Waste disposal	6	6	31	28	26	26	26	26	34	26	31	31	300
Total production costs	302	271	318	307	328	364	409	426	405	335	303	312	4,084
Salaries & Wages	476	432	474	481	460	481	502	460	481	481	465	506	5,697
Pensions	51	51	51	51	51	51	51	51	51	51	51	51	613
Group Insurance	118	118	118	118	118	118	118	118	118	118	118	118	1,415
Other benefits	31	28	45	31	31	30	45	32	45	31	30	47	428
Total employee related	676	630	688	681	658	695	703	658	695	681	664	722	8,151
Service Company costs	466	439	455	460	441	449	457	433	439	434	422	440	5,335
Contracted services	78	79	80	78	76	78	84	82	83	82	83	86	967
Building maintenance and services	21	19	19	16	20	21	25	19	22	19	18	24	243
Telecommunication expenses	16	15	16	16	16	15	15	16	16	15	15	16	193
Postage printing and stationery	1	1	1	1	1	1	1	1	1	1	1	1	12
Office supplies & expenses	8	8	12	8	8	12	8	8	12	8	8	12	105
Advertising & marketing expenses	1	1	1	1	1	1	1	1	1	1	1	1	7
Employee related expense travel & entertainment	8	8	9	8	9	8	14	7	8	7	8	15	110
Miscellaneous expenses	72	65	68	69	67	55	61	51	57	53	54	60	733
Rents	3	3	3	3	3	3	3	3	3	3	3	3	34
Transportation	36	37	36	36	36	36	36	36	36	36	36	36	432
Operating supplies & services	242	233	245	234	234	236	246	222	238	225	227	253	2,836
Uncollectible Accounts Exp	63	57	57	59	63	69	67	63	65	64	56	39	724
Customer accounting other	70	68	68	70	68	68	70	68	68	70	68	68	822
Regulatory expense	18	18	43	18	18	18	18	18	18	18	18	68	291
Insurance other than group	33	33	33	33	33	33	33	33	33	33	33	33	400
Maintenance service & supplies	72	70	68	64	71	69	78	77	78	78	76	71	877
Total operation and maintenance	1,942	1,819	1,973	1,924	1,917	1,998	2,081	1,998	2,039	1,949	1,871	2,006	23,519
Depreciation	567	567	568	569	570	571	572	573	575	577	578	580	6,866
Amortization	4	4	4	4	4	4	4	4	4	4	4	4	44
Removal costs	27	27	27	27	27	27	27	27	27	27	27	28	325
Depreciation and Amortization	597	597	599	601	601	602	603	604	606	608	610	611	7,236
General taxes	437	430	427	427	425	427	426	424	425	425	424	427	5,126
Loss (gain) on sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses net	2,976	2,846	2,998	2,951	2,944	3,027	3,113	3,026	3,070	2,982	2,905	3,044	35,881
Operating income (loss)	1,004	994	839	1,047	1,177	1,497	1,581	1,616	1,542	1,353	1,044	903	14,597
OTHER INCOME (EXPENSE)													
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	269	269	269	269	269	269	276	282	282	282	282	282	3,300
Interest on Short-Term Bank Debt	4	4	4	5	5	6	5	6	7	7	8	11	73
Other Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest net	273	274	273	274	274	275	281	288	289	289	290	293	3,373
Allowance for other funds used during construction	33	38	43	48	53	58	-	-	-	-	-	-	273
Allowance for borrowed funds used during construction	22	25	29	32	35	39	-	-	-	-	-	-	182
Amortization of debt expense	5	5	5	5	5	5	5	5	5	5	5	5	64
Other Net	0	0	0	0	0	0	0	0	0	0	0	0	(4)
Total other income (expenses)	(223)	(216)	(207)	(199)	(192)	(185)	(286)	(293)	(295)	(295)	(296)	(299)	(2,965)
Income (loss) before income taxes	781	778	631	848	985	1,313	1,295	1,322	1,248	1,058	748	604	11,611
Provision for income taxes	355	344	293	380	426	552	548	549	522	446	322	275	5,012
Income (loss) from continuing operations	426	434	339	468	559	761	747	773	726	612	426	329	6,598
Income (loss) from discontinued operations - net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	426	434	339	468	559	761	747	773	726	612	426	329	6,598
Preferred dividend declared	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income attributable to non-controlling interest	426	434	339	468	559	761	747	773	726	612	426	329	6,598
Net income attributable to common stockholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Common dividends	-	-	-	-	-	841	-	1,276	(550)	612	426	(1,277)	4,574
Current Year Retained Earnings	426	434	(513)	468	559	(80)	747	773	(550)	612	426	(1,277)	2,025



