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June 29, 2018

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:

Attached for filing please find *Tennessee-American Water Company's Responses to Fourth Set of Discovery Requests of the Consumer Protection and Advocate Division* in the above-captioned matter.

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

Very truly yours,

BUTLER SNOW LLP


Melvin J. Malone

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Attachments

cc: Linda Bridwell, 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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BUTLER SNOW LLP

**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 2018 CAPITAL)
RECOVERY RIDERS RECONCILIATION)**

DOCKET NO. 18-00022

**TENNESSEE-AMERICAN WATER COMPANY'S RESPONSE
TO FOURTH SET OF DISCOVERY REQUESTS OF
THE CONSUMER PROTECTION AND ADVOCATE DIVISION**

Tennessee-American Water Company ("TAWC"), by and through counsel, hereby submits its Response to the Fourth Set of 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 "Authority").

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 supplemental discovery requests.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00022
FOURTH DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: **Linda C. Bridwell**

Question:

1. Refer to the file included as Attachment 1, which compares the approved rate base in the most recent TAWC rate case proceeding and the requested rate base associated with the current Capital Rider Reconciliation Docket. The total of these two items appears to be approximately \$184.6 million. This figure compares with a rate base contained within the Earnings Test file of \$162.1 million. Of the approximately \$22 million difference, about \$15.5 million is attributable to the growth in ADIT. Provide the following, along with all supporting workpapers or other relevant documents:
 - a) If it is the Company's position that the calculations in Attachment 1 are incorrect, provide the Company's corrected calculations and figures, along with a detailed narrative explaining the changes;
 - b) If it is the Company's position that this information is not appropriate for consideration in this Docket, provide a detailed narrative explaining the reason for this position.

Response:

- a) Please refer to TAW attachment 1. In the course of responding to the discovery requests, TAWC reviewed each of the line items on the rate base calculations from Docket No. 12-00049 as they were reported in the Earnings Test Adjustment in this Docket No. 18-00022. Based upon the CPAD's Question 1(a) above and TAWC's work in responding to discovery, TAWC made two corrections related to Cost of Removal. The underlying basis of both corrections stem from the CPAD's recognition of the rate base of \$162.1 million used in the Earnings Test Adjustment. The first correction was to move Cost of Removal on the CPAD's attachment from UPIS to Accumulated Depreciation, as it is part of the depreciation reserve (NARUC Account 108). This first correction did not change the overall rate base calculation but more accurately reflected the Utility Plant in Service calculation. The second is to correct the TAWC Earnings Test Adjustment amount for accumulated depreciation to include the cost of removal account on the Company's ledger. The previous Earnings Test Adjustment did not include accounts 18680000 and 25700000, which accounts are part of the reserve and NARUC account 108.1. The consequence of this second omission was a calculation of less rate base on the Earnings Test Adjustment of \$2.9 million. The result of the corrections, an additional \$2.9 million in rate base, results in a rate of return for 2017 that is below the authorized amount. The remaining differences in rate base in Attachment 1 are

accounted for in additions, retirements and accumulated deferred taxes on non-capital recovery rider capital expenditures. An update of the monthly report, and Earnings Test Adjustment file is attached as Attachment 2 to this response.

- b) It is the Company's belief that the corrections outlined in subpart a above and attachment 2 are appropriate in this docket. On the other hand, it is not appropriate to attempt to adjust rate base changes in a reconciliation of the capital recovery riders, as such changes are already reflected and appropriately accounted for in the Earnings Test.

Based on the revised Earnings Test, which now includes the cost of removal, the Company earned a rate of return of 7.21% in 2017, which is below the authorized rate of return of 7.23%. This is reflected in the attachment to part a. The earnings test exists to ensure the company earns only up to authorized Rate of Return and is protection for ratepayers. It takes into account all financial activity since the last case, which includes the additional revenues billed for the capital riders as well as all non-rider activity such as the sale of the Walden Ridge and Lone Oak assets since Docket No. 12-00049, Tennessee American's last general rate base.

For specific details on the company's position on including certain items in ADIT for the capital riders, please refer to the response to Item 10 of the CPAD's third data request.

Tennessee American Water Company
Comparison of Rate Base Supported to TPUC vs. Actual Rate Base

CPAD Attachment

| Rate Base Item | Settlement 12-00049 | TAWC Proposed Cap Rider Rate Base | Total Compensated Rate Base | Rate Base TAWC Supplied Earnings Test |
|-----------------------------------|------------------------|--------------------------------------|--------------------------------|---|
| Utility Plant in Service | \$ 250,455,533 | \$ 56,205,021 | \$ 306,660,554 | \$ 303,408,084 |
| Accumulated Depreciation | (81,011,226) | (1,786,282) | (82,797,508) | (88,039,865) |
| Accumulated Deferred Income Taxes | (26,733,940) | (616,849) | (27,350,789) | (42,904,951) |
| Other Rate Base Components | (10,694,895) | (1,173,628) | (11,868,523) | (10,349,740) |
| Total | \$ 132,015,472 | \$ 52,628,262 | \$ 184,643,734 | \$ 162,113,528 |

Adjusted Per TAWC

| Rate Base Item | Settlement 12-00049 | TAWC Proposed Cap Rider Rate Base | Total Compensated Rate Base | Rate Base TAWC Supplied Earnings Test | Notes |
|--|------------------------|--------------------------------------|--------------------------------|---|---|
| Utility Plant in Service | \$ 250,455,533 | \$ 50,561,748 | \$ 301,017,281 | \$ 303,408,084 | Moved Cost of removal less salvage from UPIS to A/D in TAWC Proposed Cap Rider Rate Base as it is part of TAWC's depreciation reserve. |
| Accumulated Depreciation | (81,011,226) | 3,856,991 | (77,154,235) | (85,095,925) | TAWC's accounts 18680000 and 25700000 (Cost of Removal) was not added into the TAWC Supplied Earnings Test which was based on compliance filings. TAWC's accounts 18680000 and 25700000 are part of the NARUC account 108.1 |
| Accumulated Deferred Income Taxes | (26,733,940) | (616,849) | (27,350,789) | (42,904,951) | |
| Other Rate Base Components | (10,694,895) | (1,173,628) | (11,868,523) | (10,349,740) | |
| Total | \$ 132,015,472 | \$ 52,628,262 | \$ 184,643,734 | \$ 165,057,468 | |
| Adjusted Net Operating Income Supplied in Earnings Test | | | | \$ 11,906,528 | |
| Rate of Return | | | | 7.21% | |
| Authorized Rate of Return | | | | 7.23% | |

2017 Reconciliation of Capital Riders
Tennessee American Water Company
Earnings Test

| Line # | | 2016 Dec | Jan | Feb | Mar | Apr | May | Jun |
|-----------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1 | Additions: | | | | | | | |
| 2 | Plant in Service | \$297,481,240 | \$298,156,791 | \$299,124,508 | \$300,317,922 | \$300,844,246 | \$301,313,826 | \$302,844,365 |
| 3 | Plant Under Construction | \$2,247,280 | 2,445,478 | 2,038,157 | 2,176,106 | 2,632,379 | 3,201,969 | 3,423,807 |
| 4 | Property Held For Future Use | \$0 | - | - | - | - | - | - |
| 5 | Materials and Supplies | \$799,279 | 800,213 | 825,042 | 837,593 | 859,669 | 1,033,384 | 961,038 |
| 6 | Other Additions: | \$0 | - | - | - | - | - | - |
| 7 | Leased Utility Plant | \$0 | - | - | - | - | - | - |
| 8 | Unamortized Painting - net | \$0 | - | - | - | - | - | - |
| 9 | Working Capital C/ | \$3,409,884 | 3,409,884 | 3,409,884 | 3,409,884 | 3,409,884 | 3,409,884 | 3,409,884 |
| 10 | | | | | | | | |
| 11 | Total Additions | \$303,937,683 | 304,812,366 | 305,397,591 | 306,741,505 | 307,746,178 | 308,959,063 | 310,639,094 |
| 12 | | | | | | | | |
| 13 | | | | | | | | |
| 14 | Deductions: | | | | | | | |
| 15 | Accumulated Depreciation and Amortization | \$83,819,830 | 84,368,586 | 85,023,893 | 83,769,099 | 84,348,632 | 84,829,323 | 85,352,097 |
| 16 | Accumulated Deferred Income Taxes | \$42,037,767 | 42,130,535 | 42,260,378 | 42,331,681 | 38,626,817 | 42,796,954 | 42,959,811 |
| 17 | Unamortized Investment Credit - Pre 1971 | \$9,871 | 9,613 | 9,355 | 9,097 | 8,839 | 8,581 | 8,323 |
| 18 | Customer Deposits | \$0 | - | - | - | - | - | - |
| 19 | Other Deductions: | | | | | | | |
| 20 | Contributions in Aid of Construction | \$15,011,694 | 14,991,867 | 14,970,650 | 14,955,764 | 14,933,007 | 14,963,063 | 14,970,186 |
| 21 | Customer Advances for Construction | \$3,786,559 | 3,889,077 | 3,838,214 | 3,923,713 | 3,932,713 | 4,010,628 | 4,049,569 |
| 22 | All Other A/ | (\$1,046,726) | (1,299,482) | (1,303,580) | (1,263,266) | (326,384) | (1,302,310) | (1,327,916) |
| 23 | | | | | | | | |
| 24 | | | | | | | | |
| 25 | | | | | | | | |
| 26 | Total Deductions | \$143,618,995 | \$144,090,196 | \$144,798,910 | \$143,726,088 | \$141,523,624 | \$145,306,239 | \$146,012,070 |
| 27 | | | | | | | | |
| 28 | Rate Base | \$160,318,688 | \$160,722,170 | \$160,598,681 | \$163,015,417 | \$166,222,554 | \$163,652,824 | \$164,627,024 |
| 29 | | | | | | | | |
| 30 | Net Operating Income | (\$44,182) | \$510,313 | \$675,716 | \$670,143 | \$1,227,918 | \$1,008,214 | \$1,135,179 |
| 31 | Adjustments to NOI | \$0 | - | - | - | - | - | - |
| 32 | Allowance for funds used during construction | \$5,083 | 8,031 | 9,738 | 9,189 | 10,098 | 14,277 | 17,384 |
| 33 | Adjustment to reflect effective federal | \$0 | - | - | - | - | - | - |
| 34 | Income tax rate (debt assigned to parent) | \$18,222 | 18,388 | - | 18,650 | 18,859 | 18,723 | 18,834 |
| 35 | Interest on customer deposits | \$0 | - | - | - | - | - | - |
| 36 | | | | | | | | |
| 37 | | | | | | | | |
| 38 | | | | | | | | |
| 39 | Adjusted Net Operating Income | (\$20,878) | \$536,732 | \$685,455 | \$697,982 | \$1,256,875 | \$1,041,214 | \$1,171,397 |
| 40 | | | | | | | | |
| 41 | | | | | | | | |
| 42 | Rate of return B/ | -0.16% | 4.01% | 5.12% | 5.14% | 9.07% | 7.63% | 8.54% |

