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August 7, 2015

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 Production Costs and Other Pass Through Rider*, TRA Docket No. 15-00001**

Dear Chairman Hilliard:

Attached for filing please find *Tennessee-American Water Company's Supplemental Response to First Set of Request for Information of the TRA (Question No. 2)* (the "*Schedule*"), which was originally submitted to the Authority in the above-captioned matter on February 18, 2015. Hence, the *Schedule* submitted with this filing today is identical to the schedule that the Company filed in this matter in response to the Authority's request for information on February 18, 2015. As there have been no changes to the *Schedule* since it was submitted on February 18, 2015, it currently represents, as it did when originally submitted, the final version for consideration by the Authority in support of the proposed revised tariff attached to the *June 26, 2015, Pre-Filed Rebuttal Testimony of TAWC Witness Linda C. Bridwell*.

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.

Very truly yours,

BUTLER SNOW LLP

Melvin J. Malone

clw
Attachments
cc: Deron Allen, President, Tennessee-American Water Company
Wayne Irvin, Assistant Attorney General, Consumer Advocate and Protection Division
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Tennessee American Water Company
Docket No. 15-00001
For the Twelve Months Ending November 30, 2014
PCOP Actual Expenses
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Description	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Total
Purchased Water	$ 3,464	$ 2,692	$ 2,781	$ 2,325	$ 2,946	$ 5,263	$ 4,007	$ 4,059	$ 3,984	$ 3,560	$ 4,712	$ 3,671	$ 43,465
Purchased Power	196,426	235,499	232,546	222,579	214,782	227,103	226,211	233,909	221,407	219,579	210,459	200,845	2,641,344
Chemicals	68,178	69,127	67,084	65,179	75,380	76,908	76,926	81,523	109,869	105,150	65,079	57,652	918,055
Waste Disposal	7,254	30,553	45,541	19,135	27,737	43,692	18,961	40,796	36,410	44,184	18,586	14,916	347,764
TRA Inspection Fee (Amortized in 16530000)	11,561	11,561	11,561	27,055	11,561	15,435	15,435	15,435	15,435	15,435	15,435	15,435	181,344
Total	$ 286,884	$ 349,432	$ 359,512	$ 336,273	$ 332,405	$ 368,400	$ 341,539	$ 375,722	$ 387,106	$ 387,909	$ 314,271	$ 292,519	$ 4,131,972

Amounts Approved in Docket 12-00049	Total
Purchased Power	$ 2,678,772
Chemicals	986,930
Purchased Water	51,331
TRA Inspection Fee	131,826
Waste Disposal	213,308
Authorized Sales in 100 Gallons	100,589,065
Authorized Water Sales	$ 47,073,724

	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Total
System Delivery	1,001,207	1,179,870	989,679	1,048,486	1,018,425	1,096,802	1,072,813	1,163,358	1,122,070	1,029,569	1,032,446	945,704	12,700,429
Water Sales	744,837	819,151	762,538	691,299	898,655	763,322	802,012	928,446	832,785	843,014	843,620	703,886	9,633,566
2014 Under recovery	-$234,288.75												

Whitwell Only

Description	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Total
Purchased Water	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchased Power	-	7,397	8,980	8,409	7,594	6,327	6,747	6,437	6,733	6,871	6,276	6,566	78,337
Chemicals	-	3,197	4,833	11,236	8,591	7,644	3,128	8,152	10,618	-	6,468	4,666	68,533
Waste Disposal	-	-	24,788	-	20,588	24,425	-	24,225	31,661	28,581	220	-	154,488
TRA Inspection Fee (Amortized in 16530000)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ 10,595	$ 38,600	$ 19,646	$ 36,773	$ 38,396	$ 9,875	$ 38,814	$ 49,011	$ 35,452	$ 12,965	$ 11,232	$ 301,357

Whitwell Only	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Total
System Delivery	-	29,425	24,252	24,605	24,370	25,945	23,566	25,029	26,438	25,733	26,166	24,616	280,145
Water Sales	-	9,553	13,081	10,348	10,937	11,164	11,164	11,263	13,101	13,917	11,860	13,667	130,055

Tennessee American Water Company
Docket No. 15-00001

Calculation of Production Costs and Other Pass-Throughs ("PCOP") Including Non-Revenue Water
To Determine PCOP Tariff Rider
Actuals for the Year Ending November 30, 2014

