

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF TENNESSEE-AMERICAN
WATER COMPANY FOR APPROVAL
OF THE ESTABLISHMENT OF A
REGULATORY ASSET**

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Docket No. 20-00126

**DIRECT TESTIMONY OF DAVID N. DITTEMORE
ADOPTING DIRECT TESTIMONY OF CRAIG C. COX**

June 30, 2021

1 **Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION FOR**
2 **THE RECORD.**

3 **A1.** My name is David N. Dittmore. My business address is Office of the Tennessee Attorney
4 General, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, TN 37243. I
5 am a Financial Analyst employed by the Consumer Advocate Unit in the Financial Division
6 of the Tennessee Attorney General's Office ("Consumer Advocate").

7 **Q2. PLEASE PROVIDE A SUMMARY OF YOUR BACKGROUND AND**
8 **PROFESSIONAL EXPERIENCE.**

9 **A2.** I received a Bachelor of Science Degree in Business Administration from the University
10 of Central Missouri in 1982. I am a Certified Public Accountant licensed in the state of
11 Oklahoma (#7562). I was previously employed by the Kansas Corporation Commission
12 (KCC) in various capacities, including Managing Auditor, Chief Auditor, and Director of
13 the Utilities Division. For approximately four years, I was self-employed as a Utility
14 Regulatory Consultant representing primarily the KCC Staff in regulatory issues. I also
15 participated in proceedings in Georgia and Vermont, evaluating issues involving electricity
16 and telecommunications regulation. Additionally, I performed a consulting engagement
17 for Kansas Gas Service (KGS), my subsequent employer during this time frame. For
18 eleven years I served as Manager and subsequently Director of Regulatory Affairs for
19 KGS, the largest natural gas utility in Kansas, serving approximately 625,000 customers.
20 KGS is a division of One Gas, a natural-gas utility serving approximately two million
21 customers in Kansas, Oklahoma, and Texas. I joined the Tennessee Attorney General's
22 Office in September 2017 as a Financial Analyst. Overall, I have thirty years' experience
23 in the field of public-utility regulation. I have presented testimony as an expert witness on
24 many occasions.

25 **Q3. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THE**
26 **TENNESSEE PUBLIC UTILITY COMMISSION (TPUC OR THE**
27 **"COMMISSION")?**

28 **A3.** Yes. I have submitted testimony in many TPUC dockets since joining the Attorney
29 General's Office.

30 **Q4. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

1 **A4.** The purpose of my testimony is to adopt the direct testimony previously submitted in this
2 docket by Craig C. Cox. A copy of Craig Cox's direct testimony is attached as Exhibit 1.

3 **Q5. WHY ARE YOU ADOPTING MR. COX'S DIRECT TESTIMONY?**

4 **A5.** Mr. Cox is voluntarily leaving the company effective Month xx, 2021. Therefore, I am
5 adopting his testimony.

6 **Q6. ARE YOU FAMILIAR WITH THE DIRECT TESTIMONY OF CRAIG C. COX?**

7 **A6.** Yes, I have reviewed the testimony of Craig Cox, including exhibits, and I am familiar
8 with its contents.

9 **Q7. IF ASKED THE SAME QUESTIONS AS ARE IN THE DIRECT TESTIMONY OF**
10 **CRAIG C. COX, WOULD YOU ANSWER EACH QUESTION THE SAME?**

11 **A7.** Yes, excepting that our professional and educational backgrounds are different.

12 **Q8. DO YOU WISH TO ADOPT THE TESTIMONY OF CRAIG C. COX WITHOUT**
13 **CHANGES?**

14 **A8.** Yes.

15 **Q9. DOES THIS COMPLETE YOUR TESTIMONY?**

16 **A9.** Yes.

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF TENNESSEE-
AMERICAN WATER COMPANY FOR
APPROVAL OF THE
ESTABLISHMENT OF A
REGULATORY ASSET**

DOCKET NO. 20-00126

AFFIDAVIT

I, David Dittimore, on behalf of the Consumer Advocate Unit of the Attorney General's Office hereby certify that the attached Direct Testimony Adopting Craig Cox's Testimony represents my opinion in the above-referenced case and the opinion of the Consumer Advocate Unit.