2017 Reconciliation of Capital Riders
Tennessee American Water Company
Earnings Test

| Line # | 2016 Dec | Jan | Feb | Mar | Apr | May | Jun |
|---|----------------------|--|----------------------|----------------------|--------------------|----------------------|----------------------|
| A/ All Other | | | | | | | |
| Acquisition adjustment | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Accounts payable applicable to CWIP | \$268,625 | - | 16,625 | 25,024 | 28,900 | 10,575 | 3,658 |
| Unpaid for materials and supplies | \$38,256 | 66,200 | 42,800 | 72,819 | 37,813 | 44,500 | 41,302 |
| Taxes on CIAC-DEF. FIT & SIT | (\$1,353,607) | (1,365,682) | (1,363,005) | (1,361,109) | (393,097) | (1,357,385) | (1,372,876) |
| | <u>(\$1,046,726)</u> | <u>(\$1,299,482)</u> | <u>(\$1,303,580)</u> | <u>(\$1,263,266)</u> | <u>(\$326,384)</u> | <u>(\$1,302,310)</u> | <u>(\$1,327,916)</u> |
| C/ Per order | | | | | | | |
| Cash working capital Lead Lag Study | \$591,674 | \$591,674 | \$591,674 | \$591,674 | \$591,674 | \$591,674 | \$591,674 |
| Incidental collection | (116,192) | (116,192) | (116,192) | (116,192) | (116,192) | (116,192) | (116,192) |
| Average cash | - | - | - | - | - | - | - |
| Other components | <u>2,934,402</u> | <u>2,934,402</u> | <u>2,934,402</u> | <u>2,934,402</u> | <u>2,934,402</u> | <u>2,934,402</u> | <u>2,934,402</u> |
| Working cash | \$3,409,884 | \$3,409,884 | \$3,409,884 | \$3,409,884 | \$3,409,884 | \$3,409,884 | \$3,409,884 |
| Rate of Return - 2017 | 7.05% | | | | | | |
| Authorized Rate of Return | 7.23% | (Schedule 1 Exhibit to Settlement Agreement Docket No. 12-00049) | | | | | |
| Authorized Adjusted Net Operating Income | \$ 11,981,065 | | | | | | |
| Actual 2017 Adjusted Net Operating Income | \$ 11,686,345 | | | | | | |
| Over-earnings | \$ (294,720) | | | | | | |

2017 Reconciliation of Capital Riders
Tennessee American Water Company
Earnings Test

| Line # | | Jul | Aug | Sep | Oct | Nov | Dec | 13-month Average |
|--------|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| 1 | Additions: | | | | | | | |
| 2 | Plant in Service | \$303,239,802 | \$306,353,114 | \$306,660,625 | \$307,447,656 | \$308,176,330 | \$312,344,667 | \$303,408,084 |
| 3 | Plant Under Construction | 5,509,969 | 4,348,438 | 5,306,139 | 6,308,350 | 5,282,539 | 4,065,376 | 3,768,153 |
| 4 | Property Held For Future Use | - | - | - | - | - | - | - |
| 5 | Materials and Supplies | 1,004,881 | 961,249 | 969,028 | 870,146 | 904,810 | 914,411 | 903,134 |
| 6 | Other Additions: | | | | | | | |
| 7 | Leased Utility Plant | - | - | - | - | - | - | - |
| 8 | Unamortized Painting - net | - | - | - | - | - | - | - |
| 9 | Working Capital C/ | 3,409,884 | 3,409,884 | 3,409,884 | 3,409,884 | 3,409,884 | 3,409,884 | 3,409,884 |
| 10 | | | | | | | | |
| 11 | Total Additions | 313,164,536 | 315,072,685 | 316,345,676 | 318,036,036 | 317,773,563 | 320,734,338 | 311,489,255 |
| 12 | | | | | | | | |
| 13 | | | | | | | | |
| 14 | Deductions: | | | | | | | |
| 15 | Accumulated Depreciaton and Amortization | 82,974,899 | 85,675,376 | 86,269,446 | 86,567,884 | 85,357,005 | 83,819,830 | 84,782,762 |
| 16 | Accumulated Deferred Income Taxes | 43,216,799 | 43,502,200 | 44,367,695 | 44,452,856 | 46,948,052 | 38,266,527 | 42,607,544 |
| 17 | Unamortized Investment Credit - Pre 1971 | 8,065 | 7,807 | 7,549 | 7,291 | 7,033 | 9,871 | 8,561 |
| 18 | Customer Deposits | - | - | - | - | - | - | - |
| 19 | Other Deductions: | | | | | | | |
| 20 | Contributions in Aid of Construction | 16,327,812 | 16,895,518 | 16,951,687 | 16,935,125 | 17,066,597 | 15,011,694 | 15,691,128 |
| 21 | Customer Advances for Construction | 3,955,813 | 3,743,173 | 3,421,892 | 3,416,645 | 3,392,955 | 3,786,559 | 3,780,578 |
| 22 | All Other A/ | (1,257,135) | (1,323,780) | (1,164,652) | (1,327,861) | (1,276,892) | (8,930) | (1,094,532) |
| 23 | | | | | | | | |
| 24 | | | | | | | | |
| 25 | | | | | | | | |
| 26 | Total Deductions | \$145,226,253 | \$148,500,294 | \$149,853,617 | \$150,051,940 | \$151,494,750 | \$140,885,551 | 145,776,041 |
| 27 | | | | | | | | |
| 28 | Rate Base | <u>\$167,938,283</u> | <u>\$166,572,391</u> | <u>\$166,492,059</u> | <u>\$167,984,096</u> | <u>\$166,278,813</u> | <u>\$179,848,787</u> | <u>\$ 165,713,214</u> |
| 29 | | | | | | | | |
| 30 | Net Operating Income | \$1,210,824 | \$1,297,254 | \$1,014,200 | \$1,263,287 | \$1,326,998 | (\$44,182) | \$11,295,864 |
| 31 | Adjustments to NOI | - | - | - | - | - | - | - |
| 32 | Allowance for funds used during construction | 17,592 | (2,198) | 41,412 | 25,164 | 27,200 | 5,083 | 182,968 |
| 33 | Adjustment to reflect effective federal | - | - | - | - | - | - | - |
| 34 | Income tax rate (debt assigned to parent) | 19,213 | 19,057 | 19,048 | 19,218 | 19,023 | 18,500 | 207,513 |
| 35 | Interest on customer deposits | - | - | - | - | - | - | - |
| 36 | | | | | | | | |
| 37 | | | | | | | | |
| 38 | | | | | | | | |
| 39 | Adjusted Net Operating Income | <u>\$1,247,629</u> | <u>\$1,314,113</u> | <u>\$1,074,660</u> | <u>\$1,307,669</u> | <u>\$1,373,221</u> | <u>(\$20,600)</u> | <u>\$11,686,345</u> |
| 40 | | | | | | | | |
| 41 | | | | | | | | |
| 42 | Rate of return B/ | <u>8.91%</u> | <u>9.47%</u> | <u>7.75%</u> | <u>9.34%</u> | <u>9.91%</u> | <u>-0.15%</u> | <u>7.05%</u> |