Line Number	Description	Amount	Amount Without Whitwell
	I. Calculation of the Base Rate Cost of Production Costs and Other Pass-Throughs as authorized in the Base Rate case (*):		
1	Pro Forma Production Costs and Other Pass-Throughs	$ 4,062,167	$ 4,062,167
2	Pro Forma Water Sales (WS) in 100 Gallons	100,589,065	100,589,065
3	Base Rate Cost per 100 Gallons WS (Line 1 / Line 2)	$ 0.04038	$ 0.04038
	II. Deferral calculation - Actual Non-Revenue Water Cost Production Costs and Other Pass-Throughs vs. the Base Rate Cost (**):		
4	Actual Production Costs and Other Pass-Throughs	$ 3,806,190	$ 3,541,098
5	Over-Under Collection Adjustment	$ (234,289)	$ (234,289)
6	Review Period PCOP Costs Adjusted for Over-Under Collections	$ 3,571,901	$ 3,306,809
7	Actual Water Sales (100 Gallons)	96,335,661	95,035,111
8	Actual Rate Cost Production Costs and Other Pass-Throughs per 100 Gallons WS (Line 6 / Line 7)	$ 0.03708	$ 0.03480
9	Base Rate Cost per 100 Gallons WS (Line 3)	$ 0.04038	$ 0.04038
10	Incremental Change in Production Costs and Other Pass-Throughs per 100 Gallons WS (Line 9 - Line 8)	$ (0.00331)	$ (0.00559)
11	Base Rate Case Water Sales 100 Gallons (Line 2)	100,589,065	100,589,065
12	Deferral Amount (Line 10 * Line 11)	$ (332,560)	$ (562,105)
	III. Calculation of Production Costs and Other Pass-Throughs ("PCOP") Tariff Rider		
13	Total Deferred Amount (Line 12)	$ (332,560)	$ (562,105)
14	Total Deferred Amount Grossed Up for revenue taxes (sum of Gross Receipts Tax and Uncollectibles (Line 13 / (1.0-.03616)) (***)	$ (345,036)	$ (583,193)
15	Projected Annual Base Rate Revenue subject to PCOP (*)	47,073,724	47,073,724
16	PCOP % (Line 14 / Line 15)	-0.73%	-1.24%

(*) The numbers are taken from the settlement agreement in Docket No. 12-00049
(**) The numbers are actuals for the year ended November 30, 2014 including Non-Revenue Water for Purchased Power and Chemicals
(***) Assumes Gross Receipts Tax @ 3.0%, Uncollectibles @ 1.0571%, TRA Fee @ 0.4250%, and Forfeited Discount Rate @ -0.8661%

Tennessee American Water Company
Docket No. 15-00001
For the Twelve Months Ending November 30, 2014
PCOP Actual Expenses

Line #	Total Compamy Description	A For the 12 Months Ending 11/30/2014	B **NRW Limited 12 Mos Ending 11/2014 (Column A, Lines 1 and 2 x Line 18 Recoverable %)	C Authorized Amount Per Docket 12-00049	D C - B Difference NRW Limited from Authorized Docket 12-00049	E Adjust Difference for TRA Fee Recovered Via SEC, EDI, or QIIP 12 Months Ending 11/30/2014	F E - D Adjusted Difference
1	Purchased Water Including Wheeling Charges	$ 43,465	$ 43,465	$ 51,331	$ (7,866)		$ (7,866)
2	Purchased Power***	2,641,148	2,399,543	2,678,772	(279,229)		(279,229)
3	Chemicals	918,055	834,074	986,930	(152,856)		(152,856)
4	Waste Disposal	347,764	347,764	213,308	134,456		134,456
5	TRA Inspection Fee	181,344	181,344	131,826	49,518		49,518
6							
7	Total	$ 4,131,775	$ 3,806,190	$ 4,062,167	$ (255,977)	$ -	$ (255,977)
8							
9							
10	Sales in 100 Gallons	96,335,661	96,335,661	100,589,065		96,335,661	
11							
12	Cost per 100 Gallons (Line 7 / Line 10)	$ 0.04289	$ 0.03951	$ 0.04038	$ (0.00087)	$ -	**$ (0.00087)**

Line #	Recoverable % for Production Costs	For the 12 Months Ending 11/30/2014
13	Sales	96,335,661
14	System Delivery	127,004,287
15	Non-Revenue Water % [1 - (Line 13 / Line 14)]	24.1%
16	Non-Revenue Water % Authorized	15.0%
17	Variance (If Line 15 > Line 16 then Line 15 - Line 16)	9.1%
18	**Recoverable % (1 - Line 17)**	**90.9%**

**Non-Revenue Water is only applied to purchased power and chemicals.
*** Purchased Power has been adjusted with the removal of $196.33 in late fees on Sequachee Valley Electric bills

Tennessee American Water Company
Docket No. 15-00001
For the Twelve Months Ending November 30, 2014
PCOP Actual Expenses

