

BUTLER | SNOW

May 12, 2020

VIA ELECTRONIC FILING

TPUC.DocketRoom@tn.gov

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

RE: *Petition of Tennessee-American Water Company in Support of the Calculation of the 2020 Capital Recovery Riders Reconciliation, Docket No. 20-00028*

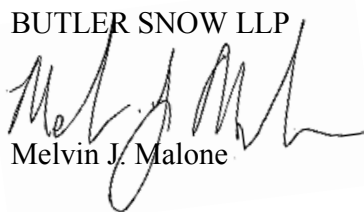
Dear Chairman Morrison:

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 Response Nos. 1-2 b, c and d of the Discovery Requests are being submitted **UNDER SEAL as CONFIDENTIAL and PROPRIETARY**. Both a public version and a nonpublic, **CONFIDENTIAL** version of Response Nos. 1-2 b, c and d are attached.

As required, one (1) hard copy 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 Chambers, TAWC

Daniel P. Whitaker III, Assistant Attorney General, Financial Division, Consumer Advocate Unit

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BUTLER SNOW LLP

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

**PETITION OF TENNESSEE-
AMERICAN WATER COMPANY
REGARDING CHANGES TO THE
QUALIFIED INFRASTRUCTURE
INVESTMENT PROGRAM RIDER,
THE ECONOMIC DEVELOPMENT
INVESTMENT RIDER, AND THE
SAFETY AND ENVIRONMENTAL
COMPLIANCE RIDER AND IN
SUPPORT OF THE CALCULATION
OF THE 2020 CAPITAL RECOVERY
RIDERS RECONCILIATION**

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DOCKET NO. 20-00028

**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 discovery requests.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 20-00028
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: Elaine Chambers

Question:

1-1 Refer to the attached file - Rate Base Recon - and note the difference in Accumulated Depreciation Balances reported by TAWC within its Earnings Test Exhibit in this Docket and the level of Accumulated Depreciation reported in annual filings submitted to the Commission. With respect to these differences provide the following:

- a. Provide a comprehensive explanation supporting the differing balances in December 2018 and December 2019 respectively;
- b. Provide a numeric reconciliation between the two sets of Accumulated Depreciation balances for December 2018 and December 2019 respectively;
- c. Provide a comprehensive explanation why TAWC believes it is appropriate to use the lower Accumulated Depreciation balance within the Earnings Calculation Test; and
- d. Provide a copy of the excerpt of the TAWC General Ledger balance supporting both the amounts reflected in TAWC's annual TPUC report as well as the Earnings Test balances for both December 2018 and December 2019. Please limit this response to these respective balances rather than providing an electronic copy of the entire General Ledger.

Response:

1-1 Please refer to the attachment file to this discovery request and the responses provided below:

- a. The difference between the balances for December 2018 and December 2019 is the inclusion of retirement work in progress ("RWIP"). The rate base amount for the earnings test includes RWIP balances similar to the inclusion of CWIP balances. RWIP consists of cost of removal expenditures and salvage receipts for projects still in progress as of the reporting date.
- b. Please refer to the attachment file, "TAW_R_CPADDR1_NUM001_051220 Attachment".
- c. Please refer to the response to part a.
- d. Please refer to the attachment file, "TAW_R_CPADDR1_NUM001_051220 Attachment".

Tennessee American Water Company
Docket No. 20-00028
Response to CPAD Data Request 1-001
Accumulated Depreciation Reconciliation

Account #	Description	As of 12/31/19	As of 12/31/18
10801000	Accum Depreciation - Utility Plant in Service	(\$142,544,019)	(\$134,096,802)
10802000	Accum Depreciation - Salvage/Scrap	(4,528,653)	(4,444,274)
10803000	Accum Depreciation - Asset Sale	(9,860)	(9,860)
10804000	Accum Depreciation - Original Cost	44,798,573	43,124,230
10810000	Accum Depreciation - Reg Asset	(31,724)	(30,619)
10840000	Accum Amortization - Utility Plant in Service	(11,714)	(11,714)
18680000	Reg Asset - Cost of Removal	8,549,379	4,640,958
25700000	Reg Liab - Cost of Removal	(51,297)	8,022
Per TPUC Commission Report		(93,829,314)	(90,820,060)
18680100	Reg Asset - Cost of Removal - RWIP	931,384	2,177,362
25710000	Reg Liab - Cost of Removal RWIP	(101)	(8,022)
		931,283	2,169,340
Per Earnings Test		(92,898,032)	(88,650,720)

Financial Statements

Regulatory

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10
USD
2019.01 - 2019.12
2018.01 - 2018.12

Ledger
Currency type Company code currency
Amounts in United States Dollar
Reporting periods
Comparison periods

FS Item	Account	Altern. Account	Text for B/S P&L Item	Total of reporting period	tot.cmp.pr	Absolute difference	CoCd
45	10801000	B1081	10801000 Accum Depreciation - Utility Plant in Service	142,544,018.63	134,096,802.16	8,447,216.47	1026
45	10802000	B1081	10802000 Accum Depreciation - Salvage/Scrap	4,528,653.26	4,444,274.12	84,379.14	1026
45	10803000	B1081	10803000 Accum Depreciation - Asset Sale	9,860.00	9,860.00	0.00	1026
45	10804000	B1081	10804000 Accum Depreciation - Original Cost	44,798,573.28	43,124,229.65	1,674,343.63	1026
45	10810000	B1081	10810000 Accum Depreciation - Reg Asset	31,724.26	30,618.58	1,105.68	1026
45	10840000	B1101	10840000 Accum Amortization - Utility Plant in Service	11,714.17	11,714.17	0.00	1026
45			Total: Accumulated depreciation/amortization	102,327,397.04	95,469,039.38	6,858,357.66	
11			Total: Utility property, net	102,327,397.04	95,469,039.38	6,858,357.66	
8			Total: Total Property Plant & Equipment	102,327,397.04	95,469,039.38	6,858,357.66	
38	18680000	B1081	18680000 Reg Asset - Cost of Removal	8,549,379.32	4,640,957.74	3,908,421.58	1026
38	18680100	B1862	18680100 Reg Asset - Cost of Removal - RWIP	931,383.93	2,177,361.77	1,245,977.84	1026
38			Total: Other regulatory assets	9,480,763.25	6,818,319.51	2,662,443.74	
22			Total: Regulatory assets	9,480,763.25	6,818,319.51	2,662,443.74	
10			Total: Total Regulatory and other long-term assets	9,480,763.25	6,818,319.51	2,662,443.74	
7			Total: ASSETS	92,846,633.79	88,650,719.87	4,195,913.92	
89	25700000	B1081	25700000 Reg Liab - Cost of Removal	51,296.53	8,021.74	59,318.27	1026
89	25710000	B1862	25710000 Reg Liab - Cost of Removal RWIP	101.24	8,021.74	7,920.50	1026
89			Total: Reg liability - cost of removal	51,397.77	0.00	51,397.77	
63			Total: Regulatory liabilities	51,397.77	0.00	51,397.77	
48			Total: Regulatory and other long-term liabilities	51,397.77	0.00	51,397.77	
6			Total: CAPITAL AND LIABILITIES	51,397.77	0.00	51,397.77	
183			Total: BALANCE SHEET	92,898,031.56	88,650,719.87	4,247,311.69	
4			Total: Net Loss	92,898,031.56	88,650,719.87	4,247,311.69	

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Financial Statement Item	Account Number	Alternative Account No.	Text for B/S P&L item	Total of reporting period	Total of the comparison period	Absolute difference	Company Code
45	10801000	B1081	10801000 Accum Depreciation - Utility Plant in Service	-142,544,018.63	-134,096,802.16	-8,447,216.47	1026
45	10802000	B1081	10802000 Accum Depreciation - Salvage/Scrap	-4,528,653.26	-4,444,274.12	-84,379.14	1026
45	10803000	B1081	10803000 Accum Depreciation - Asset Sale	-9,860.00	-9,860.00	0.00	1026
45	10804000	B1081	10804000 Accum Depreciation - Original Cost	44,798,573.28	43,124,229.65	1,674,343.63	1026
45	10810000	B1081	10810000 Accum Depreciation - Reg Asset	-31,724.26	-30,618.58	-1,105.68	1026
45	10840000	B1101	10840000 Accum Amortization - Utility Plant in Service	-11,714.17	-11,714.17	0.00	1026
45			Total: Accumulated depreciation/amortization	-102,327,397.04	-95,469,039.38	-6,858,357.66	
11			Total: Utility property, net	-102,327,397.04	-95,469,039.38	-6,858,357.66	
8			Total: Total Property Plant & Equipment	-102,327,397.04	-95,469,039.38	-6,858,357.66	
38	18680000	B1081	18680000 Reg Asset - Cost of Removal	8,549,379.32	4,640,957.74	3,908,421.58	1026
38	18680100	B1862	18680100 Reg Asset - Cost of Removal - RWIP	931,383.93	2,177,361.77	-1,245,977.84	1026
38			Total: Other regulatory assets	9,480,763.25	6,818,319.51	2,662,443.74	
22			Total: Regulatory assets	9,480,763.25	6,818,319.51	2,662,443.74	
10			Total: Total Regulatory and other long-term assets	9,480,763.25	6,818,319.51	2,662,443.74	
7			Total: ASSETS	-92,846,633.79	-88,650,719.87	-4,195,913.92	
89	25700000	B1081	25700000 Reg Liab - Cost of Removal	-51,296.53	8,021.74	-59,318.27	1026
89	25710000	B1862	25710000 Reg Liab - Cost of Removal RWIP	-101.24	-8,021.74	7,920.50	1026
89			Total: Reg liability - cost of removal	-51,397.77	0.00	-51,397.77	
63			Total: Regulatory liabilities	-51,397.77	0.00	-51,397.77	
48			Total: Regulatory and other long-term liabilities	-51,397.77	0.00	-51,397.77	
6			Total: CAPITAL AND LIABILITIES	-51,397.77	0.00	-51,397.77	
183			Total: BALANCE SHEET	-92,898,031.56	-88,650,719.87	-4,247,311.69	
4			Total: Net Loss	92,898,031.56	88,650,719.87	4,247,311.69	

