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January 30, 2019

VIA ELECTRONIC FILING

Hon. David Jones, Chairman
c/o Sharla Dillon
Tennessee Public Utilities Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

RE: *Petition of Tennessee-American Water Company in Support of the Calculation of the 2018 Capital Recovery Riders Reconciliation, Docket No. 18-00022*

Dear Chairman Jones:

In compliance with the Tennessee Public Utility Commission's deliberations on December 17, 2018, Tennessee-American is hereby filing revised calculations for the 2018 Capital Recovery Rider reconciliation. To use the 2017 estimated net operating loss carryforward of \$4,938,170 as directed by TPUC, while complying with IRS normalization rules, the revised calculations reflect accumulation of bonus depreciation and repairs deductions during 2017, which is the year being reconciled in the calculation.

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

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Attachments

cc: Melissa Schwarzell, Tennessee-American Water Company (via e-mail)
Daniel Whitaker, Assistant Attorney General, Consumer Protection and Advocate Division (via email)
Karen H. Stachowski, Assistant Attorney General, Consumer Protection and Advocate Division (via email)

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CLASSIFICATION OF SERVICE**SUMMARY OF RIDERS****1. Applicability**

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

2. The Percentage of Riders and Reconciliations

For the Riders defined in the tariffs:

QIIP	10.05%
EDI	0.41%
<u>SEC</u>	<u>5.97%</u>
Subtotal of all Capital Recovery Riders	16.43%
QIIP Annual Reconciliation Percentage	2.615% (I)
EDI Annual Reconciliation Percentage	-0.049% (D)
<u>SEC Annual Reconciliation Percentage</u>	<u>0.042% (I)</u>
Subtotal of all Capital Recovery Riders	2.608% (I)
PCOP	-1.25 %

(D) Indicates Decrease

(I) Indicates Increase

ISSUED: January 29, 2019

EFFECTIVE: December 18, 2018

BY:


Valoria Armstrong
PRESIDENT

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