David N. Dittimore

DAVID N. DITTEMORE

Sworn to and subscribed before me,

This 30th day of June, 2021

Terra Allen

NOTARY PUBLIC



My Commission Expires: September 28, 2022.

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:)	
)	
PETITION OF TENNESSEE-AMERICAN)	
WATER COMPANY FOR APPROVAL)	Docket No. 20-00126
OF THE ESTABLISHMENT OF A)	
REGULATORY ASSET)	
)	

DIRECT TESTIMONY OF

CRAIG C. COX

April 30, 2021

1 **Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION FOR**
2 **THE RECORD.**

3 **A1.** My name is Craig C. Cox. My business address is Office of the Tennessee Attorney
4 General, John Sevier Building, 500 Dr. Martin L. King, Jr. Boulevard, Nashville, TN
5 37243. I am a Financial Analyst employed by the Consumer Advocate Unit in the Financial
6 Division of the Tennessee Attorney General's Office ("Consumer Advocate").

7 **Q2. PLEASE PROVIDE A SUMMARY OF YOUR BACKGROUND AND**
8 **PROFESSIONAL EXPERIENCE.**

9 **A2.** I earned a bachelor's degree (B.B.A.) in Finance from Middle Tennessee State University.
10 I am also a Certified Public Accountant (CPA) actively licensed in the state of Tennessee
11 (#15645). I have twenty-seven years of professional experience, twenty-two of which are
12 in private industry and five of which are in government service. Nearly all those years have
13 been in analytical roles (financial and operational) at the senior level. Some of the
14 responsibilities I have had during those years are as follows: leading the corporate budget
15 and quarterly projections processes, along with all associated reporting, for a \$500 million
16 global company; financial lead for multiple business units; project and process
17 management to include implementation of new and complex accounting pronouncements;
18 manager of an accounts-payable operation; and instructor of corporate finance &
19 accounting.

20 **Q3. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THE**
21 **TENNESSEE PUBLIC UTILITY COMMISSION (TPUC OR THE**
22 **"COMMISSION")?**

23 **A3.** Yes.

24 **OVERVIEW**

25 **Q4. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

1 **A4.** The purpose of my testimony is to evaluate and quantify the costs as proposed in the
 2 *Petition of Tennessee-American Water Company for Approval of the Establishment of a*
 3 *Regulatory Asset* ("Petition"), TPUC Docket No. 20-00126.¹

4 **Q5. WHAT HAS THE COMPANY REQUESTED IN THIS DOCKET?**

5 **A5.** Specifically, Tennessee-American Water Company (TAWC or the "Company") has
 6 requested the establishment of a COVID-19-related regulatory asset comprised of foregone
 7 late fees and related net expenses. The Company's filing includes Petitioner's Exhibit 1,
 8 which details a proposed regulatory asset amount of \$514,465, as of October 2020.² A
 9 listing of the Company's proposed deferred asset components is shown in Figure 1 below³:

10 **Figure 1**

	As Filed – Data as of 10/31/20	Update – Data as of 12/31/20
Foregone late payment fees	\$306,626	\$304,140
Costs:		
Incremental operating expenses	62,391	85,267
Uncollectible expense	154,757	116,035
Term loan interest expense	112,090	131,360
Direct offsets:		
Travel/conference savings	(121,398)	(135,508)
Total	\$514,465	\$501,294

11
 12 **IDENTIFICATION AND EVALUATION OF THE COMPANY'S PROPOSED COVID-**
 13 **19-RELATED DEFERRED ASSET COMPONENTS**

14 **a. FOREGONE LATE-PAYMENT FEES**

15 **Q6. DESCRIBE THE COMPANY'S PROPOSED FOREGONE LATE-PAYMENT**
 16 **FEES.**

¹ *Petition of Tennessee-American Water Company for Approval of the Establishment of a Regulatory Asset*, Exhibit 1, TPUC Docket No. 20-00126 (November 16, 2020).

² Petition at Exhibit 1.

³ *Tennessee-American Water Company's Responses to Second Discovery Request of the Consumer Advocate*, DR No. 2-04, and file <TAW_R_CAPDDR2_004_Attachment>, TPUC Docket No. 20-00126 (March 11, 2021).

