

**BEFORE  
THE TENNESSEE REGULATORY AUTHORITY**

PETITION OF TENNESSEE- )  
AMERICAN WATER COMPANY )  
REGARDING CHANGES TO THE )  
QUALIFIED INFRASTRUCTURE )  
INVESTMENT PROGRAM RIDER, )  
THE ECONOMIC DEVELOPMENT )  
INVESTMENT RIDER, AND THE )  
SAFETY AND ENVIRONMENTAL )  
COMPLIANCE RIDER AND IN )  
SUPPORT OF THE CALCULATION OF )  
THE 2016 CAPITAL RIDERS )  
RECONCILIATION )

Docket No. 16-00022

**DIRECT TESTIMONY  
of  
WILLIAM H. NOVAK**

**ON BEHALF OF  
THE CONSUMER PROTECTION AND ADVOCATE DIVISION  
OF THE  
TENNESSEE ATTORNEY GENERAL'S OFFICE**

*July 19, 2016*

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**PETITION OF TENNESSEE-AMERICAN )  
WATER COMPANY REGARDING )  
CHANGES TO THE QUALIFIED )  
INFRASTRUCTURE INVESTMENT )  
PROGRAM RIDER, THE ECONOMIC )  
DEVELOPMENT INVESTMENT RIDER, )  
AND THE SAFETY AND )  
ENVIRONMENTAL COMPLIANCE )  
RIDER AND IN SUPPORT OF THE )  
CALCULATION OF THE 2016 CAPITAL )  
RIDERS RECONCILIATION )**

**Docket No. 16-00022**

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**AFFIDAVIT**

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I, William H. Novak, CPA, on behalf of the Consumer Advocate Division of the Attorney General's Office, hereby certify that the attached Direct Testimony represents my opinion in the above-referenced case and the opinion of the Consumer Advocate Division.



**WILLIAM H. NOVAK**

Sworn to and subscribed before me  
this 19<sup>th</sup> day of July, 2016.

  
\_\_\_\_\_  
NOTARY PUBLIC



My commission expires:

May 6, 2019

## ATTACHMENTS

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Attachment WHN-1	William H. Novak Vitae
Attachment WHN-2	CPAD Data Request #1
Attachment WHN-3	CPAD Data Request #2
Attachment WHN-4	CPAD Data Request #3

1 ***Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND***  
2 ***OCCUPATION FOR THE RECORD.***

3 ***A1.*** My name is William H. Novak. My business address is 19 Morning Arbor Place,  
4 The Woodlands, TX, 77381. I am the President of WHN Consulting, a utility  
5 consulting and expert witness services company.<sup>1</sup>  
6

7 ***Q2. PLEASE PROVIDE A SUMMARY OF YOUR BACKGROUND AND***  
8 ***PROFESSIONAL EXPERIENCE.***

9 ***A2.*** A detailed description of my educational and professional background is provided  
10 in Attachment WHN-1 to my testimony. Briefly, I have both a Bachelor's degree  
11 in Business Administration with a major in Accounting, and a Master's degree in  
12 Business Administration from Middle Tennessee State University. I am a  
13 Certified Management Accountant, and am also licensed to practice as a Certified  
14 Public Accountant.  
15

16 My work experience has centered on regulated utilities for over 30 years. Before  
17 establishing WHN Consulting, I was Chief of the Energy & Water Division of the  
18 Tennessee Regulatory Authority ("TRA" or "Authority") where I had either  
19 presented testimony or advised the Authority on a host of regulatory issues for  
20 over 19 years. In addition, I was previously the Director of Rates & Regulatory  
21 Analysis for two years with Atlanta Gas Light Company, a natural gas  
22 distribution utility with operations in Georgia and Tennessee. I also served for

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<sup>1</sup> State of Tennessee, Registered Accounting Firm ID 3682.

1 two years as the Vice President of Regulatory Compliance for Sequent Energy  
2 Management, a natural gas trading and optimization entity in Texas, where I was  
3 responsible for ensuring the firm's compliance with state and federal regulatory  
4 requirements.

5  
6 In 2004, I established WHN Consulting as a utility consulting and expert witness  
7 services company. Since 2004 WHN Consulting has provided testimony or  
8 consulting services to state public utility commissions and state consumer  
9 advocates in at least ten state jurisdictions as shown in Attachment WHN-1.

10  
11 ***Q3. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?***

12 ***A3.*** I am testifying on behalf of the Consumer Protection & Advocate Division  
13 ("CPAD" or "the Consumer Advocate") of the Tennessee Attorney General's  
14 Office.

15  
16 ***Q4. HAVE YOU PRESENTED TESTIMONY IN ANY PREVIOUS CASES***  
17 ***CONCERNING TENNESSEE-AMERICAN WATER COMPANY?***

18 ***A4.*** Yes. I presented rate case testimony in Dockets U-86-7402, U-87-7534, 89-  
19 15388, 91-05224, 93-06946, 10-00189, 12-00149 and 12-00157 concerning  
20 Tennessee-American Water Company ("TAWC" or "the Company") as well as  
21 testimony concerning TAWC in other generic tariff and rulemaking matters. I  
22 have also presented testimony concerning the Company's alternative regulatory  
23 mechanisms in Dockets 13-00130, 14-00121, 15-00001, 15-00029 and 15-00111.

