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March 15, 2019

VIA ELECTRONIC FILING

Hon. David Jones, Chairman
c/o Tory Lawless
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

RE: Petition of Tennessee-American Water Company Regarding the 2019 Investment and Related Expenses Under the Qualified Infrastructure Investment Program Rider, the Economic Development Investment Rider and the Safety and Environmental Compliance Rider, TPUC Docket No. 18-00120

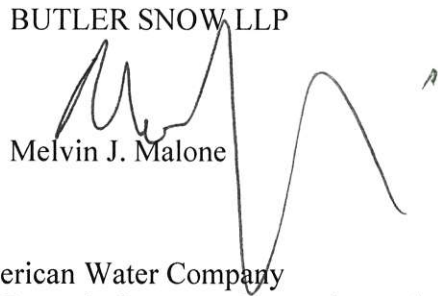
Dear Chairman Jones:

Attached for filing please find *Tennessee American Water Company's Responses to First Discovery Requests of the Consumer Advocate* in the above-captioned matter. Please note that Attachment to Response No. 24 of the Discovery Requests is being submitted UNDER SEAL as CONFIDENTIAL and PROPRIETARY. Both a public version and a nonpublic, CONFIDENTIAL version of Attachment to Response No. 24 is attached.

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

Attachment

cc: Elaine K. Chambers, Tennessee-American Water Company
Vance Broemel, Assistant Attorney General, Consumer Protection and Advocate Division
Daniel Whitaker, Assistant Attorney General, Consumer Protection and Advocate Division

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

**PETITION OF TENNESSEE-AMERICAN)
WATER COMPANY REGARDING THE)
2019 INVESTMENT AND RELATED)
EXPENSES UNDER THE QUALIFIED)
INFRASTRUCTURE INVESTMENT)
PROGRAM RIDER, THE ECONOMIC)
DEVELOPMENT INVESTMENT RIDER)
AND THE SAFETY AND)
ENVIRONMENTAL COMPLIANCE)
RIDER)**

DOCKET NO. 18-00120

**TENNESSEE-AMERICAN WATER COMPANY'S RESPONSES
TO FIRST DISCOVERY REQUESTS OF
THE CONSUMER ADVOCATE**

Tennessee-American Water Company ("TAWC"), by and through counsel, hereby submits its Responses to the First Discovery Requests propounded by the Consumer Advocate Unit in the Financial Division of the Attorney General's Office ("Consumer Advocate").

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, 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 Consumer Advocate's supplemental discovery requests.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

1. Regarding the Testimony of Ms. Chambers page 3, lines 4- 10, which indicates that the filing was prepared based upon information contained in the books and records of Tennessee American Water, identify all documents and information relied upon in the filing, if any, that came either directly or indirectly from the books and records of regulated affiliates of Tennessee American Water Company (TAWC).

Response:

1. The information contained in this filing is specific to Tennessee American Water Company (TAWC) and does not come from the books and records of other affiliates.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

2. Confirm that the \$4,938,170 estimated NOLC as of 12/31/17 reflects the cumulative Net Operating Loss Carryover (NOLC) balance over time and is not limited the NOLC exclusively incurred in calendar year 2017.

Response:

The \$4,938,170 is the estimated NOLC as of 12/31/2017 and reflects the balance over time, 2017 and prior activity.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

3. Provide all supporting workpapers which reconcile the NOLC of \$4,938,170 with the \$5,725,709 referenced on page 4, lines 12 - 14 of Ms. Chambers' Testimony. This response should include all support for the determination of the NOLC of \$5,725,709.

Response:

See TAW_R_CADDR1_NUM003_031519_Attachment. This is TN's cumulative gross temporary difference (before tax) starting at 12/31/2017 and ending at 12/31/2018. The activity includes the 2017 tax return true up, TBBS (tax basis balance sheet) adjustments and the current year (2018) provision estimate.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

4. Identify the portion of the \$5,725,709 NOLC which was generated exclusively from 2017 operating results and tax deductions.

Response:

Of the \$5,725,709 NOLC, nothing additional was generated based upon 2017 operating results and tax deductions. See TAW_R_CADDR1_NUM003_031519_Attachment.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

5. Provide the TAWC balance of its Net Operating Loss (NOL) as of 12/31/18. Provide all supporting documentation for this balance update from the previously determined NOL balance of \$4,938,170

Response:

The previously determined NOL balance of \$4,938,170 was an estimate provided in discovery in TAW_R_CADDR1_NUM003_031519_Attachment. These are the same numbers provided in the Rider schedules.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

6. Provide all supporting workpapers which reconcile the NOLC of \$5,725,709 with the \$4,117,546 balance used in the filing.

Response:

Please refer to the response to data request 1-3 of this discovery set and the attachment TAW_R_CADDR1_NUM003_031519_Attachment.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers & John Wilde

Question:

7. Provide all rationale for the exclusion of Bonus Depreciation and the Repair Deduction for the periods 2014 - 2016 in the context of both the decision reflected in the Commission's Conference held on December 17, 2018¹ and the evidence provided by all parties in TPUC Docket No. 18-00022.

Response:

TAWC objects to this Request on the grounds that it is unreasonably cumulative or duplicative and seeks information obtainable from some other source that is more convenient, less burdensome or less expensive.

Subject to and without waiving the foregoing objections, TAWC states as follows:

In its December 17, 2018, deliberations in this matter, the Commission found and directed as follows:

“Based upon the evidentiary record in this proceeding, [] Tennessee-American should file revised calculations to include bonus depreciation and the repairs deduction, while also recognizing the net operating loss carryforward of \$4,938,170.”^[1]

Tennessee-American reasonably concluded from the Commission’s deliberations that the Commission found that an NOL had occurred. Moreover, Tennessee-American reasonably determined from the Commission’s deliberations that the Commission directed TAWC to include bonus depreciation and the repairs deduction, while recognizing the NOL carryforward

^[1] *Transcript of Commission Conference*, TPUC Docket No. 18-00022, p. 28 (Dec. 17, 2018).

of \$4,938,170. As the Commission specifically referenced the NOL carryforward of \$4,938,170 in its deliberations, Tennessee-American in good faith sought to determine how to comply with this directive by tracking the \$4,938,170 amount in the evidentiary record. The \$4,938,170 figure is found in the Rebuttal Testimony of TAWC Witness John R. Wilde.^[2] Attachment I to Mr. Wilde's Rebuttal Testimony reveals that the \$4,938,170 figure is the NOL carryforward for 2017.

Further, please see TPUC Docket No. 18-00022, including, but not limited to, the Commission's March 6, 2019, *Order Granting Petition As Amended*.

^[2] *Rebuttal Testimony of Tennessee-American Witness John R. Wilde*, TPUC Docket No. 18-00022, Attachment I (Aug. 3, 2018).

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

8. Confirm that the Bonus Depreciation and Repair Deduction for the period 2014 - 2016 provided in response to Consumer Advocate Request No. 1-3 in TPUC Docket No. 18-00022 remains the reasonable identification of such deductions for that period. If this cannot be confirmed, identify the appropriate Bonus Depreciation and Repair Deductions for that time frame and provide a comprehensive explanation justifying the change with a corresponding reconciliation and all supporting workpapers for the revised amounts.

Response:

The response to Consumer Advocate Request No. 1-3 in TPUC Docket No. 18-00022 was updated for repairs in Consumer Advocate Request No. 3-18. The bonus depreciation and repairs deduction, as updated, for the period 2014-2016, as presented remains reasonable and there are no changes that need to be made.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers/John Wilde

Question:

9. Confirm the following:

- (a) The Accumulated Deferred Income Tax (ADIT) balance included in the filing reflects no deductions for Bonus Depreciation and the Repair Deduction for 2014-2016;
- (b) The \$4,938,170 NOLC adopted by the Commission in Docket 18-00022 reflects the NOL inclusive of Bonus Depreciation and the Repair Deduction for periods through 12/31/17, including the years 2014-2016;
- (c) Confirm that TAWC (or its parent company) incorporated Bonus Depreciation deductions and Repair Deductions on its tax returns associated with qualifying Capital Rider investment during the period 2014 - 2016;
- (d) Provide a comprehensive explanation supporting the rationale for inclusion of the cumulative NOLC balance associated with the Capital Rider calculation in light of the fact that existing TAWC base rates includes a value for NOLC in Rate Base; and
- (e) Provide a comprehensive explanation supporting the rationale for inclusion of the estimated total book NOLC, given that the related ADIT balance does not reflect those deductions (Bonus Depreciation and the Repair Deduction) for the years 2014-2016.

Response:

- a. Correct
- b. Correct

- c. Correct
- d. Base rates includes the NOLC through the end of the test period, which was 2013. As shown in the Rider filing, the new qualifying Capital Rider Investment in 2014-2019 is generating additional NOLC that is not in base rates. These losses are slowing down the usage of the NOLC for the total company. For these two reasons, the NOLC needs to be included. Not including the NOLC will in essence provide the customer a benefit of the accumulated deferred taxes in rate base before actually realized by the Company.
- e. See d.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

10. Confirm that the references to 'Annual' in Table 1 of Ms. Chambers' Testimony (page 9) should instead be referencing monthly changes

Response:

10. Yes. The costs referenced in the table is based on an average monthly bill of a residential customer in Chattanooga and has been inadvertently labeled incorrectly. The percentage increase to the average bill is still applicable to an annual increase percentage.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

11. Provide all underling support for the 3.191 % rate used to compute Revenue Taxes.

Response:

11. The underlying support for the 3.191% rate used to compute Revenue Taxes comes from the authorized tariff sheet. The tariff sheet defines the revenue tax rate as forfeited discounts plus uncollectible expense rate plus gross receipts tax rate from the “Relevant Rate Order”. The “Relevant Rate Order” is defined as the most recent rate case which would be the stipulation and settlement agreement approved in Docket #12-00049. The approved rates from that docket are -0.866% for forfeited discounts, 1.057% for uncollectible, and 3.000% for gross tax receipts (also from the Tennessee Department of Revenue). These rates can also be found in the filing on the workpaper tab “WKP PTR&CF”.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

12. Refer to QIIP Exhibit 2, page 1 of 4. Provide the underlying calculations for the Accumulated Depreciation value of \$753,387 found associated with Account 304300 Structures and Improvement - Treatment. In addition to the calculations, provide a listing of all assumptions relied upon within the calculation.

Response:

12. Refer to the attachment file for the underlying calculations for the Accumulated Depreciation value of \$753,387 found associated with Account 304300 Structures and Improvement – Treatment. The calculation assumes the depreciation expense for each prior year as a full-year amount and the depreciation expense for the projected test year of 2019 as a half-year amount.
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**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

13. Identify the Allowance of Funds Used During Construction (AFUDC) rate incorporated within the budgeted capital expenditure costs and provide a reference to all authority relied upon in the adoption of the rate.

Response:

13. The AFUDC rate incorporated within budgeted capital expenditure costs is 7.234%. The adoption of the rate comes from the Settlement Exhibits attached to the Stipulation and Settlement Agreement approved in Docket #12-00049. Attached, please find Schedule 13 from the Settlement Exhibits for the Rate of Return Summary.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

14. Refer to the Estimated ADIT calculation for each rider mechanism found on pages 75 - 77 of the filing. Provide a comprehensive explanation supporting the estimates for the Repair Deductions found within these pages for the years 2018 and 2019. Provide all supporting documentation for the use of these estimates.