A6. On March 13, 2020, in response to the Governor's declared state of emergency, the Company voluntarily suspended late fees.⁴ The Company did not reinstate late payment fees until October 1, 2020.⁵ Per the Company's Tariff, a 5% late-payment charge is normally assessed on any bill that remains unpaid fifteen days after a bill is rendered.⁶ The effective date of the late-payment fee is stated on the bill.⁷

Q7. DO YOU AGREE THAT ALL OF THE COMPANY'S PROPOSED FOREGONE LATE-PAYMENT FEES SHOULD BE CONSIDERED FOR DEFERRAL AS A REGULATORY ASSET?

A7. No, I do not agree that all the Company's foregone late fees should be included in the proposed regulatory asset. The COVID-19 pandemic has not only impacted the Company, but it has had adverse impacts on the Company's customers.⁸ Notwithstanding Mr. Dittmore's recommendation⁹ that the Company's total proposed COVID-19 pandemic-related costs are immaterial to its operations, I recommend the Company be allowed to defer foregone late-payment fees only to the extent that they, when added to those late-payment fees charged to customers in 2020, equal the Company's 2017-2019 three-year, pre-pandemic average annual late-payment fees. Figure 2 below shows the maximum amount of foregone late-payment fees, which I recommend the Company be permitted to defer as part of its proposed regulatory asset. Schedule CCC-2 provides the average pre-pandemic late-payment fee computation.

⁴ Petition at p. 3, ¶7.

⁵ Petition at p. 4 ¶7. See *Informational Filing of Tennessee American Water Company* ("Tennessee-American Water") Docket No. 20-00047 Related to Measures Taken During the Coronavirus COVID-19 Public Health Emergency, p. 2, TPUC Docket No. 20-00047 (October 14, 2020).

⁶ *Tennessee American Water Company, Chattanooga: Rates, Rules, Regulations and Conditions of Water Service*, Original Sheet No. 10. A copy of the Company's Tariff is accessible at

www.amwater.com/tnaw/resources/pdf/Customer-Service/Your-Water-Rates/TRA%20Rates%20and%20Rules.pdf.

⁷ *Id.*

⁸ In its order suspending disconnections, the Commission recognized that the measures taken to contain the public health during the COVID-19 pandemic "has economic consequences on all fronts. As such, many of our most vulnerable households are without work and have little or no income. Businesses, small and large, depend upon basic utility services even as they face potential supply chain problems, a lack of cash-flow, and employees that are unavailable to work. In these challenging times, maintaining safe, reliable, and reasonably priced utility service must remain a priority." *Order Requiring All Jurisdictional Utilities to Suspend Actions to Disconnect Service for Lack of Payment During the State of Public Health Emergency*, p.3, TPUC Docket No. 20-00047 (March 31, 2020).

⁹ *Direct Testimony of David N. Dittmore* at 3:18 – 5:24, TPUC Docket No. 20-00126 (April 30, 2021).

Figure 2

	Company's 3-year Average Late Pmt Fees (2017-19)	Company's Late Pmt Fees Charged to Customers in 2020	CA's Maximum Recommended Foregone Late Fees
As filed, Mar 20 – Oct 20	\$283,117	\$ 46,246	\$236,871
Mar 20 – Dec 20	342,028	99,256	242,772

Also, as mentioned in Mr. Dittmore's Testimony, the Company's approved return on equity includes a risk premium for economic downturns and their impacts on revenues.¹⁰ This premium compensates the Company's shareholders for assuming such economic risks as reductions in late payment fees. For these reasons, I recommend the maximum foregone late payment fees be calculated by the methodology described here.

b. INCREMENTAL OPERATING EXPENSES

Q8. DESCRIBE THE COMPANY'S PROPOSED INCREMENTAL OPERATING EXPENSES.

A8. The Company claims it has incurred certain expenses directly related to the COVID-19 pandemic that it does not incur in a typical year. These expenses include the Company's purchases of PPE and related supplies, cleaning and sanitizing of its facilities, additional customer communications, and related signage. These expenses also include an allocated charge from the Company's parent company for like expenditures. The Company has tracked its direct expenses using a specific tracking number.¹¹

Q9. DO YOU AGREE THAT THE COMPANY'S INCREMENTAL OPERATING EXPENSES SHOULD BE CONSIDERED FOR DEFERRAL AS A REGULATORY ASSET?