F-4

Name of Respondent Tennessee-American Water	This Report is (1) <input checked="" type="checkbox"/> An Original	Date of Report (Mo, Da, Yr)	Year of Report
	(2) <input type="checkbox"/> A Resubmission Date report compil		Fiscal Year End Date 12/31/19

COMPARATIVE BALANCE SHEET

Account Name (a)	Ref Page (b)	Current Year (c)	Previous Year (d)
ASSETS			
Utility Plant in Service (101-105)	F5W1/S1	358,595,715	335,115,768
Accum. Depreciation and Amortization (108)	F5W2/S2	93,829,314	90,820,060
Net Utility Plant		264,766,401	244,295,708
Cash		336,527	436,732
Customer Accounts Receivable (141)		3,909,080	3,935,968
Other Accounts Receivable (142)		591,597	617,181
Accum Prov for Uncollectible (143)		(496,083)	(526,418)
Accounts Receivable from Assoc. Companies (145)		4,015,080	20,731
Other Assets		6,148,028	12,654,903
Total Assets		279,268,630	261,434,805
LIABILITIES AND CAPITAL			
Common Stock Issued (201)	F-6	13,754,235	13,754,235
Preferred Stock Issued (204)	F-6	0	0
Other Paid-In Capital (211)		41,580,922	41,572,642
Retained Earnings (215)	F-6	38,423,848	35,219,444
Capital (Proprietary & Partnership-218)	F-6	0	0
Total Capital		93,759,005	90,546,321
Long-Term Debt (224)	F-6	0	0
Accounts Payable (231)		3,548,360	4,779,266
Notes Payable (232)		0	0
Customer Deposits (235)		0	0
Accrued Taxes (236)		3,196,497	3,145,052
Bonds (221-222)		83,671,143	77,687,513
Accounts Payable to Assoc Companies (233)		4,869,385	581,023
Notes Payable to Assoc Companies (234)		12,459,404	4,960,887
Interest Accrued (237)		925,145	887,671
Miscellaneous Current & Accrued Liabilities (241)		2,187,362	2,232,699
Deferred Credits & Miscellaneous Reserves		52,596,610	55,046,968
Advances for Construction		4,185,427	3,769,777
Contributions In Aid Of Const.-Net (271-2)	F-8	17,870,292	17,797,628
Total Liabilities		185,509,625	170,888,484
Total Liabilities & Capital		279,268,630	261,434,805

PUBLIC VERSION

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 20-00028
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: Elaine Chambers

Question:

1-2 Refer to the Earnings Test Exhibit supplied with TAWC's Petition. With respect to the lobbying costs - identified as \$85,290 - respond to the following:

- a. Provide a breakout of the lobbying costs split between outside contractors and internal labor;
- b. With respect to the outside contractor costs, provide a copy of all invoices received from each applicable vendor for all work performed by the vendor in 2019. This response should include documentation of work performed by the vendor which the Company has not classified as "Lobbying";
- c. Provide the title(s), base compensation, and all related benefit costs associated with the employee(s) responsible for managing the contractor(s) who performed lobbying services on behalf of the Company;
- d. Provide the title(s), base compensation, and all related benefit costs associated with the employee(s) who manages the employee(s) responsible for managing the vendor(s) performing lobbying services.

Response:

1-2 Please refer to the responses below:

- a. Please refer to attachment file, "TAW_R_CPADDR1_NUM002_051220 Attachment 1", for a breakout of the lobbying costs split between external and internal costs. The lobbying costs includes an invoice from Butler Snow that was inadvertently coded to lobbying expense.

b.

c.

PUBLIC VERSION

[REDACTED]

[REDACTED]

d.

[REDACTED]

[REDACTED]

Tennessee American Water Company
Docket No. 20-00028
Response to CPAD Data Request 1-002
Lobbying Costs in Earning Test

Account #	Description	Type	Vendor #	Name	Description	12 Months Ending 12/31/19
52556000	Operating Expense - Lobbying	External	114923	ADAMS & REESE LLP		\$75,470
52556000	Operating Expense - Lobbying	External	116903	Butler Snow LLP	Inadvertently charged to lobbying	1,825
52556000	Operating Expense - Lobbying	Internal		P-Card	Fees & Incidentals	7,151
53401000	AWWSC Services - Labor OPEX	Internal	Service Company	Maureen Duffy	20% of allocated TAWC time	1,474
Per Earnings Test						<u>\$85,920</u>

Document Date	P-Card Vendor	P-Card Owner	Amount	Explanation
01/07/19	BLR/HCPRO	VALORIA V ARMSTRONG	2,933.00	Annual Service fee for 2019 Tennessee Legislation Service
02/21/19	CMSVEND*J & T VENDING	DAPHNE KIRKSEY	1.75	Nashville Travel Expenses
02/21/19	DOUBLETREE NASHVILLE F AN	DAPHNE KIRKSEY	4.68	Nashville Travel Expenses
02/22/19	DOUBLETREE HOTELS	DAPHNE KIRKSEY	436.99	Nashville Travel Expenses
02/22/19	DOUBLETREE NASHVILLE F AN	DAPHNE KIRKSEY	11.86	Nashville Travel Expenses
02/27/19	DIGITAL CHECKOUTS LLC	DAPHNE KIRKSEY	5.95	Nashville Travel Expenses
02/27/19	LYFT *RIDE TUE 10AM	DAPHNE KIRKSEY	9.55	Nashville Travel Expenses
02/27/19	LYFT *RIDE TUE 6PM	DAPHNE KIRKSEY	9.55	Nashville Travel Expenses
02/27/19	POSTMATES 8D063 KAY BO	DAPHNE KIRKSEY	21.00	Nashville Travel Expenses
02/28/19	CMSVEND*J & T VENDING	DAPHNE KIRKSEY	3.50	Nashville Travel Expenses
02/28/19	LYFT *RIDE TUE 8PM	DAPHNE KIRKSEY	9.55	Nashville Travel Expenses
02/28/19	LYFT *RIDE WED 9AM	DAPHNE KIRKSEY	9.55	Nashville Travel Expenses
03/01/19	ANOTHER BROKEN EGG - NASH	DAPHNE KIRKSEY	22.47	Nashville Travel Expenses
03/01/19	HIE NASHVILLE DT	DAPHNE KIRKSEY	560.17	Nashville Travel Expenses
03/01/19	LYFT *RIDE WED 1PM	DAPHNE KIRKSEY	5.37	Nashville Travel Expenses
03/01/19	MOCKINGBIRD	DAPHNE KIRKSEY	35.91	Nashville Travel Expenses
03/01/19	STARBUCKS STORE 10574	DAPHNE KIRKSEY	7.30	Nashville Travel Expenses
03/04/19	EXXONMOBIL 99195232	DAPHNE KIRKSEY	14.92	Nashville Travel Expenses
03/04/19	L2G	DAPHNE KIRKSEY	190.00	Lobbying Registration Fee
03/04/19	L2G	KATHRYN A ROBINSON	150.00	Employer of Lobbyist Registration for Daphne Kirksey
03/05/19	POSTMATES TIP	DAPHNE KIRKSEY	5.00	Nashville Travel Expenses
03/06/19	LYFT *RIDE TUE 1PM	DAPHNE KIRKSEY	8.82	Nashville Travel Expenses
03/06/19	LYFT *RIDE TUE 5PM	DAPHNE KIRKSEY	9.22	Nashville Travel Expenses
03/06/19	LYFT *RIDE TUE 8PM	DAPHNE KIRKSEY	7.55	Nashville Travel Expenses
03/07/19	AINSWORTH NASHVILLE	DAPHNE KIRKSEY	61.77	Nashville Travel Expenses
03/07/19	DIGITAL CHECKOUTS LLC	DAPHNE KIRKSEY	3.05	Nashville Travel Expenses
03/07/19	LYFT *RIDE WED 4PM	DAPHNE KIRKSEY	9.56	Nashville Travel Expenses
03/07/19	STARBUCKS STORE 10574	DAPHNE KIRKSEY	2.47	Nashville Travel Expenses
03/08/19	EMBASSY STES NASHVILLE	DAPHNE KIRKSEY	300.89	Nashville Travel Expenses
03/08/19	SHELL OIL 54161320244	DAPHNE KIRKSEY	27.47	Nashville Travel Expenses
03/12/19	ANDYS MARKET	DAPHNE KIRKSEY	23.69	Nashville Travel Expenses
03/12/19	LYFT *RIDE MON 12PM	DAPHNE KIRKSEY	8.55	Nashville Travel Expenses
03/13/19	CMSVEND*J & T VENDING	DAPHNE KIRKSEY	1.75	Nashville Travel Expenses
03/13/19	DUNKIN #347509 Q35	DAPHNE KIRKSEY	4.02	Nashville Travel Expenses
03/13/19	LYFT *RIDE MON 2PM	DAPHNE KIRKSEY	8.87	Nashville Travel Expenses
03/13/19	LYFT *RIDE TUE 11AM	DAPHNE KIRKSEY	8.55	Nashville Travel Expenses
03/13/19	LYFT *RIDE TUE 12PM	DAPHNE KIRKSEY	8.79	Nashville Travel Expenses
03/13/19	LYFT *RIDE TUE 7AM	DAPHNE KIRKSEY	8.55	Nashville Travel Expenses