**Q5. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

**A5.** My testimony will address the calculations supporting the Company's tariff filing that requests authority to implement certain reconciliation surcharges in its capital recovery tariff riders as shown in Table 1 below.

<b>TABLE 1 – Company Proposed Capital Rider Reconciliation Surcharges</b>		
<b>Rider</b>	<b>Current Surcharge<sup>2</sup></b>	<b>Proposed Surcharge<sup>3</sup></b>
Qualified Infrastructure Investment Program ("QIIP") Rider	0.254%	1.170%
Economic Development Investment ("EDI") Rider	-0.150%	-0.178%
Safety & Environmental Compliance ("SEC") Rider	0.064%	-0.102%
<b>Total Surcharge</b>	<b>0.168%</b>	<b>0.890%</b>

**Q6. WHAT DOCUMENTS HAVE YOU REVIEWED IN PREPARATION OF YOUR TESTIMONY?**

**A6.** I have reviewed the Company's Petition filed on March 1, 2016, along with the accompanying tariff schedules. I have also reviewed the Company's testimony and exhibits supporting their filing. Finally, I have reviewed the Company's responses to the data requests submitted by the Consumer Advocate and the TRA Staff in this case.

**Q7. PLEASE EXPLAIN THE RELIEF THAT TAWC IS ASKING FROM THE TRA THROUGH ITS PETITION.**

**A7.** The Company is asking the TRA to implement certain surcharges (shown above in Table 1) based on the reconciliation performed to true-up the difference

<sup>2</sup> Petitioner's Exhibit, Current Tariff Sheet No. 12 – Riders – LCB.

<sup>3</sup> Petitioner's Exhibit, Proposed Tariff Sheet No. 12 – Riders – LCB.

1 between the revenue recovered and the actual cost related to the capital recovery  
2 tariff riders. The overall structure for these capital recovery tariff riders was  
3 approved by the TRA in Docket 13-00130.  
4

5 ***Q8. DID YOU REVIEW THE CALCULATIONS SUPPORTING THE***  
6 ***PROPOSED SURCHARGES IN THE COMPANY'S TARIFF FILING?***

7 ***A8.*** Yes. I have reviewed the Company's filing supporting the proposed capital rider  
8 reconciliation surcharges. I also prepared data requests for supplemental  
9 supporting information that was not contained in or readily apparent from the  
10 filing.  
11

12 However, I would emphasize that my review was limited to the analysis of the  
13 Company's surcharge calculation based on the ledger data already recorded by  
14 TAWC and supplied in this docket.<sup>4</sup> Due to the high number of individual  
15 charges to plant in service during the audit period and the amount of resources  
16 that would be required to specifically review (much less evaluate the  
17 appropriateness of) each of those individual charges, I **did not** conduct any  
18 review on the individual amounts recorded as plant costs in the Company's ledger  
19 for each of the capital recovery riders.  
20  
21

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<sup>4</sup> The Company has included nearly 10,000 individual charges to plant in service during the audit period. Please see the "WKP-Charge Detail" tab of Company spreadsheet "TAW\_TRA\_2015\_CapRider\_Cost\_Detail\_030116" for details.

1 ***Q9. WHAT WERE THE RESULTS OF YOUR REVIEW?***

2 ***A9.*** I found that the Company's calculations contained errors that could not be  
3 reconciled.<sup>5</sup> Specifically, the Company has included hard-coded numbers for the  
4 2014 depreciation expense calculations that do not reconcile with the previous  
5 reporting period calculation. As a result, not only is the 2014 depreciation  
6 calculation in error, but every subsequent calculation that depends upon the 2014  
7 depreciation calculation will also be in error. For example, since the 2014  
8 depreciation expense is in error, subsequent calculations of accumulated  
9 depreciation will also be in error. In addition, accumulated deferred tax  
10 calculations that depend on the 2014 depreciation expense calculation will also be  
11 in error.

12  
13 ***Q10. WAS THE COMPANY ABLE TO PROVIDE A SATISFACTORY***  
14 ***ANSWER TO THE ERROR IN THE 2014 DEPRECIATION EXPENSE***  
15 ***CALCULATION?***

16 ***A10.*** No. I first brought this error to the Company's attention in CPAD Data Request  
17 1-2. The Company's response indicates that the 2014 depreciation expense  
18 amounts filed were the amounts approved by the TRA in Docket 15-00029 even  
19 though they do not tie to the product of the plant in service and the current  
20 depreciation rates. I then followed-up with further requests on this issue in CPAD  
21 Data Requests 3-1, 3-2, 3-3 and 3-4. Unfortunately, a response to these requests

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<sup>5</sup> Please see Attachments WHN-2, WHN-3 and WHN-4 for copies of the CPAD informal discovery requests in this docket.



