

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
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 2017 CAPITAL RECOVERY
RIDERS RECONCILIATION**

DOCKET NO. 17-00020

**TENNESSEE-AMERICAN WATER COMPANY'S RESPONSES
TO THIRD DISCOVERY REQUESTS OF
THE CONSUMER PROTECTION AND ADVOCATE DIVISION**

Tennessee-American Water Company ("TAWC"), by and through counsel, hereby submits its Responses to the Third Discovery Requests propounded by the Consumer Protection and Advocate Division ("CPAD").

GENERAL OBJECTIONS

1. TAWC objects to all requests that seek information protected by the attorney-client privilege, the work-product doctrine and/or any other applicable privilege or restriction on disclosure.

2. TAWC objects to the definitions and instructions accompanying the requests to the extent the definitions and instructions contradict, are inconsistent with, or impose any obligations beyond those required by applicable provisions of the Tennessee Rules of Civil Procedure or the rules, regulations, or orders of the Tennessee Public Utility Commission ("TPUC" or "Commission").

3. The specific responses set forth below are based on information now available to TAWC, and TAWC reserves the right at any time to revise, correct, add to or clarify the objections or responses and supplement the information produced.

4. TAWC objects to each request to the extent that it is unreasonably cumulative or duplicative, or seeks information obtainable from some other source that is more convenient, less burdensome or less expensive.

5. TAWC objects to each request to the extent it seeks information outside TAWC's custody or control.

6. TAWC's decision, now or in the future, to provide information or documents notwithstanding the objectionable nature of any of the definitions or instructions, or the requests themselves, should not be construed as: (a) a stipulation that the material is relevant or admissible, (b) a waiver of TAWC's General Objections or the objections asserted in response to specific discovery requests, or (c) an agreement that requests for similar information will be treated in a similar manner.

7. TAWC objects to those requests that seek the identification of "any" or "all" documents or witnesses (or similar language) related to a particular subject matter on the grounds that they are overbroad and unduly burdensome, and exceed the scope of permissible discovery.

8. TAWC objects to those requests that constitute a "fishing expedition," seeking information that is not relevant or reasonably calculated to lead to the discovery of admissible evidence and is not limited to this matter.

9. TAWC does not waive any previously submitted objections to the CPAD's discovery requests.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 17-00020
THIRD DISCOVERY REQUEST OF THE
CONSUMER PROTECTION AND ADVOCATE DIVISION**

Responsible Person: Linda C. Bridwell

Question:

1. Refer to the Company's response to CPAD 2-1 regarding the posting of revenue transactions to SAP and the Company's billing system and specifically refer to the supporting spreadsheet titled "TAW_R_CPADDR1_002_050517_Attachment" at the "Revenue Summary" tab.
 - A. The Company's response notes that G/L transactions are posted in batches. Explain in detail the process for the assignment of rate numbers as transactions are processed. Specifically, detail the point at which transactions are assigned a rate number, since it was noted that rate numbers are not associated with the initial G/L transactions in SAP.
 - B. Provide the individual supporting transactions that comprise the monthly revenue amounts by rate number in the "Revenue Summary" tab.

Response:

TAWC objects to this Request to the extent it purports to place obligations on TAWC that are broader than the scope contemplated by the Tennessee Rules of Civil Procedure and other applicable law. Subject to and without waiving the foregoing objection, TAWC states as follows:

- A. Rate numbers are assigned to customers and their bills in the company's Customer Information System or CIS. The amount of the customer bill is calculated by rate number and applied to each individual customer bill in the CIS. The customer bill is printed from the CIS. Each rate number is mapped to an account on the General Ledger and the information automatically flows from the billed amount in CIS to the billed amount posted to the G/L in SAP. In the CIS, the Capital Recovery Rider rates applied to each customer bill have three different rate numbers for each of the three Capital Recovery Riders. However, the Capital Recovery Riders roll up on the customer bill to one line printed on the bill. Additionally, the three Capital Recovery Riders all map to the same account on the G/L. As was outlined in the Company's

response to CPAD 2-1, the multiple rate numbers are grouped together into a batch when transferred to the G/L for revenue postings with multiple customers. Therefore, each revenue G/L transaction will have multiple rate numbers associated with them.

