

Electronically Filed in TPUC Docket Room on October 7, 2019 at 3:46 p.m.

October 7, 2019

VIA ELECTRONIC FILING

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Hon. Robin L. Morrison, Chairman
c/o Ectory Lawless, Docket Room Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

RE: *Tennessee-American Water Company's Response to Commission's Investigation of Impacts of Federal Tax Reform on the Public Utility Revenue Requirements*, TPUC Docket No. 18-00039

Dear Chairman Jones:

Attached for filing please find *Tennessee-American Water Company's Responses to the Consumer Advocate's First Discovery Requests Concerning Phase II* in the above-caption docket.

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

Very truly yours,

BUTLER SNOW LLP



Melvin J. Malone

clw

Attachments

cc: Elaine Chambers, Tennessee-American Water Company
Daniel Whitaker, Assistant Attorney General, Consumer Advocate Unit (via email)
Karen H. Stachowski, Assistant Attorney General, Consumer Advocate Unit (via email)

IN RE:)
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)
TENNESSEE AMERICAN WATER)
COMPANY'S RESPONSE TO)
COMMISSION'S INVESTIGATION OF) DOCKET NO. 18-00039
IMPACTS OF FEDERAL TAX REFORM)
ON THE PUBLIC UTILITY REVENUE)
REQUIREMENTS)

Tennessee-American Water Company (“TAWC”), by and through counsel, hereby submits its Responses to the First Discovery Requests propounded by the Consumer Advocate Unit (“CAU”) concerning Phase II of this docket.

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.

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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, speculative, unduly burdensome, irrelevant 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 CAU's discovery requests.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00039
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION
PHASE II**

Responsible Witness: **John R. Wilde**

Question:

3-1. On page 3 of his testimony, Mr. Wilde indicates the consequences of not following the tax normalization rules are significant. Excluding the impact of the Repair Deduction, regarding which the Company has provided a Consent Agreement purportedly mandating normalization treatment, does TAWC acknowledge that the impact of such a violation is lessened in this specific situation given that, for the majority of property, the Company has not elected to use MACRS depreciation methods and rates? If the Company will not acknowledge this statement, provide a comprehensive narrative of why it will not.

Response:

No, as outlined below:

A. The penalty for a normalization violation is severe and two-fold: (1) currently payable income tax is increased by the amount by which the utility reduced its excess tax reserve more rapidly than permitted under ARAM or RSGM, and (2) the utility will be prospectively unable to claim accelerated depreciation for income tax purposes. The 100 percent tax penalty described above would be a significant consideration in addition to the loss of the acceleration of future tax deductions.

B. The Company is not aware of having made the election (referred to in the request) to use a method other than Modified Accelerated Cost Recovery System (MACRS), using one of the following nine property classifications that fall under the MACRS General Depreciation System (GDS). Examples of the types of property included in each class have been provided. Before a change in law that occurred in 1996 water and wastewater utility property now in the MACRS GDS 25 year class life would have fallen in the MACRS GDS 20 year class life.

3-year property - Tractor units for over-the-road use. Any race horse over 2 years old when placed in service. Any other horse (other than a race horse) over 12 years old when placed in service. Qualified rent-to-own property.

5-year property - Automobiles, taxis, buses, and trucks. Any qualified technological equipment. Office machinery (such as typewriters, calculators, and copiers). Any property used in research and experimentation. Breeding cattle and dairy cattle. Appliances, carpets, furniture, etc. used in a residential rental real estate activity. Certain geothermal, solar, and wind energy property. Any machinery equipment (other than any grain bin, cotton ginning asset, fence, or other land improvement) used in a farming business and placed in service after 2017.

7-year property - Office furniture and fixtures (such as desks, files, and safes). Used agricultural machinery and equipment placed in service after 2017, grain bins, cotton ginning assets, or fences used in a farming business (but no other land improvements). Railroad track. Any property that does not have a class life and has not been designated by law as being in any other class. Any natural gas gathering line placed in service after April 11, 2005. See Natural gas gathering line and electric transmission property, later.

10-year property - Vessels, barges, tugs, and similar water transportation equipment. Any single-purpose agricultural or horticultural structure. Any tree or vine bearing fruits or nuts. Qualified small electric meter and qualified smart electric grid system (defined later) placed in service on or after October 3, 2008.

15-year property - Certain improvements made directly to land or added to it (such as shrubbery, fences, roads, sidewalks, and bridges). Any retail motor fuels outlet (defined later), such as a convenience store. Any municipal wastewater treatment plant. Initial clearing and grading land improvements for gas utility property. Electric transmission property (that is section 1245 property) used in the transmission at 69 or more kilovolts of electricity placed in service after April 11, 2005. See Natural gas gathering line and electric transmission property, later. Any

natural gas distribution line placed in service after April 11, 2005, and before January 1, 2011. Any telephone distribution plant and comparable equipment used for 2-way exchange of voice and data communications.

20-year property - Farm buildings (other than single-purpose agricultural or horticultural structures). Municipal sewers not classified as 25-year property. Initial clearing and grading land improvements for electric utility transmission and distribution plants.

25-year property - This class is water utility property, which is either of the following. Property that is an integral part of the gathering, treatment, or commercial distribution of water, and that, without regard to this provision, would be 20-year property. Municipal sewers other than property placed in service under a binding contract in effect at all times since June 9, 1996.

27.5-year property - Residential rental property.

39 year property - Nonresidential real property.

C. The result of a normalization violation would be prospective use for tax purposes of the method and life used for regulatory accounting purposes. Being required to use the regulatory method and life to depreciate future TAWC property would delay tax depreciation deductions significantly for all TAWC property, as compared to what is currently available to TAWC, and would eventually eliminate the accrual of any related Accumulated Deferred Income Tax benefits available to TAWC and its customers. For example, MACRS GDS 25 year property that currently is depreciated for tax purposes using a S/L Method over 25 years, would be depreciated using a S/L method over more than 50 years if a violation of the tax normalizations rules were to occur.

D. A tax normalization violation could also prevent a utility from benefiting from provisions of any future legislation that would allow bonus depreciation, or that would allow water and wastewater utilities with a even more accelerated method and life. A tax normalization violation could also prevent a utility from taking advantage of transitional rules that allow a

utility to claim bonus depreciation for a transitional periods after September 27, 2017 and extending into 2018 and 2019.