A9. Yes. After reviewing the submitted documentation, I find the Company's expenditures in this category and tracking methodology to be reasonable.

¹⁰ *Id.* at 5:17-24.

¹¹ *Tennessee-American Water Company's Responses to Second Discovery Request of the Consumer Advocate*, DR No. 2-7, and *Tennessee-American Water Company's Responses to Third Discovery Request of the Consumer Advocate*, DR Nos. 3-6, and 3-7.

c. UNCOLLECTIBLE EXPENSES

Q10. DESCRIBE THE COMPANY'S PROPOSED UNCOLLECTIBLE EXPENSES.

A10. The Company has proposed that uncollectible expenses above those authorized in its last rate case¹² should be deemed related to the COVID-19 pandemic and, as a result, should be deferred as part of its requested regulatory asset.¹³

Q11. DO YOU AGREE THAT THE COMPANY'S UNCOLLECTIBLE EXPENSES SHOULD BE CONSIDERED FOR DEFERRAL AS A REGULATORY ASSET?

A11. No. Given the last rate case is nine years old and the Company has made several acquisitions and divestitures since then, comparing the Company's uncollectible expenses incurred since March 2020 with those of more recent periods would provide a better estimate of uncollectible expenses related to the COVID-19 pandemic. Consequently, I recommend using expenses incurred during the three years preceding the pandemic—2017 through 2019—for assessing related uncollectible expenses. In Figure 2 below, I compare the Company's actual 2020 uncollectible expenses for the periods noted to the Company's 2017-2019 three-year average annual uncollectible expenses. Schedule CCC-3 provides the average pre-pandemic uncollectible expense computation.

Figure 3

	Company Actual Uncollectible Expenses	Company's 3- year Average Uncollectible Expenses (2017- 19)	CA Estimated Pandemic- related Uncollectible Expense
As filed, Mar 20 – Oct 20	\$473,041	\$466,621	\$6,420
Mar 20 – Dec 20	518,164	546,601	(28,437)

As can be seen from the comparisons for the selected periods, the Company's recent uncollectible expenses are significantly higher than those included in the Company's last

¹² *Order Approving Settlement Agreement*, TRA Docket No. 12-00049 (November 20, 2012). One should note that the Tennessee Regulatory Authority, or TRA, is the predecessor agency to the TPUC, just as the Tennessee Public Service Commission predated the TRA. While the nomenclature has changed, the scope and function of these entities has remained essentially the same.

¹³ *Tennessee-American Water Company's Responses to First Discovery Request of the Consumer Advocate*, DR No. 1-08, and file <TAW_R_CAPDDR1_008 Attachment>, TPUC Docket No. 20-00126 (January 22, 2021).

base rate case. This leads me to conclude that the company's uncollectible expense has risen in recent years, absent the COVID-19 pandemic, and that the Company's approach of comparing 2020 results with the uncollectible expenses authorized in its last rate case does not accurately estimate the pandemic's impact. For the periods shown in Figure 2, the Company's estimated pandemic-related uncollectible expenses are either immaterial (March 2020 through October 2020) or they are less than those experienced over the last three years on average. For these reasons, I do not recommend uncollectible expenses be allowed for regulatory-asset consideration.

d. TERM LOAN INTEREST EXPENSE

Q12. MR. COX, BOTH YOU AND MR. DITTEMORE DISCUSS THE INTEREST-EXPENSE COMPONENT. HOW SHOULD THE COMMISSION VIEW THESE PROPOSALS?

A12. Mr. Dittmore is presenting the primary recommendation regarding interest expense, which is that none of the Company's proposed interest expense be considered as a COVID-19 pandemic-related cost.¹⁴ I am making an alternative proposal in the event the Commission does not adopt Mr. Dittmore's recommendation.

Q13. DESCRIBE THE COMPANY'S PROPOSED TERM LOAN INTEREST EXPENSE.