- B. In Item 2 of the CPAD's First Discovery Request, TAWC was asked to provide the source and support of the revenue amounts that were included in the filing. TAWC provided the monthly revenue summary, by rate number from the CIS, and reconciled that amount of revenue posted to the General Ledger. TAWC also provided all of the individual batched transactions that comprised the amount of revenue posted to the G/L. As a follow-up to CPAD Item 1-2, in Item 1 of the CPAD's Second Discovery Request, TAWC was asked to provide the Rate Number for the batched transactions that were posted to the G/L. As explained in the Company's response to CPAD 2-1, the Company was unable to provide the requested information. The amounts posted to the General Ledger are posted in batches to one account and not to separate accounts for each rate or separate rate numbers. Each batch is not broken down by the individual rate number. The total amounts on the two tabs reconcile to \$4,426,097.35 but Tennessee American cannot provide the Rate Number specifically for the G/L postings as requested.

Based upon the Company's response to CPAD 2-1, the CPAD has modified its request on this matter, and is now asking for individual supporting transactions that comprise the monthly revenue amounts by rate number in the "Revenue Summary" tab in response to CPAD1-2. As TAWC explained above in part A, the only way to provide further detail for the modified request on the batched transactions of revenue posted to the G/L for the three Capital Recovery Riders is to provide the individual transactions, by customer, that were billed in CIS and then flow over to the G/L. As TAWC has indicated in the response to part A of this same request, G/L transactions are in a summarized form that reconciles to the customer billing system. The supporting transactions come from the customer billing system, which is by customer account. In order to provide the information, the Company is required to produce the individual billed amount for each customer for the calendar year 2016. While this request appears to run counter to an effort for streamlining rate review or efficiencies, in a spirit cooperation, TAWC has responded with the full amount of detail. In order to protect the privacy of our customers, the customer name has not been provided. Attached, please find attachments TAW_R_CPADDR3_001_Attachment 201601_062117 through TAW_R_CPADDR3_001_Attachment 201612_062117 for each month of revenue billings by customer account. Because of the enormous amount of data in the files, the attachments are only being provided electronically.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 17-00020
THIRD DISCOVERY REQUEST OF THE
CONSUMER PROTECTION AND ADVOCATE DIVISION**

Responsible Person: Linda C. Bridwell

Question:

2. Refer to the Company's response to CPAD 2-3 regarding the capitalization of incentive compensation. Allocate the \$60,844 of capitalized incentive compensation to the corresponding capital riders and provide supporting documentation for the allocation.

Response:

Please refer to the attachment, which is an estimate of the allocation of capitalized incentive compensation to the corresponding capital riders.

		2016 SCEP Budget	2016 SCEP Actual	Pro-rated Capitalized Incentive	Rider
	RECURRING PROJECTS				
DV	Projects Funded by Others	\$ 800,000	\$ 593,398	\$ 2,238	
A	Mains - New	220,000	76,549	289	EDI
B	Mains - Replaced / Restored	830,500	687,213	2,592	QIIP
C	Mains - Unscheduled	920,000	2,281,368	8,605	QIIP
D	Mains - Relocated	250,000	256,354	967	QIIP
E	Hydrants, Valves, and Manholes - New	50,000	72,212	272	EDI
F	Hydrants, Valves, and Manholes - Replaced	270,000	118,668	448	QIIP
G	Services and Laterals - New	521,800	830,866	3,134	
H	Services and Laterals - Replaced	250,000	414,906	1,565	QIIP
I	Meters - New	194,900	222,151	838	
J	Meters - Replaced	753,930	868,404	3,275	QIIP
K	ITS Equipment and Systems	1,038,624	977,679	3,688	
L	SCADA Equipment and Systems	260,000	211,320	797	SEC
M	Security Equipment and Systems	200,000	101,356	382	SEC
N	Offices and Operations Centers	40,000	8,983	34	
O	Vehicles	333,000	400,818	1,512	
P	Tools and Equipment	60,000	87,888	331	
Q	Process Plant Facilities and Equipment	975,000	1,458,160	5,500	SEC
R	Capitalized Tank Rehabilitation/Painting	-	(898,525)	(3,389)	QIIP
S	Engineering Studies	-	69,044	260	
	Total Recurring Projects	\$ 7,967,754	\$ 8,838,810	\$ 33,338	
	ACQUISITIONS				
		\$ -	\$ -	0	
	Total Acquisitions	\$ -	\$ -	0	
	CENTRALLY SPONSORED PROJECTS			0	
T26-0202	Business Transformation 2010 - 2014	\$ -	\$ -	0	
T26-0203	Business Transformation 2010 - 2014		\$ -	0	
	Total Centrally Sponsored Projects	\$ -	\$ -	0	
	INVESTMENT PROJECTS			0	
I26-020017	Electrical Motor Efficiency Enhancement	\$ -	\$ -	\$ -	SEC
I26-020027	Construct 1.0MG Tank & 2500-16" ER	-	-	-	EDI
I26-020028	Citico Plant Improvements Phase 1B	6,649,997	6,746,115	25,445	QIIP
I26-020032	Wastewater Treatm't & Handling Impr	-	546,286	2,060	SEC
I26-020034	3000'-24" Tennessee River Crossing	-	-	-	EDI
I26-020038	Retire Basin 1	300,000	-	-	SEC
I26-020039	Basin 2 Tube Settlers	-	-	-	SEC
I26-020040	Chlorine Gas Conversion	-	-	-	SEC
I26-000002	Post Acquisition BD Capex	60,000	186	1	
		-	-	-	
		-	-	0	
	Total Investment Projects	\$ 7,009,997	\$ 7,292,586	\$ 27,506	
	Total	\$ 14,977,751	\$ 16,131,396	\$ 60,844.00	
	Estimated Amount included in QIIP Rider			\$ 39,507	
	Estimated Amount included in EDI Rider			\$ 561	
	Estimated Amount included in SEC Rider			\$ 8,740	
	Estimated amount not included in Riders			\$ 12,036	
				<u>\$ 60,844</u>	