TENNESSEE AMERICAN WATER COMPANY
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PHASE II

Responsible Witness: **John R. Wilde**

Question:

3-2. If the Repair Deduction is not normalized in the Company's Tennessee jurisdiction, does TAWC contend that its parent, American Water Works Company, Inc. ("AWW"), would be at risk of losing the ability to utilize the Repair Deduction? If so, describe the process that would occur which would lead to this result. Include in this response the implications of purported non-compliance by TAWC and the implications it would have on AWW.

Response:

The IRS is the party that would determine in the first instance the effect of a failure to normalize TAWC's repairs deduction on AWW and each other member of the AWW consolidated group that was party to the consent decree. Should the IRS take the position that failure to normalize TAWC's repairs deduction deprives the parties to the consent decree of the ability to utilize the repairs deduction, AWW as parent and each member of the consolidated group that was party to the consent decree including TAWC would have the opportunity to evaluate the impact on them and their recourse in terms of appealing such a determination by the IRS. Obviously, the member that violated the terms of the consent decree would have the more complicated set of facts on which to appeal such a determination by the IRS, and since members of the same consolidated group can follow different tax methods of accounting it is reasonable that the IRS would weigh each member's compliance with the consent decree in making any such determination(s).

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PHASE II

Responsible Witness: **John R. Wilde**

Question:

3-3. Refer to the Consent Agreement attached to Mr. Wilde's supplemental testimony. Provide a comprehensive explanation describing how and why the Consent Agreement was reached within the 2010 tax matter.

Response:

Such a comprehensive explanation is not available specific to the terms of the consent decree. This is due to the time that has lapsed since the consent decree was drafted and signed by the parties, turnover in staffing at American Water Works, at Tennessee-American Water, and at PwC (the consulting firm that assisted the AWW consolidated group of utilities with its method change).

**TENNESSEE AMERICAN WATER COMPANY
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Responsible Witness: **John R. Wilde**

Question:

3-4. Provide the reason for the phrase “Gross-Up” referenced at the bottom of Mr. Wilde’s Exhibit JRW-2S.

Response:

All the amounts above that line are reflected as an after tax balance of EADIT. The line labeled gross up is reflective of the estimate in the change in the pre-tax revenue requirement that would be necessary to return that amount of after tax EADIT amortization to customers in the respective period.

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Responsible Witness: **John R. Wilde**

Question:

3-5. Provide a workpaper detailing all book/tax timing differences that comprise each line item found on JRW-2S, further splitting these individual differences between Tennessee-direct items and those allocated to TAWC from related parties. To the extent such items are allocated to Tennessee operations, provide supporting analysis and explanation detailing how such assignments were determined.

Response:

See attached Excel workpaper.

All book to tax differences originated at the member level; the only item where a consolidated allocation has had an impact on the carried book to tax difference is with respect to net operating loss carryforward. In that context, the loss was generated by the individual member, and the use of that loss or reversal was determined by the consolidated group and allocated pursuant to the Consolidated Tax Sharing Policy (attached).

**TENNESSEE AMERICAN WATER COMPANY
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Responsible Witness: **John R. Wilde**

Question:

3-6. Indicate whether the ARAM period incorporated into Exhibit JRW-2S is Tennessee-specific, or is this period identical throughout the AWW footprint?

Response:

ARAM is not a method that generates a period for the reversal of ADIT or EADIT. The calculated ARAM amortization amounts shown on Exhibit JRW-2S are TAWC specific, and year specific.

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Responsible Witness: **John R. Wilde**

Question:

3-7. Beginning on page 5, line 23 of Mr. Wilde’s testimony, he states that “Absent clear direction or guidance from the IRS to the contrary, Tennessee-American believes it is required to comply with the Consent Agreement” With respect to the phrase “clear direction or guidance”, does the Company believe that such direction and guidance could come in the form of an IRS statement issued regarding the Notice in 2019-33? Describe the implication of a possible declaration from the IRS in 2019-33 with respect to the classification of the Repair Deduction in the context of the Consent Agreement language. In other words, if the IRS concludes the Repair Deduction is not protected in Notice 2019-33, does the Company believe that such a conclusion would supersede the terms of the Consent Agreement?

Response:

This request poses two questions, and TAWC’s response is organized accordingly:

1. No, the Company does not believe that direction or guidance with respect to normalization in compliance with the Consent Agreement could come solely “in the form of an IRS statement issued regarding the Notice in 2019-33.” TAWC believes the clear direction or guidance will most likely be provided in response to the 'private letter ruling requests currently on file or in the process of being filed with the IRS, but that the guidance provided pursuant to the Notice should also be considered should repairs be discussed. As disclosed in the record during rate proceedings in Missouri and Indiana respectively, Missouri-American Water Company and Indiana-American Water Company have each separately filed private letter ruling requests related to the application of the Consent Agreement with respect to ADIT balances resulting from claiming tax repair deductions on Utility Plant In Service (“UPIS”) investments. It is TAWC’s understanding that other utilities have expressed an intention to submit private letter ruling requests to seek guidance specific to the treatment of tax repairs in the context of the tax normalization rules.
2. No, if the IRS concludes the Repair Deduction is not protected in Notice 2019-33, the Company does not believe that such a conclusion would “supersede the terms of the Consent Agreement.” TAWC is not aware that the specific facts concerning the AWW utilities’

Consent Agreement with the IRS have been presented to the IRS in response to Notice 2019-33. Based on the public record in the Missouri-American Water and Indiana-American Water rate proceedings, questions regarding application of the terms of the Consent Agreement when accounting for ADIT were posed to the IRS in the above-mentioned private letter ruling requests. TAWC does not anticipate the IRS superseding the terms of Consent Agreement; instead, TAWC anticipates the IRS providing clarifying guidance and direction with respect to how and to what extent the terms of the Consent Decree should be applied in the context accounting for ADIT including EADIT related to tax repairs.

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Responsible Witness: **Elaine K. Chambers**

Question:

3-8. For each plant account, identify the portion of current depreciation rates related to accrual for future Removal Costs.

Response:

3-8. Below, please find the net salvage percentages (salvage less cost of removal) the company is utilizing in its depreciation rates.