Response:

The estimated percentages are based on the average of the tax return repair deductions over qualifying replacement property.

See TAW_R_CADDR1_NUM014_031519_Attachment.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

15. Provide the TAWC water loss ratio annually for the period 2015 - 2018, along with the supporting calculations.

Response:

See attachment TAW_R_CPADDR1_NUM015_031519.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

16. To the extent TAWC defines 'water loss' differently than the ratio of non-revenue water, provide a thorough definition of both terms.

Response:

TAWC defines non-revenue water as the difference between system delivery and usage (water sales). Within the category of non-revenue water, TAWC recognizes accounted for water and unaccounted for water. Examples of accounted for non-revenue water would be any water used for firefighting purposes, flushing of water lines for water quality purposes, identified leaks, identified theft or unauthorized consumption and others. Unaccounted for non-revenue water is all other non-revenue water.

$(\text{System Delivery}) - (\text{Usage}) = \text{Non-Revenue Water}$

$(\text{Accounted for Water}) + (\text{Unaccounted for Water}) = \text{Non-Revenue Water}$

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

17. For purposes of reporting sales volumes to the Commission, indicate whether such sales volumes include any accrued volumes for sales that have yet to be metered.

Response:

There are no accrued volumes for sales included in reported sales volumes to the Commission.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

18. To the extent sales are defined differently for TPUC monthly reporting purposes reporting compared with those reported in reconciliation filings, provide a comprehensive explanation underlying the two definitions of sales.

Response:

The TPUC monthly reports and PCOP reconciliations include accounted for lost water in water sales. This is used for the unaccounted for water calculation in the PCOP filing. The capital rider reconciliations do not include accounted for lost water in the billing determinants.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: **Brent O'Neill**

Question:

19. Confirm that capital expenditures made that are designed to reduce 'lost water' (or non-revenue water consumption) are eligible for Capital Rider recovery.

Response:

TAWC has not designated any project that specifically address 'lost water' as its sole purpose. As Mr. Stafford indicated in his direct testimony on page 5 lines 20 to 23, "[t]he Company is focusing its replacement program on small diameter mains and mains that have shown a chronic level of breaks. These types of mains are responsible for the majority of the distribution system leaks and failures."

The investment in replacing main, service lines, meters, hydrants, treatment structures, pumps and equipment allows the company to ensure the system supports the public health, safety, and economic vitality of our communities. Through these improvements, the Company is able to maintain the efficiency and integrity of both the water production and distribution systems, which at times contributes to a reduction of 'lost water'. In general, expenditures that can contribute to a reduction in 'lost water' include Reoccurring Projects Line A – Main – New, Line B – Mains – Replaced/Restored, Line C – Mains – Unscheduled, Line D – Mains – Relocated, Line F – Hydrants, Valves, and Manholes – Replaced, Line H – Services and Laterals – Replaced, Line J – Meters Replaced, Line L – SCADA Equipment and Systems, Line Q – Process Plant Facilities and Equipment and Line R – Capitalized Tank Rehabilitation/Painting.

Although investment in these projects contributes to controlling 'lost water' over time, the main emphasis for the projects is a revitalizing of the infrastructure installed by earlier generations that is essential to meet the ongoing requirements of the communities and customers TAWC serves. Investing in the replacement of the infrastructure enhances the Company's ability to continue to meet customers' service expectations, and may improve fire protection and allow the system to be more robust and resilient during periods of high demand.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

20. Provide the amount of Operating and Maintenance savings which would result from a 1 % reduction in non-revenue water consumption. Provide the underlying support for this response.

Response:

Please refer to TAW_R_CADDR1_NUM020_Attachment for support of the calculation. The operation and maintenance savings would result in \$43,413.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: **Brent O'Neill**

Question:

21. Provide the amount of 2019 budgeted capital expenditures which are designed to reduce the ratio of lost water.

Response:

As indicated in response to Consumer Advocate Division First Discovery Request item 19, the main emphasis of the projects included in the 2019 Strategic Capital Expenditures Plan is a revitalizing of the infrastructure to meet the ongoing requirements of the communities and customers TAWC serves. The Company had not designated any project that specifically address 'lost water' as its sole purpose. The projects included in the 2019 plan contribute to controlling 'lost water' over time. Please see Petitioner's Exhibit 2019 SCEP – BEO included in O'Neill's Direct Testimony.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

22. Provide the amount of governmental reimbursements received in 2018 associated with qualifying Capital Rider projects.

Response:

22. No governmental reimbursements were received in 2018 associated with qualifying Capital Rider projects. Tennessee American Water Company received about \$50K of non-governmental reimbursements in 2018 associated with qualifying Capital Rider projects.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

23. Provide the amount of budgeted governmental reimbursements (characterized as a Contribution per Response No. 3-21 in TPUC Docket No. 18-00022) incorporated into the present filing.

Response:

23. No additional budgeted governmental reimbursements have been incorporated into the present filing outside of the amounts carried forward from Docket Nos. 18-00022 and 17-00020.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

24. Confirm that the responses to the following Consumer Advocate Discovery Requests provided in TPUC Docket No. 18-00022 are still accurate and no new information has arisen which requires that the responses be updated. To the extent any portion of the response needs updating, provide the revised corrected data along with a full explanation for the reason for the modified response in the following Consumer Advocate Requests in TPUC Docket No. 18-00022:

- (a) 1-2
- (b) 1-3
- (c) 3-2
- (d) 3-13
- (e) 3-14
- (f) 3-15
- (g) 3-16
- (h) 3-17
- (i) 3-18
- (j) 4-1
- (k) 4-2
- (l) 4-3

Response:

THIS RESPONSE CONTAINS CONFIDENTIAL INFORMATION AND SHOULD BE TREATED AS SUCH.

(a) 1-2 – Please see attachment “TAW_R_CADDR1_NUM024_031519_Attachment1 CONFIDENTIAL” which is the 2017 TN federal proforma which was not available at the time of response to data request 1-2.

- (b) 1-3 – Please refer to the 2019 Rider filing, TAW_SCH1_2019_Revised, and tab “WKP 2019 Tax Depr Balances” for updated information.
- (c) 3-2 – No update necessary
- (d) 3-13 – No update necessary
- (e) 3-14 – No update necessary. See response to “TAW_R_CADDR1_NUM005_031519” for more information.
- (f) 3-15 – No update necessary.
- (g) 3-16 – No update necessary.
- (h) 3-17 – No update necessary.
- (i) 3-18 – Please refer to the response and attachment in TAW_R_CADDR1_NUM014_031519.
- (j) 4-1 – Please refer to the pre-filed testimony of Elaine K. Chambers in Docket No. 19-00031, pages 9-10, and the Petitioner’s Exhibit – Earnings Test – EKC.
- (k) 4-2 – No update necessary.
- (l) 4-3 – No update necessary.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

25. Provide the amount of Purchased Power and Water expense incurred for the twelve-month period ending December 31, 2018, corresponding to those amounts subject to the non-revenue water exclusion ratio for the twelve-month period ending November 30, 2018.

Response:

Please refer to response to TAW_R_CADDR1_NUM026_031519 response for the purchased power and water expense amounts. Purchased Water is not subject to non-revenue water exclusion ratio. Non-Revenue water exclusion ratio is only applied to Purchased Power and Chemicals.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

26. Provide the underlying ratio and calculation supporting the expenses associated with excess non-revenue water costs for the twelve-month period ending December 31, 2018, which relates to the corresponding calculation contained in the Production Costs and Other Pass Throughs (PCOP) Rider submittal for the twelve-month period ending November 2018 in TPUC Docket No. 19-00010.

Response:

Please refer to the attachment that updates Docket No. 19-00010 to December 31, 2018. The calculation results in -0.97% versus the original filing twelve months November 30, 2018 of -0.91%.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

27. Provide the amount of incentive compensation for the calendar year 2018 which is appropriately excluded for purposes of determining the TAWC ROE results, consistent with the Commission's verbal decision in TPUC Docket No. 18-00022, as recorded in the Transcript of the Commission Conference on December 17, 2018.² Provide support for the underlying calculation of excluded amounts.

Response:

Please refer to the attachment TAW_R_CADDR1_NUM027_031519_Attachment for the amounts excluded, consistent with the Commission's verbal decision.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

28. Provide a comprehensive reconciliation of the identified Rate Base provided in the December 2018 Monthly report of \$172,331,252 with the Average Rate Base of \$173,516,647 provided in the Workpaper Earnings Test provided in Docket No. 19-00031.

Response:

Please refer to the TAW_R_CADDR1_NUM028_031519_Attachment.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 18-00120
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Person: Elaine Chambers

Question:

29. Exhibit A reflects two computations of the 2018 TAW Return on equity (ROE) indicating calculated ROEs of 14.24% (Scenario 1) or 11.22% (Scenario 2). The ROE of 14.24% identified in Scenario 1 relies upon the equity ratio adopted in the most recent TAWC rate case and excludes adjustments necessary to remove costs associated with disallowed incentive compensation and excess water loss. The ROE of 11.22%, identified in Scenario 2 relies upon the equity ratio of TAWC's parent company, American Water Company (AWC), as of December 31, 2018, and excludes adjustments necessary to remove costs associated with disallowed incentive compensation and excess water loss. Exhibit B identifies the TAWC Net Income as provided by the Company in its December 2018 Monthly Report. Exhibit C provides the Rate Base as identified by the Company and provided in its December 2018 Monthly Report provided to the Commission. Exhibit D is the pertinent page from AWC's Consolidated Balance Sheet supplied to the Securities and Exchange Commission in its 2018 10K filing, specifically identifying its corporate capital structure. These ROEs would be higher if removal of incentive compensation and excess water costs were made consistent with established regulatory principles. Review the calculations in Exhibit A and provide a narrative explanation with supporting workpapers for the following: (a) Confirm that the return on equity is accurately calculated. (b) If you disagree with the computations in Exhibit A, provide a comprehensive explanation of why the calculations are not accurate (notwithstanding the

incentive compensation and excess water loss exclusions) and provide the TAWC version of its 2018 ROE calculation.

Response:

29(a) As noted in the response to part (b) below, the Company disagrees with the equity ratios used in both Scenarios 1 and 2, principally because they employ the consolidated capital structure, or equity ratio, of American Water Works Company, Inc. ("AW"). For Scenario 1, the AW consolidated capital structure was used for a double leverage adjustment applied to TAWC's capital structure, resulting in a 34.38% equity ratio that was part of the settlement agreement approved by the TPUC in Docket No. 12-00049, the Company's most recent rate case. And the equity ratio in Scenario 2 employs a calculation of AW's consolidated equity ratio at December 31, 2018. In addition to the philosophical issue surrounding the use of the AW consolidated capital structure, the Company contends that the return on equity is not calculated accurately in Exhibit A of this discovery set for three reasons. First, the calculation fails to impute the additional interest expense that would be associated with carrying an equity ratio that is lower than Tennessee American Water Company currently maintains. The additional interest expense would need to be computed for both scenarios on Exhibit A, and its inclusion in the analysis would lower the net income on Line 1 and decrease the return on equity on Line 5 of both scenarios. Second, the average rate base on Line 2 of each scenario should be updated to reflect the amount filed in Petitioner's Exhibit – Earnings Test – EKC of Docket No. 19-00031 and referred to in CAD DR 1-28 of this discovery set. Third, the equity ratio on Line 3 for Scenario 2 is incorrect. For ratemaking purposes, the current portion of long-term debt should be included in the total long-term debt balance and,

therefore, reflected in Total Capitalization. The consolidated balance sheet of American Water Works Company shown on Exhibit D attached to this discovery set shows the current portion of long-term debt to be \$71 million at December 31, 2018. When that amount is added to Total Capitalization the resulting equity ratio is 43.40%, rather than 43.63%.