Dollar amounts of 2016 SCEP Budget are copied for the "EXH 2016 SCEP" tab in the original file TAW_TRA_2016_CapRider_Recon and are 2016 projected expenditures.
Dollar amounts of 2016 SCEP Actual are actual construction expenditures, not in-serviced expenditures.

The estimated 2016 Capitalized Incentive amounts are simply the pro-rated amount of total capitalized incentive compensation by the actual capital expenditures

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 17-00020
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Responsible Person: Linda C. Bridwell

Question:

3. Refer to the Company's response to CPAD 2-5 regarding support for the financials included in the calculation of the Earnings Test.
 - A. Provide the monthly copies of the supporting general ledger queries of the Balance Sheet, Income Statement; Trial Balance and Analysis of Income that were previously provided to the TPUC and CPAD to ensure all requested documentation is self-contained in this docket.
 - B. Also, provide supporting general ledger documentation from SAP for the monthly income statements and balance sheets (i.e. direct SAP ledger support, not summary queries).
 - C. Provide the source and support for the itemization of the Accumulated Deferred Income Taxes provided in the response to part B of CPAD 2-5.
 - D. Refer to the spreadsheet titled "12- TAW_TRA_2016_ Workpaper_Earnings Test" and specifically, to the "Workpaper Earnings Test" tab. Provide supporting calculations that tie to the amounts detailed on line 57 ("Taxes on CIAC-DEF. FIT & SIT").
 - E. Refer to the Company's response to CPAD 2-5D, part iv. Does the Company pay tax on funds it receives as CIAC? If so, provide the citation in the tax code where this tax is still required for water utilities. If not, explain why the Company is calculating deferred taxes on CIAC.

Response:

TAWC objects to this Request to the extent it purports to place obligations on TAWC that are broader than the scope contemplated by the Tennessee Rules of Civil Procedure and other applicable law. Subject to and without waiving the foregoing objection, TAWC states as follows

- A. While filing duplicates of information previously submitted to both the TPUC and the CPAD is contrary to both TPUC requirements and to the streamlined and

efficient review process contemplated under the alternative regulatory methods statute, in the spirit of cooperation TAWC has provided the requested files electronically.

- B. Please refer to the attachment, which is the transactional detail for the General Ledger for 2016 for TAWC. Due to the voluminous nature of providing this response, TAWC has provided the information only in electronic format.
- C. The source of the detailed information is the G/L of TAWC. Please refer to part A of the monthly report filings. Under the TRA Dec2016 Statements file, please refer to the tab labelled "Balance Sheet". Row 58 reflects the entire "Deferred Income Taxes" amount of \$45,757,761.68 that was provided in response to Part B of CPAD 2-5. In order to provide the breakdown, TAWC queried the G/L for the sub-account totals. Below is a screen shot of the information from the query.