Acct No	Description	Net Salvage %
304100	Structure & Improvement - SS	-15%
304200	Structure & Improvement - PU	-15%
304300	Structure & Improvement - WT	-15%
304301	Structure & Improvement - WT Depr Paint	0%
304310	Structure & Improvement - WT Wst Handl/T	-15%
304330	Structure & Improvement - WT Ctrl	-15%
304400	Structure & Improvement - TD	-15%
304500	Structure & Improvement - AG	-15%
304600	Office Structures	-15%
304700	Stores Shops Garage Structure	-16%
304800	Misc. Structures	-14%
306000	Lake River & Other Intake	-5%
309000	Supply Mains	0%
310000	Power Generation Eqpt	-5%
311200	Pumping Equipment - Electric	-10%
311300	Pumping Equipment - Diesel	-10%
311500	Pumping Equipment - Other	-10%
311520	Pumping Equipment - SOS & Pumping	-10%
320100	Water Treat Equip (Non-Media)	-10%
320200	Water Treat Equip (Media)	-11%
330000	Dist. Reservoirs & Standpipes	-20%
330003	Dist. Res & Stand - Tank Repainting	0%
330100	Elevated Tanks & Standpipes	-20%
330200	Ground Level Tanks	-20%
330300	Below Ground Tanks	-20%
330400	Clearwell	-20%
331001	TD Mains Not Classified	-16%
331100	TD Mains 4in & Less	-16%
331200	TD Mains 6in to 8in	-16%
331300	TD Mains 10in to 16in	-16%
331400	TD Mains 18in & Greater	-16%

333000	Services	0%
334100	Meters	-3%
334110	Meters Bronze Case	-3%
334130	Meters Other	-3%
334131	Meters Other - Reading Units	-3%
334200	Meter Installations	-3%
334300	Meter Vaults	-3%
335000	Hydrants	-17%
339200	Other P/E - Supply	0%
339600	Other P/E - Comp Plan Study	0%
340100	Office Furniture & Equip	0%
340200	Computers & Peripheral Equip	0%
340210	Computers & Peripheral Mainframe	0%
340220	Computers & Peripheral Personal	0%
340230	Computers & Peripheral Other	0%
340240	Computers & Peripheral Capital Lease	0%
340300	Computer Software	0%
340310	Computer Software Mainframe	0%
340315	Comp Software Spec Depr Rate	0%
340320	Comp Software Personal	0%
340330	Comp Software Other	0%
340400	Data Handling Equipment	0%
340500	Other Office Equipment	0%
341100	Trans Equip Light Duty Trucks	15%
341200	Trans Equip Heavy Duty Trucks	15%
341300	Trans Equip Autos	15%
341400	Trans Equip Other	15%
342000	Stores Equipment	0%
343000	Tools/Shop/Garage Equipment	0%
344000	Laboratory Equipment	0%
345000	Power Operated Equipment	0%
346100	Communication Equip Non-Telephone	0%
346190	Remote Control & Instrument	0%
346200	Telephone Equipment	0%
347000	Miscellaneous Equipment	0%
348000	Other Tangible Property	0%

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Responsible Witness: **John R. Wilde**

Question:

3-9. Refer to page 11, lines 5-6 of Mr. Wilde's testimony as well as Exhibit JRW-2S.

Confirm that the effective date of the \$16.8 million excess is December 31, 2017.

Response:

Yes, it has been adjusted for the filing of the return in 2018 but it is the excess at 12-31-17.

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Responsible Witness: **John R. Wilde**

Question:

3-10. Confirm that TAWC did not amortize any of its excess ADIT balances in 2018 or 2019
 (to date).

Response:

Confirmed.

**TENNESSEE AMERICAN WATER COMPANY
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Responsible Witness: **John R. Wilde**

Question:

3-11. On page 16, line 8 of Mr. Wilde's testimony, he references the implications on excess ADIT associated with a hypothetical increase in tax rates. In the event federal income tax rates are increased in the future, does the Company believe it would be appropriate to collect any plant-related ADIT deficiencies over the remaining book life of the underlying assets, or would a more rapid collection of deficient ADIT from ratepayers be appropriate?

Response:

The Company addressed this subject when it took the position that the net plant related EADIT balance should be normalized into rates over the remaining book life of the underlying assets. A review of Exhibit JRW-2S will show the Company has been consistent in this position. Regardless of whether a plant related ADIT balance fell out in the TCJA remeasurement as an excess balance of deferred taxes or a deficient balance of deferred taxes, the Company applied ARAM – a method that normalizes both excess and deficient ADIT balances over the remaining book life of the underlying assets. If the Commission were to choose to use a method other than ARAM to produce an amortization period for items the IRS confirms could be treated as unprotected, then the Company believes it would be appropriate, as a matter of consistency, to subject all unprotected excess and deficient balances to the method and life selected by the Commission. TAWC believes that a company or commission that picks and chooses inconsistent methods and lives to achieve a desired result could undermine the purpose and intent of the tax normalization rules and thus risk an indirect violation of the tax normalization rules.

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Responsible Witness: **John R. Wilde**

Question:

3-12. Regarding the last sentence of Mr. Wilde's testimony, please explain in greater detail exactly how an "indirect" normalization violation could occur within the context of this passage of testimony.

Response:

An indirect normalization violation is potentially any ratemaking decision intended to achieve an effect similar to a direct reduction to cost of service or rate base that undermines compliance with the tax normalization rules as intended by Congress. An indirect normalization violation is described in IRS Regulations Sec. 1.46-6(b)(4) (26 CFR § 1.46-6(b)(4)). There are also a few private letter rulings on the subject of what is an indirect normalization violation, such as 200945006, 200743030, 201548017, and 201739001 (See

TAWC_CADDR3_NUM012_10072019 Attachment 1 through

TAWC_CADDR3_NUM012_10072019 Attachment 4).

Treating an unprotected plant related deficient ADIT balance as subject to ARAM while treating unprotected plant related excess balances as subject to a vastly shorter normalization period than allowed by ARAM might appear to the IRS as a decision that is intended to indirectly manage the ratemaking result to something other than intended by Congress in enacting the tax normalization rules.

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Responsible Witness: **John R. Wilde**

Question:

3-13. Across AWW's various state operations, how many state utility commissions have issued a final order, or otherwise made a final determination, concerning the impacts of the 2017 Tax Cuts and Jobs Act? How many other states have made partial resolutions concerning these impacts? Provide a copy of all state commission orders for those states in which AWW operates which address the disposition of excess ADIT.