- 29(b) Please refer to the response to 29(a) above for the inaccuracies and shortcomings noted with the ROE calculations shown in Exhibit A attached to this discovery set. In addition, the correct equity ratio to use for calculating TAWC's earned return on common equity should be based on its current actual equity ratio, rather than on the equity ratio from its previous rate order in 2012. Further, TAWC's 2012 rate order was the product of a settlement agreement and the approved capital structure reflects a double-leverage adjustment. Using the equity ratio of 34.38% from the 2012 settlement results in an equity-rate base amount that is significantly lower than the amount of equity actually held by investors and, therefore, artificially inflates the calculated earned ROE. For this reason the earned ROE is also over-stated if using the American Water consolidated equity ratio of 43.40% (as corrected in part (a) above). The appropriate method for calculating TAWC's earned return on common equity for a given period is to divide net income available to common by the average balance of book common equity for that period. The average common equity balance should be the average of the beginning and ending period balances. The data for the earned ROE calculation for this proceeding can be derived from Exhibit B attached to this discovery set. Using the 2018 net income amount of \$8,438,706 and the average common equity balance for 2018 of \$88,028,700, the resulting earned return on equity is 9.59%.

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
Elaine Chambers

Sworn to and subscribed before me
this 15 day of March, 2019.

Christina Jelapio Jean
Notary Public

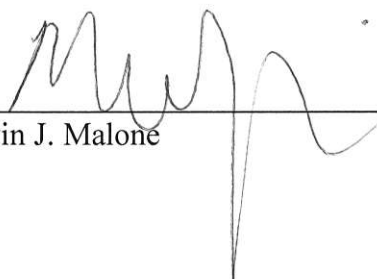
My Commission expires: 8/6/2022

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
Vance Broemel
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
Vance.Broemel@ag.tn.gov

This the 15th day of March, 2019.



Melvin J. Malone

Tennessee-American Water
Docket # 18-00120
CADDR1_NUM003_031519

Gross Temporary Difference - NOL

	12/31/2017 Balance	2017 Return true up	TBBS Adjustment	2017 Final Balance	2018 Activity
NOL Federal	4,938,171	228,599	558,939	5,725,709	(2,450,927)

TBBS	12/31/2018
Adjustment	Balance
842,765	4,117,547

In The Matter Of:
Tennessee Public Utility Commission

Transcript of Commission Conference
December 17, 2018

nashvillecourtreporters

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Transcript of Commission Conference - December 17, 2018

28

1 questions?

2 (No response.)

3 CHAIR MORRISON: I'm ready to
4 deliberate. I have a motion. I move approval of the
5 settlement agreement submitted by the Gas Pipeline
6 Safety Division and Chattanooga Gas Company.

7 COMMISSIONER JONES: Second. Vote aye.

8 COMMISSIONER HILLIARD: Vote aye.

9 MS. DILLON: Next we have Section 11,
10 Commissioners Hill, Morrison and Jones.
11 Docket No. 18-00022. Tennessee American Water Company.
12 Petition of Tennessee American Water Company in support
13 of the calculation of the 2018 Capital Recovery Riders
14 reconciliations. Deliberations.

15 CHAIR MORRISON: Based upon the
16 evidentiary record in this proceeding, I find that
17 Tennessee American should file revised calculations to
18 include bonus depreciation and the repairs deduction,
19 while also recognizing the net operating loss
20 carryforward of \$4,938,170.

21 Further, consistent with the
22 methodologies approved in Docket No. 13-00130, I find
23 that the company has properly accounted for incentive
24 pay compensation within its earnings test.

25 Prospectively, however, I find that

Transcript of Commission Conference - December 17, 2018

29

1 excluding 100 percent of incentive pay for Tennessee
2 American's Services Support Company is in the public
3 interest and also consistent with the Commission's
4 longstanding policy regarding incentive pay exclusion.

5 I therefore direct Tennessee American
6 to exclude 100 percent of incentive pay for Tennessee
7 American's Services Support Company in subsequent
8 earnings tests submitted with reconciliation fillings.
9 I so move.

10 VICE CHAIR HILL: Second. Vote aye.

11 COMMISSIONER JONES: Vote aye.

12 MS. DILLON: Next we have Docket No.
13 18-00098. Old Hickory Water, LLC. Petition of
14 Old Hickory Water, LLC, to post alternative financial
15 security. Hear and consider petition.

16 CHAIR MORRISON: I'll call this hearing
17 to order and state for the record that this matter was
18 duly noticed for hearing on December 7, 2018, and is
19 being conducted in accordance with the Uniform
20 Administrative Procedures Act.

21 I see that the company has come
22 forward. Please identify yourself for the record.

23 MR. BALTIMORE: I'm Don Baltimore,
24 general counsel for the petitioner.

25 MR. NOAH: My name is Justin Noah, I'm

Tennessee American Water Company
Calculation of 2018 Return on Equity

Sources:

TAWC December 2018 Monthly Report
 File submitted in Docket 18-00120, "TAW_SCH1_2019_Revised, "WKP PTR&CF" Tab
 American Water Company 2018 10K

Line No	Item	Scenario 1	Scenario 2
1	Net Income (December, 2018 Report, Year to Date Results)	\$ 8,438,706	\$ 8,438,706
2	Rate Base - Per TAWC December 2018 Monthly Report	\$ 172,331,252	\$ 172,331,252
3	Applicable Equity Ratio	34.38%	43.63%
4	Calculated Equity Investment (Line 2 * 3)	\$ 59,247,484	\$ 75,189,766
5	Return on Equity (Line 1 / 4)	14.24%	11.22%

Scenario 1 = Using the Equity Ratio adopted by TPUC in the most recent TAWC Rate Case

Parent Company Common Equity	34.38%	Tab WKP PTR&CF Schedule 1 File - Revised Filed by TAWC
-------------------------------------	---------------	--

Scenario 2 = Using the Equity Ratio in the Americal Water Company 2018 10K.
 (Millions)

Long-Term Debt - Including Preferred	7,576	56.37%
Equity	5,864	43.63%
	13,440	100%

Note: The ROE results are overstated in that reductions to O&M Expenses for the elimination of incentive compensation and excessive water losses have not been made.

**MONTHLY REPORT OF REVENUES, EXPENSES AND INVESTMENTS
WATER COMPANIES**

EXHIBIT B

PSC--3.06

Company Name: Tennessee-American Water Company
Month of Report: December 2018

(a)	Amount for this Month		Year-To-Date		12 Months-To-Date	
	This Year (b)	Last Year (c)	This Year (d)	Last Year (e)	This Year (f)	Last Year (g)
Operating Revenues						
1. Residential Sales.....	1,816,978	1,583,003	23,652,117	22,870,557	23,652,117	22,870,557
2. Commercial Sales.....	1,355,065	1,322,191	17,647,691	17,283,542	17,647,691	17,283,542
3. Industrial Sales.....	341,062	365,520	4,429,316	4,424,636	4,429,316	4,424,636
4. Other Sales.....	500,645	624,540	7,038,384	8,716,545	7,038,384	8,716,545
5. Total Operating Revenues (Item 1-4).....	4,013,750	3,895,254	52,767,508	53,295,280	52,767,508	53,295,280
Operating Expenses						
6. Source of Supply Expense.....	11,235	8,865	137,591	252,593	137,591	252,593
7. Pumping and Water Treatment Expense.....	558,312	422,207	5,853,332	5,638,891	5,853,332	5,638,891
8. Transmission and Distribution-Operation.....	78,434	53,611	660,369	609,346	660,369	609,346
9. Transmission and Distribution-Maintenance.....	175,371	118,516	1,591,006	1,557,046	1,591,006	1,557,046
10. Customer Accounts and Sales Expense.....	93,860	148,572	1,783,749	1,997,229	1,783,749	1,997,229
11. Administrative and General Expense.....	1,562,017	933,716	14,106,024	13,080,910	14,106,024	13,080,910
12. Depreciation and Amortization.....	709,032	672,068	8,371,703	7,918,361	8,371,703	7,918,361
13. Taxes Other Than Income Taxes.....	446,330	774,970	5,072,012	5,646,129	5,072,012	5,646,129
14. Income Taxes.....	(114,728)	59,983	2,936,102	5,095,580	2,936,102	5,095,580
15. Total Operating Expenses (Item 6-14).....	3,519,863	3,192,507	40,511,888	41,796,085	40,511,888	41,796,085
16. Net Operating Income (Item 5 less 15).....	493,887	702,747	12,255,620	11,499,195	12,255,620	11,499,195
Gain/Loss on Sale	0	0				
17. Other Income.....	5,313	(9,395)	(14,033)	(36,115)	(14,033)	(36,115)
18. Miscellaneous Income Deductions.....	(2,480)	994	20,851	7,049	20,851	7,049
19. Interest Charges.....	304,698	293,793	3,782,030	3,682,860	3,782,030	3,682,860
20. Net Income.....	196,982	417,354	8,438,706	7,773,171	8,438,706	7,773,171
	Balance at End of Month This Year (h)	Balance at End of Month Last Year (i)	Aver. for 12 Mo.-To-Date This Year (j)	Aver. for 12 Mo.-To-Date Last Year (k)		
21. Utility Plant In Service.....(1).....	323,576,583	312,344,667	317,261,076	303,901,988		
22. Construction Work in Progress.....	11,539,185	4,065,376	6,971,088	3,894,892		
23. Utility Plant Acquisition Adjustment.....	0	0	0	0		
24. Property Held for Future Use.....	0	0	0	0		
25. Accumulated Depreciation and Amort.(1).....	90,820,060	85,718,280	88,763,784	85,202,267		
26. Materials and Supplies.....	893,746	914,411	904,373	911,789		
27. Unamortized Investment Credit.....	276,216	352,584	311,218	387,586		
28. Deferred Income Tax.....	43,297,331	28,825,333	47,772,159	43,738,955		
29. Contributions In Aid of Construction.....	17,797,628	17,119,159	17,629,386	15,923,370		
30. Customer Advances for Construction.....	3,449,777	3,281,859	3,327,217	3,738,021		
31. Preferred Stock.....	0	0	0	0		
32. Common Stock.....	13,754,235	13,754,235	13,754,235	13,754,235		
33. Premium on Capital Stock and Other Capital.....	41,572,642	38,500,589	38,781,335	37,134,505		
34. Retained Earnings.....	35,194,107	33,281,593	35,481,720	32,840,272		
35. Long Term Debt.....(1).....	77,687,513	72,399,093	65,081,306	72,392,526		