2017 Reconciliation of Capital Riders
Tennessee American Water Company
Earnings Test

| Line # | Jul | Aug | Sep | Oct | Nov | Dec | 13-month Average |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|------------------|------------------|
| A/ All Other | | | | | | | |
| Acquisition adjustment | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Accounts payable applicable to CWIP | 58,947 | 5,311 | 128,608 | 8,003 | 91,629 | 268,625 | |
| Unpaid for materials and supplies | 54,837 | 51,015 | 80,838 | 52,586 | 18,040 | 38,256 | |
| Taxes on CIAC-DEF. FIT & SIT | (1,370,919) | (1,380,106) | (1,374,098) | (1,388,450) | (1,386,561) | (315,811) | |
| | <u>(\$1,257,135)</u> | <u>(\$1,323,780)</u> | <u>(\$1,164,652)</u> | <u>(\$1,327,861)</u> | <u>(\$1,276,892)</u> | <u>(\$8,930)</u> | |
| C/ Per order | | | | | | | |
| Cash working capital Lead Lag Study | \$591,674 | \$591,674 | \$591,674 | \$591,674 | \$591,674 | \$591,674 | |
| Incidental collection | (116,192) | (116,192) | (116,192) | (116,192) | (116,192) | (116,192) | |
| Average cash | - | - | - | - | - | - | |
| Other components | <u>2,934,402</u> | <u>2,934,402</u> | <u>2,934,402</u> | <u>2,934,402</u> | <u>2,934,402</u> | <u>2,934,402</u> | |
| Working cash | \$3,409,884 | \$3,409,884 | \$3,409,884 | \$3,409,884 | \$3,409,884 | \$3,409,884 | |
| Rate of Return - 2017 | | | | | | | |
| Authorized Rate of Return | | | | | | | |
| Authorized Adjusted Net Operating Income | | | | | | | |
| Actual 2017 Adjusted Net Operating Income | | | | | | | |
| Over-earnings | | | | | | | |

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED December 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--------|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$312,344,667 | \$303,901,988 |
| 3 | Plant Under Construction | 4,065,376 | 3,894,892 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 914,411 | 911,789 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 320,734,338 | 312,118,553 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciaton and Amortization | 65,718,280 | 65,021,210 |
| 16 | Accumulated Deferred Income Taxes | 42,037,767 | 43,296,342 |
| 17 | Unamortized Investment Credit - Pre 1971 | 6,775 | 8,194 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 17,119,159 | 15,923,370 |
| 21 | Customer Advances for Construction | 3,281,859 | 3,738,021 |
| 22 | All Other A/ | -1084545 | -1268663 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 147,079,295 | 146,718,474 |
| 27 | | | |
| 28 | Rate Base | \$173,655,043 | \$165,400,079 |
| 29 | | | |
| 30 | Net Operating Income | \$159,149 | \$11,499,195 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 24973.27 | 202,859 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 19867 | 224,460 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$203,989 | \$11,926,514 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 1.41% | 7.21% |

A/ All Other

| | | |
|-------------------------------------|---------------|---------------|
| Acquisition adjustment | \$0 | \$0 |
| Accounts payable applicable to CWIP | 268,625 | 53,825 |
| Unpaid for materials and supplies | 38,256 | 50,084 |
| | | |
| Taxes on CIAC-DEF, FIT & SIT | (1,391,426) | (1,372,572) |
| | | |
| | (\$1,084,545) | (\$1,268,663) |

B/ Rate of return - Monthly (L39 / L28) x 12

C/ Per order

| | |
|-------------------------------------|-------------|
| Cash working capital Lead Lag Study | \$591,674 |
| Incidental collection | (116,192) |
| | |
| Average cash | 0 |
| Other components | 2,934,402 |
| | |
| Working cash | \$3,409,884 |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED November 2016

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$308,176,330 | \$302,663,369 |
| 3 | Plant Under Construction | 5,282,539 | 3,743,384 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 904,810 | 902,194 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 317,773,563 | 310,718,831 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 85,357,005 | 84,863,006 |
| 16 | Accumulated Deferred Income Taxes | 46,948,052 | 43,296,342 |
| 17 | Unamortized Investment Credit - Pre 1971 | 7,033 | 8,452 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 17,066,597 | 15,747,747 |
| 21 | Customer Advances for Construction | 3,392,955 | 3,780,079 |
| 22 | All Other A/ | -1276892 | -1265512 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 151,494,750 | 146,430,114 |
| 27 | | | |
| 28 | Rate Base | \$166,278,813 | \$164,288,717 |
| 29 | | | |
| 30 | Net Operating Income | \$1,326,998 | \$11,295,864 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 27199.53 | 182,968 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 19023 | 223,585 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,373,221 | \$11,702,417 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 9.91% | 7.12% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWP | 91,629 | 53,825 |
| | Unpaid for materials and supplies | 18,040 | 50,084 |
| | Taxes on CIAC-DEF. FIT & SIT | (1,386,561) | (1,369,421) |
| | | (\$1,276,892) | (\$1,265,512) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$591,674 | |
| | Incidental collection | (116,192) | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED October 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$307,447,656 | \$301,709,178 |
| 3 | Plant Under Construction | 6,308,350 | 3,494,328 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 870,146 | 888,754 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 318,036,036 | 309,502,144 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 86,567,884 | 84,696,766 |
| 16 | Accumulated Deferred Income Taxes | 44,452,856 | 42,995,943 |
| 17 | Unamortized Investment Credit - Pre 1971 | 7,291 | 8,710 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 16,935,125 | 15,540,978 |
| 21 | Customer Advances for Construction | 3,416,645 | 3,846,343 |
| 22 | All Other A/ | -1327861 | -1262852 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 150,051,940 | 145,825,888 |
| 27 | | | |
| 28 | Rate Base | \$167,984,096 | \$163,676,256 |
| 29 | | | |
| 30 | Net Operating Income | \$1,263,287 | \$11,126,884 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 25163.79 | 168,802 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 19218 | 223,385 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,307,669 | \$11,519,071 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 9.34% | 7.04% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 8,003 | 53,825 |
| | Unpaid for materials and supplies | 52,586 | 50,084 |
| | Taxes on CIAC-DEF, FIT & SIT | (1,388,450) | (1,366,761) |
| | | (\$1,327,861) | (\$1,262,852) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$591,674 | |
| | Incidental collection | (116,192) | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED September 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--------|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$306,660,625 | \$300,816,176 |
| 3 | Plant Under Construction | 5,306,139 | 3,191,065 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 969,028 | 875,990 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 316,345,676 | 308,293,115 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 86,269,446 | 84,516,310 |
| 16 | Accumulated Deferred Income Taxes | 44,367,695 | 42,864,138 |
| 17 | Unamortized Investment Credit - Pre 1971 | 7,549 | 8,968 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 16,951,687 | 15,342,927 |
| 21 | Customer Advances for Construction | 3,421,892 | 3,912,532 |
| 22 | All Other A/ | -1164652 | -1260188 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 149,853,617 | 145,384,687 |
| 27 | | | |
| 28 | Rate Base | \$166,492,059 | \$162,908,428 |
| 29 | | | |
| 30 | Net Operating Income | \$1,014,200 | \$10,923,104 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 41411.62 | 159,153 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 19048 | 223,004 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,074,660 | \$11,305,261 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 7.75% | 6.94% |

A/ All Other

| | | |
|------------------------------------|---------------|---------------|
| Acquisition adjustment | \$0 | \$0 |
| Accounts payable applicable to CWP | 128,608 | 53,825 |
| Unpaid for materials and supplies | 80,838 | 50,084 |
| Taxes on CIAC-DEF. FIT & SIT | (1,374,098) | (1,364,097) |
| | (\$1,164,652) | (\$1,260,188) |

B/ Rate of return - Monthly (L39 / L28) x 12

C/ Per order

| | |
|-------------------------------------|-------------|
| Cash working capital Lead Lag Study | \$591,674 |
| Incidental collection | (116,192) |
| Average cash | 0 |
| Other components | 2,934,402 |
| Working cash | \$3,409,884 |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED August 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--------|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$306,353,114 | \$299,934,799 |
| 3 | Plant Under Construction | 4,348,438 | 2,950,139 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 961,249 | 856,864 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 315,072,685 | 307,151,686 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 85,675,376 | 84,321,196 |
| 16 | Accumulated Deferred Income Taxes | 43,502,200 | 42,705,710 |
| 17 | Unamortized Investment Credit - Pre 1971 | 7,807 | 9,226 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 16,895,518 | 15,142,645 |
| 21 | Customer Advances for Construction | 3,743,173 | 3,957,293 |
| 22 | All Other A/ | -1323780 | -1258766 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 148,500,294 | 144,877,304 |
| 27 | | | |
| 28 | Rate Base | \$166,572,391 | \$162,274,382 |
| 29 | | | |
| 30 | Net Operating Income | \$1,297,254 | \$10,951,639 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | -2198.37 | 87,031 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 19057 | 222,801 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,314,113 | \$11,261,471 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 9.47% | 6.94% |

A/ All Other

| | | |
|-------------------------------------|---------------|---------------|
| Acquisition adjustment | \$0 | \$0 |
| Accounts payable applicable to CWIP | 5,311 | 53,825 |
| Unpaid for materials and supplies | 51,015 | 50,084 |
| | | |
| Taxes on CIAC-DEF. FIT & SIT | (1,380,106) | (1,362,675) |
| | | |
| | (\$1,323,780) | (\$1,258,766) |