Response:

Tennessee-American Water objects to the requests, "how many state utility commissions have issued a final order, or otherwise made a final determination, concerning the impacts of the 2017 Tax Cuts and Jobs Act" ("TCJA"), and "[h]ow many other states have made partial resolutions concerning these impacts," as vague, ambiguous, overly broad, unduly burdensome and oppressive and are publicly available and obtainable from some other source that is more convenient, less burdensome or less expensive. American Water Works Company, Inc. ("AWW") provides drinking water, wastewater and other related services in 46 states. To require Tennessee-American Water to determine which state commissions have issued a "determination" or "resolution" concerning the "impact" of the TCJA, and then to determine whether such determinations or resolutions are "final" or "partial" would require unreasonably burdensome research and analysis. In addition, Tennessee-American Water objects to the request, "[p]rovide a copy of all state commission orders for those states in which AWW operates which address the disposition of excess ADIT" as overly broad, unduly burdensome and oppressive to the extent it either seeks state commission orders from states in which AWW companies do not provide services regulated by the state commission, or seeks orders directed at utilities other than AWW companies. Subject to the foregoing objections, and without waiver thereof, Tennessee-American Water responds as follows.

To the best of our knowledge, twelve state utility commissions have issued final orders or made final determinations or partial resolutions concerning the impacts of the TCJA in proceedings affecting AWW companies that provide services regulated by the state commission.

To the best of our knowledge, the following state commission orders address the disposition of excess ADIT by AWW companies that provide services regulated by the state commission; the orders are available at the indicated Internet addresses:

- *Application of California-American Water Company (U210W) for Authorization to Increase its Revenues for Water Service by \$34,559,200 or 16.29% in the year 2018, by \$8,478,500 or 3.43% in the year 2019, and by \$7,742,600 or 3.03% in the year 2020*, Application 16-07-002, Decision 18-12-021 (Cal. Pub. Utils. Comm'n Dec. 20, 2018) (<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M252/K251/252251101.pdf>)
- *In the Matter of Electronic Application of Kentucky-American Water Company for an Adjustment of Rates*, Case No. 2018-00358 (Ky. Pub. Serv. Comm'n June 27, 2019) (https://psc.ky.gov/pscscf/2018%20Cases/2018-00358//20190627_PSC_ORDER01.pdf)
- *Illinois-American Water Company Creation of a New Rider Variable Income Tax (Tariffs filed October 2, 2017)*, No. 17-0477 (Ill. Commerce Comm'n Apr. 19, 2018) (<https://www.icc.illinois.gov/docket/files.aspx?no=17-0477&docId=270159>)
- *Illinois Commerce Comm'n vs. Illinois-American Water Company, Order initiating investigations into the impact on rates of Illinois Public Utilities due to changes in state and federal corporate income tax obligations*, No. 18-0193 (Ill. Commerce Comm'n May 31, 2018) (<https://www.icc.illinois.gov/docket/files.aspx?no=18-0193&docId=272180>)
- *Petition of Indiana-American Water Company, Inc. for (1) authority to increase its rates and charges for water utility service, (2) review of its rates and charges for wastewater utility service, (3) approval of new schedules of rates and charges applicable to water and wastewater utility service, and (4) authority to implement a low income pilot program*, Cause No. 45142 (Ind. Util. Regulatory Comm'n June 26, 2019) (https://iurc.portal.in.gov/_entity/sharepointdocumentlocation/20405c00-2698-e911-8150-1458d04eaba0/bb9c6bba-fd52-45ad-8e64-a444aef13c39?file=45142_ord_20190626103457834.pdf)
- *In the matter of the Indiana Utility Regulatory Commission's investigation in to the impacts of the Tax Cuts and Jobs Act of 2017 and possible rate implications under Phase 1 and Phase 2 for Indiana American Water Company, Inc.*, Cause No. 45032S4 (Ind. Util. Regulatory Comm'n June 26, 2019) (https://iurc.portal.in.gov/_entity/sharepointdocumentlocation/ecbc9e8b-2698-e911-

8150-1458d04eaba0/bb9c6bba-fd52-45ad-8e64-a444aef13c39?file=45032S4_ord_20190626103714585.pdf)

- *In the matter of the Application of Maryland-American Water Company for authority to adjust its existing schedule of tariffs and rates*, Case No. 9487, Order No. 89022 (Md. Pub. Serv. Comm'n Feb 5, 2019)
(https://webapp.psc.state.md.us/newIntranet/Casenum/NewIndex3_VOpenFile.cfm?filePath=//Coldfusion/Casenum/9400-9499/9487/63.pdf)
- *In the matter of the Application of Maryland-American Water Company for authority to adjust its existing schedule of tariffs and rates*, Case No. 9487, Proposed Order of Public Utility Law Judge (Md. Pub. Serv. Comm'n Jan.17, 2019)
(https://webapp.psc.state.md.us/newIntranet/Casenum/NewIndex3_VOpenFile.cfm?filePath=//Coldfusion/Casenum/9400-9499/9487/Item_61\9487-POPULJ.pdf)
- *In the Matter of the Effects on Utilities of the 2017 Tax Cuts and Jobs Act*, General Order No. 236.1 (W. Va. Pub. Serv. Comm'n Nov. 16, 2018)
(<http://www.psc.state.wv.us/scripts/WebDocket/ViewDocument.cfm?CaseActivityID=507626>)
- *West Virginia-American Water Company, Rule 42T tariff filing to increase water rates and charges*, Case No. 18-0573-W-42T *et al.*, (W. Va. Pub. Serv. Comm'n Feb. 8, 2019)
(<http://www.psc.state.wv.us/scripts/WebDocket/ViewDocument.cfm?CaseActivityID=512961>)

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CONSUMER ADVOCATE DIVISION
PHASE II

Responsible Witness: **John R. Wilde**

Question:

3-14. Have any state utility commissions assessed carrying charges to AWW's deferred federal income taxes?

Response:

Tennessee-American objects to this request as overbroad and unduly burdensome to the extent it seeks information with respect to the actions of "any" state commission without limitation as to time or place. Subject to this objection and without waiver thereof, Tennessee-American Water responds as follows:

To Tennessee-American Water's knowledge, no state utility commission has assessed carrying charges to AWW's (American Water Works Company, Inc.'s) deferred federal income taxes. Of the six state commissions that have issued orders addressing the disposition of excess accumulated deferred income taxes ("EADIT") by AWW regulated water and wastewater utilities, two have approved settlements that include interest on the EADIT amounts that would have been amortized during the period between January 1, 2018 and the date on which credits to customers for EADIT commenced (the "stub period" or "catch-up"). None of the other state commissions that has issued orders addressing the disposition of EADIT by AWW regulated water and wastewater utilities has assessed carrying charges on the stub period or catch up EADIT, and no state commission has assessed carrying charges on AWW regulated water and wastewater utilities' EADIT on a going-forward basis. Carrying charges are unnecessary to protect customer interests because EADIT remains a reduction of rate base, thus reducing the company's return, until it is passed back.