AMERICAN WATER COMPARATIVE BALANCE SHEET HIERARCHY NON LEADING LEDGER

070 Company Code 1026
 1Data Column 1 Fiscal Year Period 012/2016
 1DATA COLUMN 1 ACT (0) OR PLAN (1) 0
 2Data Column 2 Fiscal Year Period 012/2015
 2DATA COLUMN 2 ACT (0) OR PLAN (1) 0
 G/L Hierarchy Standard GAAP (AW01)

		DEC 2016 in 1,000s A	DEC 2015 in 1,000s B	Variance in 1,000s	% Var
G/L Account		\$	\$	\$	%
Def FIT LiabNormProp	AWTR/25310000	-17,668.00	0.00	-17,668.00	0.00
Def FIT Liab-Other	AWTR/25311000	-38,935,585.74	-35,947,448.74	-2,988,137.00	-8.31
[-] Federal Deferred inc	AW0187	-38,953,253.74	-35,947,448.74	-3,005,805.00	-8.36
Def SIT Liab-Other	AWTR/25321000	-6,804,507.94	-6,610,264.94	-194,243.00	-2.94
[-] State Deferred incom	AW0188	-6,804,507.94	-6,610,264.94	-194,243.00	-2.94
[-] Deferred income tax	AW0161	-45,757,761.68	-42,557,713.68	-3,200,048.00	-7.52

- D. The calculation for CIAC-Def FIT at December 2016 consists of \$284,421 plus the difference between the December 2015 balance of \$165,312 and December 2016 \$112,623 or (\$52,689). This amount is then reduced by the State tax 6%. This is a reduction of (\$3,161) = (\$52,689 x 6%). The amount of (\$49,528), which is (\$52,689-\$3,161) is used for federal tax purposes. The amount is then multiplied by the federal tax rate of 35%. (\$49,528) x 35% = (17,335). This is then added to the total - \$284,421 + (\$17,335) = \$267,086.

The calculation for CIAC-Def SIT at December 2016 consists of \$51,886 plus the difference between the December 2015 balance of \$165,312 and December 2016 \$112,623 or (\$52,689) times the State tax 6% deduction of (\$3,161). (\$52,689 x 6%) = (\$49,528). This is then added to the total \$51,886 + (\$49,528) = \$2,358.

The \$284,421 (federal) and \$51,886 (state) are standard balances we use to for the calculation. This eliminates a cumbersome calculation every month. These balances are consistently used throughout the year.

- E. Tennessee American will supplement this answer as the information becomes available.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 17-00020
THIRD DISCOVERY REQUEST OF THE
CONSUMER PROTECTION AND ADVOCATE DIVISION**

Responsible Person: Linda C. Bridwell

Question:

4. Refer to the Company's response to CPAD 2-8 regarding the calculation of the Annual Reconciliation Factor Percentage. Specifically, refer to part C of the Company's response as well as pages 23-24 of Linda Bridwell's testimony in this docket.

The Company is calculating the Reconciliation Amount as follows: Budget-Actual Adjustment
Plus Over/Under Collection Adjustment
Plus 2015 Reconciliation Amount
Plus Earnings Test Adjustment
Plus Interest
Annual Reconciliation Amount

The Tariff prescribes the following calculation, which does not include a prior year reconciliation amount:

Budget-Actual Adjustment
Plus Over/Under Collection Adjustment
Plus Earnings Test Adjustment
Plus Interest
Annual Reconciliation Amount

The Company notes in its response to CPAD 2-8 that the 2015 Reconciliation Amount should be included as part of the "Over/Under Collection" adjustment, since the 2015 capital rider surcharges were only applied from 10/11/2016 - 12/31/2016.

- A. Linda Bridwell's testimony notes that the 2015 capital rider surcharges were only applied from 10/11/2016 - 12/31/2016. Provide the portion of the 2015 reconciliation amount that was recovered during this period.
- B. Discuss the rationale for including the entire 2015 Reconciliation Amount of \$307,171 in the calculation of the 2016 Reconciliation Amount, given that a portion of this amount would likely have been recovered between 10/11/2016 - 12/31/2016.
- C. State whether the Company believes that including the total 2015 Reconciliation Amount of \$307,171 in the calculation of the 2016 Reconciliation Amount would

result in double recovery of a portion of the Company's capital expenditures. If not, explain in detail why not.