(1) Includes Capital Lease

SUPPLEMENTAL FINANCIAL DATA TO PSC-3.06

FOR THE MONTH ENDED DECEMBER 2018

Line #		Average Monthly Balance	Average for 12 MTD
1	Additions:		
2	Plant in Service	\$323,576,583	\$317,261,076
3	Plant Under Construction	11,539,185	6,971,088
4	Property Held For Future Use	0	0
5	Materials and Supplies	893,746	904,373
6	Other Additions:		
7	Leased Utility Plant	0	0
8	Unamortized Painting - net	0	0
9	Working Capital C/	3,409,884	3,409,884
10			
11	Total Additions	339,419,398	328,546,421
12			
13			
14	Deductions:		
15	Accumulated Depreciaton and Amortization	90,820,060	88,763,784
16	Accumulated Deferred Income Taxes	43,297,331	47,772,159
17	Unamortized Investment Credit - Pre 1971	3,679	5,098
18	Customer Deposits	0	0
19	Other Deductions:		
20	Contributions in Aid of Construction	17,797,628	17,629,386
21	Customer Advances for Construction	3,449,777	3,327,217
22	All Other A/	(1,111,521)	(1,282,475)
23			
24			
25			
26	Total Deductions	154,256,954	156,215,169
27			
28	Rate Base	\$185,162,444	\$172,331,252
29			
30	Net Operating Income	\$493,887	\$12,255,620
31	Adjustments to NOI		
32	Allowance for funds used during construction	28,291	334,575
33	Adjustment to reflect effective federal		
34	Income tax rate (debt assigned to parent)	21,184	236,589
35	Interest on customer deposits	0	0
36			
37			
38			
39	Adjusted Net Operating Income	\$543,362	\$12,826,784
40			
41			
42	Rate of return B/	3.52%	7.44%

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	(1,418,402)	(1,386,384)
	(\$1,111,521)	(\$1,282,475)

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

Table of Contents**American Water Works Company, Inc. and Subsidiary Companies****Consolidated Balance Sheets**

(In millions, except share and per share data)

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock (\$0.01 par value, 500,000,000 shares authorized, 185,367,158 and 182,508,564 shares issued, respectively)	\$ 2	\$ 2
Paid-in-capital	6,657	6,432
Accumulated deficit	(464)	(723)
Accumulated other comprehensive loss	(34)	(79)
Treasury stock, at cost (4,683,156 and 4,064,010 shares, respectively)	(297)	(247)
Total common shareholders' equity	5,864	5,385
Long-term debt	7,569	6,490
Redeemable preferred stock at redemption value	7	8
Total long-term debt	7,576	6,498
Total capitalization	13,440	11,883
Current liabilities:		
Short-term debt	964	905
Current portion of long-term debt	71	322
Accounts payable	175	195
Accrued liabilities	556	630
Taxes accrued	45	33
Interest accrued	87	73
Other	196	167
Total current liabilities	2,094	2,325
Regulatory and other long-term liabilities:		
Advances for construction	252	271
Deferred income taxes, net	1,718	1,551
Deferred investment tax credits	22	22
Regulatory liabilities	1,907	1,664
Accrued pension expense	390	384
Accrued postretirement benefit expense	—	40
Other	78	66
Total regulatory and other long-term liabilities	4,367	3,998
Contributions in aid of construction	1,322	1,276
Commitments and contingencies (See Note 16)		
Total capitalization and liabilities	\$ 21,223	\$ 19,482

The accompanying notes are an integral part of these Consolidated Financial Statements.

Response to Consumer's Advocate Data Request 1-12 in Docket #18-00120

Response to Consumer's Advocate Data Request 1-12 in Docket #18-00120

									Docket #16-00022	Docket #17-00020	Docket #18-00022	Docket #18-00120	Docket #18-00120			Docket #18-00120	
									Depreciation Expense By Year								
Business Unit No.		Project Title	Account	Account Description	Portion to Account	In-Service (Months)	Dep Rate	2014	2014	2015	2016	2017	2018	2019	Surcharge	Average Accumulated Depreciation	
Line #																	
1	TN	R	Capitalized Tank Rehabilitation/Painting	304300	Struct & Imp-Treatment		4.11%	\$0	\$0	(\$3,603)	(\$3,903)	(\$3,900)	(\$3,900)	(\$3,900)	QIIP	(\$17,257)	
2	TN	I26-020028	Citico Plant Improvements Phase 1B (\$8.6)	304300	Struct & Imp-Treatment	6/1/2016	4.11%	0	0	0	134,457	255,354	250,857	250,857	QIIP	766,096	
3	TN	I26-020038	Retire Basin 1	304300	Struct & Imp-Treatment	11/30/2019	4.11%	0	0	0	0	0	0	(7,323)	QIIP	(3,661)	
4	TN	I26-020045	Remove Filter Bldg 3	304300	Struct & Imp-Treatment	3/1/2018	4.11%	0	0	0	0	0	4,979	6,462	QIIP	8,209	
5																	
6	Total								\$0	\$0	(\$3,603)	\$130,554	\$251,453	\$251,935	\$246,095		\$753,387
7																	

TENNESSEE-AMERICAN WATER COMPANY
Rate of Return Summary
For the 12 Months Ending November 30, 2013

Line No.	Class of Capital	SETTLEMENT ^{A/}		
		Percent of Total	Cost Rate A/	Weighted Cost Rate
1	Subsidiary Short-Term Debt	2.45%	1.00%	0.0245%
2	Subsidiary Long-Term Debt	52.94%	6.02%	3.1870%
3	Parent Short-Term Debt	0.85%	1.00%	0.0085%
4	Parent Long Term Debt	9.35%	6.15%	0.5750%
5	Parent Preferred	0.03%	4.93%	0.0015%
6	Parent Common Equity	34.38%	10.00%	3.4380%
7	Total	<u>100.00%</u>		<u>7.2345%</u>
Interest Expense Short-Term Debt				
8	Rate Base			\$ 126,316,451 B/
9	Short-Term Weighted Debt Cost			0.0330%
10	Short-Term Debt Interest Expense			<u>\$ 41,684</u>
Interest Expense Long-Term Debt				
11	Rate Base			\$ 126,316,451 B/
12	Long-Term Weighted Debt Cost			3.7620%
13	Long-Term Debt Interest Expense			<u>\$ 4,752,041</u>
14	Total Interest Expense			<u>\$ 4,793,726</u>
Preferred Stock Dividend:				
15	Rate Base			\$ 126,316,451 B/
	Preferred Stock Cost Rate			0.0015%
	Preferred Stock Dividend			<u>\$ 1,868</u>

A/ Klein Exhibit, Page 2 of 21.
B/ CAPD Exhibit, Schedule 2.

Repairs deductions by class of property based on 10 years of tax returns

Company #	Company Name		10 YR AVG	10 YR AVG	10 YR	Cumulative	Sum of	2017	2017	2017	2016	2016	2016	2015	2015	2015	2015 s481 Adj	2014	2014
			RECLASS	REPLACEMENT	AVG REPAIR %														
1026	Tennessee	Mains/Hydrants/Services	2,066,617	4,133,968	49.99%	20,666,166	41,339,681	4,829,695	9,291,948	52%	3,019,990	3,757,037	80%	3,313,236	4,422,254	75%	(6,106,417)	2,890,721	4,346,869
1026	Tennessee	All other property	1,973,266	8,957,771	22.03%	7,893,065	35,831,082	2,088,116	3,727,826	56%	3,355,308	9,212,575	36%	1,794,864	18,569,309	10%		654,777	4,321,373

[illegible]

Tennessee American Water
Docket # 18-00120
TAW_R_CADDR1_015_031519

	Water Usage & Account for Lost Water	System Delivery	Unaccounted for Lost Water
2015	9,675,610	12,371,360	21.79%
2016	11,205,357	13,625,952	17.76%
2017	9,615,748	12,400,145	22.45%
2018	9,933,823	12,768,987	22.20%

Tennessee American Water Company
Docket No. 19-00010
For the Twelve Months Ending November 30, 2018
PCOP Actual Expenses

Line #	Description	A For the 12 Months Ending 11/30/2018	B **NRW Limited 12 Mos Ending 11/2018 (Column A, Lines 2 and 3 x Line 18 Recoverable %)	C Authorized Amount Per Docket 12-00049	D C - B Difference NRW Limited from Authorized Docket 12-00049	E Adjust Difference for TRA Fee Recovered Via SEC, EDI, or QIIP 12 Months Ending 11/30/2018	F E - D Adjusted Difference
1	Purchased Water Including Wheeling Charges	\$25,572	\$25,572	\$51,331	(\$25,759)	\$0	(\$25,759)
2	Purchased Power**	2,246,557	1,963,701	2,678,772	(715,071)		(715,071)
3	Chemicals**	922,281	806,160	986,930	(180,770)		(180,770)
4	Waste Disposal	416,185	416,185	213,308	202,877		202,877
5	TRA Inspection Fee	211,249	211,249	131,826	79,423		79,423
6							
7	Total	<u>\$3,821,844</u>	<u>\$3,422,867</u>	<u>\$4,062,167</u>	<u>(\$639,300)</u>	<u>\$0</u>	<u>(\$639,300)</u>
8							
9							
10	Sales in 100 Gallons	92,343,389	92,343,389	100,578,654		92,343,389	
11							
12	Cost per 100 Gallons (Line 7 / Line 10)	<u>\$0.04139</u>	<u>\$0.03707</u>	<u>\$0.04039</u>	<u>(\$0.00332)</u>	<u>\$0.00000</u>	<u>(\$0.00332)</u>

			<u>Calculation of 1% NRW reduction</u>
	Recoverable % for Production Costs	For the 12 Months Ending 11/30/2018	
13	Sales	92,343,389	92,343,389
14	System Delivery	127,529,621	125,782,466
15	Non-Revenue Water % [1 - (Line 13 / Line 14)]	27.6%	26.6%
16	Non-Revenue Water % Authorized	15.0%	
17	Variance (If Line 15 > Line 16 then Line 15 - Line 16)	12.6%	
18	Recoverable % (1 - Line 17)	<u>87.4%</u>	

**Non-Revenue Water is only applied to purchased power and chemicals.

Purchased Power & Chemicals	\$3,168,838
System Delivery	127,529,621
Cost/Unit	\$0.024848
System Delivery @ 1% reduction in lost water	125,782,466
Cost	\$3,125,425
Savings	(\$43,413)

Tennessee American Water Company
Docket No. 19-00010

Calculation of Production Costs and Other Pass-Throughs ("PCOP") Including Non-Revenue Water
To Determine PCOP Tariff Rider
Actuals for the Year Ending December 31, 2018