A13. On March 20, 2020, American Water Capital Corporation borrowed \$500 million of an approved \$750 million under a twelve-month term loan agreement.¹⁵ The loan was obtained in anticipation of liquidity problems associated with the COVID-19 pandemic. The loan agreement did not include a prepayment penalty and carried a variable interest rate based on the London interbank offer rate (LIBOR) plus a 0.80% margin.¹⁶ Of the \$500 million loan proceeds, \$11.8 million was allocated to the Company.

Q14. DO YOU AGREE THAT THE COMPANY'S TERM-LOAN INTEREST EXPENSE SHOULD BE CONSIDERED FOR DEFERRAL AS A REGULATORY ASSET?

¹⁴ Direct Testimony of David N. Dittmore at 6:1 – 7:16

¹⁵ Tennessee-American Water Company's Responses to Second Discovery Request of the Consumer Advocate, DR No. 2-21 and file <TAW_R_CAPDDR2_021_Attachment>.

¹⁶ *Id.*

A14. If the Commission rejects Mr. Dittmore's recommendation, the term-loan interest expense incurred in April 2020 should be considered, but I do not recommend any interest expense incurred after April 2020 be allowed. On April 29, 2020, less than six weeks after receiving the loan proceeds, American Water Works declared a quarterly dividend increase of 10.0% to its shareholders. In addition, one year later on April 28, 2021, American Water Works declared a second quarterly dividend increase since the advent of the pandemic; this most recent increase was 9.5%.¹⁷ Given the liquidity required to declare two dividend increases since the beginning of the pandemic, coupled with the lack of a prepayment penalty on the term loan, the interest charges assigned to the Company's customers should have ceased no later than May 1, 2020. Furthermore, the Company has stated that the loan proceeds have not been used. Specifically, the Company stated, "The full balance of the term loan remains as cash for American Water to maintain the enhanced liquidity."¹⁸ For these reasons, I recommend only the \$17,218 interest incurred during April 2020 be considered for deferral treatment.

e. TRAVEL AND CONFERENCE SAVINGS

Q15. DESCRIBE THE COMPANY'S PROPOSED TRAVEL AND CONFERENCE SAVINGS.

A15. The Company proposed travel and conference expense savings as offsets to their claimed incremental pandemic-related costs. Given the travel and safety restrictions followed during the COVID-19 pandemic, the Company experienced less travel and conference registrations during 2020. The Company presented the difference between their 2020 travel and conference expenses and those incurred during the same period in 2019 as a representation of its pandemic-related savings.¹⁹

¹⁷Dividends History of American Water Works Company, Street Insider.com, https://www.streetinsider.com/dividend_history.php?q=awk (last visited April 28, 2021).

¹⁸ Tennessee-American Water Company's Responses to Second Discovery Request of the Consumer Advocate, DR No. 2-22.

¹⁹ Tennessee-American Water Company's Responses to First Discovery Request of the Consumer Advocate, DR No. 1-08 and file <TAW_R_CAPDDR1_008 Attachment>.

Q16. DO YOU AGREE THAT THE COMPANY'S TRAVEL AND CONFERENCE SAVINGS SHOULD BE CONSIDERED AS AN OFFSET TO THE COMPANY'S REQUESTED REGULATORY ASSET?

A16. Yes, I do. The Company's approach in computing these savings, however, is inconsistent with the approach used by the Company to estimate other pandemic-related expenses. As explained earlier in my testimony, the Company used the uncollectible expenses authorized in its 2012 base rate case as the baseline for computing pandemic-related uncollectible expenses. However, the Company used 2019 levels of travel and conference expenses as its benchmark for computing their pandemic-related expense savings. Consistent with what I proposed for calculating pandemic-related uncollectible expenses, I propose travel and conference savings be computed by comparing the Company's 2020 travel and conference expenses to the averages of those same expenses incurred from 2017 through 2019. In Figure 3 below, I compare the Company's 2020 actual travel and conference expenses for the periods noted to its 2017-2019 pre-pandemic, three-year averages. The difference represents the estimated COVID-19 pandemic-related savings for the Company's travel and conference expenses. Schedule CCC-4 provides the average pre-pandemic travel and conference expense computation.