1 was not received before my testimony was due. As a result, I was unable to  
2 reconcile the Company's filing.  
3

4 ***Q11. WERE THERE OTHER AREAS THAT YOU WERE NOT ABLE TO***  
5 ***FULLY EVALUATE AND MAKE A DETERMINATION ABOUT IN THIS***  
6 ***DOCKET?***

7 A11. Yes. I was unable to effectively begin to implement the sampling analysis in this  
8 docket in order to begin to assess the prudence of the Company's requests.  
9

10 ***Q12. IN YOUR OPINION, HAS THE COMPANY MET ITS BURDEN OF***  
11 ***PROOF IN THIS DOCKET?***

12 A12. In view of the lack of information and the apparent errors in the Company's filing  
13 that I describe above, my opinion is that Company has not met its burden of proof  
14 in this docket.  
15

16 ***Q13. WHAT IS YOUR RECOMMENDATION FOR THE TRA IN THIS***  
17 ***DOCKET?***

18 A13. I recommend that the TRA deny the Company's Petition.  
19

20 ***Q14. DO YOU HAVE ANY FURTHER RECOMMENDATIONS TO THE TRA***  
21 ***ON THE COMPANY'S CAPITAL AND EXPENSE RIDERS?***

22 A14. Yes. The apparent errors described above in this docket are only the latest in a  
23 series of errors since the TRA first approved the Capital Recovery and Expense

1 Riders in Docket 13-00130. For example, in Docket 14-00121, the Company  
2 attempted to include charitable contributions and donations in the rider even  
3 though these costs were never intended for recovery in this manner. In addition,  
4 in Docket 15-00111 the Company manually changed the internal rider recovery  
5 calculations without providing notice to the TRA or the CPAD.<sup>6</sup> Finally, the  
6 Company has been forced to correct and amend their rider filings multiple times  
7 in order to correct errors in their calculations.<sup>7</sup> These errors in the rider  
8 calculations have now convinced me that the Company is simply not prepared to  
9 carry out its obligation for its alternative regulatory mechanism as it was  
10 originally intended. As a result, I am recommending that if these errors are not  
11 remedied in this Docket, the TRA should suspend the availability of and the  
12 implementation by the Company of the Capital Recovery and Expense Riders.  
13 Further, if the Company is not able to demonstrate that it is prepared to carry out  
14 its obligation for its alternative regulatory mechanism as it was originally  
15 intended, I would recommend that the TRA investigate and consider terminating  
16 the Capital Recovery and Expense Riders.

17  
18 ***Q15. DOES THIS COMPLETE YOUR TESTIMONY?***

19 ***A15.*** Yes, it does. However, I reserve the right to incorporate any new data that may  
20 subsequently become available.

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<sup>6</sup> Please note that the forgoing examples are not intended as a comprehensive description or listing.

<sup>7</sup> Please refer to the testimony of William H. Novak in TRA Dockets 14-00121, 15-00001, 15-00029 and 15-00111.

**ATTACHMENT WHN-1**  
**William H. Novak Vitae**

**William H. Novak**

19 Morning Arbor Place  
The Woodlands, TX 77381

Phone: 713-298-1760

Email: halnovak@whnconsulting.com

**Areas of Specialization**

Over twenty-five years of experience in regulatory affairs and forecasting of financial information in the rate setting process for electric, gas, water and wastewater utilities. Presented testimony and analysis for state commissions on regulatory issues in four states and has presented testimony before the FERC on electric issues.

**Relevant Experience****WHN Consulting – September 2004 to Present**

In 2004, established WHN Consulting to provide utility consulting and expert testimony for energy and water utilities. Complete needs consultant to provide the regulatory and financial expertise that enabled a number of small gas and water utilities to obtain their Certificate of Public Convenience and Necessity (CCN) that included forecasting the utility investment and income. Also provided the complete analysis and testimony for utility rate cases including revenues, operating expenses, taxes, rate base, rate of return and rate design for utilities in Tennessee. Assisted American Water Works Company in preparing rate cases in Ohio and Iowa. Provided commercial and industrial tariff analysis and testimony for an industrial intervenor group in a large gas utility rate case. Industry spokesman for water utilities dealing with utility commission rulemaking. Consultant for the North Carolina and Illinois Public Utility Commissions in carrying out their oversight functions of Duke Energy and Peoples Gas Light and Coke Company through focused management audits. Also provide continual utility accounting services and preparation of utility commission annual reports for water and gas utilities.

**Sequent Energy Management – February 2001 to July 2003**

Vice-President of Regulatory Compliance for approximately two years with Sequent Energy Management, a gas trading and optimization affiliate of AGL Resources. In that capacity, directed the duties of the regulatory compliance department, and reviewed and analyzed all regulatory filings and controls to ensure compliance with federal and state regulatory guidelines. Engaged and oversaw the work of a number of regulatory consultants and attorneys in various states where Sequent has operations. Identified asset management opportunities and regulatory issues for Sequent in various states. Presented regulatory proposals and testimony to eliminate wholesale gas rate fluctuations through hedging of all wholesale gas purchases for utilities. Also prepared testimony to allow gas marketers to compete with utilities for the transportation of wholesale gas to industrial users.