Line Number	Description	Amount
<u>I. Calculation of the Base Rate Cost of Production Costs and Other Pass-Throughs as authorized in the Base Rate case (*):</u>		
1	Pro Forma Production Costs and Other Pass-Throughs	\$4,062,167
2	Pro Forma Water Sales (WS) in 100 Gallons	100,578,654
3	Base Rate Cost per 100 Gallons WS (Line 1 / Line 2)	<u>\$0.04039</u>
<u>II. Deferral calculation - Actual Non-Revenue Water Cost Production Costs and Other Pass-Throughs (adjusted for 15% NRW) vs. the Base Rate Cost (**):</u>		
4	Actual Production Costs and Other Pass-Throughs	\$3,388,132
5	Over-Under Collection Adjustment	(72,416)
6	Review Period PCOP Costs Adjusted for Over-Under Collections	3,315,716
7	Actual Water Sales (100 Gallons)	<u>92,095,433</u>
8	Actual Rate Cost Production Costs and Other Pass-Throughs per 100 Gallons WS (Line 6 / Line 7)	\$0.03600
9	Base Rate Cost per 100 Gallons WS (Line 3)	<u>0.04039</u>
10	Incremental Change in Production Costs and Other Pass-Throughs per 100 Gallons WS (Line 9 - Line 8)	(\$0.00438)
11	Base Rate Case Water Sales 100 Gallons (Line 2)	<u>100,578,654</u>
12	Deferral Amount (Line 10 * Line 11)	<u>(\$441,030)</u>
<u>III. Calculation of Production Costs and Other Pass-Throughs ("PCOP") Tariff Rider</u>		
13	Total Deferred Amount (Line 12)	(\$441,030)
14	Total Deferred Amount Grossed Up for revenue taxes (Line 13 / (1.0-.03616) (**))	(457,576)
15	Projected Annual Base Rate Revenue subject to PCOP (*)	<u>47,073,724</u>
16	PCOP % (Line 14 / Line 15)	<u>-0.97%</u>

(*) The numbers are taken from the settlement agreement in Docket No. 12-00049

(**) The numbers are actuals for the year ended November 30, 2018 including Non-Revenue Water for Purchased Power and Chemicals

(***) Assumes Gross Receipts Tax @ 3.0%, Uncollectibles @ 1.0571%, TRA Fee @ 0.4250%, and Forfeited Discount Rate @ -0.8661%

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Tennessee American Water Company
Docket No. 19-00010
For the Twelve Months Ending December 31, 2018
PCOP Actual Expenses

		A	B	C	D	E	F
					C - B		E - D
			**NRW Limited			Adjust Difference for	
		For the 12	12 Mos Ending 12/2018	Authorized	Difference	TRA Fee Recovered Via	
		Months Ending	(Column A, Lines 2 and 3	Amount Per	NRW Limited	SEC, EDI, or QIIP	
Line #	Description	12/31/2018	x Line 18 Recoverable %)	Docket 12-00049	from Authorized	12 Months Ending	Adjusted
					Docket 12-00049	12/31/2018	Difference
1	Purchased Water Including Wheeling Charges	\$25,697	\$25,697	\$51,331	(\$25,634)	\$0	(\$25,634)
2	Purchased Power**	2,249,047	1,959,467	2,678,772	(719,305)		(719,305)
3	Chemicals**	913,914	796,241	986,930	(190,689)		(190,689)
4	Waste Disposal	395,787	395,787	213,308	182,479		182,479
5	TRA Inspection Fee	210,939	210,939	131,826	79,113		79,113
6							
7	Total	<u>\$3,795,385</u>	<u>\$3,388,132</u>	<u>\$4,062,167</u>	<u>(\$674,035)</u>	<u>\$0</u>	<u>(\$674,035)</u>
8							
9							
10	Sales in 100 Gallons	92,095,433	92,095,433	100,578,654		92,095,433	
11							
12	Cost per 100 Gallons (Line 7 / Line 10)	<u>\$0.04121</u>	<u>\$0.03679</u>	<u>\$0.04039</u>	<u>(\$0.00360)</u>	<u>\$0.00000</u>	<u>(\$0.00360)</u>
	Recoverable % for Production Costs	For the 12					
		Months Ending					
		12/31/2018					
13	Sales	92,095,433					
14	System Delivery	127,689,876					
15	Non-Revenue Water % [1 - (Line 13 / Line 14)]	27.9%					
16	Non-Revenue Water % Authorized	15.0%					
17	Variance (If Line 15 > Line 16 then Line 15 - Line 16)	12.9%					
18	Recoverable % (1 - Line 17)	<u>87.1%</u>					

**Non-Revenue Water is only applied to purchased power and chemicals.

Tennessee American Water Usage
Docket No. 19-00010
12 Months Ending December 2018

	<u>Water Usage</u>	<u>System Delivery</u>	<u>NRW</u>
2017 Dec	694,661	989,208	29.78%
2018 Jan	803,480	1,139,915	29.51%
2018 Feb	673,746	937,446	28.13%
2018 Mar	630,724	1,000,816	36.98%
2018 Apr	682,416	975,059	30.01%
2018 May	745,274	1,095,608	31.98%
2018 Jun	853,079	1,098,604	22.35%
2018 Jul	882,198	1,150,223	23.30%
2018 Aug	810,781	1,155,098	29.81%
2018 Sep	841,230	1,085,933	22.53%
2018 Oct	869,989	1,096,498	20.66%
2018 Nov	746,761	1,028,555	27.40%
2018 Dec	<u>669,865</u>	<u>1,005,233</u>	33.36%
	9,209,543	12,768,988	27.88%

TENNESSEE AMERICAN
Docket No 18-00120
Response to TAW_R_CPADDR1_NUM027_031519

RECEIVING_COMPANY_CODE 1026

Row Labels	SENDING_COST_ELEMENT_DESC	Sum of SERVCO_AMOUNT_ALLOCATED_SUM
50171000	Annual Incentive Plan	\$407,069
50171600	Compensation Exp - Options	12,786
50171800	Compensation Exp - RSU's	274,988
Grand Total		<u>\$694,842</u>
Tax effect		
26.135%		\$181,597
Grand Total with tax effect		<u>\$513,245</u>

Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	
\$42,770	\$42,770	\$42,770	\$42,770	\$42,770	\$42,770	\$42,770	\$42,770	\$42,770	\$42,770	\$42,770	\$42,770	<u>\$513,245</u>

Incentive Compensation awarded once annually but spread evenly, monthly for presentation.