03/13/19	STARBUCKS STORE 10574	DAPHNE KIRKSEY	7.41	Nashville Travel Expenses
03/14/19	CMSVEND*J & T VENDING	DAPHNE KIRKSEY	2.75	Nashville Travel Expenses
03/14/19	DIGITAL CHECKOUTS LLC	DAPHNE KIRKSEY	5.11	Nashville Travel Expenses
03/14/19	LYFT *RIDE TUE 4PM	DAPHNE KIRKSEY	9.78	Nashville Travel Expenses
03/14/19	LYFT *RIDE WED 2PM	DAPHNE KIRKSEY	9.55	Nashville Travel Expenses
03/14/19	LYFT *RIDE WED 9AM	DAPHNE KIRKSEY	9.69	Nashville Travel Expenses
03/14/19	WILD WASABI	DAPHNE KIRKSEY	28.21	Nashville Travel Expenses
03/15/19	CAMBRIA NASHVILLE	DAPHNE KIRKSEY	671.08	Nashville Travel Expenses
03/15/19	SHELL OIL 21575254054	DAPHNE KIRKSEY	3.27	Nashville Travel Expenses
03/15/19	TST* NASHHOUSE	DAPHNE KIRKSEY	21.82	Nashville Travel Expenses
03/18/19	BP#8430332MACS STORE 364	DAPHNE KIRKSEY	3.69	Nashville Travel Expenses
03/18/19	DUNKIN #348004 Q35	DAPHNE KIRKSEY	4.23	Nashville Travel Expenses
03/18/19	EGENCIA	DAPHNE KIRKSEY	358.50	Nashville Travel Expenses
04/17/19	PARKMOBILE	DAPHNE KIRKSEY	18.75	Nashville Travel Expenses
04/18/19	RACEWAY 843 41208430	DAPHNE KIRKSEY	6.24	Nashville Travel Expenses
04/18/19	SHELL OIL 91002689399	DAPHNE KIRKSEY	2.02	Nashville Travel Expenses
04/18/19	STARBUCKS STORE 10574	DAPHNE KIRKSEY	6.26	Nashville Travel Expenses
05/30/19	L2G*SERVICE FEE	SONAL C MODI	9.40	TN Dept of Revenue Professional Privilege Tax Payment
05/30/19	L2G*TN DEPT OF REVENUE	SONAL C MODI	400.00	TN Dept of Revenue Professional Privilege Tax Payment
06/07/19	L2G*SERVICE FEE	DAPHNE KIRKSEY	9.40	TN Dept of Revenue Professional Privilege Tax Payment
06/07/19	L2G*TN DEPT OF REVENUE	DAPHNE KIRKSEY	400.00	TN Dept of Revenue Professional Privilege Tax Payment
12/20/19	BLRHCPRO	KATHRYN A ROBINSON	211.76	Tennessee Legislation Service

7,150.56

PUBLIC VERSION

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 20-00028
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: Elaine Chambers

Question:

1-3 Provide supporting calculations, including the underlying calculation of the carrying rate (AFUDC Rate), for the amounts reflected as Allowance for Funds Used During Construction for the months of July 2019 (\$41,903) and September 2019 (\$61,561) as reflected in TAWC's Earnings Test Exhibit.

Response:

1-3 Please refer to the attachment file, "TAW_R_CPADDR1_NUM003_051220 Attachment".

Tennessee American Water Company
Docket No. 20-00028
Response to CPAD Data Request 1-003
Detail of AFUDC Calculation

	A	B	C	D	E = A + B + C + D	F	G	H = F + G	I = H * E	J	K = I + J	L	K * (1-L)
Month	Beginning AFUDC Base in CWIP	1/2 Half Current Month Eligible Expenditures	Prior AFUDC to Compound	1/2 Half Current Month In-Service Expenditures	AFUDC Base in CWIP	Monthly AFUDC Rate Debt (1)	Monthly AFUDC Rate Equity (1)	Monthly Total Rate	Monthly AFUDC	Quarterly Gross-up	Total AFUDC	Tax Rate (2)	Earnings Test Adjustment
July	\$10,535,169	\$705,860	\$55,951	(\$1,885,948)	\$9,411,031	0.3163%	0.2865%	0.6028%	\$56,730		\$56,730	26.135%	\$41,903
September	\$9,343,530	\$445,538	\$52,237	(\$491,663)	\$9,349,642	0.3163%	0.2865%	0.6028%	\$56,360	\$26,983	\$83,342	26.135%	\$61,561

(1) AFUDC rates based on authorized rate of return
(2) Tax rate based on state and federal income tax rates

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 20-00028
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: Elaine Chambers

Question:

1-4 With respect to legal services charged to the books of the Company, provide the following:

- a. With respect to legal services acquired outside the Company, provide the total costs incurred in 2019 by vendor and identify the account(s) charged;
- b. With respect to internal legal costs direct charged or allocated to the books of TAWC during 2019, provide the total amount of such charges by month, by account, and by method of charge for 2019; and
- c. Provide a copy of the invoices from Butler Snow for services provided in the months of July and December 2019.

Response:

1-4 Please refer to the response below:

- a. Please refer to the attachment file, "TAW_R_CPADDR1_NUM004_051220 Attachment".
- b. Please refer to the attachment file, "TAW_R_CPADDR1_NUM004_051220 Attachment".
- c. TAWC objects to this subsection of the request on the grounds that the information requested is confidential and protected by the attorney-client privilege and work product doctrine. The Company further objects to the request for the production of any such invoices on the grounds that the request seeks information that is irrelevant and overly broad. The Company is not seeking recovery for legal expenses outside the scope of normal and customary operational costs. Moreover, this request is irrelevant and overly broad in that it is not narrowly tailored to legal invoices for which TAWC is seeking recovery in this proceeding. Finally, the information sought contains protected attorney-client information and reflects attorney work product, in the form of detailed time entries, and is not subject to disclosure under Tennessee law. Please find the totals for Butler Snow in the months of July and December 2019.

Vendor #	Name	2019	Amount
		Month	
116903	Butler Snow LLP	July	\$25,505
116903	Butler Snow LLP	December	\$73,768

Tennessee American Water Company
Docket No. 20-00028
Response to CPAD Data Request 1-004
Legal Costs in 2019

External Legal Costs

Account #	Description	Vendor #	Name	12 Months Ending 12/31/19	Comment
52556000	Operating Expense - Lobbying	116903	Butler Snow LLP	\$1,825	Inadvertently charged to lobbying account
53150000	Operating Expense - Contracted Services-Other	116903	Butler Snow LLP	27,457	
53150000	Operating Expense - Contracted Services-Other	102464	Baker Donelson Bearman & Cald	1,511	
53155000	Operating Expense - Contracted Services-Legal	116903	Butler Snow LLP	255,078	
53155000	Operating Expense - Contracted Services-Legal	102464	Baker Donelson Bearman & Cald	69,332	
53155000	Operating Expense - Contracted Services-Legal	119215	Little Mendelson PC	56,181	
53155000	Operating Expense - Contracted Services-Legal	107014	K & L Gates LLP	30,872	
53155000	Operating Expense - Contracted Services-Legal		Accrued Legal	4,924	
External Legal Costs				<u>\$447,180</u>	

Tennessee American Water Company
Docket No. 20-00028
Response to CPAD Data Request 1-004
Legal Costs in 2019