**Atlanta Gas Light Company – April 1999 to February 2001**

Director of Rates and Regulatory Analysis for approximately two years with AGL Resources, a public utility holding company serving approximately 1.9 million customers in Georgia, Tennessee, and Virginia. In that capacity, was instrumental in leading Atlanta Gas Light Company through the most complete and comprehensive gas deregulation process in the country that involved terminating the utility's traditional gas recovery mechanism and instead allowing all 1.5 million AGL Resources customers in Georgia to choose their own gas marketer. Also responsible for all gas deregulation filings, as well as preparing and defending gas cost recovery and rate filings. Initiated a weather normalization adjustment in Virginia to track adjustments to company's revenues based on departures from normal weather. Analyzed the regulatory impacts of potential acquisition targets.

**Tennessee Regulatory Authority – Aug. 1982 to Apr 1999; Jul 2003 to Sep 2004**

Employed by the Tennessee Regulatory Authority (formerly the Tennessee Public Service Commission) for approximately 19 years, culminating as Chief of the Energy and Water Division. Responsible for directing the division's compliance and rate setting process for all gas, electric, and water utilities. Either presented analysis and testimony or advised the Commissioners/Directors on policy setting issues, including utility rate cases, electric and gas deregulation, gas cost recovery, weather normalization recovery, and various accounting related issues. Responsible for leading and supervising the purchased gas adjustment (PGA) and gas cost recovery calculation for all gas utilities. Responsible for overseeing the work of all energy and water consultants hired by the TRA for management audits of gas, electric and water utilities. Implemented a weather normalization process for water utilities that was adopted by the Commission and adopted by American Water Works Company in regulatory proceedings outside of Tennessee.

**Education**

B.A, Accounting, Middle Tennessee State University, 1981  
MBA, Middle Tennessee State University, 1997

**Professional**

Certified Public Accountant (CPA), Tennessee Certificate # 7388  
Certified Management Accountant (CMA), Certificate # 7880  
Former Vice-Chairman of National Association of Regulatory Utility Commission's Subcommittee on Natural Gas

WHN CONSULTING

**Witness & Advisory History for William H. Novak, CPA  
Selected Cases**

State	Company/Sponsor	Year	Assignment	Docket
Louisiana	CenterPoint Energy/Louisiana PSC	2011	Audit of PGA Filings from 2002 - 2008 of CenterPoint Arkla	<a href="#">S-32534</a>
	CenterPoint Energy/Louisiana PSC	2011	Audit of PGA Filings from 2002 - 2008 of CenterPoint Entex	<a href="#">S-32537</a>
	Louisiana Electric Utilities/Louisiana PSC	2012	Technical Consultant for Impact of Net Meter Subsidy on other Electric Customers	<a href="#">R-31417</a>
	Aqua Utilities	2006	Rate Case Audit - Revenue, Expenses, Rate Base and Rate Design	<a href="#">06-00187</a>
Tennessee	Atmos Energy Corporation/Atmos Intervention Group	2006	Rate design for Industrial Intervenor Group	<a href="#">05-00258</a>
	Atmos Energy Corporation/Atmos Intervention Group	2007	Rate design for Industrial Intervenor Group	<a href="#">07-00105</a>
	Bristol TN Essential Services	2009	Audit of Cost Allocation Manual	<a href="#">05-00251</a>
	Chattanooga Manufacturers Association	2009	Spokesperson for Industrial Natural Gas Users before the Tennessee State Legislature	<a href="#">HB-1349</a>
	Tennessee-American Water Company/Tennessee AG	2011	Rate Case Audit - Weather Normalization Adjustments	<a href="#">10-00189</a>
	Piedmont Natural Gas Company/Tennessee AG	2011	Rate Case Audit - Revenue, Class Cost of Service Study & Rate Design	<a href="#">11-00144</a>
	Lynwood Wastewater Utility/Tennessee AG	2012	Rate Case Audit - Revenue, Class Cost of Service Study & Rate Design	<a href="#">11-00198</a>
	Tennessee-American Water Company/Tennessee AG	2012	Rate Case Audit - Revenues, Rate Base, Class Cost of Service Study and Rate Design	<a href="#">12-00049</a>
	Atmos Energy Corporation/Tennessee AG	2012	Rate Case Audit - Revenues, Rate Base and Rate Design	<a href="#">12-00064</a>
	Jefferson County (Birmingham) Wastewater/Alabama AG	In Process	Bankruptcy Filing - Allowable Costs and Rate Design	<a href="#">2009-2318</a>
Alabama	Peoples & North Shore Gas Cos./Illinois Commerce Comm.	2007	Management Audit of Gas Purchasing Practices	<a href="#">06-0556</a>
Illinois	Southwestern Public Service Co./New Mexico PRC	2010	Financial Audit of Fuel Costs for 2009 and 2010	<a href="#">09-00351-UT</a>
New Mexico	National Grid/New York PSC	2011	Audit of Affiliate Relationships and Transactions	<a href="#">10-M-0451</a>
Ohio	Ohio-American Water Company/Ohio Consumers' Counsel	2010	Rate Case Audit - Class Cost of Service and Rate Design	<a href="#">09-0391-WS-AIR</a>
	Vectren Energy Delivery of Ohio/Ohio Consumers' Counsel	2008	Rate Case Audit - Class Cost of Service and Rate Design	<a href="#">07-1080-GA-AIR</a>
	Duke Energy-Ohio/Public Utilities Commission of Ohio	2009	Focused Management Audit of Fuel & Purchased Power (FPP Riders)	<a href="#">07-0723-EL-UNC</a>
Texas	Center Point Energy/Texas AG	2009	Rate Case Audit - Class Cost of Service and Rate Design	<a href="#">GUD 9902</a>
Virginia	Aqua Utilities/PSS Legal Fund	2011	Rate Case Audit - Class Cost of Service and Rate Design	<a href="#">W-218, Sub-319</a>
Washington DC	Washington Gas Light Co./Public Service Comm of DC	2011	Audit of Tariff Rider for Infrastructure Replacement Costs	<a href="#">102Z</a>