RECEIVING_COMPANY_CODE	RECEIVER_OBJECT	SENDING_COST_ELEMENT	SOURCE_COST_CENTER	SOURCE_WBS_ELEMENT	SERVCO_AMOUNT_ALLOCATED_SUM	R_COST_ELEMENT	RECEIVER_COST_ELEMENT_DESC	SOURCE_WBS_ELEMENT_DESC	SOURCE_COST_CENTER_DESC	SENDING_COST_ELEMENT_DESC
1026	0000260000	50171000	332002							
1026	0000260000	50171000	332003							
1026	0000260000	50171000	332004							
1026	0000260000	50171000	332006							
1026	0000260000	50171000	332007 SE-1000-0003		\$4,912.32	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Finance	Annual Incentive Plan
1026	0000260000	50171000	332010 SE-3000-0001		\$9,187.04	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Sppl Chain-Src	Annual Incentive Plan
1026	0000260000	50171000	332010 SF-3000-9007		\$2,875.99	95340105	SCE-SVC Oth Labor OP	All Regulated Companies APP	CORP-Sppl Chain-Src	Annual Incentive Plan
1026	0000260000	50171000	332013 SE-8000-0008		\$2,109.58	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	Core HR Admin&OrgMgt	Annual Incentive Plan
1026	0000260000	50171000	332014 SE-8000-0008		\$2,165.85	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-Benefit Svc Ctr	Annual Incentive Plan
1026	0000260000	50171000	332015 SE-1000-0003		\$20,620.13	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Legal	Annual Incentive Plan
1026	0000260000	50171000	332016 SE-8000-0008		\$2,116.33	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-HR Comp/Benefit	Annual Incentive Plan
1026	0000260000	50171000	332016 SE-8000-0008		\$2,923.01	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-HR Talent Dev	Annual Incentive Plan
1026	0000260000	50171000	332017 SE-8000-0008		\$3,404.13	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-HR Labor Relatn	Annual Incentive Plan
1026	0000260000	50171000	332018		\$968.34	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Business Ctr HR	Annual Incentive Plan
1026	0000260000	50171000	332019 SE-3000-0001		\$2,324.35	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Operatlonl Risk	Annual Incentive Plan
1026	0000260000	50171000	332020 SE-1000-0003		\$5,571.17	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Corp Bus Dev	Annual Incentive Plan
1026	0000260000	50171000	332021 SE-1000-0003		\$2,102.53	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	Treasury Admin	Annual Incentive Plan
1026	0000260000	50171000	332026 SE-3000-0001		\$26,192.42	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Regulated Ops	Annual Incentive Plan
1026	0000260000	50171000	332037 SE-1000-0003		\$3,298.96	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Investr Relatn	Annual Incentive Plan
1026	0000260000	50171000	332044 SE-3000-0001		\$3,223.95	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	Operation Excellence	Annual Incentive Plan
1026	0000260000	50171000	332045 SE-3000-0001		\$2,923.77	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	Customer Experience	Annual Incentive Plan
1026	0000260000	50171000	332047 SE-1000-0003		\$5,146.04	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Income Tax	Annual Incentive Plan
1026	0000260000	50171000	332050 SE-1000-0003		\$5,988.65	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-EA & Plblc Plcy	Annual Incentive Plan
1026	0000260000	50171000	332057 SE-1000-0003		\$1,559.42	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Treasury	Annual Incentive Plan
1026	0000260000	50171000	332060 SE-1000-0003		\$3,706.56	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Audit	Annual Incentive Plan
1026	0000260000	50171000	332062 SE-3000-0001		\$315.16	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Voorhees	Annual Incentive Plan
1026	0000260000	50171000	332065 SF-3000-9007		\$3,861.25	95340105	SCE-SVC Oth Labor OP	All Regulated Companies APP	CORP-Asset Mgmt	Annual Incentive Plan
1026	0000260000	50171000	332066 SE-3000-0001		\$2,834.38	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Innov&Env Stwd	Annual Incentive Plan
1026	0000260000	50171000	332066 SF-3000-9007		\$875.33	95340105	SCE-SVC Oth Labor OP	All Regulated Companies APP	CORP-Innov&Env Stwd	Annual Incentive Plan
1026	0000260000	50171000	332071 SE-3000-0001		\$6,689.78	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-ITS Admin	Annual Incentive Plan
1026	0000260000	50171000	332077 SE-3000-0001		\$14,778.83	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Security Ops	Annual Incentive Plan
1026	0000260000	50171000	332077 SF-3000-9007		\$3,509.40	95340105	SCE-SVC Oth Labor OP	All Regulated Companies APP	CORP-Operatlonl Risk	Annual Incentive Plan
1026	0000260000	50171000	332079 SE-3000-0001		\$0.00	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-ITS-BAD-Middle	Annual Incentive Plan
1026	0000260000	50171000	332080 SE-3000-0001		\$25,736.80	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-ITS-BAD-Back	Annual Incentive Plan
1026	0000260000	50171000	332082 SE-3000-0001		\$2,878.84	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Oper. Education	Annual Incentive Plan
1026	0000260000	50171000	332083 SE-3000-0001		\$13,536.67	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-ITS-BAD-FSA	Annual Incentive Plan
1026	0000260000	50171000	332085 SE-8000-0005		\$6,221.77	95340105	SCE-SVC Oth Labor OP	CP-REV/EMPLOY	CORP-External Comm	Annual Incentive Plan
1026	0000260000	50171000	332086 SE-8000-0005		\$2,460.70	95340105	SCE-SVC Oth Labor OP	CP-REV/EMPLOY	CORP-Internal Comm	Annual Incentive Plan
1026	0000260000	50171000	332095 SE-1000-0003		(\$6,878.30)	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Admin	Annual Incentive Plan
1026	0000260000	50171000	332115 SE-1000-0003		\$2,141.87	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	Legal-Ethics & Compl	Annual Incentive Plan
1026	0000260000	50171000	332120 SE-3000-0001		\$523.92	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-BD-Shale Gas	Annual Incentive Plan
1026	0000260000	50171000	332166 SE-3000-0001		\$3,836.37	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	Environmental Comp	Annual Incentive Plan
1026	0000260000	50171000	332201 SE-1000-0003		\$4,720.69	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CTIO-Organization	Annual Incentive Plan
1026	0000260000	50171000	332517 SE-1000-0003		\$5,617.99	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Plan & Rptg	Annual Incentive Plan
1026	0000260000	50171000	332518 SE-8000-0008		\$664.46	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP- HTR HR Svc CC	Annual Incentive Plan
1026	0000260000	50171000	332519 SE-1000-0003		\$726.15	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-HTRClaims Mgmt	Annual Incentive Plan
1026	0000260000	50171000	332520 SE-8000-0008		\$1,631.47	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-HTR HR Svc Adm	Annual Incentive Plan
1026	0000260000	50171000	332570 SE-3000-0001		\$10,453.10	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-RTR Acctg & Rep	Annual Incentive Plan
1026	0000260000	50171000	332571 SE-1000-0003		\$678.32	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-PTP General Tax	Annual Incentive Plan
1026	0000260000	50171000	332573 SE-1000-0003		\$1,721.81	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	Ext Rptng & Tech Ac	Annual Incentive Plan
1026	0000260000	50171000	332574 SE-3000-0001		\$7,530.98	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	Regulatory Reporting	Annual Incentive Plan
1026	0000260000	50171000	332574 SF-3000-9007		\$2,183.19	95340105	SCE-SVC Oth Labor OP	All Regulated Companies APP	Regulatory Reporting	Annual Incentive Plan
1026	0000260000	50171000	332575 SE-3000-0001		\$1,606.21	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-PTP Cash Oper	Annual Incentive Plan
1026	0000260000	50171000	332581 SE-8000-0008		\$2,031.61	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-RTRPayroll Acct	Annual Incentive Plan
1026	0000260000	50171000	332584 SE-3000-0001		\$1,657.70	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-RTPAcct Payable	Annual Incentive Plan
1026	0000260000	50171000	332605 SE-1000-0003		(\$0.05)	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Proc Excellence	Annual Incentive Plan
1026	0000260000	50171000	334005 SE-8000-0792		\$1,976.53	95340105	SCE-SVC Oth Labor OP	CP-CUST CALL CNTRS COMBINED	CCA-Administration	Annual Incentive Plan
1026	0000260000	50171000	334018 SE-8000-0792		\$1,203.17	95340105	SCE-SVC Oth Labor OP	CP-CUST CALL CNTRS COMBINED	CCA-Human Resources	Annual Incentive Plan
1026	0000260000	50171000	334070 SE-8000-0088		\$3,514.25	95340105	SCE-SVC Oth Labor OP	CSC Call Handling	CSC Call Handling	Annual Incentive Plan
1026	0000260000	50171000	334071 SE-1000-1002		\$5,697.92	95340105	SCE-SVC Oth Labor OP	CSC Billing	CCA-Billing	Annual Incentive Plan
1026	0000260000	50171000	334072 SE-1000-1001		\$2,001.32	95340105	SCE-SVC Oth Labor OP	CSC Collections	CCA-Collections	Annual Incentive Plan
1026	0000260000	50171000	334073 SE-8000-0792		\$1,349.51	95340105	SCE-SVC Oth Labor OP	CP-CUST CALL CNTRS COMBINED	CCA-Oper & Perform	Annual Incentive Plan
1026	0000260000	50171000	334074 SE-8000-0792		\$984.18	95340105	SCE-SVC Oth Labor OP	CP-CUST CALL CNTRS COMBINED	CCA-Business Svcs	Annual Incentive Plan
1026	0000260000	50171000	334075 SE-8000-0792		\$621.63	95340105	SCE-SVC Oth Labor OP	CP-CUST CALL CNTRS COMBINED	CCA-Education & Dev	Annual Incentive Plan
1026	0000260000	50171000	334076 SE-8000-0792		\$53.11	95340105	SCE-SVC Oth Labor OP	CP-CUST CALL CNTRS COMBINED	CCA-Quality & Rptg	Annual Incentive Plan
1026	0000260000	50171000	334517 SE-3000-0525		\$1,972.60	95340105	SCE-SVC Oth Labor OP	CENTRAL LAB	Central Lab	Annual Incentive Plan
1026	0000260000	50171000	335203 SE-8000-0629		\$5,881.69	95340105	SCE-SVC Oth Labor OP	CR/FRCC AREA 2	CORP-CR-Area2-MainBV	Annual Incentive Plan
1026	0000260000	50171000	335203 SF-3000-9014		\$928.66	95340105	SCE-SVC Oth Labor OP	FRCC Area 2 APP	CORP-CR-Area2-MainBV	Annual Incentive Plan
1026	0000260000	50171000	335605 SE-3000-0001		\$1,641.06	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	Corp FP&A - Admin	Annual Incentive Plan
1026	0000260000	50171000	335705 SE-3000-0001		(\$0.02)	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Reg Policy	Annual Incentive Plan
1026	0000260000	50171000	336205 SE-3700-1000		\$55,477.05	95340105	SCE-SVC Oth Labor OP	SED-KY, TN (W&WW) OPEX	SE - Admin & Gen	Annual Incentive Plan
1026	0000260000	50171000	336207 SF-3700-1000		\$9,734.03	95340105	SCE-SVC Oth Labor OP	SED-KY, TN (W&WW) OPEX	SE - FP & A	Annual Incentive Plan
1026	0000260000	50171000	336215 SE-3700-1000		\$12,199.07	95340105	SCE-SVC Oth Labor OP	SED-KY, TN (W&WW) OPEX	SE - Legal	Annual Incentive Plan
1026	0000260000	50171000	336218 SE-3700-1000		\$448.17	95340105	SCE-SVC Oth Labor OP	SED-KY, TN (W&WW) OPEX	SE - Human Resources	Annual Incentive Plan
1026	0000260000	50171000	336518 SE-8000-0008		\$2,578.97	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	Talent Acquisition	Annual Incentive Plan
1026	0000260000	50171000	336550 SF-1000-9001		\$2,873.93	95340105	SCE-SVC Oth Labor OP	All Companies LTPP	CORP-COE-Engineering	Annual Incentive Plan
1026	0000260000	50171000	336551 SF-1000-9001		\$8,403.45	95340105	SCE-SVC Oth Labor OP	All Companies LTPP	CORP-COE-Tech Svcs	Annual Incentive Plan
1026	0000260000	50171000	337005 SE-8000-0792		\$15.39	95340105	SCE-SVC Oth Labor OP	CP-CUST CALL CNTRS COMBINED	CCP-Administration	Annual Incentive Plan
1026	0000260000	50171000	337070 SE-8000-0088		\$4,929.15	95340105	SCE-SVC Oth Labor OP	CSC Call Handling	CCP-Call Handling	Annual Incentive Plan
1026	0000260000	50171000	337073 SE-8000-0792		\$289.58	95340105	SCE-SVC Oth Labor OP	CP-CUST CALL CNTRS COMBINED	CCP-Oper & Sppt	Annual Incentive Plan
1026	0000260000	50171000	337075 SE-8000-0792		\$245.67	95340105	SCE-SVC Oth Labor OP	CP-CUST CALL CNTRS COMBINED	CCP-Education & Dev	Annual Incentive Plan
1026	0000260000	50171000	337076 SE-8000-0792		\$0.02	95340105	SCE-SVC Oth Labor OP	CP-CUST CALL CNTRS COMBINED	CCP-Quality & Rptg	Annual Incentive Plan
1026	0000260000	50171000	337777 SE-1000-1004		\$7,989.95	95340105	SCE-SVC Oth Labor OP	CO Cost Distribution	CORP-CFO	Annual Incentive Plan
1026	0000260000	50171000	337777 SF-1000-9000		\$1,118.85	95340105	SCE-SVC Oth Labor OP	All Companies APP	CORP-CFO	Annual Incentive Plan
1026	0000260000	50171600	332007 SE-1000-0003		\$197.60	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Finance	Compensation Exp - Options
1026	0000260000	50171600	332007 SE-3000-0001		\$30.84	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Finance	Compensation Exp - Options
1026	0000260000	50171600	332010 SF-3000-9009		\$15.47	95340105	SCE-SVC Oth Labor OP	CC332010 only LTPP	CORP-Sppl Chain-Src	Compensation Exp - Options