D. Describe in detail the Capital Recovery Rider rate adjustment process.

Specifically address the following:

- i. The relationship between the Capital Rider budget and reconciliation filings and how the surcharges calculated in those filings impact the rates charged to customers.
- ii. The timing and nature (one-time vs. cumulative) of the application of the Capital Rider budget and reconciliation surcharges.
- iii. Does the annual budget filing incorporate previous rate adjustments calculated in prior years' Capital Rider Reconciliation filings? If so, would prior years' reconciliation amounts be recovered via the Capital Rider budget rate adjustment?
- iv. If the Company believes that prior years' reconciliation amounts are recovered via the Capital Rider budget rate adjustments, discuss the rationale for including the 2015 Reconciliation Amount in the calculation of the 2016 Reconciliation Amount. Additionally, state whether the Company believes that including the 2015 Reconciliation Amount in the calculation of the 2016 Reconciliation Amount would result in double recovery of a portion of the Company's capital expenditures. If not, explain in detail why not.

Response:

In question 4 above, the CPAD states above "The Company notes in its response to CPAD 2-8 that the 2015 Reconciliation Amount should be included as part of the "Over/Under Collection" adjustment, since the 2015 capital rider surcharges were only applied from 10/11/2016 - 12/31/2016." Unintentionally, the CPAD has misstated the Company's response to CPAD 2-8. We refer the CPAD back to the Company's response to CPAD 2-8.

- A. When TAWC enters the Capital Recovery Rider Surcharge rate in the Customer Information System, or billing system the rate applied for each rider combines the Capital Recovery Rider rate and the corresponding Capital Recovery Rider Reconciliation rate. Therefore, for any time after the approval of the 2016 Capital Recovery Rider during 2016, the Capital Recovery Rider rates are combined to include both the 2016 approved Capital Recovery Rider rate as well as the 2015 Reconciliation of the Capital Recovery Rider rate. For the period of January 1,

2016 and up until October 10, 2016, the reconciliation component of the Capital Recovery Rider surcharge was 0.0%. Therefore the rate applied to customer bills was $(10.38\% + 0.0\%) = 10.38\%$. On October 11, 2016 through December 31, 2016, the overall rate was increased to include the reconciliation rate of 0.87%. This increase changed the combined rate Capital Recovery Rider surcharge rate (ie the Capital Recovery Rider rate and the Capital Recovery Rider Reconciliation rate) to 11.25% $(10.38\% + 0.87\% = 11.25\%)$. Please refer to the exhibit “Annual Approved Tariffs” of Linda C. Bridwell’s testimony for a progression of the surcharge rates. The revenues collected in the 2016 review time period in this reconciliation Docket (January 1, 2016 through December 31, 2016) were from the billing to each customer for the combined rate of the 2016 Capital Recovery Rider and the 2015 Capital Recovery Rider Reconciliation, not two separate rates. Because the surcharge rates as billed rates are combined, TAWC cannot provide the amount of revenues collected in 2016 for only the reconciliation component for 10/11-2016 – 12/31/2016. The total calculation of the Over/Under Collection Adjustment for this reconciliation docket includes both the Over/Under Collection amount for the 2016 Capital Recovery Riders and the Over/Under Collection amount for the 2015 Capital Recovery Rider Reconciliation amount combined. Therefore, the portion of the 2015 Capital Recovery Rider Reconciliation amount that was recovered from 10/11/2016-12/31/2016 is accounted for Over/Under Collection Adjustment in this reconciliation calculation.

- B. The 2016 reconciliation is reconciling all revenues billed for the capital riders in fiscal year 2016 including the 2015 reconciliation amount approved on 10/11/2016. The reconciliation should include the \$307,171 that should have been collected in fiscal year 2016 as well.
- C. As explained in part A and part B above, including the total authorized 2015 Reconciliation amount of \$307,171, combined with the 2016 authorized Capital Recovery Riders and then subtracting out the total amount of revenues collected in 2016 is the only way to appropriately calculate the Over/Under adjustment for the 2016 Reconciliation Amount. The methodology applied in the calculations prevent the possibility of double recovery, and follow the same methodology that has been utilized and approved in prior Capital Recovery Reconciliation dockets before the TPUC.
- D. TAWC objects to this Request to the extent it purports to place obligations on TAWC that are broader than the scope contemplated by the Tennessee Rules of Civil Procedure and other applicable law. Subject to and without waiving the foregoing objection, TAWC states as follows:

In addition to the responses provided below, we refer and reference all Tennessee American Water testimony in previous Capital Recovery Rider dockets before the TPUC. Please refer to part A above, and to the responses below.