**NOTE:** Click on Docket Number to view testimony/report for each case where available.

**ATTACHMENT WHN-2**  
**CAPD Data Request #1**

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**PETITION OF TENNESSEE-AMERICAN )  
WATER COMPANY REGARDING )  
CHANGES TO THE QUALIFIED )  
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RIDER AND IN SUPPORT OF THE )  
CALCULATION OF THE 2016 CAPITAL )  
RIDERS RECONCILIATION )**

**Docket No. 16-00022**

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**FIRST INFORMAL DISCOVERY REQUEST  
OF THE CONSUMER PROTECTION AND ADVOCATE DIVISION  
TO TENNESSEE AMERICAN WATER COMPANY**

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To: Tennessee American Water Company  
C/O Melvin J. Malone, Esq.  
Butler, Snow, O'Mara, Stevens & Cannada, PLLC  
The Pinnacle at Symphony Place  
150 3rd Avenue South, Suite 1600  
Nashville, TN 37201

Ms. Linda Bridwell  
Manager of Rates and Regulation – Tennessee and Kentucky  
Kentucky American Water Company  
2300 Richmond Road  
Lexington, KY 40502

As used herein, the "Company" refers to Tennessee American Water Company.

**FIRST INFORMAL DISCOVERY REQUESTS**

1. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please fully explain the difference between the "Amount" and "Adjusted Amount" fields on this spreadsheet.



**RESPONSE:**

2. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to column AY (Depreciation Expense) of the "WKP\_2014\_In-Serviced Actual" tab of this spreadsheet. The depreciation expense amounts included here appear to be hard coded numbers that do not reconcile with the previous period calculations. Please provide the source and support for the 2014 depreciation expense calculations. If the 2014 depreciation expense calculations are incorrect, please provide an updated reconciliation calculation.

**RESPONSE:**

3. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
ADDITION	12	R26-02R1,15-P-0002	E Braint Standpipe Relab	12/9/2015	2602	R	330000	Dat Reservoirs & Standpipes	\$ 428,553	QHP

**RESPONSE:**

4. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
ADDITION	8	R26-02C1,15-P-0001	Work Order	1/9/2006	2602	C	331001	TID Main Not Classified	\$ 34,468	QHP

**RESPONSE:**

5. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
ADDITION	8	R26-02D1.15-P-0002	Kelby Ferry Road Offset	8/1/2015	2602	D	331001	TD Main Not Classified	\$ 9,466	QHP

**RESPONSE:**

6. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
ADDITION	6	R26-02B1.15-P-0013	Payle St 4" Main Replacement	6/18/2015	2602	B	331001	TD Main Not Classified	\$ 13,543	QHP

**RESPONSE:**

7. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
cost_of_removal	12	R26-02111.15-P-0001	Work Order	1/8/1900	2602	H	333000	Services	\$ 96,132	QHP

**RESPONSE:**

8. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
cost_of_removal	12	R26-02B1.15-P-0001	Work Order	1/8/1900	2602	J	334200	Meter Installation	\$ 11,701	QHP

#### RESPONSE:

9. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
cost_of_removal	11	R26-02B1.15-P-0003	Standard Rd Main Replacement	4/1/2013	2602	B	333000	Services	\$ 2,122	QHP

#### RESPONSE:

10. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
cost_of_removal	1	R26-02F1.14-P-0003	Purchase (2) 6" Wheel Valves	9/26/2014	2602	F	331601	TD Main Not Classified	\$ 833	QHP

#### RESPONSE:

11. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
ADDITION	2	R26-02A1.14-P-0002	OLAN MILLS DR 12" MAIN REL	2/1/2015	2602	A	331001	TD Main Not Clarified	\$ 101,697	ED1

**RESPONSE:**

12. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
ADDITION	12	R26-02A1.15-P-0002	Obey Street Main Extension	12/3/2015	2602	A	331001	TD Main Not Clarified	\$ 49,174	ED1

**RESPONSE:**

13. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
ADDITION	7	R26-02E1.15-P-0001	Work Order	1/8/1900	2602	E	335000	Hydrants	\$ 6,338	ED1