RECEIVING_COMPANY_CODE	RECEIVER_OBJECT	SENDING_COST_ELEMENT	SOURCE_COST_CENTER	SOURCE_WBS_ELEMENT	SERVCO_AMOUNT_ALLOCATED_SUM	R_COST_ELEMENT	RECEIVER_COST_ELEMENT_DESC	SOURCE_WBS_ELEMENT_DESC	SOURCE_COST_CENTER_DESC	SENDING_COST_ELEMENT_DESC
1026	0000260000	50171600	332015	SE-1000-0003	\$904.01	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Legal	Compensation Exp - Options
1026	0000260000	50171600	332015	SE-3000-0001	\$7.22	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Legal	Compensation Exp - Options
1026	0000260000	50171600	332016	SF-3000-9008	\$107.25	95340105	SCE-SVC Oth Labor OP	All Regulated Companies LTTP	CORP-Arc Flash	Compensation Exp - Options
1026	0000260000	50171600	332017	SE-1000-0003	\$29.39	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-ServCo FP&A	Compensation Exp - Options
1026	0000260000	50171600	332018	SE-8000-0008	\$189.96	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-Human Resources	Compensation Exp - Options
1026	0000260000	50171600	332020	SE-1000-0003	\$173.50	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Corp Bus Dev	Compensation Exp - Options
1026	0000260000	50171600	332020	SE-3000-0001	\$6.10	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Corp Bus Dev	Compensation Exp - Options
1026	0000260000	50171600	332021	SE-1000-0003	\$30.16	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	Treasury Admin	Compensation Exp - Options
1026	0000260000	50171600	332026	SE-3000-0001	\$1,868.23	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Regulated Ops	Compensation Exp - Options
1026	0000260000	50171600	332037	SE-1000-0003	\$221.43	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Investr Relatn	Compensation Exp - Options
1026	0000260000	50171600	332044	SE-3000-0001	\$63.85	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	Operation Excellence	Compensation Exp - Options
1026	0000260000	50171600	332045	SE-3000-0001	\$105.22	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	Customer Experience	Compensation Exp - Options
1026	0000260000	50171600	332057	SE-1000-0003	\$21.70	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Treasury	Compensation Exp - Options
1026	0000260000	50171600	332065	SF-3000-9008	\$28.65	95340105	SCE-SVC Oth Labor OP	All Regulated Companies LTTP	CORP-Asset Mgmt	Compensation Exp - Options
1026	0000260000	50171600	332071	SE-3000-0001	\$55.96	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-ITS Admin	Compensation Exp - Options
1026	0000260000	50171600	332077	SF-3000-9011	\$25.29	95340105	SCE-SVC Oth Labor OP	CC332077 only LTTP	CORP-Security Ops	Compensation Exp - Options
1026	0000260000	50171600	332079	SE-3000-0001	\$1.25	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-ITS-BAD-Middle	Compensation Exp - Options
1026	0000260000	50171600	332080	SE-3000-0001	\$190.38	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-ITS-BAD-Back	Compensation Exp - Options
1026	0000260000	50171600	332082	SE-8000-0008	\$0.93	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-Oper. Education	Compensation Exp - Options
1026	0000260000	50171600	332083	SE-3000-0001	\$1.31	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-ITS-BAD-FSA	Compensation Exp - Options
1026	0000260000	50171600	332085	SE-8000-0005	\$229.92	95340105	SCE-SVC Oth Labor OP	CP-REV/EMPLOY	CORP-External Comm	Compensation Exp - Options
1026	0000260000	50171600	332086	SE-8000-0005	\$2.92	95340105	SCE-SVC Oth Labor OP	CP-REV/EMPLOY	CORP-Internal Comm	Compensation Exp - Options
1026	0000260000	50171600	332115	SE-1000-0003	\$77.25	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	Legal-Ethics & Compl	Compensation Exp - Options
1026	0000260000	50171600	332517	SE-1000-0003	\$26.51	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Plan & Rptg	Compensation Exp - Options
1026	0000260000	50171600	332520	SE-8000-0008	\$90.77	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-HTR HR Svc Adm	Compensation Exp - Options
1026	0000260000	50171600	332573	SE-1000-0003	\$30.46	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	Ext Rprtnrg & Tech Ac	Compensation Exp - Options
1026	0000260000	50171600	332574	SF-3000-9012	\$203.60	95340105	SCE-SVC Oth Labor OP	CC332574 only LTTP	Regulatory Reporting	Compensation Exp - Options
1026	0000260000	50171600	332605	SE-3000-0001	\$4.13	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Proc Excellence	Compensation Exp - Options
1026	0000260000	50171600	334005	SE-8000-0792	\$46.09	95340105	SCE-SVC Oth Labor OP	CP-CUST CALL CNTRS COMBINED	CCA-Administration	Compensation Exp - Options
1026	0000260000	50171600	334517	SE-3000-0525	\$15.55	95340105	SCE-SVC Oth Labor OP	CENTRAL LAB	Central Lab	Compensation Exp - Options
1026	0000260000	50171600	335215	SE-3000-0001	\$7.64	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CD - Legal	Compensation Exp - Options
1026	0000260000	50171600	335215	SE-3300-0432	\$40.41	95340105	SCE-SVC Oth Labor OP	CD-ALL REG CO'S(W & WW)	CD - Legal	Compensation Exp - Options
1026	0000260000	50171600	335705	SE-3300-0432	\$2.57	95340105	SCE-SVC Oth Labor OP	CD-ALL REG CO'S(W & WW)	CORP-Reg Policy	Compensation Exp - Options
1026	0000260000	50171600	336205	SE-3700-1000	\$6,454.76	95340105	SCE-SVC Oth Labor OP	SED-KY, TN (W&WW) OPEX	SE - Admin & Gen	Compensation Exp - Options
1026	0000260000	50171600	336207	SE-3700-1000	\$255.38	95340105	SCE-SVC Oth Labor OP	SED-KY, TN (W&WW) OPEX	SE - FP & A	Compensation Exp - Options
1026	0000260000	50171600	336518	SE-3000-0001	\$24.53	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	Talent Acquisition	Compensation Exp - Options
1026	0000260000	50171600	336518	SE-8000-0008	\$18.84	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	Talent Acquisition	Compensation Exp - Options
1026	0000260000	50171600	336550	SE-3000-9008	\$29.29	95340105	SCE-SVC Oth Labor OP	All Regulated Companies LTTP	CORP-COE-Engineering	Compensation Exp - Options
1026	0000260000	50171600	336551	SF-3000-9008	\$28.42	95340105	SCE-SVC Oth Labor OP	All Regulated Companies LTTP	CORP-COE-Tech Svcs	Compensation Exp - Options
1026	0000260000	50171600	337777	SE-1000-1004	\$763.77	95340105	SCE-SVC Oth Labor OP	CFO Cost Distribution	CORP-CFO	Compensation Exp - Options
1026	0000260000	50171600	337777	SE-1000-9001	\$150.10	95340105	SCE-SVC Oth Labor OP	All Companies LTTP	CORP-CFO	Compensation Exp - Options
1026	0000260000	50171800	332002	SE-8000-0008	\$383.53	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-HR Comp/Benefit	Compensation Exp - RSU's
1026	0000260000	50171800	332003	SE-8000-0008	\$688.37	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-HR Talent Dev	Compensation Exp - RSU's
1026	0000260000	50171800	332004	SE-3000-0001	\$17.15	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-HR Labor Relatn	Compensation Exp - RSU's
1026	0000260000	50171800	332007	SE-1000-0003	\$3,620.64	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Finance	Compensation Exp - RSU's
1026	0000260000	50171800	332007	SE-3000-0001	\$1,193.83	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Finance	Compensation Exp - RSU's
1026	0000260000	50171800	332010	SE-3000-0001	\$207.65	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Supply Chain-Src	Compensation Exp - RSU's
1026	0000260000	50171800	332010	SE-3000-9009	\$1,789.11	95340105	SCE-SVC Oth Labor OP	CC332010 only LTTP	CORP-Supply Chain-Src	Compensation Exp - RSU's
1026	0000260000	50171800	332013	SE-8000-0008	\$199.91	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	Core HR Admin&OrgMgt	Compensation Exp - RSU's
1026	0000260000	50171800	332015	SE-1000-0003	\$16,662.68	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Legal	Compensation Exp - RSU's
1026	0000260000	50171800	332015	SE-3000-0001	\$136.78	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Legal	Compensation Exp - RSU's
1026	0000260000	50171800	332016	SE-3000-9008	\$758.43	95340105	SCE-SVC Oth Labor OP	All Regulated Companies LTTP	CORP-Arc Flash	Compensation Exp - RSU's
1026	0000260000	50171800	332017	SE-1000-0003	\$1,325.45	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-ServCo FP&A	Compensation Exp - RSU's
1026	0000260000	50171800	332018	SE-3000-0001	\$1,707.08	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Human Resources	Compensation Exp - RSU's
1026	0000260000	50171800	332018	SE-8000-0008	\$6,075.93	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-Human Resources	Compensation Exp - RSU's
1026	0000260000	50171800	332019	SE-3000-0001	\$(281.95)	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Operatiori Risk	Compensation Exp - RSU's
1026	0000260000	50171800	332020	SE-1000-0003	\$7,464.56	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Corp Bus Dev	Compensation Exp - RSU's
1026	0000260000	50171800	332020	SE-3000-0001	\$295.15	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Corp Bus Dev	Compensation Exp - RSU's
1026	0000260000	50171800	332021	SE-1000-0003	\$580.40	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	Treasury Admin	Compensation Exp - RSU's
1026	0000260000	50171800	332026	SE-3000-0001	\$54,641.26	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Regulated Ops	Compensation Exp - RSU's
1026	0000260000	50171800	332037	SE-1000-0003	\$3,565.26	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Investr Relatn	Compensation Exp - RSU's
1026	0000260000	50171800	332037	SE-1000-1005	\$56.17	95340105	SCE-SVC Oth Labor OP	Investor Relations Cost Distribution	CORP-Investr Relatn	Compensation Exp - RSU's
1026	0000260000	50171800	332044	SE-3000-0001	\$3,013.68	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	Operation Excellence	Compensation Exp - RSU's
1026	0000260000	50171800	332045	SE-3000-0001	\$1,703.34	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	Customer Experience	Compensation Exp - RSU's
1026	0000260000	50171800	332047	SE-1000-0003	\$1,585.87	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Income Tax	Compensation Exp - RSU's
1026	0000260000	50171800	332050	SE-1000-0003	\$57.30	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-EA & Pblc Plcy	Compensation Exp - RSU's
1026	0000260000	50171800	332057	SE-1000-0003	\$465.43	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Treasury	Compensation Exp - RSU's
1026	0000260000	50171800	332065	SE-3000-9008	\$2,476.58	95340105	SCE-SVC Oth Labor OP	All Regulated Companies LTTP	CORP-Asset Mgmt	Compensation Exp - RSU's
1026	0000260000	50171800	332066	SE-3000-9010	\$607.67	95340105	SCE-SVC Oth Labor OP	CC332066 only LTTP	CORP-Innov&Env Stwd	Compensation Exp - RSU's
1026	0000260000	50171800	332071	SE-3000-0001	\$1,528.97	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-ITS Admin	Compensation Exp - RSU's
1026	0000260000	50171800	332077	SE-3000-9011	\$2,181.30	95340105	SCE-SVC Oth Labor OP	CC332077 only LTTP	CORP-Security Ops	Compensation Exp - RSU's
1026	0000260000	50171800	332079	SE-3000-0001	\$(583.35)	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-ITS-BAD-Middle	Compensation Exp - RSU's
1026	0000260000	50171800	332080	SE-3000-0001	\$3,807.76	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-ITS-BAD-Back	Compensation Exp - RSU's
1026	0000260000	50171800	332082	SE-3000-0001	\$(7.40)	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Oper. Education	Compensation Exp - RSU's
1026	0000260000	50171800	332082	SE-8000-0008	\$(61.89)	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-Oper. Education	Compensation Exp - RSU's
1026	0000260000	50171800	332083	SE-3000-0001	\$339.00	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-ITS-BAD-FSA	Compensation Exp - RSU's
1026	0000260000	50171800	332085	SE-8000-0005	\$4,542.57	95340105	SCE-SVC Oth Labor OP	CP-REV/EMPLOY	CORP-External Comm	Compensation Exp - RSU's
1026	0000260000	50171800	332086	SE-8000-0005	\$738.25	95340105	SCE-SVC Oth Labor OP	CP-REV/EMPLOY	CORP-Internal Comm	Compensation Exp - RSU's
1026	0000260000	50171800	332095	SE-1000-0003	\$(37.40)	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Admin	Compensation Exp - RSU's
1026	0000260000	50171800	332115	SE-1000-0003	\$1,550.70	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	Legal-Ethics & Compl	Compensation Exp - RSU's
1026	0000260000	50171800	332166	SE-1000-0003	\$1,680.47	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	Environmental Comp	Compensation Exp - RSU's
1026	0000260000	50171800	332166	SE-3000-0025	\$197.89	95340105	SCE-SVC Oth Labor OP	ENVIRONMENTAL MANAGEMENT	Environmental Comp	Compensation Exp - RSU's
1026	0000260000	50171800	332201	SE-3000-0001	\$4,880.54	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CTIO-Organization	Compensation Exp - RSU's
1026	0000260000	50171800	332517	SE-1000-0003	\$3,185.85	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Plan & Rptg	Compensation Exp - RSU's
1026	0000260000	50171800	332520	SE-8000-0008	\$1,523.51	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	CORP-HTR HR Svc Adm	Compensation Exp - RSU's
1026	0000260000	50171800	332573	SE-1000-0003	\$485.28	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMP		