- i. Please refer to the exhibit “Annual Approved Tariffs” of Linda C.

Bridwell's testimony. This shows the rates for each time period for the capital riders. The 2015 annual reconciliation rate is included in the total rate as of 10/11/2016.

- ii. The Capital Recovery Riders proposed in any given year are to support the investment of the capital expenditures for the proposed review period, including all capital expenditures under the Capital Recovery Riders from previous years. In that way, the Capital Recovery Riders are cumulative. The reconciliation of the Capital Recovery Riders looks back at the previous year and reconciles the amount for that year that should have been collected. There are two components of the reconciliation. One is the budget to actual expenditures for capital investment for that year. The Second is an adjustment for over/under revenues collected. This includes the revenues during that year for both the authorized Capital Recovery Riders and the authorized reconciliation component. Please refer to the exhibit "Annual Approved Tariffs" of Linda C. Bridwell's testimony. This shows the rates for each time period for the Capital Recovery riders. The 2015 annual reconciliation rate is included in the total rate as of 10/11/2016.
- iii. No, the annual Capital Recovery Riders petition for adjustment does not incorporate any previous reconciliation of revenues and therefore the prior years' reconciliation amounts are not recovered via the Capital Rider Recovery rate.
- iv. Per the response to C above, and previous discovery in this docket, the inclusion of the 2015 reconciliation amount does not result in double recovery for 2016. The methodology applied in the calculations described above prevent the possibility of double recovery, and follow the same methodology that has been utilized and approved in prior Capital Recovery Reconciliation dockets before the TPUC. The inclusion of the 2015 reconciliation amount ensures total and appropriate adjustment for the revenues collected under the Capital Recovery Riders for the fiscal year 2016 which includes the reconciliation amount from 2015.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 17-00020
THIRD DISCOVERY REQUEST OF THE
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Responsible Person: Brent E. O'Neill

Question:

5. Refer to the Company's response to CPAD 2-11 regarding support related to Work Order #R26-05J1.15-P-0001 included for recovery. Specifically, refer to the attachment, "TAW_R_CPADDR2_011_060217_Attachment" that was provided with the Company's response. The Company's response shows the breakdown of this charge by both Utility Account and by 'General Cost Type.' Explain in detail why Utility Account 334200 shows a balance of \$19,892.83 but the Company's breakdown of this charge only shows a balance of \$13,225.23.

Response:

Please refer to attachment. The "Invoices" cost type in the 334200 column should include \$6,667.60 as the amount for additions under contracted services.

Tennessee-American Water Company
Docket #17-00020
Response to TAW_R_CPADDR3_005
Cost Summary Related to Work Order #R26-05J1.15-P-0001

Docket # 17-00020
Response to TAW_R_CPADDR3_005
1 of 1

Work Order	G/L Account	G/L Account Name	Utility Account	Utility Account Name	As Built	
					Amount	%
R26-05J1.15-P-0001	10633420	CCNC Meter Installations	334200	Meter Installations	\$19,892.83	81.00%
R26-05J1.15-P-0001	25710000	Reg Liab - Cost of Removal RWIP			2,381.06	19.00%
					<u>\$22,273.89</u>	

Work Order	General Cost Type	General Cost Description	Amount	334200	RWIP	Total
R26-05J1.15-P-0001	Labor	Labor & Related Costs	\$10,038.47	\$8,130.70	\$1,907.77	\$10,038.47
	Inventory	Materials Issued from Inventory	4,299.52	3,482.42	817.10	4,299.52
	Invoices	Contracted Services & Non-Inventory Materials	8,232.07	6,667.60	1,564.47	8,232.07
	Salvage	Salvage/Scrap Receipts	(2,294.88)		(2,294.88)	(2,294.88)
	AFUDC	Allowance for Funds Used During Construction	0.00	0.00		0.00
	Overhead	Indirect Overhead	1,998.71	1,612.11	386.60	1,998.71
			<u>\$22,273.89</u>	<u>\$19,892.83</u>	<u>\$2,381.06</u>	<u>\$22,273.89</u>