Strategic Capital Expenditure Plan Monthly
(\$K)
E26_Tennessee American
2015

Year: fy15
Scenario: Plan
Version: working
Entity: e26
TP: TradingPartner

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	DecYTD
Gross Capital Expenditure	1,691	1,876	1,949	2,064	1,937	1,966	1,077	1,230	1,499	1,636	1,709	1,233	19,868
Contributions	20	20	20	20	20	20	20	20	20	20	20	20	240
Advances	58	58	58	58	58	58	58	58	58	58	58	58	700
Total Contributions Advances	78	78	78	78	78	78	78	78	78	78	78	78	940
Company Funded Project Expenditure	1,613	1,798	1,871	1,986	1,859	1,887	999	1,152	1,421	1,557	1,631	1,154	18,928
Refunds	29	29	29	29	29	29	29	29	29	29	29	29	350
Net Contributions Adv Refunds	49	49	49	49	49	49	49	49	49	49	49	49	590
Net Capital Expenditure	1,642	1,827	1,900	2,015	1,888	1,916	1,028	1,181	1,450	1,586	1,660	1,183	19,278
Total Investment in Assets	1,691	1,876	1,949	2,064	1,937	1,966	1,077	1,230	1,499	1,636	1,709	1,233	19,868
Total Capital Expenditure	1,721	1,906	1,979	2,093	1,966	1,995	1,107	1,259	1,528	1,665	1,738	1,262	19,278
Removal Costs Not Included in IP Projects	-	-	-	-	-	-	-	-	-	-	-	-	-
A70510000_AFUDC - Equity	1	1	1	1	1	1	1	1	1	-	-	-	6
A85000000_AFUDC Debt	1	1	1	1	1	1	1	1	1	-	-	-	7

TENNESSEE-AMERICAN WATER COMPANY
Unanimous Consent of Directors
(Without a Meeting)

The undersigned, being all of the Directors of Tennessee-American Water Company (the "Corporation"), do hereby consent to the following actions, effective as of the 26th day of December, 2014, in lieu of a meeting of the Board of Directors of the Corporation, and do hereby waive all notices necessary or required in connection therewith:

RESOLVED, that the 2015 Budget approved on December 17, 2014 by Unanimous Consent included a budget of Forecasted QIIP Investment Amount, a budget of Forecasted EDI Investment Amount and Forecasted Economic Development Operational Expenses, and Forecasted SEC Investment Amount and Forecasted SEC Investment Amount and Forecasted Safety and Environmental Compliance Operational Expenses per attached Exhibit A; and be it

FURTHER RESOLVED, the Forecasted Safety and Environmental Compliance Operational Expenses are hereby adopted at an adjusted amount of zero, effective January 1, 2015.

IN WITNESS WHEREOF, the undersigned, being all of the Directors of the Company have executed this unanimous consent effective as of the day and year first above written.



Deron Allen 12.25.2014 4:58 PM



Nick Rowe 12.23.2014 4:21 PM



Mark Shaeffer 12.24.2014 2:53 PM

Unanimous Consent (effective 12/26/2014) - Unanimous Consent

Exhibit A

Tennessee American Water 2015 Capital Recovery Riders													
Budgeted Investment Amount (\$k)													
Budgeted Operational Expenses (\$k)													
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Forecasted Gross Capital Expenditures per Final Budget approved 12/17/2014	1,691	1,876	1,949	2,064	1,937	1,966	1,077	1,230	1,499	1,636	1,709	1,233	19,868
Qualified Infrastructure Investment Program Rider	130	195	330	358	385	405	453	458	441	605	445	295	4,500
Economic Development Investment Rider	45	86	79	128	131	128	125	116	130	87	112	78	1,243
Safety and Environmental Compliance Rider	1,569	1,757	1,486	1,359	1,115	700	375	479	760	701	745	710	11,756
Total Operating Expense Net per Final Budget approved 12/17/2014	2,976	2846	2,998	2,951	2,944	3,027	3,113	3026	3070	2982	2905	3044	35,881
Economic Development Investment Rider													
Operational Expense - Chamber of Commerce Partnership						40							40
Economic Development Investment Rider													
Operational Expense - STEM Partnership						5							5
Total Economic Development Investment Operational Expense	0	0	0	0	0	45	0	0	0	0	0	0	45
Safety and Environmental Compliance Rider													
Operational Expense - Fuel & Power*							4	4	4	4	4	4	24
Safety and Environmental Compliance Rider													
Operational Expense - Chemicals*							7	7	7	7	7	7	44
Safety and Environmental Compliance Rider													
Operational Expense - Waste Transportation*							20	20	20	20	20	20	120
Total Safety and Environmental Compliance Operational Expense	0	0	0	0	0	0	31	31	31	31	31	31	188

*These expenses are removed as Operational Expense Items by TAW from the Adjusted Capital Recovery Riders