**RESPONSE:**

14. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab

of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
ADDITION	5 R26-05A1.14-P-0003	Hwy 28 I2 and 8 DI Main Extension	5/22/2015	2605	A	331001	TD Main Not Classified	\$ 268,086	EDI

**RESPONSE:**

15. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
cost of removal	5 R26-02E1.14-P-0005	RELOCATE FH ON CHICKAMAUGA AVE @ GRA	11/7/2014	2602	B	335000	Hydrants	\$ 343	EDI

**RESPONSE:**

16. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
cost of removal	5 R26-02E1.14-P-0005	RELOCATE FH ON CHICKAMAUGA AVE @ GRA	11/7/2014	2602	B	335000	Hydrants	\$ 86	EDI

**RESPONSE:**

17. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period/WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
cost of removal	5 R26-02EL14-P-0005	RELOCATE FH ON CHICKAMARGA AVE @ GRA	11/7/2014	2602	E	335000 Hydrants		\$ 118	ED

## RESPONSE:

18. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period/WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
cost of removal	5 R26-02EL14-P-0005	RELOCATE FH ON CHICKAMARGA AVE @ GRA	11/7/2014	2602	E	335000 Hydrants		\$ 386	ED

## RESPONSE:

19. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period/WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
ADDITION	7 R26-02Q115-P-0007	Replace Underdrain 9 in Filter Hse	2/9/2015	2602	Q	320100 WT Equip Non-Media		\$ 93,396	SEC

## RESPONSE:

20. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period/WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
ADDITION	4 R26-02Q113-P-0012	Repl #11 H.S. Motor & Coupling	4/21/2015	2602	Q	311520 Pumping Equipment-Source of Supp		\$ 120,515	SEC

## RESPONSE:

21. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
ADDITION	7	R26-02Q1.15-P-0013	Gate	7/20/2015	2602	Q	311529	Pumping Equipment-Source of Supp	\$ 16,476	SEC

**RESPONSE:**

22. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
ADDITION	4	R26-02Q1.14-P-0039	Replace VFD @ Crestwood	4/1/2015	2602	Q	311529	Pumping Equipment-Source of Supp	\$ 4,459	SEC

**RESPONSE:**

23. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
cor. of removal	9	R26-02Q1.15-P-0018	Rehab Filter Underdrains #8 #3 #7	4/30/2015	2602	Q	320260	WT Equip Filter Media	\$ 75,833	SEC

**RESPONSE:**

24. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
cost of removal	10	R26-02L114-P-0003	UPGRADE COMMUNICATIONS EQUIPMENT FO	11/14/2014	2602	L	346190 Remote Control & Instrument		\$ 232	SEC

**RESPONSE:**

25. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
cost of removal	3	R26-05Q114-P-0003	RET OM Filter Plant - Whitwell	7/14/2014	2602	Q	304209 Struct & Imp-Pumping		\$ 10,440	SEC

**RESPONSE:**

26. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_0301162" that was included with the Company's filing. Specifically refer to the "WKP\_2015\_Actuals" tab of this spreadsheet. Please provide the source and support related to the following charge for 2015 included in the Company's Capital Rider.

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Name	Amount	Eligibility
cost of removal	9	R26-02Q115-P-0018	Rehab Filter Underdrains #8 #3 #7	4/30/2015	2602	Q	320100 WT Equip Non-Media		\$ 17,927	SEC

**RESPONSE:**



RESPECTFULLY SUBMITTED,

A handwritten signature in black ink that reads "Vance L. Bromel". The signature is written in a cursive style with a large, stylized "V" and "B".

VANCE L. BROMEL (BPR #11421)

Assistant Attorney General

Office of the Attorney General

Consumer Protection and Advocate Division

P.O. Box 20207

Nashville, Tennessee 37202-0207

615-741-8733

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

Linda Bridwell  
Manager of Rates and Regulation – Tennessee and Kentucky  
Kentucky American Water Company  
2300 Richmond Road  
Lexington, KY 40502  
linda.bridwell@amwater.com

Melvin J. Malone, Esq.  
Paige Ayres, Esq.  
Butler Snow LLP  
The Pinnacle at Symphony Place  
150 3rd Avenue South, Suite 1600  
Nashville, TN 37201  
melvin.malone@butlersnow.com  
paige.ayers@butlersnow.com

This the 5 day of July, 2016.

Vance L. Broemel  
VANCE L. BROEMEL

**ATTACHMENT WHN-3**  
**CAPD Data Request #2**

**PETITION OF TENNESSEE-AMERICAN  
WATER COMPANY REGARDING  
CHANGES TO THE QUALIFIED  
INFRASTRUCTURE INVESTMENT  
PROGRAM RIDER, THE ECONOMIC  
DEVELOPMENT INVESTMENT RIDER,  
AND THE SAFETY AND  
ENVIRONMENTAL COMPLIANCE  
RIDER AND IN SUPPORT OF THE  
CALCULATION OF THE 2016 CAPITAL  
RIDERS RECONCILIATION**

Docket No. 16-00022

To: Tennessee American Water Company  
C/O Melvin J. Malone, Esq.  
Butler, Snow, O'Mara, Stevens & Cannada, PLLC  
The Pinnacle at Symphony Place  
150 3rd Avenue South, Suite 1600  
Nashville, TN 37201

Ms. Linda Bridwell  
Manager of Rates and Regulation – Tennessee and Kentucky  
Kentucky American Water Company  
2300 Richmond Road  
Lexington, KY 40502

As used herein, the “Company” refers to Tennessee American Water Company.