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CONSUMER ADVOCATE DIVISION
PHASE II

Responsible Witness: **John R. Wilde**

Question:

3-15. Refer to Mr. Wilde’s argument that the ARAM method should be utilized to normalize all excess ADIT related to plant-in-service “without a clear legal requirement to do so”. Have all other AWW subsidiaries made this argument? To the extent other state utility commissions have issued rulings concerning this issue for other AWW subsidiaries, provide those final orders or rulings.

Response:

Tennessee-American Water rejects to this request on the grounds that this request seeks information that is publicly available and obtainable from some other source that is more convenient, less burdensome or less expensive. Subject to the foregoing objections, and without waiver thereof, Tennessee-American Water responds as follows. Not all other AWW (American Water Works Company, Inc.) subsidiaries have made this argument. For orders addressing the disposition of excess ADIT, see response to Question 3-13.

STATE OF Kentucky)

COUNTY OF Fayette)

BEFORE ME, the undersigned, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Elaine Chambers, 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 duly sworn, verifies that the data requests and discovery responses are accurate to the best of her knowledge.


Elaine Chambers

Sworn to and subscribed before me
this 4th day of October, 2019.


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 P. Whitaker III
Karen H. Stachowski
Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Unit, Financial Division
P.O. Box 20207
Nashville, TN 37202-0207
Daniel.Whitaker@ag.tn.gov
Karen.Stachowski@ag.tn.gov

This the 7th day of October, 2019.



Melvin J. Malone

**Tennessee American Water
Excess ADIT
Years 2018 and 2019**

		Total Net Excess	Protected / Unprotected	Non Plant / Non Power Tax Amortization Period	2018 Excess	2019 Excess	Total
Net Excess Amortization from Powertax (Rpt 259)							
Method / Life	ARAM	12,869,192	Subject to Tax Normalization				
Cost of Removal	ARAM	552,564	Subject to Tax Normalization (Uncertain)				
Repairs - M/L	ARAM	2,457,864	Subject to Tax Normalization				
Repairs Other	ARAM	2,588,057	Subject to Tax Normalization (Uncertain)				
All Other	ARAM	(49,171)	Unprotected				
Powertax		18,418,506					
Federal NOL		(801,599)	Protected / Unprotected?				
Plant Customer Advances	Proportional to ARAM	(460,203)	Unprotected				
Plant CWIP	Proportional to ARAM	11,763	Unprotected				
CIAC WIP	Proportional to ARAM	(5,619)	Unprotected				
Plant 481	Proportional to ARAM	110,156	Unprotected				
Total Subject to ARAM		17,273,004			508,372	531,832	1,040,205
All Other Non Plant	Amortization	(429,833)	Unprotected	20	(21,492)	(21,492)	(42,983)
Total Federal and State Excesses		16,843,171			486,881	510,340	997,221
				Gross-up	660,206	692,017	1,352,224

Tax Rate Analysis

	<u>New</u>	<u>Old</u>	<u>Change</u>	<u>Fed + FBOS</u>
Federal	21.0000%	35.0000%	-14.0000%	-13.06905%
State	6.3231%	6.3231%	0.0000%	
	0.3265%	0.3265%	0.0000%	
FBOS	-1.3964%	-2.3274%	0.9310%	
Total	26.2532%	39.3223%	-13.0690%	
Gross Up	73.7468%	60.6777%		

Tennessee American Water Company
Intermediate Workpaper
ARAM and NOL

	2018 Federal	2018 State	2018 FBOS	2018 Total		2019 Federal	2019 State	2019 FBOS	2019 Total
Temporary Difference	748,251	2,716,160	2,716,160	6,180,570		457,298	2,160,702	2,160,702	4,778,702
Current Year Tax Rate	21.000%	6.323%	-1.328%			21.000%	6.323%	-1.328%	
Current Tax Effect	157,133	171,747	(36,067)	292,813		96,033	136,624	(28,691)	203,966
Regulatory Deferred Tax	374,605	(176,550)	4,470	202,525		458,020	(140,446)	(4,392)	313,182
Difference Excess ADIT	531,738	(4,804)	(31,597)	495,338		554,052	(3,821)	(33,084)	517,148
Allocation of NOL ADIT									
Federal Excess 2008 to 2017	(9,365,204)					(9,104,861)			
Federalc Excess Amortization	260,342					284,397			
Percentage	-2.780%					-3.124%			
Federal NOL Excess Balance	(801,599)					(779,316)			
Federal NOL Excess	22,284	-	-	22,284		24,343	-	-	24,343
Total Excess - Powertax				18,418,506					17,919,373
Amortization from Above				495,338					517,148
Percentage				2.689%					2.886%
Non Powertax Plant Items				(343,903)					(334,654)
Non Powertax ARAM Equivelent Amortization				(9,249)					(9,658)
Total Amortization of Excess Inc NOL	554,022	(4,804)	(31,597)	508,372		578,395	(3,821)	(33,084)	531,832