Internal Legal Costs

Account #	Description	Billing WBS	Billing WBS Description	TAWC Allocation %
53401000	AWWSC Services - Labor OPEX	SE-0126-0066	CO 26 (TN) DIR CHG EXP	100
53401000	AWWSC Services - Labor OPEX	SE-1000-0003	CP-PLANT/REV/EMPLOY	2.26
53401000	AWWSC Services - Labor OPEX	SE-3000-0001	CP-ALL REGULATED CO'S (W & WW)	2.5
53401000	AWWSC Services - Labor OPEX	SE-3300-0432	CD-ALL REG CO'S(W & WW)	6.02
53401000	AWWSC Services - Labor OPEX	SE-8000-0005	CP-REV/EMPLOY	2.14
53401000	AWWSC Services - Labor OPEX	SF-3700-1000	SED-KY, TN (W&WW) OPEX	37.82
53401000	AWWSC Services - Labor OPEX	SZ-9999	SERVCO OVERHEAD	2.08
53401100	AWWSC Services - Pension OPEX	SZ-9999	SERVCO OVERHEAD	2.08
53401200	AWWSC Services - Group Insurance OPEX	SE-0126-0066	CO 26 (TN) DIR CHG EXP	100
53401200	AWWSC Services - Group Insurance OPEX	SE-1000-0003	CP-PLANT/REV/EMPLOY	2.26
53401200	AWWSC Services - Group Insurance OPEX	SE-3000-0001	CP-ALL REGULATED CO'S (W & WW)	2.5
53401200	AWWSC Services - Group Insurance OPEX	SE-3300-0432	CD-ALL REG CO'S(W & WW)	6.02
53401200	AWWSC Services - Group Insurance OPEX	SE-8000-0005	CP-REV/EMPLOY	2.14
53401200	AWWSC Services - Group Insurance OPEX	SF-3700-1000	SED-KY, TN (W&WW) OPEX	37.82
53401200	AWWSC Services - Group Insurance OPEX	SZ-9999	SERVCO OVERHEAD	2.08
53401300	AWWSC Services - Other Benefits OPEX	SE-0126-0066	CO 26 (TN) DIR CHG EXP	100
53401300	AWWSC Services - Other Benefits OPEX	SE-1000-0003	CP-PLANT/REV/EMPLOY	2.26
53401300	AWWSC Services - Other Benefits OPEX	SE-3000-0001	CP-ALL REGULATED CO'S (W & WW)	2.5
53401300	AWWSC Services - Other Benefits OPEX	SE-3300-0432	CD-ALL REG CO'S(W & WW)	6.02
53401300	AWWSC Services - Other Benefits OPEX	SE-8000-0005	CP-REV/EMPLOY	2.14
53401300	AWWSC Services - Other Benefits OPEX	SE-8000-0008	CP-EMPLOYEES	2.08
53401300	AWWSC Services - Other Benefits OPEX	SF-3700-1000	SED-KY, TN (W&WW) OPEX	37.82
53401300	AWWSC Services - Other Benefits OPEX	SZ-9999	SERVCO OVERHEAD	2.08
53401400	AWWSC Services - Contracted Services OPEX	SE-1000-0003	CP-PLANT/REV/EMPLOY	2.26
53401400	AWWSC Services - Contracted Services OPEX	SE-3000-0001	CP-ALL REGULATED CO'S (W & WW)	2.5
53401400	AWWSC Services - Contracted Services OPEX	SE-3300-0432	CD-ALL REG CO'S(W & WW)	6.02

53401400	AWWSC Services - Contracted Services OPEX	SE-8000-0008	CP-EMPLOYEES	2.08
53401400	AWWSC Services - Contracted Services OPEX	SF-3000-1024	COMPOSITE METER MATTER	2.61
53401400	AWWSC Services - Contracted Services OPEX	SZ-9999	SERVCO OVERHEAD	2.08
53401500	AWWSC Services - Office Supplies OPEX	SE-1000-0003	CP-PLANT/REV/EMPLOY	2.26
53401500	AWWSC Services - Office Supplies OPEX	SE-3000-0001	CP-ALL REGULATED CO'S (W & WW)	2.5
53401500	AWWSC Services - Office Supplies OPEX	SE-3300-0432	CD-ALL REG CO'S(W & WW)	6.02
53401500	AWWSC Services - Office Supplies OPEX	SE-8000-0008	CP-EMPLOYEES	2.08
53401500	AWWSC Services - Office Supplies OPEX	SF-3300-1000	CD-KY/TN/IN/MI (W&WW)	15.55
53401500	AWWSC Services - Office Supplies OPEX	SF-3700-1000	SED-KY, TN (W&WW) OPEX	37.82
53401500	AWWSC Services - Office Supplies OPEX	SZ-9999	SERVCO OVERHEAD	2.08
53401700	AWWSC Services - Rents OPEX	SE-3300-0432	CD-ALL REG CO'S(W & WW)	6.02
53401700	AWWSC Services - Rents OPEX	SF-3700-1000	SED-KY, TN (W&WW) OPEX	37.82
53401700	AWWSC Services - Rents OPEX	SZ-9999	SERVCO OVERHEAD	2.08
53402100	AWWSC Services - Other O&M Expense OPEX	SE-1000-0003	CP-PLANT/REV/EMPLOY	2.26
53402100	AWWSC Services - Other O&M Expense OPEX	SE-3000-0001	CP-ALL REGULATED CO'S (W & WW)	2.5
53402100	AWWSC Services - Other O&M Expense OPEX	SE-3300-0432	CD-ALL REG CO'S(W & WW)	6.02
53402100	AWWSC Services - Other O&M Expense OPEX	SF-3300-1000	CD-KY/TN/IN/MI (W&WW)	15.55
53402100	AWWSC Services - Other O&M Expense OPEX	SF-3700-1000	SED-KY, TN (W&WW) OPEX	37.82
53402100	AWWSC Services - Other O&M Expense OPEX	SZ-9999	SERVCO OVERHEAD	2.08
53402300	AWWSC Services - General Taxes OPEX	SE-0126-0066	CO 26 (TN) DIR CHG EXP	100
53402300	AWWSC Services - General Taxes OPEX	SE-1000-0003	CP-PLANT/REV/EMPLOY	2.26
53402300	AWWSC Services - General Taxes OPEX	SE-3000-0001	CP-ALL REGULATED CO'S (W & WW)	2.5
53402300	AWWSC Services - General Taxes OPEX	SE-3300-0432	CD-ALL REG CO'S(W & WW)	6.02
53402300	AWWSC Services - General Taxes OPEX	SE-8000-0005	CP-REV/EMPLOY	2.14
53402300	AWWSC Services - General Taxes OPEX	SF-3700-1000	SED-KY, TN (W&WW) OPEX	37.82
53402300	AWWSC Services - General Taxes OPEX	SZ-9999	SERVCO OVERHEAD	2.08

Internal Legal Costs

1 2019 January	2 2019 February	3 2019 March	4 2019 April	5 2019 May	6 2019 June	7 2019 July	8 2019 August
\$1,873	(\$942)	\$583	\$29	(\$24)	\$0	\$0	\$0
7,601	6,865	12,516	8,401	8,629	13,711	8,209	8,784
0	0	192	303	121	207	0	0
1,303	529	225	328	326	1,461	222	(132)
0	0	26	0	0	0	0	0
0	0	(1,761)	0	0	0	0	0
304	302	318	387	1,962	947	2,054	318
299	279	306	294	288	282	318	272
(132)	78	158	7	(6)	0	0	0
548	345	439	509	520	435	506	559
0	0	14	22	9	15	0	0
222	87	83	80	91	7	21	(12)
0	0	2	0	0	0	0	0
0	0	0	0	0	0	0	0
171	119	94	111	265	174	287	83
(17)	19	52	2	(2)	0	0	0
436	330	404	600	441	406	705	245
0	0	17	26	13	20	2	8
65	22	22	22	30	23	5	(3)
0	0	2	0	0	0	0	0
0	0	0	0	0	0	0	2
0	0	0	0	0	0	0	0
214	28	74	76	196	124	202	74
5,296	5,929	4,535	4,384	2,885	3,583	2,103	2,454
0	0	0	0	0	0	0	0
156	146	(156)	156	156	156	322	0

0	0	0	0	0	0	0	0
87	(300)	448	224	462	161	80	224
0	0	392	(390)	0	17	0	658
128	233	102	439	377	55	128	56
0	1	0	1	33	1	0	4
30	(14)	137	(89)	42	0	41	31
0	0	0	0	0	0	1	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
21	1	0	0	0	0	1	0
48	19	18	0	9	9	31	9
464	464	464	464	464	464	464	464
14	16	17	17	17	16	19	17
203	25	34	48	72	17	37	35
1	2	2	1	35	(6)	25	158
44	(44)	0	0	0	1	0	2
20	17	26	22	30	2	18	0
0	0	0	0	0	0	0	0
488	470	490	471	416	389	414	384
651	(83)	41	2	(2)	0	0	0
1,283	182	(987)	411	450	458	348	329
0	0	15	30	9	16	0	0
167	12	5	18	25	1	3	(2)
0	0	3	0	0	0	0	0
0	0	(735)	0	0	0	0	0
3,445	(1,441)	1,795	65	145	88	124	(17)