## SECOND INFORMAL DISCOVERY REQUESTS

1. Refer to the spreadsheet titled “TAW\_TRA\_2015\_CapRider\_Recon\_030116” that was included with the Company’s filing. Specifically refer to the “WKP-SAP Revenues” tab of this spreadsheet. Please provide the source and support for the hard-coded data included on this spreadsheet.

**RESPONSE:**

2. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_030116" that was included with the Company's filing. Specifically refer to the "WKP-Whitwell Revenues" tab of this spreadsheet. Please provide the source and support for the hard-coded data (column B) included on this spreadsheet.

**RESPONSE:**

3. Refer to the spreadsheet titled "TAW\_TRA\_2015\_CapRider\_Recon\_030116" that was included with the Company's filing. Specifically refer to the "Exhibit Reconciliation" tab of this spreadsheet. Please provide the source and support for the "2014 Reconciliation Amounts" included on line 14 of this spreadsheet.

**RESPONSE:**

4. Refer to the spreadsheet titled "TAW\_TRA\_2015\_Revenues\_030116" that was included with the Company's filing. Specifically refer to the "Recon" tab of this spreadsheet. Please provide the source and support for the hard-coded data included on this spreadsheet.

**RESPONSE:**

5. Refer to the spreadsheet titled "TAW\_TRA\_2015\_Revenues\_030116" that was included with the Company's filing. Specifically refer to the "Recon" tab of this spreadsheet. Please provide a legend for the "G/L Account" numbers used in column A of this spreadsheet.

**RESPONSE:**

6. Refer to the spreadsheet titled "TAW\_TRA\_2015\_Revenues\_030116" that was included with the Company's filing. Specifically refer to the "Recon" tab of this spreadsheet. Please provide a legend for the "Posting Period Rate Number" data used in column B of this spreadsheet.

**RESPONSE:**

7. Refer to the spreadsheet titled "TAW\_TRA\_2015\_Revenues\_030116" that was included with the Company's filing. Specifically refer to the "Recon" tab of this spreadsheet. Please provide a legend for the "Rider" data used in column C of this spreadsheet.

**RESPONSE:**

8. Refer to the spreadsheet titled "TAW\_TRA\_2015\_Revenues\_030116" that was included with the Company's filing. Specifically refer to the "Recon" tab of this spreadsheet. Please explain and reconcile the differences shown in column R between the totals in this report and the "SAP F.01" report included on another tab in this same spreadsheet.

**RESPONSE:**

9. Refer to the spreadsheet titled "TAW\_TRA\_2015\_Revenues\_030116" that was included with the Company's filing. Specifically refer to the "SAP F.01" tab of this spreadsheet. Please provide the source and support for the hard-coded data included on this spreadsheet.

**RESPONSE:**

10. Refer to the spreadsheet titled "TAW\_TRA\_2015\_Revenues\_030116" that was included with the Company's filing. Specifically refer to the "SAP F.01" tab of this spreadsheet. Please provide a legend for the "Financial Statement Item" data used in column A of this spreadsheet.

**RESPONSE:**

11. Please provide a copy of all Company workpapers that the Company has relied upon in its Capital Reconciliation Filing that have not yet been included in this docket.

**RESPONSE:**

RESPECTFULLY SUBMITTED,

A handwritten signature in cursive script that reads "Vance L. Bromel". The signature is written in dark ink and is positioned above the printed name and title.

VANCE L. BROMEL (BPR #11421)  
Assistant Attorney General  
Office of the Attorney General  
Consumer Protection and Advocate Division  
P.O. Box 20207  
Nashville, Tennessee 37202-0207  
615-741-8733

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

Linda Bridwell  
Manager of Rates and Regulation – Tennessee and Kentucky  
Kentucky American Water Company  
2300 Richmond Road  
Lexington, KY 40502  
linda.bridwell@amwater.com

Melvin J. Malone, Esq.  
Paige Ayres, Esq.  
Butler Snow LLP  
The Pinnacle at Symphony Place  
150 3rd Avenue South, Suite 1600  
Nashville, TN 37201  
melvin.malone@butlersnow.com  
paige.ayers@butlersnow.com

This the 7 day of July, 2016.

  
VANCE L. BROEMEL



**ATTACHMENT WHN-4**  
**CAPD Data Request #3**

**RESPONSE:**

2. Refer to the Company's response to CPAD1-2 regarding the 2014 depreciation expense. The Company's response states that "The \$39,779 is the actual depreciation expense incurred and approved in the 2014 capital rider reconciliation under docket #15-00029." Is it the Company's position that the TRA Order in Docket 15-00029 specifically approved \$39,779 in depreciation expense? If so, please provide a copy of the TRA Order in 15-00029 specifically referencing approval of \$39,779.