Grouped By: Total Tax Classes

Jurisdiction: Fed	Beginning Difference	Current Difference	Ending Difference	Beginning APB11 DFIT Balance	Current DFIT	Ending APB11 DFIT Balance	Beg FAS109	Regulatory Asset Before Gross-Up	Regulatory Liab Before Gross-Up	Regulatory Asset After Gross-Up	Regulatory Liab After Gross-Up
							Liability @ Stat Rate				
Tax Year: Fed	2018										
1026 Fed - COR	4,221,267	3,068,189	7,289,456	1,477,443	644,320	2,121,763	886,466	-	(590,977)	-	(800,078)
1026 Fed - M/L	96,479,426	(1,256,672)	95,222,754	33,767,799	(646,782)	33,121,017	20,260,679	-	(13,507,119)	-	(18,286,224)
Depreciation Difference	100,700,692	1,811,518	102,512,210	35,245,242	(2,462)	35,242,780	21,147,145	-	(14,098,097)	-	(19,086,302)
1026 Fed - AFUDC Debt	1,368,631	(54,405)	1,314,226	479,021	(19,042)	459,979	287,412	-	(191,608)	-	(259,403)
1026 Fed - AFUDC Equity	1,099,897	(47,859)	1,052,038	384,964	(16,751)	368,213	230,978	-	(153,986)	-	(208,469)
1026 Fed - Asset Acq Adj	4,857,937	(169,273)	4,688,664	1,700,278	(59,246)	1,641,032	1,020,167	-	(680,111)	-	(920,749)
1026 Fed - CPI	(219,183)	11,699	(207,484)	(76,714)	4,095	(72,619)	(46,028)	-	30,686	-	41,543
1026 Fed - Historical Other	7,132,791	(368,253)	6,764,538	2,496,477	(128,888)	2,367,588	1,497,886	-	(998,591)	-	(1,351,913)
1026 Fed - Inter-Co Adj	(2,816,919)	89,548	(2,727,370)	(985,922)	31,342	(954,580)	(591,553)	-	394,369	-	533,905
1026 Fed - Non-Tax CAC	(8,717,278)	201,268	(8,516,011)	(3,051,047)	70,444	(2,980,604)	(1,830,628)	-	1,220,419	-	1,652,229
1026 Fed - Repair 481a	(1,054,203)	(275,793)	(1,329,996)	(368,971)	(96,528)	(465,499)	(221,383)	-	147,588	-	199,808
1026 Fed - Repair M/L	18,776,658	(133,168)	18,643,490	6,571,830	(46,609)	6,525,221	3,943,098	-	(2,628,732)	-	(3,558,833)
1026 Fed - Tax Repairs	20,825,452	(488,602)	20,336,850	7,288,908	(171,011)	7,117,898	4,373,345	-	(2,915,563)	-	(3,947,151)
Book Overhead	41,253,783	(1,234,838)	40,018,945	14,438,824	(432,194)	14,006,631	8,663,294	-	(5,775,530)	-	(7,819,034)
1026 Fed - Taxable CIAC	(3,084,574)	171,572	(2,913,002)	(1,079,601)	60,050	(1,019,551)	(647,760)	-	431,840	-	584,635
Tax Overhead	(3,084,574)	171,572	(2,913,002)	(1,079,601)	60,050	(1,019,551)	(647,760)	-	431,840	-	584,635
Total Tax Classes	138,869,902	748,251	139,618,153	48,604,466	(374,605)	48,229,860	29,162,679	-	(19,441,786)	-	(26,320,702)
Jurisdiction Totals:	138,869,902	748,251	139,618,153	48,604,466	(374,605)	48,229,860	29,162,679	-	(19,441,786)	-	(26,320,702)

Jurisdiction: TN	Beginning Difference	Current Difference	Ending Difference	Beginning APB11 DFIT Balance	Current DFIT	Ending APB11 DFIT Balance	Beg FAS109	Regulatory Asset Before Gross-Up	Regulatory Liab Before Gross-Up	Regulatory Asset After Gross-Up	Regulatory Liab After Gross-Up
							Liability @ Stat Rate				
Tax Year: TN	2018										
1026 TN - COR	4,221,267	3,068,189	7,289,456	274,382	199,432	473,815	274,382	-	-	-	(0)
1026 TN - M/L	70,101,915	708,790	70,810,705	4,556,624	46,071	4,602,696	4,556,624	0	(0)	0	(0)
Depreciation Difference	74,323,182	3,776,979	78,100,161	4,831,007	245,504	5,076,510	4,831,007	0	(0)	0	(0)
1026 TN - AFUDC Debt	1,368,631	(54,405)	1,314,226	88,961	(3,536)	85,425	88,961	0	(0)	0	(0)
1026 TN - AFUDC Equity	1,099,897	(47,859)	1,052,038	71,493	(3,111)	68,382	71,493	0	(0)	0	(0)
1026 TN - Asset Acq Adj	4,857,937	(169,273)	4,688,664	315,766	(11,003)	304,763	315,766	0	-	0	-
1026 TN - CPI	(219,183)	11,699	(207,484)	(14,247)	760	(13,486)	(14,247)	(0)	0	(0)	0
1026 TN - Historical Other	7,132,791	(368,253)	6,764,538	463,631	(23,936)	439,695	463,631	0	(0)	0	(0)
1026 TN - Inter-Co Adj	(2,816,919)	89,548	(2,727,370)	(183,100)	5,821	(177,279)	(183,100)	-	-	-	-
1026 TN - Non-Tax CAC	(8,717,278)	201,268	(8,516,011)	(566,623)	13,082	(553,541)	(566,623)	(0)	0	(0)	0
1026 TN - Repair 481a	(1,054,203)	(275,793)	(1,329,996)	(68,523)	(17,927)	(86,450)	(68,523)	-	-	-	-
1026 TN - Repair M/L	18,776,658	(133,168)	18,643,490	1,220,483	(8,656)	1,211,827	1,220,483	0	(0)	0	(0)
1026 TN - Tax Repairs	20,825,452	(488,602)	20,336,850	1,353,654	(31,759)	1,321,895	1,353,654	0	(0)	0	(0)
Book Overhead	41,253,783	(1,234,838)	40,018,945	2,681,496	(80,265)	2,601,231	2,681,496	0	(0)	0	(0)
1026 TN - Taxable CIAC	(3,128,610)	174,019	(2,954,591)	(203,360)	11,311	(192,048)	(203,360)	-	0	-	0
Tax Overhead	(3,128,610)	174,019	(2,954,591)	(203,360)	11,311	(192,048)	(203,360)	-	0	-	0
Total Tax Classes	112,448,355	2,716,160	115,164,514	7,309,143	176,550	7,485,693	7,309,143	1	(0)	1	(0)
Jurisdiction Totals:	112,448,355	2,716,160	115,164,514	7,309,143	176,550	7,485,693	7,309,143	1	(0)	1	(0)