Figure 4

	Company Actual Travel & Conference Expenses	Company's 3- year Average Travel & Conference Expenses (2017- 19)	CA Estimated Pandemic- related Travel & Conference Savings	Company's Proposed Travel & Conference Savings
As filed, Mar 20 – Oct 20	\$12,135	\$146,363	\$134,228	\$121,398
Mar 20 – Dec 20	19,598	175,169	155,571	135,508

As can be seen from the comparisons, the average three-year, pre-pandemic travel and conference expenses incurred by the Company are higher than those incurred in its lone benchmark year of 2019. For the periods shown in Figure 3, the estimated pandemic-related travel and conference expense savings are at least 10% higher than the savings proposed by the Company. Since using data from more than one recent period provides a better representation of the Company's typical pre-pandemic expenses, I recommend the Company's COVID-19 pandemic-related expense savings be computed using average travel and conference expenses incurred from 2017 through 2019 as the benchmark.

1 **Q17. CAN YOU SUMMARIZE THE INCREMENTAL COSTS YOU BELIEVE**
2 **SHOULD BE SUBJECT TO CONSIDERATION BY THE COMMISSION FOR**
3 **DEFERRED ASSET TREATMENT?**

4 **A17.** Yes. Schedule CCC-1 sets forth the calculation of incremental COVID-19 pandemic costs
5 through December 2020 for the reasons stated earlier in my testimony.

6 **Q18. WHAT IS THE CONSUMER ADVOCATE'S RECOMMENDATION**
7 **CONCERNING THE RECOVERY OF THESE INCREMENTAL COSTS?**

8 **A18.** Mr. Dittmore is supporting the overall Consumer Advocate recommendation on the
9 appropriate treatment of the incremental COVID-19 pandemic costs that I have identified
10 in my testimony.

11 **Q19. DOES THIS COMPLETE YOUR TESTIMONY?**

12 **A19.** Yes, however I reserve the right to supplement my testimony should new information arise.



20-00126 CCC-signed.pdf

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 terra.allen@ag.tn.gov



**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:

PETITION OF TENNESSEE-
AMERICAN WATER COMPANY FOR
APPROVAL OF THE
ESTABLISHMENT OF A
REGULATORY ASSET

DOCKET NO. 20-00126

AFFIDAVIT

I, Craig C. Cox, on behalf of the Consumer Advocate Unit of the Attorney General's Office hereby certify that the attached Direct Testimony represents my opinion in the above-referenced case and the opinion of the Consumer Advocate Unit.

Craig C. Cox
CRAIG C. COX

Sworn to and subscribed before me

This _____ day of _____, 2021 04/28/2021

Terra Allen
Signed on 2021 04/28 09:15:45 -6:00

NOTARY PUBLIC

TERRA ALLEN
Tennessee Notary Public
Online Notary Public
Hickman County, State Of Tennessee
My Commission Expires Sep 28, 2022

My Commission Expires: _____



Exhibit 1

**Tennessee American Water Company
Docket No. 20-00126
Request for COVID-19 Accounting Deferral**

Schedule CCC-1

Summary of COVID-19 Costs per Consumer Advocate (CA)

Item	TAWC Balance as of 10/31/2020 (Mar - Oct 2020)	Updated TAWC Balance as of 12/31/2020 (Mar - Dec 2020)	CA Adjustments	CA Pandemic- Related Maximum
				Recommended Costs as of 12/31/2020 (Mar - Dec 2020)
Foregone Late Payment Fees	\$ 306,626	\$ 304,140	\$ (61,368) (a)	\$ 242,772
Incremental Operating Expenses	62,391	85,267	-	85,267
Uncollectible Expense	154,757	116,035	(116,035) (b)	-
Term Loan Interest Expense	112,090	131,360	(114,142)	17,218
Travel Conference Savings	(121,398)	(135,508)	(20,063) (c)	(155,571)
Total	\$ 514,465	\$ 501,294	\$ (311,608)	\$ 189,686