B/ Rate of return - Monthly (L39 / L28) x 12

C/ Per order

| | |
|-------------------------------------|-------------|
| Cash working capital Lead Lag Study | \$591,674 |
| Incidental collection | (116,192) |
| | |
| Average cash | 0 |
| Other components | 2,934,402 |
| | |
| Working cash | \$3,409,884 |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED July 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--------|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$303,239,802 | \$299,041,413 |
| 3 | Plant Under Construction | 5,509,969 | 2,789,667 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 1,004,881 | 838,473 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 313,164,536 | 306,079,437 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciaton and Amortization | 82,974,899 | 84,150,260 |
| 16 | Accumulated Deferred Income Taxes | 43,216,799 | 42,582,834 |
| 17 | Unamortized Investment Credit - Pre 1971 | 8,065 | 9,484 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 16,327,812 | 14,917,751 |
| 21 | Customer Advances for Construction | 3,955,813 | 4,001,247 |
| 22 | All Other A/ | -1257135 | -1256306 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 145,226,253 | 144,405,270 |
| 27 | | | |
| 28 | Rate Base | \$167,938,283 | \$161,674,167 |
| 29 | | | |
| 30 | Net Operating Income | \$1,210,824 | \$10,960,827 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 17591.83 | 105,552 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 19213 | 222,891 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,247,629 | \$11,289,270 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 8.91% | 6.98% |

A/ All Other

| | | |
|-------------------------------------|---------------|---------------|
| Acquisition adjustment | \$0 | \$0 |
| Accounts payable applicable to CWIP | 58,947 | 53,825 |
| Unpaid for materials and supplies | 54,837 | 50,084 |
| Taxes on CIAC-DEF, FIT & SIT | (1,370,919) | (1,360,215) |
| | (\$1,257,135) | (\$1,256,306) |

B/ Rate of return - Monthly (L39 / L28) x 12

C/ Per order

| | |
|-------------------------------------|-------------|
| Cash working capital Lead Lag Study | \$591,674 |
| Incidental collection | (116,192) |
| Average cash | 0 |
| Other components | 2,934,402 |
| Working cash | \$3,409,884 |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED June 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$302,844,365 | \$298,343,808 |
| 3 | Plant Under Construction | 3,423,807 | 2,512,537 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 961,038 | 821,025 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 310,639,094 | 305,087,254 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciaton and Amortization | 85,352,097 | 84,331,317 |
| 16 | Accumulated Deferred Income Taxes | 42,959,811 | 42,436,747 |
| 17 | Unamortized Investment Credit - Pre 1971 | 8,323 | 9,742 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 14,970,186 | 14,736,622 |
| 21 | Customer Advances for Construction | 4,049,569 | 4,031,002 |
| 22 | All Other A/ | -1327916 | -1254791 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 146,012,070 | 144,290,639 |
| 27 | | | |
| 28 | Rate Base | \$164,627,024 | \$160,796,615 |
| 29 | | | |
| 30 | Net Operating Income | \$1,135,179 | \$11,401,846 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 17384.09 | 105,277 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 18834 | 222,502 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,171,397 | \$11,729,625 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 8.54% | 7.29% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 3,658 | 53,825 |
| | Unpaid for materials and supplies | 41,302 | 50,084 |
| | | | |
| | Taxes on CIAC-DEF, FIT & SIT | (1,372,876) | (1,358,700) |
| | | (\$1,327,916) | (\$1,254,791) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$591,674 | |
| | Incidental collection | (116,192) | |
| | | | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | | | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED May 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--------|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$301,313,826 | \$297,554,437 |
| 3 | Plant Under Construction | 3,201,969 | 2,442,380 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 1,033,384 | 804,833 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 308,959,063 | 304,211,534 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciaton and Amortization | 84,829,323 | 84,085,504 |
| 16 | Accumulated Deferred Income Taxes | 42,796,954 | 42,250,597 |
| 17 | Unamortized Investment Credit - Pre 1971 | 8,581 | 10,000 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 14,963,063 | 14,669,735 |
| 21 | Customer Advances for Construction | 4,010,628 | 4,052,496 |
| 22 | All Other A/ | -1302310 | -1250338 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 145,306,239 | 143,817,994 |
| 27 | | | |
| 28 | Rate Base | \$163,652,824 | \$160,393,540 |
| 29 | | | |
| 30 | Net Operating Income | \$1,008,214 | \$11,559,513 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 14277.25 | 132,053 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 18723 | 222,386 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,041,214 | \$11,913,952 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 7.63% | 7.43% |

A/ All Other

| | | |
|-------------------------------------|---------------|---------------|
| Acquisition adjustment | \$0 | \$0 |
| Accounts payable applicable to CWIP | 10,575 | 53,825 |
| Unpaid for materials and supplies | 44,500 | 50,084 |
| Taxes on CIAC-DEF, FIT & SIT | (1,357,385) | (1,354,247) |
| | (\$1,302,310) | (\$1,250,338) |

B/ Rate of return - Monthly (L39 / L28) x 12

C/ Per order

| | |
|-------------------------------------|-------------|
| Cash working capital Lead Lag Study | \$591,674 |
| Incidental collection | (116,192) |
| Average cash | 0 |
| Other components | 2,934,402 |
| Working cash | \$3,409,884 |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED April 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--------|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$300,844,246 | \$296,212,904 |
| 3 | Plant Under Construction | 2,632,379 | 2,984,364 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 859,669 | 784,144 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 307,746,178 | 303,391,296 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 84,348,632 | 83,850,354 |
| 16 | Accumulated Deferred Income Taxes | 38,626,817 | 38,033,704 |
| 17 | Unamortized Investment Credit - Pre 1971 | 8,839 | 10,258 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 14,933,007 | 14,604,621 |
| 21 | Customer Advances for Construction | 3,932,713 | 4,079,244 |
| 22 | All Other A/ | -326384 | -234317 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 141,523,624 | 140,343,864 |
| 27 | | | |
| 28 | Rate Base | \$166,222,554 | \$163,047,432 |
| 29 | | | |
| 30 | Net Operating Income | \$1,227,918 | \$11,688,644 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 10098,08 | 182,381 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 18859 | 220,640 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,256,875 | \$12,091,665 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 9.07% | 7.42% |

A/ All Other

| | | |
|------------------------------------|--------------------|--------------------|
| Acquisition adjustment | \$0 | \$0 |
| Accounts payable applicable to CWP | 28,900 | 53,825 |
| Unpaid for materials and supplies | 37,813 | 50,084 |
| Taxes on CIAC-DEF. FIT & SIT | (393,097) | (338,226) |
| | <u>(\$326,384)</u> | <u>(\$234,317)</u> |

B/ Rate of return - Monthly (L39 / L28) x 12

C/ Per order

| | |
|-------------------------------------|--------------------|
| Cash working capital Lead Lag Study | \$591,674 |
| Incidental collection | (118,192) |
| Average cash | 0 |
| Other components | 2,934,402 |
| Working cash | <u>\$3,409,884</u> |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED March 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$300,317,922 | \$294,874,638 |
| 3 | Plant Under Construction | 2,176,106 | 3,471,593 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 837,593 | 777,108 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 306,741,505 | 302,533,223 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 83,769,099 | 83,613,695 |
| 16 | Accumulated Deferred Income Taxes | 42,331,681 | 41,801,845 |
| 17 | Unamortized Investment Credit - Pre 1971 | 9,097 | 10,516 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 14,955,764 | 14,538,803 |
| 21 | Customer Advances for Construction | 3,923,713 | 4,120,954 |
| 22 | All Other A/ | -1263266 | -1245623 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 143,726,088 | 142,840,190 |
| 27 | | | |
| 28 | Rate Base | \$163,015,417 | \$159,693,033 |
| 29 | | | |
| 30 | Net Operating Income | \$670,143 | \$11,395,020 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 9188.55 | 227,317 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | income tax rate (debt assigned to parent) | 18650 | 221,805 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$697,982 | \$11,844,142 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 5.14% | 7.42% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 25,024 | 53,825 |
| | Unpaid for materials and supplies | 72,819 | 50,084 |
| | Taxes on CIAC-DEF. FIT & SIT | (1,361,109) | (1,349,532) |
| | | (\$1,263,266) | (\$1,245,623) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$591,674 | |
| | Incidental collection | (116,192) | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED February 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$299,124,508 | \$293,437,449 |
| 3 | Plant Under Construction | 2,038,157 | 3,879,857 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 825,042 | 774,643 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 305,397,591 | 301,501,833 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 85,023,893 | 83,396,700 |
| 16 | Accumulated Deferred Income Taxes | 42,260,378 | 41,557,467 |
| 17 | Unamortized Investment Credit - Pre 1971 | 9,355 | 10,774 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 14,970,650 | 14,472,792 |
| 21 | Customer Advances for Construction | 3,838,214 | 4,162,532 |
| 22 | All Other A/ | -1303580 | -1243901 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 144,798,910 | 142,356,364 |
| 27 | | | |
| 28 | Rate Base | \$160,598,681 | \$159,145,469 |
| 29 | | | |
| 30 | Net Operating Income | \$675,716 | \$11,385,508 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 9738,15 | 260,528 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | income tax rate (debt assigned to parent) | 0 | 221,010 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$685,455 | \$11,867,046 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 5.12% | 7.46% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 16,625 | 53,825 |
| | Unpaid for materials and supplies | 42,800 | 50,084 |
| | | | |
| | Taxes on CIAC-DEF. FIT & SIT | (1,363,005) | (1,347,810) |
| | | | |
| | | (\$1,303,580) | (\$1,243,901) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$591,874 | |
| | Incidental collection | (118,192) | |
| | | | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | | | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED January 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$298,156,791 | \$292,039,650 |
| 3 | Plant Under Construction | 2,445,478 | 4,247,986 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 800,213 | 767,760 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 304,812,366 | 300,465,280 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 84,368,586 | 83,043,181 |
| 16 | Accumulated Deferred Income Taxes | 42,130,535 | 41,316,590 |
| 17 | Unamortized Investment Credit - Pre 1971 | 9,613 | 11,032 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 14,991,867 | 14,348,224 |
| 21 | Customer Advances for Construction | 3,889,077 | 4,268,369 |
| 22 | All Other A/ | -1299482 | -1242138 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 144,090,196 | 141,745,258 |
| 27 | | | |
| 28 | Rate Base | \$160,722,170 | \$158,720,022 |
| 29 | | | |
| 30 | Net Operating Income | \$510,313 | \$11,382,579 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 8031.18 | 289,762 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | income tax rate (debt assigned to parent) | 18388 | 220,383 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$536,732 | \$11,892,724 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 4.01% | 7.49% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 0 | 53,825 |
| | Unpaid for materials and supplies | 66,200 | 50,084 |
| | Taxes on CIAC-DEF. FIT & SIT | (1,365,682) | (1,346,047) |
| | | (\$1,299,482) | (\$1,242,138) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$591,674 | |
| | Incidental collection | (118,192) | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY

Page 2

SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06

FOR THE MONTH ENDED December 2016

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--------|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$297,481,240 | \$290,747,789 |
| 3 | Plant Under Construction | 2,247,280 | 4,488,968 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 799,279 | 761,932 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 303,937,683 | 299,408,573 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 84,867,111 | 83,717,580 |
| 16 | Accumulated Deferred Income Taxes | 42,037,767 | 41,064,100 |
| 17 | Unamortized Investment Credit - Pre 1971 | 9,871 | 11,290 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 15,011,694 | 14,218,476 |
| 21 | Customer Advances for Construction | 3,786,559 | 4,385,637 |
| 22 | All Other A/ | -1046726 | -1240671 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 144,666,276 | 142,156,412 |
| 27 | | | |
| 28 | Rate Base | \$159,271,407 | \$157,252,161 |
| 29 | | | |
| 30 | Net Operating Income | (\$44,182) | \$11,609,409 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 5082.66 | 302,556 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 18222 | 219,535 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | (\$20,878) | \$12,131,500 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | -0.16% | 7.71% |

A/ All Other

| | | |
|------------------------------------|---------------|---------------|
| Acquisition adjustment | \$0 | \$0 |
| Accounts payable applicable to CWP | 268,625 | 53,825 |
| Unpaid for materials and supplies | 38,256 | 50,084 |
| | | |
| Taxes on CIAC-DEF, FIT & SIT | (1,353,607) | (1,344,580) |
| | | |
| | (\$1,046,726) | (\$1,240,671) |

B/ Rate of return - Monthly (L39 / L28) x 12

C/ Per order

| | |
|-------------------------------------|-------------|
| Cash working capital Lead Lag Study | \$591,674 |
| Incidental collection | (116,192) |
| | |
| Average cash | 0 |
| Other components | 2,934,402 |
| | |
| Working cash | \$3,409,884 |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00022
FOURTH INFORMAL DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION

Responsible Witness: **Linda C. Bridwell**

Question:

2. Regarding the Earnings Test Adjustment contained in the Capital Rider Reconciliation file that produces an excess earning amount of \$185,720:
 - a) Quantify the amount of incentive compensation expense embedded within the Earnings Test Adjustment, including the portion of incentive compensation allocated to TAWC.
 - b) Provide the expense by type of incentive compensation, and identify the account(s) charged.

Response:

Please see below for the amount of incentive compensation expense embedded within the Earnings Test Adjustment, including the portion allocated from American Water Works Service Company (AWWSC).

| Account | Account Description | TAWC | AWWSC Alloc to TAWC | Total |
|----------|--------------------------------------|------------------|---------------------------|--------------------|
| 50171000 | Annual Performance Plan | \$369,360 | \$456,709 | \$826,069 |
| 50171100 | Annual Performance Plan Cap Credits | (46,767) | 0 | (46,767) |
| 50171600 | Long Term Performance Plan - Options | 6,477 | 27,133 | 33,610 |
| 50171800 | Long Term Performance Plan - RSU's | 42,803 | 184,805 | 227,608 |
| | | <u>\$371,873</u> | <u>\$668,646</u> | <u>\$1,040,520</u> |

TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00022
FOURTH INFORMAL DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION

Responsible Witness: **Linda C. Bridwell**

Question:

3. Concerning the Earnings Test Adjustment contained within the Capital Rider Reconciliation, identify the following, including all supporting documents:
- a. The amount of Pension Expense charged to O&M within the Earnings Test Adjustment.
 - b. The amount of OPEB expense charged to O&M within the Earnings Test Adjustment.
 - c. The amount of pension contributions appropriately allocated or attributed to TAWC for 2017. Provide an explanation of the methodology used to identify the portion attributed to TAWC.
 - d. The amount of OPEB contributions made to an external fund, or OPEB payments made to third parties appropriately allocated or attributed to TAWC for 2017. Provide an explanation of the methodology used to identify the portion attributed to TAWC.

Response:

- a. Please see below for the amount of Pension Expense charged to O&M, including the amount allocated from American Water Works Service Company (AWWSC).

| | |
|---------------------|-----------------|
| TAWC | \$72,524 |
| AWWSC Alloc to TAWC | <u>13,613</u> |
| Total | <u>\$86,137</u> |

- b. Please see below for the amount of OPEB expense charged to O&M including the amount allocated from AWWSC.

| | |
|---------------------|------------------|
| TAWC | \$287,725 |
| AWWSC Alloc to TAWC | <u>312,754</u> |
| Total | <u>\$600,479</u> |

- c. Pension contributions were made in the amount of \$421,264 for 2017. Willis Towers Watson, the actuary used by American Water provides the contribution amounts which are then allocated to each subsidiary by the number of participants.

- d. OPEB contributions were made in the amount of \$242,844 for 2017. Willis Towers Watson, the actuary used by American Water provides the contribution amounts which are then allocated to each subsidiary by the number of participants.

Tennessee American Water Company
Comparison of Rate Base Supported to TPUC vs. Actual Rate Base

CPAD Attachment

| Rate Base Item | Settlement 12-00049 | TAWC Proposed Cap Rider Rate Base | Total Compensated Rate Base | Rate Base TAWC Supplied Earnings Test |
|-----------------------------------|------------------------|--------------------------------------|--------------------------------|---|
| Utility Plant in Service | \$ 250,455,533 | \$ 56,205,021 | \$ 306,660,554 | \$ 303,408,084 |
| Accumulated Depreciation | (81,011,226) | (1,786,282) | (82,797,508) | (88,039,865) |
| Accumulated Deferred Income Taxes | (26,733,940) | (616,849) | (27,350,789) | (42,904,951) |
| Other Rate Base Components | (10,694,895) | (1,173,628) | (11,868,523) | (10,349,740) |
| Total | \$ 132,015,472 | \$ 52,628,262 | \$ 184,643,734 | \$ 162,113,528 |

Adjusted Per TAWC

| Rate Base Item | Settlement 12-00049 | TAWC Proposed Cap Rider Rate Base | Total Compensated Rate Base | Rate Base TAWC Supplied Earnings Test | Notes |
|--|------------------------|--------------------------------------|--------------------------------|---|---|
| Utility Plant in Service | \$ 250,455,533 | \$ 50,561,748 | \$ 301,017,281 | \$ 303,408,084 | Moved Cost of removal less salvage from UPLIS to A/D in TAWC Proposed Cap Rider Rate Base as it is part of TAWC's depreciation reserve. |
| Accumulated Depreciation | (81,011,226) | 3,856,991 | (77,154,235) | (85,095,925) | TAWC's accounts 18680000 and 25700000 (Cost of Removal) was not added into the TAWC Supplied Earnings Test which was based on compliance filings. TAWC's accounts 18680000 and 25700000 are part of the NARUC account 108.1 |
| Accumulated Deferred Income Taxes | (26,733,940) | (616,849) | (27,350,789) | (42,904,951) | |
| Other Rate Base Components | (10,694,895) | (1,173,628) | (11,868,523) | (10,349,740) | |
| Total | \$ 132,015,472 | \$ 52,628,262 | \$ 184,643,734 | \$ 165,057,468 | |
| Adjusted Net Operating Income Supplied in Earnings Test | | | | <u>\$ 11,906,528</u> | |
| Rate of Return | | | | 7.21% | |
| Authorized Rate of Return | | | | 7.23% | |

Tennessee American Water Company
Comparison of Rate Base Supported to TPUC vs. Actual Rate Base