Jurisdiction: Fed-Off-TN	Beginning Difference	Current Difference	Ending Difference	Beginning APB11 DFIT Balance	Current DFIT	Ending APB11 DFIT Balance	Beg FAS109	Regulatory Asset Before Gross-Up	Regulatory Liab Before Gross-Up	Regulatory Asset After Gross-Up	Regulatory Liab After Gross-Up
							Liability @ Stat Rate				
Tax Year:	2018										
Fed-Off-TN											
1026 Fed-Off-TN - COR	4,221,267	3,068,189	7,289,456	(96,034)	(41,881)	(137,915)	(57,620)	38,414	-	52,005	-
1026 Fed-Off-TN - M/L	70,101,915	708,790	70,810,705	(1,594,819)	13,277	(1,581,542)	(956,891)	637,927	-	863,640	-
Depreciation Difference	74,323,182	3,776,979	78,100,161	(1,690,852)	(28,604)	(1,719,456)	(1,014,511)	676,341	-	915,645	-
1026 Fed-Off-TN - AFUDC Debt	1,368,631	(54,405)	1,314,226	(31,136)	1,238	(29,899)	(18,682)	12,455	-	16,861	-
1026 Fed-Off-TN - AFUDC Equity	1,099,897	(47,859)	1,052,038	(25,023)	1,089	(23,934)	(15,014)	10,009	-	13,550	-
1026 Fed-Off-TN - Asset Acq Adj	4,857,937	(169,273)	4,688,664	(110,518)	3,851	(106,667)	(66,311)	44,207	-	59,849	-
1026 Fed-Off-TN - CPI	(219,183)	11,699	(207,484)	4,986	(266)	4,720	2,992	(1,995)	-	(2,700)	-
1026 Fed-Off-TN - Historical Other	7,132,791	(368,253)	6,764,538	(162,271)	8,378	(153,893)	(97,363)	64,908	-	87,874	-
1026 Fed-Off-TN - Inter-Co Adj	(2,816,919)	89,548	(2,727,370)	64,085	(2,037)	62,048	38,451	(25,634)	-	(34,704)	-
1026 Fed-Off-TN - Non-Tax CAC	(8,717,278)	201,268	(8,516,011)	198,318	(4,579)	193,739	118,991	(79,327)	-	(107,395)	-
1026 Fed-Off-TN - Repair 481a	(1,054,203)	(275,793)	(1,329,996)	23,983	6,274	30,257	14,390	(9,593)	-	(12,987)	-
1026 Fed-Off-TN - Repair M/L	18,776,658	(133,168)	18,643,490	(427,169)	3,030	(424,140)	(256,301)	170,868	-	231,324	(0)
1026 Fed-Off-TN - Tax Repairs	20,825,452	(488,602)	20,336,850	(473,779)	11,116	(462,663)	(284,267)	189,512	-	256,565	-
Book Overhead	41,253,783	(1,234,838)	40,018,945	(938,524)	28,093	(910,431)	(563,114)	375,409	-	508,237	-
1026 Fed-Off-TN - Taxable CIAC	(3,128,610)	174,019	(2,954,591)	71,176	(3,959)	67,217	42,706	(28,470)	-	(38,544)	-
Tax Overhead	(3,128,610)	174,019	(2,954,591)	71,176	(3,959)	67,217	42,706	(28,470)	-	(38,544)	-

Total Tax Classes	112,448,355	2,716,160	115,164,514	(2,558,200)	(4,470)	(2,562,670)	(1,534,920)	1,023,280	-	1,385,338	(0)
Jurisdiction Totals:	112,448,355	2,716,160	115,164,514	(2,558,200)	(4,470)	(2,562,670)	(1,534,920)	1,023,280	-	1,385,338	(0)
CompanyTotals: Page 1 of 1	363,766,611 PwrTax - 259	6,180,570	369,947,181	53,355,408	(202,525)	53,152,883	34,936,902	1,023,281	(19,441,787)	1,385,339	(26,320,702)

	Beginning Difference	Current Difference	Ending Difference	Beginning APB11 DFIT Balance	Current DFIT	Ending APB11 DFIT Balance	Beg FAS109 Liability @ Stat Rate	Regulatory Asset Before Gross-Up	Regulatory Liab Before Gross-Up	Regulatory Asset After Gross-Up	Regulatory Liab After Gross-Up
Tax Year: TN	2018										
1026 TN - M/L	11,058,600	984,412	12,043,012	718,809	63,987	782,796	718,809	(0)	(0)	(0)	(0)
Depreciation Difference	11,058,600	984,412	12,043,012	718,809	63,987	782,796	718,809	(0)	(0)	(0)	(0)
1026 TN - AFUDC Debt	1,132,271	(49,623)	1,082,648	73,598	(3,226)	70,372	73,598	0	(0)	0	(0)
1026 TN - AFUDC Equity	1,049,918	(47,389)	1,002,528	68,245	(3,080)	65,164	68,245	0	(0)	0	(0)
1026 TN - Asset Acq Adj	4,012,423	(148,331)	3,864,092	260,808	(9,642)	251,166	260,808	-	-	-	-
1026 TN - CPI	(80,665)	8,114	(72,551)	(5,243)	527	(4,716)	(5,243)	(0)	0	(0)	0
1026 TN - Historical Other	147	14	161	10	1	10	10	-	0	-	0
1026 TN - Non-Tax CAC	(5,796,295)	128,177	(5,668,118)	(376,759)	8,331	(368,428)	(376,759)	0	0	0	0
1026 TN - Repair 481a	(9,387,860)	216,475	(9,171,385)	(610,211)	14,071	(596,140)	(610,211)	0	(0)	0	(0)
1026 TN - Repair M/L	22,120,844	(516,000)	21,604,845	1,437,855	(33,540)	1,404,315	1,437,855	(0)	0	(0)	0
1026 TN - Tax Repairs	20,825,452	(488,602)	20,336,850	1,353,654	(31,759)	1,321,895	1,353,654	0	(0)	0	(0)
Book Overhead	33,876,235	(897,165)	32,979,069	2,201,955	(58,316)	2,143,640	2,201,955	0	(0)	0	(0)
1026 TN - Taxable CIAC	(2,267,278)	111,684	(2,155,594)	(147,373)	7,259	(140,114)	(147,373)	0	0	0	0
Tax Overhead	(2,267,278)	111,684	(2,155,594)	(147,373)	7,259	(140,114)	(147,373)	0	0	0	0
Total Tax Classes	42,667,557	198,930	42,866,487	2,773,391	12,931	2,786,322	2,773,391	0	(0)	0	(0)
Jurisdiction Totals:	42,667,557	198,930	42,866,487	2,773,391	12,931	2,786,322	2,773,391	0	(0)	0	(0)