\$25,433

\$13,695

\$20,411

\$17,471

\$18,483

\$23,241

\$16,689

\$15,003

9 2019 September	10 2019 October	11 2019 November	12 2019 December	2019 Total
\$0	\$0	\$0	\$0	\$1,517
14,189	9,497	9,641	17,709	125,752
0	0	0	0	823
0	0	0	1,039	5,301
0	0	0	0	26
0	0	0	5,002	3,241
1,170	1,358	1,143	1,146	11,407
270	286	275	281	3,450
0	0	0	0	105
579	630	569	617	6,256
0	0	0	0	59
0	0	0	0	579
0	0	0	0	2
0	0	0	507	507
173	199	170	176	2,019
0	0	0	0	55
410	507	440	515	5,440
(4)	3	0	1	86
0	0	0	0	186
0	0	0	0	2
0	0	0	0	2
0	0	0	394	394
114	126	111	103	1,442
2,454	(22)	1,119	1,769	36,489
175	0	210	(121)	264
156	165	0	166	1,422

0	8	0	0	8
77	(39)	175	7	1,606
627	475	(151)	(185)	1,444
248	277	275	604	2,924
0	(1)	5	0	46
(17)	7	95	62	325
0	0	0	0	1
55	0	0	0	55
0	0	0	153	153
0	0	0	1	24
9	9	9	9	181
464	464	464	464	5,565
16	17	15	16	197
376	(106)	63	2	808
35	33	(36)	8	259
1	123	(1)	24	152
18	10	8	9	179
0	0	0	13	13
401	1,325	423	418	6,089
0	0	0	0	609
358	386	410	467	4,095
0	0	0	0	70
0	0	(3)	0	226
0	0	0	0	3
0	0	0	(100)	(835)
63	58	48	18	4,392

\$22,418

\$15,792

\$15,477

\$31,295

\$235,410

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 20-00028
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: Elaine Chambers

Question:

1-5 Quantify the capitalized plant in service recorded in 2019 by plant account that was not eligible for recognition in the Capital Riders.

Response:

1-5 Please refer to the attachment file, "TAW_R_CPADDR1_NUM005_051220 Attachment" for the plant additions in 2019 that were not eligible for recognition in the Capital Riders.

Tennessee American Water Company

Docket No. 20-00028

Response to CPAD Data Request 1-005

2019 Plant Additions Not Eligible in Capital Riders by Plant Account

Utility Account	Description	2019
		Plant Additions
303600	Land & Land Rights-General	\$938,974.88
304500	Struct & Imp-General	287.86
304600	Struct & Imp-Offices	594,877.20
304700	Struct & Imp-Store,Shop,Gar	43,356.39
331001	TD Mains Not Classified	1,700,664.30
333000	Services	558,308.06
334100	Meters	638,111.79
334200	Meter Installations	271,771.26
334300	Meter Vaults	3,108.32
335000	Hydrants	41,630.41
340100	Office Furniture & Equip	6,923.16
340200	Comp & Periph Equip	75,659.11
340300	Computer Software	1,330,386.40
340330	Comp Software Other	539,579.90
341100	Trans Equip Lt Duty Trks	244,832.60
341200	Trans Equip Hvy Duty Trks	117,387.88
341400	Trans Equip Other	(5,840.93)
343000	Tools,Shop,Garage Equip	149,026.41
345000	Power Operated Equipment	9,292.38
346100	Comm Equip Non-Telephone	(27,454.79)
347000	Misc Equipment	2.49
		<hr/>
		\$7,230,885.08

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 20-00028
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: Kurt Stafford

Question:

1-6 Identify capital projects undertaken as a result of the September 2019 Chattanooga main break and provide the following information:

- a. Identify the actual capital expenditures incurred by account, by month that are incorporated within the Capital Rider plant in service calculation (excluding indirect impacts included within the Earnings Test Calculation);
- b. For any work order incorporated within the response (a) in excess of \$500,000, provide a comprehensive explanation supporting why such expenditures should be incorporated within the Capital Riders' plant in service amount; and
- c. Identify the actual capital expenditures incurred by account, by month that are not incorporated within the Capital Riders calculation (excluding indirect impacts included within the Earnings Test Calculation).

Response:

- a. No capital expenditures related to the September 2019 Chattanooga main break are included in the 2019 Capital Rider Reconciliation.
- b. There are no work orders which exceed \$500,000. Please see the Company's response to part a above.
- c. R26-02C1.19-P-0002 has a spend of \$233,320.76. This includes replacing a 24-inch valve (valve # 7361) along E. 5th Street. Additionally, it includes work performed at the actual break site at the Citico Plant. This WBS includes materials, contractor work, and TAW labor costs. The monthly expenditures, by month, are shown in the table below.

Month	Expenditures
September	\$146,042.52
October	\$30,543.67
November	\$52,921.84
December	\$3,812.73
Total	\$233,320.76

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 20-00028
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: Kurt Stafford

Question:

1-7 Provide a comprehensive discussion of the nature of the incident in September 2019 which resulted in a service outage in the Chattanooga area. This response should identify the cause of the incident and the actions taken to repair and/or replace the system necessary to restore service.

Response:

TAWC objects to this request on the grounds that it is overly broad and seeks information that is not relevant. With respect to the request for a “comprehensive discussion,” including “the cause of the incident,” TAWC further objects under the grounds that the analysis being undertaken related to the incident, and the report and its contents are being prepared, under the attorney-client privilege in anticipation of litigation and are protected by the attorney-client privilege and the work product doctrine. Subject to and without waiving the foregoing objections, TAWC states as follows: Please see TAWC’s response to DR 1-1 to the Consumer Advocate’s discovery requests in TPUC Docket No. 20-0008 (2-28-20) and TAWC’s response to DR 1-9 to the Consumer Advocate’s discovery requests in TPUC Docket No. 19-00105 (1-17-20). See TAW_R_CPADDR1_NUM007_051220_Attachment.



36-INCH MAIN BREAK IN CHATTANOOGA ON SEPT. 12, 2019

A COMMUNITY COMING TOGETHER

We thank the Chattanooga community for your patience and understanding during the recent partial interruption of water service. Your exceptional support means a great deal to our entire team. Tennessee American Water knows this event was not easy on anyone, and we are truly sorry. We are grateful to see how our community pulled together, neighbor helping neighbor, to deal with the challenges.

As Tennessee American Water employees worked around the clock applying their expertise to repair the broken main, every part of the community worked in coordination to respond. Through this adversity the best qualities of our community emerged as we came together to address the problem, which allowed Tennessee American Water to complete restoration efforts as safely as possible.

We appreciate the many kind words of encouragement from the community we serve. We are truly thankful for the support we received from County and City agencies along with other area agencies we worked with as we restored service to homes and businesses.

to enhance the ability of Tennessee American Water to maintain water service in the event of a main break or other interruption. While the valve work was being performed, workers noticed a large amount of water beginning to surface from a meter vault that was located near but was not part of the planned project. We have not identified the cause of the main break and concluding this evaluation is a priority.

(continued)

FOR MORE INFORMATION

Tennessee American
Water Customer Service
Center:
1.866.736.6420
M-F, 7 a.m. - 7 p.m.
For emergencies, we're
available 24/7.

Check us out online
tennesseeamwater.com



Water Main Break



Crews Working on 36" Water Main Repair



**QUALITY. ONE MORE WAY
WE KEEP LIFE FLOWING.**



New Water Main Repaired with New Valve

The main break repair was completed by early Saturday morning, September 14, with the installation of a new permanent ductile iron pipe and 36-inch valve. After the repair, Tennessee American Water restored water pressure by turning valves back on, filling tanks and flushing hydrants to help reduce air in the distribution system and water discoloration. This process is methodical and takes time in order to avoid other main breaks or water quality issues.

By Saturday morning, September 14, impacted customers in lower elevations started seeing their water pressure improve or, if they were without water, their service restored. By Saturday afternoon, the majority of the impacted customers had their water service restored, and 24 hours later their precautionary boil water notice was lifted. By Sunday afternoon the highest elevation areas of the water system had their service restored, which meant all Tennessee American Water customers had water at their homes and businesses, with only a limited number of customers subject to the precautionary boil water notice.

EXACTLY, WHAT KIND OF WORK WAS UNDERWAY WHEN IT HAPPENED?

On Thursday evening, September 12, Tennessee American Water and its contractors were working on a planned project to install a valve on a 36-inch water transmission main. This new valve is an important part of a larger system improvement project focused on resiliency.

WHAT WE KNOW?

What we know is that we were performing a planned capital project, and, during the course of the work, workers noticed a large amount of water beginning to surface at a location near but not part of the project. We worked around the clock to reduce the flow of water to allow the repair of the main break and to restore the system.