CPAD Attachment

| Rate Base Item | Settlement 12-00049 | TAWC Proposed Cap Rider Rate Base | Total Compensated Rate Base | Rate Base TAWC Supplied Earnings Test |
|-----------------------------------|------------------------|--------------------------------------|--------------------------------|---|
| Utility Plant in Service | \$ 250,455,533 | \$ 56,205,021 | \$ 306,660,554 | \$ 303,408,084 |
| Accumulated Depreciation | (81,011,226) | (1,786,282) | (82,797,508) | (88,039,865) |
| Accumulated Deferred Income Taxes | (26,733,940) | (616,849) | (27,350,789) | (42,904,951) |
| Other Rate Base Components | (10,694,895) | (1,173,628) | (11,868,523) | (10,349,740) |
| Total | \$ 132,015,472 | \$ 52,628,262 | \$ 184,643,734 | \$ 162,113,528 |

Adjusted Per TAWC

| Rate Base Item | Settlement 12-00049 | TAWC Proposed Cap Rider Rate Base | Total Compensated Rate Base | Rate Base TAWC Supplied Earnings Test | Notes |
|--|------------------------|--------------------------------------|--------------------------------|---|---|
| Utility Plant in Service | \$ 250,455,533 | \$ 50,561,748 | \$ 301,017,281 | \$ 303,408,084 | Moved Cost of removal less salvage from UPIS to A/D in TAWC Proposed Cap Rider Rate Base as it is part of TAWC's depreciation reserve. |
| Accumulated Depreciation | (81,011,226) | 3,856,991 | (77,154,235) | (85,095,925) | |
| Accumulated Deferred Income Taxes | (26,733,940) | (616,849) | (27,350,789) | (42,904,951) | TAWC's accounts 18680000 and 25700000 (Cost of Removal) was not added into the TAWC Supplied Earnings Test which was based on compliance filings. TAWC's accounts 18680000 and 25700000 are part of the NARUC account 108.1 |
| Other Rate Base Components | (10,694,895) | (1,173,628) | (11,868,523) | (10,349,740) | |
| Total | \$ 132,015,472 | \$ 52,628,262 | \$ 184,643,734 | \$ 165,057,468 | |
| Adjusted Net Operating Income Supplied in Earnings Test | | | | <u>\$ 11,906,528</u> | |
| Rate of Return | | | | 7.21% | |
| Authorized Rate of Return | | | | 7.23% | |

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06

Page 2

FOR THE MONTH ENDED December 2017

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--------|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$312,344,887 | \$303,901,988 |
| 3 | Plant Under Construction | 4,065,378 | 3,894,892 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 914,411 | 911,789 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Planting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 320,734,338 | 312,118,563 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 83,819,830 | 82,749,833 |
| 16 | Accumulated Deferred Income Taxes | 38,266,527 | 37,183,618 |
| 17 | Unamortized Investment Credit - Pre 1971 | 9,871 | 11,290 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 15,011,894 | 14,218,478 |
| 21 | Customer Advances for Construction | 3,786,559 | 4,385,637 |
| 22 | All Other A/ | -8830 | -224925 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 140,885,551 | 138,304,129 |
| 27 | | | |
| 28 | Rate Base | \$183,052,132 | \$181,104,444 |
| 29 | | | |
| 30 | Net Operating Income | (\$44,182) | \$11,808,409 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 5062.88 | 302,556 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | income tax rate (debt assigned to parent) | 18500 | 218,147 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | (\$20,600) | \$12,130,112 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | -0.15% | 7.53% |

A/ All Other

| | | |
|-------------------------------------|-----------|-------------|
| Acquisition adjustment | \$0 | \$0 |
| Accounts payable applicable to CWIP | 288,825 | 53,828 |
| Unpaid for materials and supplies | 38,266 | 50,084 |
| | | |
| Taxes on CIAC-DEF. FIT & SIT | (315,811) | (328,834) |
| | (\$8,930) | (\$224,925) |

B/ Rate of return - Monthly (L39 / L28) x 12

C/ Per order

| | |
|-------------------------------------|-------------|
| Cash working capital Lead Lag Study | \$591,674 |
| Incidental collection | (116,162) |
| | |
| Average cash | 0 |
| Other components | 2,934,402 |
| | |
| Working cash | \$3,409,884 |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06

Page 2

FOR THE MONTH ENDED November 2016

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--------|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$308,178,330 | \$302,663,369 |
| 3 | Plant Under Construction | 5,282,639 | 3,743,384 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 904,810 | 902,194 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 317,773,563 | 310,718,631 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 85,357,005 | 84,663,008 |
| 16 | Accumulated Deferred Income Taxes | 46,948,062 | 43,298,342 |
| 17 | Unamortized Investment Credit - Pre 1971 | 7,033 | 8,462 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions In Aid of Construction | 17,086,697 | 15,747,747 |
| 21 | Customer Advances for Construction | 3,392,855 | 3,780,079 |
| 22 | All Other A/ | -1276892 | -1265512 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 151,494,750 | 148,430,114 |
| 27 | | | |
| 28 | Rate Base | \$166,278,813 | \$164,288,717 |
| 29 | | | |
| 30 | Net Operating Income | \$1,326,998 | \$11,295,864 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 27199.53 | 182,968 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 19023 | 223,585 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,373,221 | \$11,702,417 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 9.91% | 7.12% |

| | | |
|-------------------------------------|---------------|---------------|
| A/ All Other | | |
| Acquisition adjustment | \$0 | \$0 |
| Accounts payable applicable to CWIP | 91,829 | 53,825 |
| Unpaid for materials and supplies | 18,040 | 50,084 |
| Taxes on CIAC-DEF, FIT & SIT | (1,388,561) | (1,388,421) |
| | (\$1,276,892) | (\$1,265,512) |

B/ Rate of return - Monthly (L39 / L28) x 12

| | | |
|-------------------------------------|-------------|--|
| C/ Per order | | |
| Cash working capital Lead Lag Study | \$591,674 | |
| Incidental collection | (116,192) | |
| Average cash | 0 | |
| Other components | 2,934,402 | |
| Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY

Page 2

SUPPLEMENTAL FINANCIAL DATA TO PSC-3.08

FOR THE MONTH ENDED October 2017

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$307,447,858 | \$301,709,178 |
| 3 | Plant Under Construction | 8,308,360 | 3,494,328 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 870,146 | 888,754 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Planting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 318,036,036 | 309,502,144 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 88,587,884 | 84,896,766 |
| 16 | Accumulated Deferred Income Taxes | 44,452,858 | 42,995,943 |
| 17 | Unamortized Investment Credit - Pre 1971 | 7,281 | 8,710 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 16,935,125 | 15,540,978 |
| 21 | Customer Advances for Construction | 3,416,945 | 3,846,343 |
| 22 | All Other A/ | -1327881 | -1262852 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 150,051,940 | 145,625,888 |
| 27 | | | |
| 28 | Rate Base | \$167,984,096 | \$163,676,256 |
| 29 | | | |
| 30 | Net Operating Income | \$1,263,287 | \$11,126,884 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 25163 78 | 168,802 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 19218 | 223,385 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,307,669 | \$11,519,071 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 9.34% | 7.04% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 8,003 | 53,825 |
| | Unpaid for materials and supplies | 52,586 | 50,084 |
| | | | |
| | Taxes on CIAC-DEF, FIT & SIT | (1,388,450) | (1,368,761) |
| | | (\$1,327,861) | (\$1,262,852) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$581,674 | |
| | Incidental collection | (118,192) | |
| | | | |
| | Average cash | 0 | |
| | Other components | 2,834,402 | |
| | | | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06

Page 2

FOR THE MONTH ENDED September 2017

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$306,660,625 | \$300,816,178 |
| 3 | Plant Under Construction | 5,306,139 | 3,191,065 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 989,028 | 875,990 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Planting - net | 0 | 0 |
| 9 | Working Capital C/ | 3408884 | 3408884 |
| 10 | | | |
| 11 | Total Additions | 316,345,676 | 308,293,115 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 89,269,446 | 84,516,310 |
| 16 | Accumulated Deferred Income Taxes | 44,387,895 | 42,864,138 |
| 17 | Unamortized Investment Credit - Pre 1971 | 7,649 | 8,988 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions In Aid of Construction | 16,951,887 | 15,342,827 |
| 21 | Customer Advances for Construction | 3,421,892 | 3,812,532 |
| 22 | All Other A/ | -1164652 | -1260188 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 149,853,617 | 145,384,887 |
| 27 | | | |
| 28 | Rate Base | \$166,492,059 | \$162,908,428 |
| 29 | | | |
| 30 | Net Operating Income | \$1,014,200 | \$10,923,104 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 41411.82 | 189,153 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 19048 | 223,004 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,074,680 | \$11,305,261 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 7.75% | 8.94% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 126,808 | 53,825 |
| | Unpaid for materials and supplies | 80,838 | 50,084 |
| | Taxes on CIAC-DEF, FIT & SIT | (1,374,096) | (1,364,097) |
| | | (\$1,184,652) | (\$1,260,188) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$591,674 | |
| | Incidental collection | (116,182) | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY

Page 2

SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06

FOR THE MONTH ENDED August 2017

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$308,353,114 | \$299,634,799 |
| 3 | Plant Under Construction | 4,348,438 | 2,950,139 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 981,249 | 856,884 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Planting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 315,072,885 | 307,151,886 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 65,675,376 | 64,321,196 |
| 16 | Accumulated Deferred Income Taxes | 43,502,200 | 42,705,710 |
| 17 | Unamortized Investment Credit - Pre 1971 | 7,807 | 9,226 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 16,895,518 | 15,142,645 |
| 21 | Customer Advances for Construction | 3,743,173 | 3,957,293 |
| 22 | All Other A/ | -1323780 | -1258766 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 148,500,294 | 144,877,304 |
| 27 | | | |
| 28 | Rate Base | \$166,572,391 | \$162,274,382 |
| 29 | | | |
| 30 | Net Operating Income | \$1,297,254 | \$10,951,639 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | -2196.37 | 87,031 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 19057 | 222,801 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,314,113 | \$11,261,471 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 9.47% | 6.94% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 5,311 | 53,825 |
| | Unpaid for materials and supplies | 51,015 | 50,084 |
| | | | |
| | Taxes on CIAC-DEF. FIT & SIT | (1,380,106) | (1,382,675) |
| | | (\$1,323,780) | (\$1,258,766) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$591,674 | |
| | Incidental collection | (116,192) | |
| | | | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | | | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.08

Page 2

FOR THE MONTH ENDED July 2017

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$303,238,802 | \$298,041,413 |
| 3 | Plant Under Construction | 5,509,969 | 2,789,667 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 1,004,881 | 838,473 |
| 6 | Other Additions: | | |
| 7 | Licensed Utility Plant | 0 | 0 |
| 8 | Unamortized Planting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 313,164,536 | 308,079,437 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 82,874,899 | 84,150,260 |
| 16 | Accumulated Deferred Income Taxes | 43,216,799 | 42,582,834 |
| 17 | Unamortized Investment Credit - Pre 1971 | 8,065 | 9,484 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 18,327,812 | 14,917,751 |
| 21 | Customer Advances for Construction | 3,955,813 | 4,001,247 |
| 22 | All Other A/ | -1257135 | -1256306 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 145,226,253 | 144,405,270 |
| 27 | | | |
| 28 | Rate Base | \$167,938,283 | \$161,674,167 |
| 29 | | | |
| 30 | Net Operating Income | \$1,210,624 | \$10,960,827 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 17891.83 | 105,552 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 19213 | 222,891 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,247,629 | \$11,289,270 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 8.91% | 8.88% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 58,947 | 53,825 |
| | Unpaid for materials and supplies | 64,837 | 50,084 |
| | Taxes on CIAC-DEF, FIT & SIT | (1,370,919) | (1,380,215) |
| | | (\$1,287,135) | (\$1,256,306) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$691,674 | |
| | Incidental collection | (116,162) | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED June 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$302,844,365 | \$288,343,808 |
| 3 | Plant Under Construction | 3,423,807 | 2,512,537 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 981,038 | 821,025 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Planting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 310,839,094 | 305,087,254 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 85,352,097 | 84,331,317 |
| 16 | Accumulated Deferred Income Taxes | 42,968,811 | 42,438,747 |
| 17 | Unamortized Investment Credit - Pre 1971 | 8,323 | 9,742 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 14,970,188 | 14,738,822 |
| 21 | Customer Advances for Construction | 4,049,569 | 4,031,002 |
| 22 | All Other A/ | -1327918 | -1254791 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 146,012,070 | 144,280,639 |
| 27 | | | |
| 28 | Rate Base | \$184,827,024 | \$180,796,615 |
| 29 | | | |
| 30 | Net Operating Income | \$1,135,179 | \$1,401,846 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 17384.09 | 105,277 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | income tax rate (debt assigned to parent) | 18834 | 222,502 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,171,397 | \$1,729,625 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 8.54% | 7.29% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 3,658 | 53,825 |
| | Unpaid for materials and supplies | 41,302 | 50,084 |
| | | | |
| | Taxes on CIAC-DEF, FIT & SIT | (1,372,878) | (1,358,700) |
| | | (\$1,327,918) | (\$1,254,791) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$591,874 | |
| | Incidental collection | (118,182) | |
| | | | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | | | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED May 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--------|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$301,313,828 | \$297,554,437 |
| 3 | Plant Under Construction | 3,201,969 | 2,442,380 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 1,033,384 | 804,833 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Planting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 308,959,083 | 304,211,534 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 84,829,323 | 84,085,504 |
| 16 | Accumulated Deferred Income Taxes | 42,798,954 | 42,250,587 |
| 17 | Unamortized Investment Credit - Pre 1971 | 8,581 | 10,000 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions In Aid of Construction | 14,983,083 | 14,689,735 |
| 21 | Customer Advances for Construction | 4,010,628 | 4,052,496 |
| 22 | All Other A/ | -1302310 | -1250338 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 145,308,239 | 143,817,994 |
| 27 | | | |
| 28 | Rate Base | \$163,652,824 | \$160,393,540 |
| 29 | | | |
| 30 | Net Operating Income | \$1,008,214 | \$11,559,513 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 14277.25 | 132,053 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 18723 | 222,386 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,041,214 | \$11,913,952 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 7.63% | 7.43% |
| | A/ All Other | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 10,575 | 53,825 |
| | Unpaid for materials and supplies | 44,600 | 50,084 |
| | | | |
| | Taxes on CIAC-DEF, FIT & SIT | (1,357,385) | (1,354,247) |
| | | (\$1,302,310) | (\$1,250,338) |
| | B/ Rate of return - Monthly (L39 / L28) x 12 | | |
| | C/ Per order | | |
| | Cash working capital Lead Lag Study | \$501,674 | |
| | Incidental collection | (116,162) | |
| | | | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | | | |
| | Working cash | \$3,409,684 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06

Page 2

FOR THE MONTH ENDED April 2017

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|---|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$300,844,246 | \$296,212,904 |
| 3 | Plant Under Construction | 2,832,379 | 2,984,384 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 859,869 | 784,144 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 307,746,176 | 303,391,296 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 84,348,832 | 83,850,354 |
| 16 | Accumulated Deferred Income Taxes | 38,628,817 | 38,033,704 |
| 17 | Unamortized Investment Credit - Pre 1971 | 8,839 | 10,258 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 14,933,007 | 14,604,621 |
| 21 | Customer Advances for Construction | 3,932,713 | 4,078,244 |
| 22 | All Other A/ | -326384 | -234317 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 141,523,624 | 140,343,684 |
| 27 | | | |
| 28 | Rate Base | \$166,222,554 | \$163,047,432 |
| 29 | | | |
| 30 | Net Operating Income | \$1,227,918 | \$11,668,644 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 10098.00 | 182,381 |
| 33 | Adjustment to reflect effective federal income tax rate (debt assigned to parent) | 10859 | 220,640 |
| 34 | Interest on customer deposits | 0 | 0 |
| 35 | | | |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$1,256,875 | \$12,091,665 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 9.07% | 7.42% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 28,900 | 53,825 |
| | Unpaid for materials and supplies | 37,813 | 50,084 |
| | Taxes on CIAC-DEF, FIT & SIT | (393,097) | (338,226) |
| | | (\$326,384) | (\$234,317) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$591,874 | |
| | Incidental collection | (116,192) | |
| | Average cash | 0 | |
| | Other components | 2,834,402 | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED March 2017

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--------|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant In Service | \$300,317,922 | \$294,874,838 |
| 3 | Plant Under Construction | 2,176,108 | 3,471,593 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 837,593 | 777,108 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Painting - net | 0 | 0 |
| 9 | Working Capital C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 306,741,505 | 302,533,223 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 83,789,099 | 83,813,895 |
| 16 | Accumulated Deferred Income Taxes | 42,331,881 | 41,801,845 |
| 17 | Unamortized Investment Credit - Pre 1971 | 9,097 | 10,516 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 14,955,784 | 14,538,803 |
| 21 | Customer Advances for Construction | 3,823,713 | 4,120,954 |
| 22 | All Other A/ | -1263268 | -1245623 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 143,726,068 | 142,840,190 |
| 27 | | | |
| 28 | Rate Base | \$163,015,417 | \$159,693,033 |
| 29 | | | |
| 30 | Net Operating Income | \$670,143 | \$11,395,020 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 9188.55 | 227,317 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 18850 | 221,805 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$697,962 | \$11,844,142 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 5.14% | 7.42% |
| | A/ All Other | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 26,024 | 53,825 |
| | Unpaid for materials and supplies | 72,819 | 50,084 |
| | | | |
| | Taxes on CIAC-DEF, FIT & SIT | (1,361,109) | (1,349,532) |
| | | (\$1,263,266) | (\$1,245,623) |
| | B/ Rate of return - Monthly (L39 / L28) x 12 | | |
| | C/ Per order | | |
| | Cash working capital Lead Lag Study | \$591,674 | |
| | Incidental collection | (116,192) | |
| | | | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | | | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY

Page 2

SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06

FOR THE MONTH ENDED February 2017

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$299,124,508 | \$293,437,449 |
| 3 | Plant Under Construction | 2,038,157 | 3,879,857 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 825,042 | 774,843 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Planting - net | 0 | 0 |
| 9 | Working Capital C/ | 340884 | 340884 |
| 10 | | | |
| 11 | Total Additions | 305,397,591 | 301,501,833 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 85,023,893 | 83,388,700 |
| 16 | Accumulated Deferred Income Taxes | 42,260,378 | 41,557,487 |
| 17 | Unamortized Investment Credit - Pre 1971 | 9,355 | 10,774 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 14,970,850 | 14,472,792 |
| 21 | Customer Advances for Construction | 3,838,214 | 4,182,532 |
| 22 | All Other A/ | -1303580 | -1243901 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | Total Deductions | 144,798,910 | 142,356,364 |
| 27 | | | |
| 28 | Rate Base | \$180,598,681 | \$159,145,469 |
| 29 | | | |
| 30 | Net Operating Income | \$875,718 | \$11,385,508 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 9738.15 | 280,528 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (debt assigned to parent) | 0 | 221,010 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | \$885,455 | \$11,867,046 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | 5.12% | 7.46% |
| A/ All Other | | | |
| | Acquisition adjustment | \$0 | \$0 |
| | Accounts payable applicable to CWIP | 18,825 | 53,825 |
| | Unpaid for materials and supplies | 42,800 | 50,084 |
| | | | |
| | Taxes on CIAC-DEF, FIT & SIT | (1,363,005) | (1,347,810) |
| | | (\$1,303,580) | (\$1,243,901) |
| B/ Rate of return - Monthly (L39 / L28) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$561,574 | |
| | Incidental collection | (118,192) | |
| | | | |
| | Average cash | 0 | |
| | Other components | 2,934,402 | |
| | | | |
| | Working cash | \$3,408,884 | |

Source of the information is the Monthly Report filed with the TPUC

TENNESSEE-AMERICAN WATER COMPANY
 SUPPLEMENTAL FINANCIAL DATA TO PG&A-3-84
 FOR THE MONTH ENDED JANUARY 31, 1972

Page 2

| Line # | | Average Monthly Revenues | Average Monthly for 12 MTD |
|---|--|--------------------------|----------------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$288,138,791 | \$288,098,850 |
| 3 | Plant Under Construction | 2,446,478 | 4,247,888 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 850,213 | 787,780 |
| 6 | Land | 0 | 0 |
| 7 | Land Under Plant | 0 | 0 |
| 8 | Unamortized Prebidding - net | 0 | 0 |
| 9 | Working Capital - CF | 340,884 | 340,884 |
| 10 | Total Additions | 389,435,256 | 393,927,512 |
| 11 | | | |
| 12 | | | |
| 13 | Deductions: | | |
| 14 | Accumulated Depreciation and Amortization | 84,348,188 | 83,043,181 |
| 15 | Accumulated Deferred Income Taxes | 42,150,538 | 41,518,860 |
| 16 | Unamortized Investment Credit - Pre 1971 | 8,813 | 11,252 |
| 17 | Other Deductions | 0 | 0 |
| 18 | Total Deductions | 126,507,529 | 124,573,293 |
| 19 | Contributions in Aid of Construction | 14,981,887 | 14,344,294 |
| 20 | Customer Advances for Construction | 3,889,777 | 4,288,389 |
| 21 | All Other | -128,942 | -134,218 |
| 22 | | | |
| 23 | | | |
| 24 | | | |
| 25 | Total Deductions | 118,625,188 | 110,055,228 |
| 26 | | | |
| 27 | Rate Base | \$169,792,118 | \$169,792,692 |
| 28 | | | |
| 29 | Net Operating Income | \$510,313 | \$11,382,578 |
| 30 | Adjustments to NOI | | |
| 31 | Allowance for funds used during construction | 1,615,111 | 288,782 |
| 32 | Adjustment to reflect effective Federal income tax rate (plant assigned to parent) | 1,000 | 220,383 |
| 33 | Income tax rate (plant assigned to parent) | 0 | 0 |
| 34 | Balance in customer deposits | | |
| 35 | | | |
| 36 | | | |
| 37 | Adjusted Net Operating Income | \$508,702 | \$11,382,578 |
| 38 | | | |
| 39 | | | |
| 40 | | | |
| 41 | Rate of return | 4.81% | 7.48% |
| 42 | | | |
| All Other | | | |
| | Acquisition adjustment | 0 | 0 |
| | Adjustment for change in depreciation | 0 | 53,825 |
| | Unpaid for materials and supplies | 88,200 | 50,084 |
| | Taxes on CAC-DEF, PRT & SRT | (1,389,882) | (1,348,047) |
| | | \$1,289,518 | \$1,243,932 |
| Rate of return - monthly 6.38 / 1.28 x 12 | | | |
| CF Per order | | | |
| | Costs including capital Land Lag Study | | |
| | Increased collections | | |
| | Average cash | | |
| | Other components | | |
| | Working cash | | |

Source of the information is the Monthly Report filed with the TPAIC

TENNESSEE-AMERICAN WATER COMPANY
SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06
FOR THE MONTH ENDED December 2016

Page 2

| Line # | | Average Monthly Balance | Average for 12 MTD |
|--|--|-------------------------|--------------------|
| 1 | Additions: | | |
| 2 | Plant in Service | \$297,481,340 | \$290,747,789 |
| 3 | Plant Under Construction | 2,347,280 | 4,498,968 |
| 4 | Property Held For Future Use | 0 | 0 |
| 5 | Materials and Supplies | 796,279 | 781,932 |
| 6 | Other Additions: | | |
| 7 | Leased Utility Plant | 0 | 0 |
| 8 | Unamortized Planting - soil | 0 | 0 |
| 9 | Working Capital - C/ | 3409884 | 3409884 |
| 10 | | | |
| 11 | Total Additions | 300,937,663 | 299,406,573 |
| 12 | | | |
| 13 | | | |
| 14 | Deductions: | | |
| 15 | Accumulated Depreciation and Amortization | 64,867,111 | 83,717,580 |
| 16 | Accumulated Deferred Income Taxes | 42,037,767 | 41,064,100 |
| 17 | Unamortized Investment Credit - Pre 1971 | 9,871 | 11,290 |
| 18 | Customer Deposits | 0 | 0 |
| 19 | Other Deductions: | | |
| 20 | Contributions in Aid of Construction | 15,011,694 | 14,218,476 |
| 21 | Customer Advances for Construction | 3,786,599 | 4,385,637 |
| 22 | All Other A/ | -1046726 | -1240671 |
| 23 | | | |
| 24 | | | |
| 25 | Total Deductions | 144,686,278 | 142,156,412 |
| 26 | | | |
| 27 | | | |
| 28 | Rate Base | \$159,271,407 | \$157,252,161 |
| 29 | | | |
| 30 | Net Operating Income | (\$44,182) | \$11,609,409 |
| 31 | Adjustments to NOI | | |
| 32 | Allowance for funds used during construction | 5082.66 | 302,566 |
| 33 | Adjustment to reflect effective federal | | |
| 34 | Income tax rate (credit assigned to parent) | 18222 | 219,535 |
| 35 | Interest on customer deposits | 0 | 0 |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Adjusted Net Operating Income | (\$20,878) | \$12,131,500 |
| 40 | | | |
| 41 | | | |
| 42 | Rate of return B/ | -0.16% | 7.71% |
| A/ All Other | | | |
| | Acquisition adjustment | 90 | 80 |
| | Accounts payable applicable to CWP | 268,625 | 53,825 |
| | Unpaid for materials and supplies | 38,296 | 50,084 |
| | Taxes on CIAC-DEF FIT & S/T | (1,353,607) | (1,344,580) |
| | | (\$1,046,726) | (\$1,240,671) |
| B/ Rate of return - Monthly (L39 / L26) x 12 | | | |
| C/ Per order | | | |
| | Cash working capital Lead Lag Study | \$591,674 | |
| | Incidental collection | (118,192) | |
| | Average cash | 0 | |
| | Other components | 2,934,492 | |
| | Working cash | \$3,409,884 | |

Source of the information is the Monthly Report filed with the TPUC

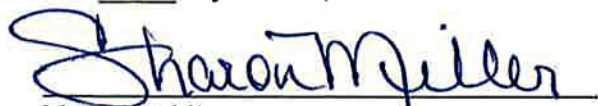
STATE OF Kentucky)
COUNTY OF Fayette)

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 Public Utility Commission, and if present before the Commission and duly sworn, the data requests responses are accurate to the best of her knowledge.


Linda C. Bridwell

Sworn to and subscribed before me
this 28 day of June, 2018.


Notary Public

My Commission Expires: 7/25/2020

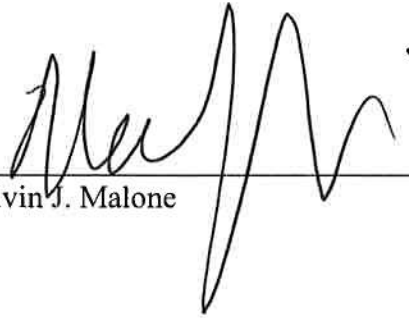
CERTIFICATE OF SERVICE

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
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Consumer Protection and Advocate Division
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Karen H. Stachowski
Assistant Attorney General
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Consumer Protection and Advocate Division
P.O. Box 20207
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Karen.Stachowski@ag.tn.gov

This the 29th day of June, 2018.



Melvin J. Malone