From recon file "TAW_TRA_2016_CapRider_Recon" and tab "WKP_2016_Actuals". Source: Powerplant

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Naruc	Amount	Eligibility	Portion %	Adjusted Amount	Comments on Adjustments
ADDITION		2 R26-05J1.15-P-0001	Work Order	1/0/1900	2605	J	334200	Meter Installations	19,892.83	QHP	100%	19,892.83	

\$19,892.83

\$19,892.83

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 17-00020
THIRD DISCOVERY REQUEST OF THE
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Responsible Person: Brent E. O'Neill/Linda C. Bridwell

Question:

6. Refer to the Company's response to CPAD 2-15 regarding support for Work Order #R26-05A1.15-P-0002 included for recovery in the Company's Capital Rider Filing. Please provide the attachment referenced in this response.

Response:

Please refer to the attachment, which was inadvertently omitted in the original response.

Tennessee-American Water Company
Docket #17-00020
Response to TAW_R_CPADDR2_015
Cost Summary Related to Work Order #R26-05A1.15-P-0002

Docket # 17-00020
Response to TAW_R_CPADDR2_015
1 of 1

Work Order	G/L Account	G/L Account Name	Utility Account	Utility Account Name	As Built	
					Amount	%
R26-05A1.15-P-0002	10633100	CCNC - Transmsn & Distr Mains Not Classified	331001	TD Mains Not Classified	\$26,175.19	57.37%
	10633500	CCNC Hydrants	335000	Hydrants	1,440.83	3.16%
	10633410	CCNC Meters	334300	Meter Vaults	18,010.44	39.47%

R26-05A1.15-P-0002 25710000 Reg Liab - Cost of Removal RWIP

\$45,626.46

Work Order	General Cost Type	General Cost Description	Amount	331001	335000	334300	Total
R26-05A1.15-P-0002	Labor	Labor & Related Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Inventory	Materials Issued from Inventory	0.00	0.00	0.00	0.00	0.00
	Invoices	Contracted Services & Non-inventory Materials	42,258.50	24,243.04	1,334.47	16,680.98	42,258.49
	Salvage	Salvage/Scrap Receipts	0.00	0.00	0.00	0.00	0.00
	AFUDC	Allowance for Funds Used During Construction	506.01	290.29	15.98	199.74	506.01
	Overhead	Indirect Overhead	2,861.95	1,641.86	90.38	1,129.72	2,861.96
			<u>\$45,626.46</u>	<u>\$26,175.19</u>	<u>\$1,440.83</u>	<u>\$18,010.44</u>	<u>\$45,626.46</u>

From recon file "TAW TRA 2016 CapRider Recon" and tab "WKP 2016 Actuals". Source: Powerplant

Type	Period	WBS	Description	In-Service Date	Profit center	Project #	Utility account	UA Naruc	Amount	Eligibility	Portion %	Adjusted Amount	Comments on Adjustments
ADDITION		2 R26-05A1.15-P-0002	Whitwell / Dunlap Interconnec	12/28/2015	2605	A	331001	TD Mains Not Classifie	26,175.19	EDI	100%	26,175.19	
ADDITION		2 R26-05A1.15-P-0002	Whitwell / Dunlap Interconnec	12/28/2015	2605	A	335000	Hydrants	1,440.83	EDI	100%	1,440.83	
ADDITION		2 R26-05A1.15-P-0002	Whitwell / Dunlap Interconnec	12/28/2015	2605	A	334300	Meter Vaults	18,010.44	EDI	100%	18,010.44	
									<u>\$45,626.46</u>			<u>\$45,626.46</u>	

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, the data requests responses are accurate to the best of her knowledge.

Linda C. Bridwell
Linda C. Bridwell

Sworn to and subscribed before me
this 19th day of June, 2017.

Peggy A. Stone

Notary Public

My Commission Expires: 10/3/2020



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:

Daniel Whitaker III, Esq.
Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Protection and Advocate Division
P.O. Box 20207
Nashville, TN 37202-0207

This the 21st day of June, 2017.



Melvin J. Malone