RECEIVING_COMPANY_CODE	RECEIVER_OBJECT	SENDING_COST_ELEMENT	SOURCE_COST_CENTER	SOURCE_WBS_ELEMENT	SERVCO_AMOUNT_ALLOCATED_SUM	R_COST_ELEMENT	RECEIVER_COST_ELEMENT_DESC	SOURCE_WBS_ELEMENT_DESC	SOURCE_COST_CENTER_DESC	SENDING_COST_ELEMENT_DESC
1026	0000260000	50171800	332605	SE-1000-0003	\$39.56	95340105	SCE-SVC Oth Labor OP	CP-PLANT/REV/EMPLOY	CORP-Proc Excellence	Compensation Exp - RSU's
1026	0000260000	50171800	332605	SE-3000-0001	(\$258.75)	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CORP-Proc Excellence	Compensation Exp - RSU's
1026	0000260000	50171800	334005	SE-8000-0792	\$1,570.17	95340105	SCE-SVC Oth Labor OP	CP-CUST CALL CNTRS COMBINED	CCA-Administration	Compensation Exp - RSU's
1026	0000260000	50171800	334517	SE-3000-0525	\$253.29	95340105	SCE-SVC Oth Labor OP	CENTRAL LAB	Central Lab	Compensation Exp - RSU's
1026	0000260000	50171800	335215	SE-3000-0001	\$341.48	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	CD - Legal	Compensation Exp - RSU's
1026	0000260000	50171800	335215	SE-3300-0432	\$1,967.70	95340105	SCE-SVC Oth Labor OP	CD-ALL REG CO'S(W & WW)	CD - Legal	Compensation Exp - RSU's
1026	0000260000	50171800	335705	SE-3300-0432	(\$373.95)	95340105	SCE-SVC Oth Labor OP	CD-ALL REG CO'S(W & WW)	CORP-Reg Policy	Compensation Exp - RSU's
1026	0000260000	50171800	336205	SF-3700-1000	\$103,516.34	95340105	SCE-SVC Oth Labor OP	SED-KY, TN (W&WW) OPEX	SE - Admin & Gen	Compensation Exp - RSU's
1026	0000260000	50171800	336207	SF-3700-1000	\$4,780.84	95340105	SCE-SVC Oth Labor OP	SED-KY, TN (W&WW) OPEX	SE - FP & A	Compensation Exp - RSU's
1026	0000260000	50171800	336215	SF-3700-1000	\$5,216.16	95340105	SCE-SVC Oth Labor OP	SED-KY, TN (W&WW) OPEX	SE - Legal	Compensation Exp - RSU's
1026	0000260000	50171800	336518	SE-3000-0001	\$66.89	95340105	SCE-SVC Oth Labor OP	CP-ALL REGULATED CO'S (W & WW)	Talent Acquisition	Compensation Exp - RSU's
1026	0000260000	50171800	336518	SE-8000-0008	\$331.18	95340105	SCE-SVC Oth Labor OP	CP-EMPLOYEES	Talent Acquisition	Compensation Exp - RSU's
1026	0000260000	50171800	336550	SF-3000-9008	\$472.87	95340105	SCE-SVC Oth Labor OP	All Regulated Companies LTPP	CORP-COE-Engineering	Compensation Exp - RSU's
1026	0000260000	50171800	336551	SF-3000-9008	\$458.17	95340105	SCE-SVC Oth Labor OP	All Regulated Companies LTPP	CORP-COE-Tech Svcs	Compensation Exp - RSU's
1026	0000260000	50171800	337777	SE-1000-1004	\$12,800.23	95340105	SCE-SVC Oth Labor OP	CFO Cost Distribution	CORP-CFO	Compensation Exp - RSU's
1026	0000260000	50171800	337777	SF-1000-9001	\$2,675.40	95340105	SCE-SVC Oth Labor OP	All Companies LTPP	CORP-CFO	Compensation Exp - RSU's
1026	B26-01-8011	50171000	332010	SF-3000-9007	\$2,875.99	95348105	SCE-SVC Oth Labor CA	All Regulated Companies APP	CORP-Spply Chain-Src	Annual Incentive Plan
1026	B26-01-8011	50171000	332016	SF-3000-9007	\$775.05	95348105	SCE-SVC Oth Labor CA	All Regulated Companies APP	CORP-Arc Flash	Annual Incentive Plan
1026	B26-01-8011	50171000	332065	SF-3000-9007	\$3,861.25	95348105	SCE-SVC Oth Labor CA	All Regulated Companies APP	CORP-Asset Mgmt	Annual Incentive Plan
1026	B26-01-8011	50171000	332066	SF-3000-9007	\$875.33	95348105	SCE-SVC Oth Labor CA	All Regulated Companies APP	CORP-Innov&Env Stwd	Annual Incentive Plan
1026	B26-01-8011	50171000	332077	SF-3000-9007	\$3,509.40	95348105	SCE-SVC Oth Labor CA	All Regulated Companies APP	CORP-Security Ops	Annual Incentive Plan
1026	B26-01-8011	50171000	332574	SF-3000-9007	\$2,183.19	95348105	SCE-SVC Oth Labor CA	All Regulated Companies APP	Regulatory Reporting	Annual Incentive Plan
1026	B26-01-8011	50171000	335203	SF-3000-9014	\$928.66	95348105	SCE-SVC Oth Labor CA	FRCC Area 2 APP	CORP-CR-Area2-MainBV	Annual Incentive Plan
1026	B26-01-8011	50171000	337777	SF-1000-9000	\$1,118.85	95348105	SCE-SVC Oth Labor CA	All Companies APP	CORP-CFO	Annual Incentive Plan
1026	B26-01-8011	50171600	332010	SE-3000-9111	\$6.99	95348105	SCE-SVC Oth Labor CA	SUPPLY CHAIN CAPEX-ALL REG'S	CORP-Spply Chain-Src	Compensation Exp - Options
1026	B26-01-8011	50171800	332010	SE-3000-9111	\$150.67	95348105	SCE-SVC Oth Labor CA	SUPPLY CHAIN CAPEX-ALL REG'S	CORP-Spply Chain-Src	Compensation Exp - RSU's
					\$675,897.13					

Line #		Monthly filed	TN EARNINGS	Diff Earn VS Mthly filed	EXPLANATION
1	Additions:				
2	Plant in Service	\$317,261,076	\$316,882,891	(378,185)	12mth vs 13mthavg - Mthly filings use 12mth, TN Earngs use 13mth avg
3	Plant Under Construction	6,971,088	6,747,572	(223,516)	12mth vs 13mthavg - Mthly filings use 12mth, TN Earngs use 13mth avg
4	Property Held For Future Use	0	0		
5	Materials and Supplies	904,373	905,145	772	12mth vs 13mthavg - Mthly filings use 12mth, TN Earngs use 13mth avg
6	Other Additions:				
7	Leased Utility Plant	0	0		
8	Unamortized Painting - net	0	0		
9	Working Capital C/	3,409,884	3,409,884	0	See C/ Per orderbelow
10					
11	Total Additions	328,546,421	327,945,492		
12					
13					
14	Deductions:				
15	Accumulated Depreciaton and Amortization	88,763,784	86,971,786	(1,791,998)	12mth vs 13mthavg - Mthly filings use 12mth, TN Earngs use 13mth avg, Retirement Work in Progress included in TN Earnings. Not included in Monthly filings
16	Accumulated Deferred Income Taxes	47,772,159	47,120,351	(651,808)	12mth vs 13mthavg - Mthly filings use 12mth, TN Earngs use 13mth avg, Acctg entry from May for mths (Jan, Feb, Mar) included in TN Earnings. Not picked up in Monthly filings, Also impacted from adjusment below for Taxes on CIAC
17	Unamortized Investment Credit - Pre 1971	5,098	5,227	129	12mth vs 13mthavg - Mthly filings use 12mth, TN Earngs use 13mth avg
18	Customer Deposits	0	0		
19	Other Deductions:				
20	Contributions in Aid of Construction	17,629,386	17,590,138	(39,248)	12mth vs 13mthavg - Mthly filings use 12mth, TN Earngs use 13mth avg
21	Customer Advances for Construction	3,327,217	3,637,497	310,280	12mth vs 13mthavg - Mthly filings use 12mth, TN Earngs use 13mth avg, Picked up AC 25299900 (Advances Construction-Current) in TN Earnings, Not included in Monthly filings
22	All Other A/	(1,282,475)	(896,155)	386,320	See A/ All Otherbelow
23					
24					
25					
26	Total Deductions	156,215,169	154,428,845		
27					
28	Rate Base	\$172,331,252	\$173,516,647		
29					
30	Net Operating Income	\$12,255,620	\$12,265,548	9,928	Acctg December Close updates after December Monthly filing
31	Adjustments to NOI	0	0		
32	Allowance for funds used during construction	334,575	247,133	(87,442)	Tax effect using 26.135% rate in TN Earnings, Mthly filings had no tax effect
33	Adjustment to reflect effective federal	0	0		
34	Income tax rate (debt assigned to parent)	236,589	264,469	27,880	Annual interest rate from 3.80% to 0.59% (now picking up only parent piece), tax rate from 39.225% to 26.135% (TCJA) in TN Earnings, Mthly filings used different rates & %'s.
35	Interest on customer deposits	0	0		
36	Incentive Compensation	0	513,245	513,245	Incentive Compensation added to TN Earnings per Docket No. 18-00022. Not included in Mthly filings
37					
38					
39	Adjusted Net Operating Income	\$12,826,784	\$13,290,395		
40					
41					
42	Rate of return B/	7.44%	7.66%		
A/ All Other					
	Acquisition adjustment	\$0	\$0		
	Accounts payable applicable to CWIP	53,825	62,915	9,090	TN Earnings report updated to current G/L numbers, 12mth vs 13mthavg - Mthly filings use 12mth, TN Earngs use 13mth avg
	Unpaid for materials and supplies	50,084	1,471	(48,613)	TN Earnings report updated to current G/L numbers, 12mth vs 13mthavg - Mthly filings use 12mth, TN Earngs use 13mth avg
	Taxes on CIAC-DEF. FIT & SIT	(1,386,384)	(960,541)	425,843	Update tax rate change, Fed 21.0% in TN Earnings, Mthly filings used old tax rate, 12mth vs 13mthavg - Mthly filings use 12mth, TN Earngs use 13mth avg
		(\$1,282,475)	(\$896,155)		
B/ Rate of return - Monthly (L39 / L28) x 12					
C/ Per order -12-00049 TAWC Stipulation and Settlement Agreement 10-1-12					
	Cash working capital Lead Lag Study	\$591,674	\$591,674	0	
	Incidental collection	(116,192)	(116,192)	0	
	Average cash	0	0		
	Other components	2,934,402	2,934,402	0	
	Working cash	\$3,409,884	\$3,409,884		