**RESPONSE:**

3. Refer to the Company's response to CPAD1-2 regarding depreciation expense. If it is the Company's position in Item #2 above that the TRA specifically approved \$39,779 in depreciation expense, then did the TRA also approve a specific level of plant in service that when multiplied by the current depreciation rates produces \$39,779 in 2014 depreciation expense? If so, please explain why the Company's 2014 plant in service changed from docket 15-00029 to the 2014 plant in service amounts used in this docket 16-00022.<sup>1</sup>

**RESPONSE:**

4. Refer to the Company's response to CPAD1-2 regarding depreciation expense. Please provide a pro forma analysis of the Company's current filing, replacing hard coded numbers with formulas.

**RESPONSE:**

---

<sup>1</sup> As mentioned in CPAD DR1-2, the 2014 depreciation expense amounts included in the Company's filing in Docket 16-00022 appear to be hard coded numbers that do not reconcile with the previous period calculations. These "previous period calculations" include the plant in service amounts and the depreciation rates that produce the 2014 depreciation expense.

5. Refer to the Company's response to CPAD 1-3 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$428,533 charge.

**RESPONSE:**

6. Refer to the Company's response to CPAD 1-4 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$34,468 charge.

**RESPONSE:**

7. Refer to the Company's response to CPAD 1-5 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$9,466 charge.

**RESPONSE:**

8. Refer to the Company's response to CPAD 1-6 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$13,543 charge.

**RESPONSE:**

9. Refer to the Company's response to CPAD 1-7 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$96,132 charge.

**RESPONSE:**

10. Refer to the Company's response to CPAD 1-8 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$11,701 charge.

**RESPONSE:**

11. Refer to the Company's response to CPAD 1-9 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$2,222 charge.

**RESPONSE:**

12. Refer to the Company's response to CPAD 1-10 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$883 charge.

**RESPONSE:**

13. Refer to the Company's response to CPAD 1-11 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$101,697 charge.

**RESPONSE:**

14. Refer to the Company's response to CPAD 1-12 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$49,174 charge.

**RESPONSE:**

15. Refer to the Company's response to CPAD 1-13 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$6,338 charge.

**RESPONSE:**

16. Refer to the Company's response to CPAD 1-14 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$268,086 charge.

**RESPONSE:**

17. Refer to the Company's response to CPAD 1-15 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$343 charge.

**RESPONSE:**

18. Refer to the Company's response to CPAD 1-16 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$86 charge.

**RESPONSE:**

19. Refer to the Company's response to CPAD 1-17 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$118 charge.

**RESPONSE:**

20. Refer to the Company's response to CPAD 1-18 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$386 charge.

**RESPONSE:**

21. Refer to the Company's response to CPAD 1-19 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$93,306 charge.

**RESPONSE:**

22. Refer to the Company's response to CPAD 1-20 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$120,215 charge.

**RESPONSE:**

23. Refer to the Company's response to CPAD 1-21 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$16,476 charge.

**RESPONSE:**

24. Refer to the Company's response to CPAD 1-22 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$4,450 charge.

**RESPONSE:**

25. Refer to the Company's response to CPAD 1-23 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$75,883 charge.

**RESPONSE:**

26. Refer to the Company's response to CPAD 1-24 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$232 charge.

**RESPONSE:**

27. Refer to the Company's response to CPAD 1-25 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$10,440 charge.

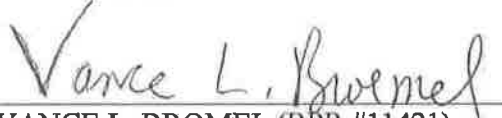


**RESPONSE:**

28. Refer to the Company's response to CPAD 1-26 regarding source and support for specific charges. The Company's response provided all charges regarding the work order number. Please provide ledger details and invoices supporting only the \$17,927 charge.

**RESPONSE:**

RESPECTFULLY SUBMITTED,

A handwritten signature in dark ink, reading "Vance L. Bromel". The signature is written in a cursive style with a horizontal line underneath the name.

VANCE L. BROMEL (BPR #11421)  
Assistant Attorney General  
Office of the Attorney General  
Consumer Protection and Advocate Division  
P.O. Box 20207  
Nashville, Tennessee 37202-0207  
615-741-8733

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

Linda Bridwell  
Manager of Rates and Regulation – Tennessee and Kentucky  
Kentucky American Water Company  
2300 Richmond Road  
Lexington, KY 40502  
linda.bridwell@amwater.com

Melvin J. Malone, Esq.  
Paige Ayres, Esq.  
Butler Snow LLP  
The Pinnacle at Symphony Place  
150 3rd Avenue South, Suite 1600  
Nashville, TN 37201  
melvin.malone@butlersnow.com  
paige.ayers@butlersnow.com

This the 18 day of July, 2016.

Vance L. Broemel  
VANCE L. BROEMEL