HOW DID TENNESSEE AMERICAN WATER KEEP CUSTOMERS INFORMED?

Throughout this event, Tennessee American Water worked diligently to provide timely, factual information and updates to customers, in coordination with local agencies. We issued updates on the repair status and the progress toward restoration of service, to emergency operations personnel, customers, public officials and the media.

Tennessee American Water participated in seven press conferences throughout the main break event (September 13 - 16). The press conferences allowed us to coordinate with City and County agencies to publicly announce the latest developments, updates and progress of the repair and restoration process.

Tennessee American Water provided updates with color-coded maps in regular intervals through all the company's social media channels and website. The color-coded maps also were provided to the Hamilton County Emergency Operations Center to use during press conferences. We also distributed the maps to local agencies to post on their communication platforms thereby increasing the reach of status updates.

Tennessee American Water also used our CodeRED emergency notification system (reverse 911) to keep customers informed. These updates were communicated to our 24/7 customer service center.

WHAT DID TENNESSEE AMERICAN WATER DO TO HELP CUSTOMERS DURING THE OUTAGES?

Tennessee American Water deployed multiple water tankers after the main break and provided the majority of the bottled water supplied to the distribution sites that were expertly managed through the Hamilton County Emergency Operations Center. We also provided system information to the Chattanooga Fire Department, Tri-State Mutual Aid Association, Tennessee Statewide Mutual Aid, and the Tennessee Federation of Fire Chaplains and others that were mobilized and on standby to assure that fire suppression was available to all parts of the impacted area.

DID TENNESSEE AMERICAN WATER PROVIDE BOTTLED WATER AT DISTRIBUTION SITES?

Tennessee American Water purchased over half a million bottles of water that were distributed in coordination with the Hamilton County Emergency Operations Center and with the assistance of many volunteers. Throughout the restoration process, bottled water supplies were monitored and replenished as necessary as well as repositioned according to need. Additionally, Tennessee American Water had water tanker trucks available and ready to help when and where necessary.

WHY WERE YOU INITIALLY UNABLE TO PREDICT OR ESTIMATE WATER RESTORATION TIMES?

Delivering water service is a complex, multi-step, time-intensive process. The process can be further prolonged by air trapped in lines and by customer usage. Due to the geography, water must be restored to specific areas at specific levels before water can be pumped to the next area. This process and the fact that water takes time to move through complex networks of pipes, tanks and pumping stations, creates restoration times that can be difficult to predict. The restoration process is methodical and takes time in order to avoid other main breaks or water quality issues.

WHAT DOES A PRECAUTIONARY BOIL WATER NOTICE MEAN?

Tennessee American Water issued a precautionary boil water notice since we were not able to assure pressure throughout the entirety of the distribution system and low pressure may impact water quality. A precautionary boil water notice is not an indication that the water is unsafe. It means that due to low pressure conditions or other circumstances, customers are advised to take precautions until water quality is confirmed through testing. The testing process includes collecting water samples that are analyzed over a 24-hour time period to confirm that water quality has not been affected. Until the boil water notice was lifted, we asked customers to bring all water to a boil, let it boil for three (3) minutes, and let it cool before using, or use bottled water. During a precautionary boil water notice, boiled or bottled water should be used for drinking, making ice, brushing teeth, washing dishes, and food preparation until further notice.

AFTER WATER WAS RESTORED, WHY DID SOME CUSTOMERS HAVE WATER THAT WAS CLOUDY?

Cloudiness is typically caused by tiny air bubbles in the water. This occurs when air is trapped in the water, similar to carbonation in a bottle of soda. When you turn on your tap, the pressure is released, allowing the bubbles to appear, just as removing the cap from a soda bottle causes the soda to fizz. If you allow a glass of water to stand for a few moments, the air bubbles will rise to the surface and will usually clear from the bottom of the container up to the top. This phenomenon is called entrained air and does not affect the quality of your water.

WILL CUSTOMERS RECEIVE A CREDIT ON THEIR WATER BILL OR REIMBURSEMENT FOR EXPENSES AS A RESULT OF THE PARTIAL SERVICE INTERRUPTION?

We regret the recent fluctuation and partial interruption of water service. We devoted our full resources to completing the repair and providing water to as many customers as possible. No utility is able to guarantee uninterrupted service. When events such as these occur, we do not provide for billing adjustments or claims for customer reimbursement of expenses.

WHAT ARE YOU DOING TO PREVENT THIS FROM HAPPENING IN THE FUTURE?

Tennessee American Water is proud to have served the Chattanooga community for over 132 years. Recently, we have completed several resiliency projects that have further strengthened the water system. The planned valve work that was being performed the evening of the main break is a part of our piping improvement project. The installation of this valve allows us to turn off water at a main transmission line in case of emergency or to perform system upgrades.

Another phase of the resiliency project we recently completed is the installation of additional transmission bypass lines near the water treatment plant. These additional lines allow water to bypass, or divert, from one main transmission line to another transmission line. This gives us the ability to isolate large transmission lines in an effort to maintain water service.

Tennessee American Water makes investments in its systems on a consistent basis. We have invested an average of \$18 million annually in capital improvements to the drinking water system over the last five years for a total of \$92 million invested. Projects include replacing pipes, valves, hydrants, and meters throughout the system.



T E N N E S S E E
AMERICAN WATER

WE KEEP LIFE FLOWING™

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 20-00028
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: Kurt Stafford

Question:

1-8 With respect to the 2019 Earnings Test results, identify the Operating and Maintenance Costs incurred as a result of the main break incident in September 2019 which resulted in a service outage in the Chattanooga area. Provide a comprehensive description of such work effort.

Response:

With respect to Operating and Maintenance costs, bottled water was purchased and distributed during the break at a cost of \$41,605. Additionally, drinking water was transported to Chattanooga by tanker at a cost of \$63,430.

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 20-00028
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: Elaine Chambers

Question:

1-9 Provide the monthly TAWC overtime charged to Operating and Maintenance expenses, by account, incurred by month for 2019.

Response:

1-9 Please refer to the attachment file, "TAW_R_CPADDR1_NUM009_051220 Attachment".

Tennessee American Water Company
Docket No. 20-00028
Response to CPAD Data Request 1-009 & 1-010
2019 Overtime and Contracted Services By Account

Account	Description	2019 January	2019 February	2019 March	2019 April	2019 May	2019 June	2019 July	2019 August	2019 September
50110000	Labor Non-scheduled Overtime - Natural Account	\$13,407.81	\$42,020.19	\$44,671.72	\$39,803.37	\$51,859.98	\$44,246.96	\$36,230.71	\$83,661.32	\$37,905.87
50111200	Labor Oper Non-scheduled Overtime- P	3,718.70	2,827.59	11,061.37	6,716.14	4,935.67	4,269.94	3,516.80	10,208.44	2,732.54
50111300	Labor Oper Non-scheduled Overtime- WT	642.23	380.85	67.12	2,389.44	1,341.76	1,506.83	301.61	1,910.40	1,474.78
50111400	Labor Oper Non-scheduled Overtime- TD	0.00	637.50	250.00	10.36	28.13	42.56	127.80	546.98	227.04
50111420	Labor Oper Non-scheduled Overtime- TD Meter	1,046.24	2,520.69	3,528.50	2,434.32	906.46	767.59	1,411.09	3,067.48	2,042.40
50111510	Labor Oper Non-scheduled Overtime- CA Meter Read	4,271.02	3,069.43	8,846.51	1,036.41	495.10	494.45	0.00	612.62	10.10
50111600	Labor Oper Non-scheduled Overtime- AG	2,249.21	2,220.74	3,602.97	2,788.05	1,569.37	2,916.06	761.39	6,530.95	5,278.37
50112200	Labor Maint Non-scheduled Overtime- P	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19.47
50112300	Labor Maint Non-scheduled Overtime- WT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50112400	Labor Maint Non-scheduled Overtime- TD	860.33	643.59	1,272.72	535.45	346.45	1,263.51	800.24	679.96	640.60
50112420	Labor Maint Non-scheduled Overtime- TD Mains	185.69	1,528.12	9,101.61	3,537.67	3,449.90	5,749.94	9,248.44	16,530.29	1,427.92
50112430	Labor Maint Non-scheduled Overtime- TD Service	41.68	0.00	3,279.91	2,992.64	5,049.32	3,136.73	3,999.51	7,064.43	1,927.41
50112435	Labor Maint Non-scheduled Overtime- TD Meter	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50112440	Labor Maint Non-scheduled Overtime- TD Hydrant	10.40	1,890.98	7,306.22	7,208.86	4,842.37	171.33	1,311.32	4,852.44	10.65
50119900	Labor Non-scheduled Overtime- Capitalized Credits	(10,357.57)	(40,486.87)	(36,921.12)	(39,803.37)	(51,859.98)	(43,965.84)	(36,230.71)	(83,661.32)	(38,020.07)
50120000	Labor Overtime - Natural Account	13,174.29	10,073.72	3,891.60	2,769.60	0.00	585.66	0.00	0.00	0.00
50121200	Labor Oper Scheduled Overtime-P	1,545.76	1,529.60	763.68	1,143.84	0.00	1,172.16	1,172.16	0.00	1,172.16
50121300	Labor Oper Scheduled Overtime-WT	3,470.10	1,156.70	0.00	75.64	0.00	689.90	730.68	0.00	714.78
50121420	Labor Oper Scheduled Overtime-TD Meter	942.86	972.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50121510	Labor Oper Scheduled Overtime-CA Merer Read	2,705.45	2,679.68	275.15	0.00	0.00	0.00	0.00	0.00	0.00
50121600	Labor Oper Scheduled Overtime-AG	1,576.81	2,613.91	0.00	382.96	0.00	343.35	0.00	392.40	0.00
50122200	Labor Maint Scheduled Overtime-P	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50122400	Labor Maint Scheduled Overtime-TD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50122420	Labor Maint Scheduled Overtime-TD Mains	1,174.73	2,396.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50122430	Labor Maint Scheduled Overtime-TD Service	461.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50122440	Labor Maint Scheduled Overtime-TD Hydrant	634.40	8,014.57	1,859.80	0.00	0.00	0.00	0.00	0.00	0.00
50129900	Labor Scheduled Overtime- Capitalized Credits	(3,728.53)	(8,797.24)	(3,891.60)	(2,769.60)	0.00	(585.66)	0.00	0.00	0.00
TAWC O&M Overtime Charged		\$38,033.54	\$37,893.17	\$58,966.16	\$31,251.78	\$22,964.53	\$22,805.47	\$23,381.04	\$52,396.39	\$17,564.02