Company Totals: Page 1 of 1	152,229,424 PwrTax - 259	(1,169,203)	151,060,221	25,215,713	(564,222)	24,651,491	16,238,784	388,275	(9,365,204)	525,655	(12,678,811) 43,661
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Jurisdiction: Fed-Off-TN	Beginning Difference	Current Difference	Ending Difference	Beginning APB11 DFIT Balance	Current DFIT	Ending APB11 DFIT Balance	Beg FAS109 Liability @ Stat Rate	Regulatory Asset Before Gross-Up	Regulatory Liab Before Gross-Up	Regulatory Asset After Gross-Up	Regulatory Liab After Gross-Up
Tax Year: Fed-Off-TN	2019										
1026 Fed-Off-TN - COR	7,289,456	3,068,189	10,357,645	(137,915)	(41,881)	(179,795)	(99,501)	38,414	-	52,005	-
1026 Fed-Off-TN - M/L	70,810,705	153,626	70,964,332	(1,581,542)	22,133	(1,559,409)	(966,566)	614,975	(0)	832,567	(0)
Depreciation Difference	78,100,161	3,221,816	81,321,977	(1,719,456)	(19,748)	(1,739,204)	(1,066,067)	653,389	(0)	884,572	(0)
1026 Fed-Off-TN - AFUDC Debt	1,314,226	(54,480)	1,259,746	(29,899)	1,239	(28,659)	(17,939)	11,959	-	16,191	-
1026 Fed-Off-TN - AFUDC Equity	1,052,038	(47,921)	1,004,117	(23,934)	1,090	(22,844)	(14,360)	9,574	-	12,961	-
1026 Fed-Off-TN - Asset Acq Adj	4,688,664	(169,357)	4,519,307	(106,667)	3,853	(102,814)	(64,000)	42,667	-	57,763	-
1026 Fed-Off-TN - CPI	(207,484)	11,592	(195,892)	4,720	(264)	4,457	2,832	(1,888)	-	(2,556)	-
1026 Fed-Off-TN - Historical Other	6,764,538	(368,246)	6,396,293	(153,893)	8,378	(145,516)	(92,336)	61,557	-	83,338	-
1026 Fed-Off-TN - Inter-Co Adj	(2,727,370)	89,548	(2,637,822)	62,048	(2,037)	60,010	37,229	(24,819)	-	(33,601)	-
1026 Fed-Off-TN - Non-Tax C&C	(8,516,011)	201,268	(8,314,743)	193,739	(4,579)	189,160	116,244	(77,496)	-	(104,915)	-
1026 Fed-Off-TN - Repair 481a	(1,329,996)	(275,854)	(1,605,850)	30,257	6,276	36,533	18,154	(12,103)	-	(16,385)	-
1026 Fed-Off-TN - Repair M/L	18,643,490	(133,170)	18,510,320	(424,140)	6,300	(421,110)	(254,484)	169,656	(0)	229,684	(0)
1026 Fed-Off-TN - Tax Repairs	20,336,850	(488,514)	19,848,337	(462,663)	11,114	(451,550)	(277,598)	185,065	-	250,545	-
Book Overhead	40,018,945	(1,235,132)	38,783,812	(910,431)	28,099	(882,332)	(546,259)	364,172	(0)	493,024	(0)
1026 Fed-Off-TN - Taxable CIAC	(2,954,591)	174,019	(2,780,573)	67,217	(3,959)	63,258	40,330	(26,887)	-	(36,400)	-
Tax Overhead	(2,954,591)	174,019	(2,780,573)	67,217	(3,959)	63,258	40,330	(26,887)	-	(36,400)	-
Total Tax Classes	115,164,514	2,160,702	117,325,216	(2,562,670)	4,392	(2,558,278)	(1,571,996)	990,675	(0)	1,341,196	(0)
Jurisdiction Totals:	115,164,514	2,160,702	117,325,216	(2,562,670)	4,392	(2,558,278)	(1,571,996)	990,675	(0)	1,341,196	(0)

Jurisdiction: TN	Beginning Difference	Current Difference	Ending Difference	Beginning APB11 DFIT Balance	Current DFIT	Ending APB11 DFIT Balance	Beg FAS109	Regulatory Asset Before Gross-Up	Regulatory Liab Before Gross-Up	Regulatory Asset After Gross-Up	Regulatory Liab After Gross-Up
							Liability @ Stat Rate				
Tax Year: TN	2019										
1026 TN - M/L	12,043,012	436,845	12,479,857	782,796	28,395	811,191	782,796	(0)	(0)	(0)	(0)
Depreciation Difference	12,043,012	436,845	12,479,857	782,796	28,395	811,191	782,796	(0)	(0)	(0)	(0)
1026 TN - AFUDC Debt	1,082,648	(49,698)	1,032,949	70,372	(3,230)	67,142	70,372	0	(0)	0	(0)
1026 TN - AFUDC Equity	1,002,528	(47,451)	955,077	65,164	(3,084)	62,080	65,164	0	(0)	0	(0)
1026 TN - Asset Acq Adj	3,864,092	(148,416)	3,715,676	251,166	(9,647)	241,519	251,166	0	-	0	-
1026 TN - CPI	(72,551)	8,095	(64,456)	(4,716)	526	(4,190)	(4,716)	(0)	0	(0)	0
1026 TN - Historical Other	161	15	176	10	1	11	10	0	-	0	-
1026 TN - Non-Tax CAC	(5,668,118)	128,177	(5,539,941)	(368,428)	8,331	(360,096)	(368,428)	(0)	0	(0)	0
1026 TN - Repair 481a	(9,171,385)	216,433	(8,954,952)	(596,140)	14,068	(582,072)	(596,140)	(0)	0	(0)	0
1026 TN - Repair M/L	21,604,845	(516,000)	21,088,845	1,404,315	(33,540)	1,370,775	1,404,315	(0)	0	(0)	0
1026 TN - Tax Repairs	20,336,850	(488,514)	19,848,337	1,321,895	(31,753)	1,290,142	1,321,895	(0)	0	(0)	0
Book Overhead	32,979,069	(897,358)	32,081,711	2,143,640	(58,328)	2,085,311	2,143,640	0	(0)	0	(0)
1026 TN - Taxable CIAC	(2,155,594)	111,684	(2,043,911)	(140,114)	7,259	(132,854)	(140,114)	-	0	-	0
Tax Overhead	(2,155,594)	111,684	(2,043,911)	(140,114)	7,259	(132,854)	(140,114)	-	0	-	0
Total Tax Classes	42,866,487	(348,829)	42,517,658	2,786,322	(22,674)	2,763,648	2,786,322	0	(0)	0	(0)
Jurisdiction Totals:	42,866,487	(348,829)	42,517,658	2,786,322	(22,674)	2,763,648	2,786,322	0	(0)	0	(0)

[illegible]