Whitwell Only

Line #	Description	A For the 12 Months Ending 11/30/2014	B **NRW Limited 12 Mos Ending 11/2014 (Column A, Lines 1 and 2 x Line 18 Recoverable %)	C Authorized Amount Per Docket 12-00049	D C - B Difference NRW Limited from Authorized Docket 12-00049	E Adjust Difference for TRA Fee Recovered Via SEC, EDI, or QIIP 12 Months Ending 11/30/2014	F E - D Adjusted Difference
1	Purchased Water Including Wheeling Charges	$ -					
2	Purchased Power	78,337					
3	Chemicals	68,533					
4	Waste Disposal	154,488					
5	TRA Inspection Fee	-					
6							
7	Total	$ 301,357	$ -	$ -	$ -	$ -	$ -
8							
9							
10	Sales in 100 Gallons	1,300,550					
11							
12	Cost per 100 Gallons (Line 7 / Line 10)	$ 0.23172	#DIV/0!	$ -	#DIV/0!	#DIV/0!	**#DIV/0!**

	Recoverable % for Production Costs	**For the 12 Months Ending 11/30/2014**
13	Sales	1,300,550
14	System Delivery	2,801,450
15	Non-Revenue Water % [1 - (Line 13 / Line 14)]	53.6%
16	Non-Revenue Water % Authorized	15.0%
17	Variance (If Line 15 > Line 16 then Line 15 - Line 16)	38.6%
18	**Recoverable % (1 - Line 17)**	**61.4%**

**Non-Revenue Water is only applied to purchased power and chemicals.

Tennessee American Water Company
Docket No. 15-00001
For the Twelve Months Ending November 30, 2014
PCOP Actual Expenses

Line #	Total Company Without Whitwell Description	A For the 12 Months Ending 11/30/2014	B **NRW Limited 12 Mos Ending 11/2014 (Column A, Lines 1 and 2 x Line 18 Recoverable %)	C Authorized Amount Per Docket 12-00049	D C - B Difference NRW Limited from Authorized Docket 12-00049	E Adjust Difference for TRA Fee Recovered Via SEC, EDI, or QIIP 12 Months Ending 11/30/2014	F E - D Adjusted Difference
1	Purchased Water Including Wheeling Charges	$ 43,465	$ 43,465	$ 51,331	$ (7,866)		$ (7,866)
2	Purchased Power	2,563,008	2,345,563	2,678,772	(333,209)		(333,209)
3	Chemicals	849,523	777,450	986,930	(209,480)		(209,480)
4	Waste Disposal	193,276	193,276	213,308	(20,032)		(20,032)
5	TRA Inspection Fee	181,344	181,344	131,826	49,518		49,518
6							
7	0	$ 3,830,615	$ 3,541,098	$ 4,062,167	$ (521,069)	$ -	$ (521,069)
8							
9							
10	Sales in 100 Gallons	95,035,111	95,035,111	100,589,065		95,035,111	
11							
12	Cost per 100 Gallons (Line 7 / Line 10)	$ 0.04031	$ 0.03726	$ 0.04038	$ (0.00312)	$ -	**$ (0.00312)**

	Recoverable % for Production Costs	**For the 12 Months Ending 11/30/2014**
13	Sales	95,035,111
14	System Delivery	124,202,837
15	Non-Revenue Water % [1 - (Line 13 / Line 14)]	23.5%
16	Non-Revenue Water % Authorized	15.0%
17	Variance (If Line 15 > Line 16 then Line 15 - Line 16)	8.5%
18	**Recoverable % (1 - Line 17)**	**91.5%**

**Non-Revenue Water is only applied to purchased power and chemicals.

Tennessee American Water Usage
Production Costs and Other Pass-Throughs

	Water Usage	System Delivery	NRW
2013 Dec	744,837	1,001,207	25.61%
2014 Jan	819,151	1,179,870	30.57%
2014 Feb	762,538	989,679	22.95%
2014 Mar	691,299	1,048,486	34.07%
2014 Apr	898,655	1,018,425	11.76%
2014 May	763,322	1,096,802	30.40%
2014 Jun	802,012	1,072,813	25.24%
2014 Jul	928,446	1,163,358	20.19%
2014 Aug	832,785	1,122,070	25.78%
2014 Sep	843,014	1,029,569	18.12%
2014 Oct	843,620	1,032,446	18.29%
2014 Nov	703,886	945,704	25.57%
	9,633,566	12,700,429	24.05%

Tennessee American Water Usage
Production Costs and Other Pass-Throughs
Whitwell Only

	Water Usage	System Delivery	NRW
2013 Dec	-	-	0.00%
2014 Jan	9,553	29,425	67.53%
2014 Feb	13,081	24,252	46.06%
2014 Mar	10,348	24,605	57.94%
2014 Apr	10,937	24,370	55.12%
2014 May	11,164	25,945	56.97%
2014 Jun	11,164	23,566	52.63%
2014 Jul	11,263	25,029	55.00%
2014 Aug	13,101	26,438	50.45%
2014 Sep	13,917	25,733	45.92%
2014 Oct	11,860	26,166	54.67%
2014 Nov	13,667	24,616	44.48%
	130,055	280,145	53.34%