Account	Description	2019 January	2019 February	2019 March	2019 April	2019 May	2019 June	2019 July	2019 August	2019 September
53110000	Contract Svc-Eng - Natural Account	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
53110013	Contract Svc-Eng - Water Treatment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
53110014	Contract Svc-Eng - Transmission & Distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
53110016	Contract Svc-Eng - Admin & General	4,600.00	375.89	18,258.35	3,914.65	(1,000.00)	3,400.00	(500.00)	20,900.00	20,900.00
53150000	Contract Svc-Other - Natural Account	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
53150011	Contract Svc-Other - Source of Supply	300.70	19.81	0.00	201.02	1,798.10	1,949.82	1,000.00	204.93	3,373.32
53150013	Contract Svc-Other - Water Treatment	411.74	(83.60)	0.00	0.00	244.72	0.00	78.66	240.35	0.00
53150014	Contract Svc-Other - Transmission & Distribution	2,886.93	22,608.24	2,840.87	3,678.59	3,020.87	2,840.87	3,020.87	3,116.87	2,840.87
53150015	Contract Svc-Other - Customer Accounting	1,035.45	123.35	29.46	(152.81)	42.89	0.00	0.00	1,844.12	0.00
53150016	Contract Svc-Other - Admin & General	22,661.67	40,456.82	26,297.14	10,666.45	11,098.56	(1,629.56)	50,523.56	(4,291.98)	22,859.32
53151000	Contract Svc-Temp Empl - Natural Account	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
53151016	Contract Svc-Temp Empl - Admin & General	0.00	0.00	0.00	0.00	0.00	(4,381.15)	0.00	0.00	(2,875.00)
53152000	Contract Svc-Lab Testing - Water Treatment	1,172.16	320.00	1,254.09	310.00	1,478.32	300.00	726.08	1,152.16	2,696.14
53153000	Contract Services - Accounting	0.00	0.00	0.00	0.00	0.00	490.91	0.00	0.00	0.00
53154000	Contract Services - Audit Fees	4,338.00	4,338.00	12,089.00	5,105.33	7,648.33	11,783.33	6,788.26	0.00	7,415.00
53155000	Contract Services - Legal	18,170.16	47,499.31	30,418.19	(2,109.85)	37,119.75	46,310.63	55,718.36	87,464.11	159,749.63
53157000	Contract Services - Outplacement	0.00	0.00	2,400.00	3,700.00	0.00	0.00	0.00	0.00	0.00
63110022	Contract Svc-Eng Maint - Pumping	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
63110023	Contract Svc-Eng Maint - Water Treatment	2,580.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
63110024	Contract Svc-Eng Maint - Transmission & Distr	0.00	0.00	0.00	0.00	0.00	4,812.00	0.00	0.00	0.00
63150021	Contract Svc-Other Maint - Source of Supply	244.18	2,800.97	0.00	1,841.91	0.00	0.00	447.02	223.51	223.51
63150022	Contract Svc-Other Maint - Pumping	2,908.32	8,139.44	1,799.06	782.61	3,391.71	1,123.07	3,049.41	6,372.08	830.42
63150023	Contract Svc-Other Maint - Water Treatment	2,596.08	636.80	4,610.95	4,754.28	(3,197.94)	2,235.14	4,859.09	850.31	10,722.45
63150024	Contract Svc-Other Maint - Transmission & Distr	30,439.76	1,384.34	8,124.88	16,384.59	33,518.86	25,848.14	4,912.94	4,962.24	7,845.45
63150026	Contract Svc-Other Maint - Admin & General	(1,923.88)	1,271.94	813.09	1,941.09	7,595.97	1,457.09	6,358.80	1,197.34	614.24
TAWC O&M Contracted Services		\$92,421.27	\$129,891.31	\$108,935.08	\$51,017.86	\$102,760.14	\$96,540.29	\$136,983.05	\$124,236.04	\$237,195.35

Tennessee American Water Company
Docket No. 20-00028
Response to CPAD Data Request 1-009 & 1-010
2019 Overtime and Contracted Services By Account

Account	Description	2019 October	2019 November	2019 December	2019 Total
50110000	Labor Non-scheduled Overtime - Natural Account	\$21,880.70	\$20,493.62	\$21,016.02	\$457,198.27
50111200	Labor Oper Non-scheduled Overtime- P	5,712.42	4,159.55	8,238.81	68,097.97
50111300	Labor Oper Non-scheduled Overtime- WT	1,204.59	1,644.29	997.70	13,861.60
50111400	Labor Oper Non-scheduled Overtime- TD	0.00	0.00	0.00	1,870.37
50111420	Labor Oper Non-scheduled Overtime- TD Meter	2,190.85	3,211.69	1,962.94	25,090.25
50111510	Labor Oper Non-scheduled Overtime- CA Meter Read	0.00	916.57	1,837.40	21,589.61
50111600	Labor Oper Non-scheduled Overtime- AG	2,571.80	2,997.42	4,920.78	38,407.11
50112200	Labor Maint Non-scheduled Overtime- P	0.00	0.00	39.30	58.77
50112300	Labor Maint Non-scheduled Overtime- WT	38.99	0.00	0.00	38.99
50112400	Labor Maint Non-scheduled Overtime- TD	765.51	910.41	1,454.54	10,173.31
50112420	Labor Maint Non-scheduled Overtime- TD Mains	1,871.25	3,302.96	3,992.65	59,926.44
50112430	Labor Maint Non-scheduled Overtime- TD Service	7,171.00	5,298.62	2,021.40	41,982.65
50112435	Labor Maint Non-scheduled Overtime- TD Meter	0.00	0.00	0.00	0.00
50112440	Labor Maint Non-scheduled Overtime- TD Hydrant	21.32	683.69	511.25	28,820.83
50119900	Labor Non-scheduled Overtime- Capitalized Credits	(21,848.84)	(20,493.62)	(21,026.75)	(444,676.06)
50120000	Labor Overtime - Natural Account	0.00	0.00	0.00	30,494.87
50121200	Labor Oper Scheduled Overtime-P	0.00	0.00	2,344.32	10,843.68
50121300	Labor Oper Scheduled Overtime-WT	0.00	0.00	1,370.96	8,208.76
50121420	Labor Oper Scheduled Overtime-TD Meter	0.00	0.00	0.00	1,915.33
50121510	Labor Oper Scheduled Overtime-CA Merer Read	0.00	0.00	798.56	6,458.84
50121600	Labor Oper Scheduled Overtime-AG	0.00	0.00	1,613.85	6,923.28
50122200	Labor Maint Scheduled Overtime-P	0.00	0.00	38.90	38.90
50122400	Labor Maint Scheduled Overtime-TD	0.00	0.00	0.00	0.00
50122420	Labor Maint Scheduled Overtime-TD Mains	0.00	0.00	0.00	3,571.68
50122430	Labor Maint Scheduled Overtime-TD Service	0.00	0.00	0.00	461.93
50122440	Labor Maint Scheduled Overtime-TD Hydrant	0.00	0.00	0.00	10,508.77
50129900	Labor Scheduled Overtime- Capitalized Credits	0.00	0.00	0.00	(19,772.63)
TAWC O&M Overtime Charged		\$21,579.59	\$23,125.20	\$32,132.63	\$382,093.52