(a) Schedule CCC-2

(b) Schedule CCC-3

(c) Schedule CCC-4

Exhibit 1

**Tennessee-American Water Company
Docket No. 20-00126
Request for COVID-19 Accounting Deferral**

Schedule CCC-2

**COVID-19 Foregone Late Payment Fees per Consumer Advocate
For the 10-Month Period March through December**

Month				2020		
	2017	2018	2019	Charged to Customers	Foregone Late Fees	Total Late Payment Fees
Mar	\$ 32,764	\$ 32,222	\$ 36,434	\$ (11,486)	\$ 28,580	\$ 17,094
Apr	24,338	35,868	30,042	(67,942)	67,405	(537)
May	31,870	33,830	29,275	(41,785)	41,421	(364)
Jun	33,999	33,710	29,638	137,394	41,071	178,465
Jul	38,108	47,504	37,387	153	46,488	46,641
Aug	42,053	43,836	35,990	29	39,180	39,209
Sep	30,947	30,044	28,609	(507)	42,480	41,973
Oct	42,012	50,800	38,070	30,391	-	30,391
Nov	20,087	29,141	30,488	24,400	(2,486)	21,914
Dec	33,647	32,077	31,295	28,610	-	28,610
Mar - Dec Totals	\$ 329,825	\$ 369,032	\$ 327,228	\$ 99,256	\$ 304,140	\$ 403,396
	2017-19 Average \$ 342,028					

2017-19 Mar - Dec Average Total 10-Month Late Payment Fees	\$ 342,028
Less Mar - Dec 2020 Late Payment Fees Charged to Customers	(99,256)
Balance of Average Total 10-Month Late Fees Not Charged in 2020	\$ 242,772

**Consumer Advocate's Maximum Recommended
Foregone Late Payment Fees for Regulatory Asset**

\$ 242,772

Tennessee-American Water Company
Docket No. 20-00126
Request for COVID-19 Accounting Deferral

Schedule CCC-3

COVID-19 Uncollectible Expenses per Consumer Advocate
For the 10-Month Period March through December

Month	2017	2018	2019	2020
Mar	\$ 37,767	\$ 64,413	\$ 50,259	\$ 67,319
Apr	74,204	57,897	20,317	33,183
May	38,525	55,037	44,986	44,862
Jun	81,949	89,116	4,001	64,282
Jul	92,896	61,495	47,659	51,107
Aug	16,906	45,017	48,369	99,418
Sep	78,181	89,035	52,211	89,125
Oct	69,758	87,913	91,953	23,744
Nov	38,248	43,819	23,816	10,057
Dec	42,673	43,014	48,370	35,066
Mar - Dec Totals	\$ 571,107	\$ 636,756	\$ 431,941	\$ 518,164
	2017-19 Average			\$ 546,601

Mar - Dec 2020 10-month Uncollectible Expenses	\$ 518,164
2017-19 Mar - Dec Avg 10-month Uncollectible Expenses	546,601
Estimated Pandemic-related Uncollectible Expenses	\$ (28,438)

Consumer Advocate's Maximum Recommended
Uncollectible Expenses for Regulatory Asset

\$ -

Tennessee-American Water Company
Docket No. 20-00126
Request for COVID-19 Accounting Deferral

Schedule CCC-4

COVID-19 Travel & Conference Savings per Consumer Advocate
For the 10-Month Period March through December

Month	2017	2018	2019	2020
Mar	\$ 28,745	\$ 14,884	\$ 21,636	\$ 4,548
Apr	27,294	18,627	23,279	(4,066)
May	22,917	15,610	8,055	3,524
Jun	14,348	18,585	10,053	1,437
Jul	26,972	22,961	8,561	1,175
Aug	15,886	30,753	12,329	(1,293)
Sep	11,221	17,970	12,810	4,391
Oct	13,973	8,146	33,473	2,418
Nov	8,163	23,489	8,721	3,585
Dec	14,790	20,111	11,146	3,879
Mar - Dec Totals	\$ 184,308	\$ 191,136	\$ 150,062	\$ 19,598
	2017-19 Average		\$ 175,169	

Mar - Dec 2020 10-month Travel & Conference Expenses	\$ 19,598
2017-19 Mar - Dec 10-month Average Travel & Conf Expenses	175,169
Estimated Pandemic-related Travel & Conf Savings	\$ (155,571)

Consumer Advocate's Recommended Travel and Conference Expense Savings for Reg Asset	\$ (155,571)
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