

STATE OF TENNESSEE

Office of the Attorney General



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VIA ELECTRONIC FILING

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

Re: Tennessee Public Utility Commission, Docket No. 18-00120, *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*

Dear Chair Morrison:

The Commission requested the Parties to submit schedules in this Docket that update previous submissions as a result of the *Stipulation and Settlement Agreement Regarding Phase One Issues* in TPUC Docket No. 18-00039. To that end, the following revised schedules are attached:

- Supplemental Exhibit DND-1, Pre-filed Supplemental Testimony of David N. Dittmore
- Supplemental Exhibit DND-3, Pre-filed Supplemental Testimony of David N. Dittmore

Thank you for your time.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. P. Whitaker, III".

Daniel P. Whitaker, III

Assistant Attorney General

cc: Melvin Malone, Esq. (by email)
Elaine Chambers (by email)

**Tennessee Attorney General
Consumer Advocate Unit, Financial Division
Docket No. 18-00120
Consumer Advocate Proposal Summary**

**Revised 8/1/19
Supplemental
Exhibit DND-1**

Line No	Item	Consumer Advocate Position	TAWC Position
1	TAWC Proposed Surcharge (Revised)(Before TCJA Credit) Less: Adjustment to eliminate proposed increase in TAWC	\$ 9,026,095 a/	\$ 9,026,095 a/
2	Riders due to Excess Capital rider Rate Base	(1,291,525) b/	
3	Authorized Surcharge in Docket 17-00124	<u>\$ 7,734,570</u>	<u>\$ 9,026,095</u>
4	Commission Approved Surcharge (From 17-00124)	\$ 7,734,569	
5	Less: Tax Savings per Settlement in 18-00039.	(3,114,087) c/	(3,114,087) d/
6	Consumer Advocate Proposed Surcharge	<u>\$ 4,620,482</u>	<u>\$ 5,912,008</u>

Regulatory Treatment of Income Tax Expense Savings Docket 18-00039		
7	Base Rate Tax Savings	\$ 2,035,031
8	Amortization of Tax Savings - 1/1/18 - 8/31/19	<u>\$ 1,079,056</u>
9	Total Income Tax Expense Savings	<u>\$ 3,114,087</u>

- a/ TAWC Schedule 2019 Revised 5 31 19; Exhibit Summary Tab
b/ Adjusted to reflect changes in TAWC proposed Surcharge
c/ Exhibit DND-9
d/ Although not explicitly stated in its Supplement Schedules, the (-6.62%) reduction in its Schedule 04 Revised Supplemental Exhibits equates to the \$3,114,087 reduction as specified in the Stipulation and Agreement in Docket 18-00039.

Calculation of Impact of TCJA Income Tax Expense Savings on Capital Riders

To Reflect the Impact of the Settlement in Docket No. 18-00039

Rate Mechanism	TAWC Revised Proposed Revenue Requirement	Percent of Total	CA Adjustment 2:Effect of Rate Base Limitation	CA Adjustment 1: Annual Income Tax Expense Savings Weighted to Riders	CA Proposed Revenue Requirement	Total Percentage Applied to Bill After Adjustments	TAWC Revised Proposed Requirement with TCJA Credit	TAWC Revised Proposed Percentage Applied to Bill After TCJA Credit	Impact of Proposed CA Adjustments on Revenue Requirement	Impact of Proposed CA Adjustments on Bill Percentage
QIIP	\$ 5,482,911	61%	\$ (752,272)	\$ (1,891,656)	\$ 2,838,983	6.03%	\$ 4,730,639	10.05%	\$ (1,891,655)	-4.02%
EDI	306,548	3%	\$ (112,003)	\$ (105,762)	\$ 88,783	0.19%	194,545	0.41%	\$ (105,762)	-0.22%
SEC	3,236,635	36%	(427,250)	\$ (1,116,670)	\$ 1,692,715	3.60%	2,809,385	5.97%	\$ (1,116,670)	-2.37%
Total	\$ 9,026,094	100%	\$ (1,291,525)	\$ (3,114,087)	\$ 4,620,482	9.82%	\$ 7,734,569	16.43%	\$ (3,114,087)	-6.62%