Account	Description	2019 October	2019 November	2019 December	2019 Total
53110000	Contract Svc-Eng - Natural Account	\$0.00	\$0.00	\$0.00	\$0.00
53110013	Contract Svc-Eng - Water Treatment	0.00	0.00	2,790.00	2,790.00
53110014	Contract Svc-Eng - Transmission & Distribution	0.00	0.00	0.00	0.00
53110016	Contract Svc-Eng - Admin & General	(41,854.02)	20,845.99	21,066.43	70,907.29
53150000	Contract Svc-Other - Natural Account	0.00	0.00	0.00	0.00
53150011	Contract Svc-Other - Source of Supply	162.44	0.00	915.05	9,925.19
53150013	Contract Svc-Other - Water Treatment	78.66	161.69	323.69	1,455.91
53150014	Contract Svc-Other - Transmission & Distribution	8,868.82	3,020.87	2,840.87	61,585.54
53150015	Contract Svc-Other - Customer Accounting	6,992.97	0.00	60.09	9,975.52
53150016	Contract Svc-Other - Admin & General	44,650.67	11,255.93	48,185.75	282,734.33
53151000	Contract Svc-Temp Empl - Natural Account	0.00	0.00	0.00	0.00
53151016	Contract Svc-Temp Empl - Admin & General	0.00	0.00	0.00	(7,256.15)
53152000	Contract Svc-Lab Testing - Water Treatment	576.08	525.40	1,655.60	12,166.03
53153000	Contract Services - Accounting	0.00	0.00	0.00	490.91
53154000	Contract Services - Audit Fees	7,415.00	6,794.00	3,641.29	77,355.54
53155000	Contract Services - Legal	(111,616.43)	(28,918.54)	76,581.91	416,387.23
53157000	Contract Services - Outplacement	0.00	0.00	0.00	6,100.00
63110022	Contract Svc-Eng Maint - Pumping	0.00	0.00	1,600.00	1,600.00
63110023	Contract Svc-Eng Maint - Water Treatment	0.00	0.00	0.00	2,580.00
63110024	Contract Svc-Eng Maint - Transmission & Distr	0.00	0.00	0.00	4,812.00
63150021	Contract Svc-Other Maint - Source of Supply	1,857.53	223.51	223.51	8,085.65
63150022	Contract Svc-Other Maint - Pumping	1,037.90	2,448.71	5,725.00	37,607.73
63150023	Contract Svc-Other Maint - Water Treatment	2,477.90	2,522.15	1,950.92	35,018.13
63150024	Contract Svc-Other Maint - Transmission & Distr	66,638.78	294.98	9,259.98	209,614.94
63150026	Contract Svc-Other Maint - Admin & General	117.99	840.79	2,117.50	22,401.96
TAWC O&M Contracted Services		(\$12,595.71)	\$20,015.48	\$178,937.59	\$1,266,337.75

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 20-00028
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: Elaine Chambers

Question:

1-10 Provide the monthly level of contract labor charged to Operating and Maintenance costs incurred by month during 2019.

Response:

1-10 Please refer to the attachment file, "TAW_R_CPADDR1_NUM009_051220 Attachment".

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 20-00028
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: Elaine Chambers

Question:

1-11 Regarding the Incentive Compensation costs incorporated within the Earnings Test Calculation, provide the following information:

- a. Describe the process used to account for these costs on a monthly basis, including but not limited to a discussion of how and when the reconciling entries are recorded which match estimated compensation with actual compensation paid by TAWC.
- b. Identify the incentive compensation costs associated with non-TAWC employees that are allocated to TAWC's books by month and indicate the American Water Company entity in which such costs originate. Further, identify the method used to allocate such costs to TAWC, and whether such costs are included within the identified \$592,058 of incentive compensation costs.

Response:

1-11 Please refer to the responses below:

a. The Annual Performance Plan ("APP") is accrued on a monthly basis based on the APP target % for which the individual is eligible, based on job grade and exempt status, and annualized base pay rate/salary. Throughout the year, the assumption is 100% payout of target %, unless otherwise directed by Finance. Typically, at the end of the fiscal year, a true-up entry will be made to adjust the payout assumption of the target %. The APP will be paid out by the first quarter of the following year. Additional true-up entries may be made based on the actual payout versus the accrued amount from the preceding year.

The Long-Term Performance Plan ("LTPP") is accrued quarterly based on eligible participants and projected value of the stock options. Similarly to the ("APP"), the LTPP is trued-up based on anticipated forfeitures and any terminations and retirements.

b. The \$592,058 performance plan costs identified in the earnings test is associated entirely with non-TAWC employees that was allocated to TAWC's books. These costs originated in the American Water Service Company. Below, please find the costs by month.

The performance plans' costs are allocated to Tennessee-American by the primary method each function and department allocates their regular time. The allocation methodology follows a tiered

approach based on the function and department's support provided to the affiliates. For functions and departments that support the regulated affiliates only, Tier Two allocations are utilized.

Tier One: These factors represent the split of costs to be allocated between regulated and market based and at cost affiliates. These factors are based on a review of primary common cost causal drivers for a particular service. The use of the factors identified below may vary depending on the service being provided.

Three Factor – Includes the primary cost drivers, which are common to the operation of regulated and market based affiliates, of operating revenues, net property, plant and equipment, and number of employees. The metrics are equally weighted within the formula. Also, these metrics will only include affiliates that are receiving service.

Two Factor Employee – Includes the primary cost drivers of operating revenues and number of employees. The metrics are equally weighted within the formula. Also, these metrics will only include affiliates that are receiving service.

Two Factor Net Property, Plant and Equipment – Includes the primary cost drivers, which are common to the operation of regulated and market based affiliates, of operating revenues and net property, plant and equipment. The metrics are equally weighted within the formula. Also, these metrics will only include affiliates that are receiving service.

Revenue Factor – Uses operating revenues as a surrogate for customer counts due to the relative size differences of customers (e.g. two O&M contracts may support significantly different sized customer bases). Also, these metrics will only include affiliates that are receiving service.

Employee Factor – Uses a count of active employees for all affiliates receiving services.

Net Property, Plant and Equipment Factor – Uses the net property plant and equipment for each affiliate for all affiliates receiving services.

100% Market Based Companies – This factor allocates expenses to Market Based Businesses. Specific non-regulated affiliate(s) charges are per request from formula requestor.

100% Public Utility Companies – This factor allocates all expenses to Regulated Businesses. Specific Regulated Business charges are dependent on Tier Two factors (see below).

Tier Two: These factors are used to allocate regulated company costs to the Regulated Businesses that benefit from the service. Tier two factors are primarily based on the number of customers served (Water and Wastewater) at the immediately preceding calendar year end. A customer that receives both water and wastewater service is counted as a 'Dual Service' customer. A Dual Service customer is counted as 1.05 customers for purposes of cost allocation from AWWSC to each regulated public utility subsidiary.

Month	Gross Amount	Tax Effect	Net Amount
Jan-19	\$37,869	73.865%	\$27,972
Feb-19	37,753	73.865%	27,886
Mar-19	102,086	73.865%	75,406
Apr-19	37,276	73.865%	27,534
May-19	37,276	73.865%	27,534
Jun-19	119,297	73.865%	88,119
Jul-19	39,292	73.865%	29,023
Aug-19	38,875	73.865%	28,715
Sep-19	108,301	73.865%	79,996
Oct-19	39,489	73.865%	29,169
Nov-19	48,353	73.865%	35,716
Dec-19	155,674	73.865%	114,988
	<u>\$801,541</u>		<u>\$592,058</u>

**TENNESSEE AMERICAN WATER COMPANY
DOCKET NO. 20-00028
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE AND PROTECTION DIVISION**

Responsible Witness: Elaine Chambers

Question:

1-12 Regarding the Revenue Bill Analysis Report, respond to the following:

- a. Identify the nature of Account 2419970 and why its balance should be included within the Capital Rider calculation.
- b. Provide the definition for each unique Rate Code identified within the Bill Analysis Report based upon the first five letters of each distinct Rate Number. For purposes of this response, ignore the last three/four letters which relate to the specific Capital Rider.

Response:

1-12 Please refer to the responses below:

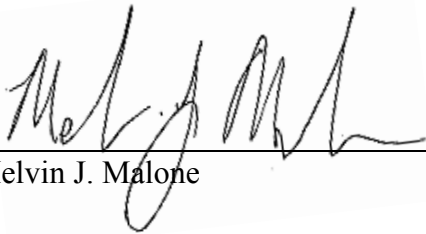
- a. Account 24199700 is a deferred revenue – current liability account. Based on the terms and conditions of billing and payments, private fire shall be payable quarterly in advance. For revenue recognition purposes, private fire revenue should be recognized monthly. This account enables the quarterly billings for private fire in advance and the revenue recognition of such billings monthly.
- b.
 - TNRSW = Tennessee Residential Water
 - TNNRW = Tennessee Non-Residential Water
 - TNNRF = Tennessee Non-Residential Fire

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:

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This the 12th day of May, 2020.



Melvin J. Malone