

BUTLER | SNOW

June 21, 2021

VIA ELECTRONIC FILING

Hon. Kenneth C. Hill, Chairman
c/o Ectory Lawless, Docket Room Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
TPUC.DocketRoom@tn.gov

RE: *Petition of Tennessee-American Water Company Regarding The 2021 Production Costs and Other Pass-Throughs Rider, TPUC Docket No. 21-00006*

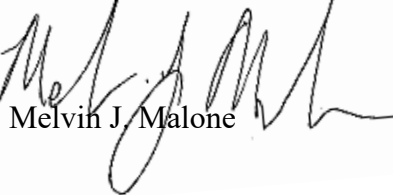
Dear Chairman Hill:

Attached for filing please find the *Rebuttal Testimony of Todd P. Wright* in the above-captioned matter.

As required, one (1) hard copy of this filing will be mailed to your office. Should you have any questions concerning this filing, or require additional information, please do not hesitate to contact me.

Very truly yours,

BUTLER SNOW LLP



Melvin J. Malone

clw

Attachments

cc: Todd Wright, TAWC

Karen H. Stachowski, Consumer Advocate Unit

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PETITIONER’S EXHIBIT TPW-3

TENNESSEE-AMERICAN WATER COMPANY, INC.

DOCKET NO. 21-00006

REBUTTAL TESTIMONY

OF

TODD P. WRIGHT

ON

CHANGES TO THE PRODUCTION COSTS AND OTHER PASS-THROUGHS RIDER

SPONSORING PETITIONER’S REVISED EXHIBITS:

PETITIONER’S EXHIBIT – PCOP CALC – REBUTTAL TPW-1

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A.** My name is Todd P. Wright, and my business address is One Water Street, Camden, New
3 Jersey 08102.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 **A.** I am employed by American Water Works Service Company (“AWW”) as Senior Manager
6 in Regulatory Services. I am currently the Interim Director, Rates and Regulatory for
7 Tennessee-American Water Company (“Tennessee American,” “TAWC” or “Company”)
8 and Kentucky-American Water Company.

9 **Q. DID YOU SUBMIT DIRECT TESTIMONY IN THIS PROCEEDING?**

10 **A.** I have adopted the Pre-filed Direct Testimony of Elaine K. Chambers submitted in this case
11 on January 15, 2021 on behalf of Tennessee American. I have also adopted the Pre-filed
12 Supplemental Testimony of Elaine K. Chambers submitted in this case on April 1, 2021
13 on behalf of Tennessee American.

14 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

15 **A.** The purpose of my Rebuttal Testimony is to respond to the Pre-filed Testimony of Alex
16 Bradley, witness for the Consumer Advocate Unit of the Tennessee Attorney General’s
17 Office (“CAU” or “Consumer Advocate”), filed with the Tennessee Public Utility
18 Commission (“TPUC” or “Commission”) on May 3, 2021 and the Confidential
19 Supplemental Testimony of Alex Bradley filed on June 7, 2021. I will address three
20 primary areas in Mr. Bradley’s testimony: (1) the overview and review of past PCOP
21 filings; (2) the overview and impact of the operational changes since the conclusion of
22 TPUC Docket Nos. 12-00049 and 13-00130; and (3) his recommendations for adjusting
23 the 2020 PCOP costs eligible for recovery. However, if any issue is not specifically

1 addressed, it does not reflect the Company's agreement with the positions taken by the
2 Consumer Advocate witness.

3 **Q. ARE YOU SPONSORING ANY REVISED EXHIBITS?**

4 **A.** Yes. Petitioner's Exhibit – PCOP Calc – Rebuttal TPW-1.

5 **I. OVERVIEW OF PAST PCOP FILINGS**

6 **Q. HOW LONG HAS THE PCOP RIDER BEEN IN EFFECT?**

7 **A.** The Production Costs and Other Pass-Throughs' rider ("PCOP") has been in effect since it
8 was approved on April 14, 2014 in TPUC Docket No. 13-00130. As explained in my
9 adopted Direct Pre-filed Testimony, the "initial" PCOP rider year or review period was the
10 attrition year period from the last rate case of December 1, 2012 through November 30,
11 2013. CAU Witness Bradley reflects this in his Table 1 on the top of page 3 of his May
12 3rd testimony. This is the 8th annual filing of the PCOP.

13 **Q. DOES MR. BRADLEY ADDRESS THE COMPANY'S WHITWELL**
14 **OPERATIONS IN HIS TESTIMONY?**

15 **A.** Yes, starting on page 8 of his May 3rd testimony.
16

17 **Q. WHEN DID THE COMPANY ACQUIRE THE CITY OF WHITWELL'S WATER**
18 **SYSTEM?**

19 **A.** In TPUC Docket No. 12-00157, the Company was authorized to acquire the water
20 operations of the City of Whitwell on June 17, 2013. The actual closing occurred on or
21 about December 16, 2013.

22 **Q. IN WHICH PCOP FILING WAS THE ACQUISITION OF THE CITY OF**
23 **WHITWELL'S WATER SYSTEM FIRST REFLECTED?**

1 **A.** The acquisition of the City of Whitwell occurred in the PCOP review period of 12/1/2013
2 through 11/30/2014 or Docket No. 15-00001, as reflected in Mr. Bradley's Table 1.

3 **Q.** **IN TPUC DOCKET NO. 15-00001, WERE INQUIRIES REGARDING THE**
4 **ACQUISITION OF THE CITY OF WHITWELL'S WATER SYSTEM**
5 **SUBMITTED TO THE COMPANY?**

6 **A.** Yes. The first two Commission Data Requests in Docket No. 15-00001 were related to the
7 amount of costs included in the PCOP filing related to Whitwell, TPUC Data Request 1-
8 001, and to what the PCOP filing would look like exclusive of Whitwell, TPUC Data
9 Request 1-002. In response, the Company displayed both the impact of the costs being
10 included in the PCOP for both the cost incurred from Whitwell and the Non-Revenue
11 Water limiter from removing the operational impact (i.e., water loss) inherited from the
12 City of Whitwell.

13 **Q.** **IN DOCKET NO. 15-00001, WAS THE COMPANY DIRECTED TO CHANGE**
14 **THE AMOUNT OF COSTS INCLUDED IN THE PCOP FILING RELATED TO**
15 **WHITWELL OR ALTER ITS APPLICATION OF THE PCOP TO WHITWELL?**

16 **A.** No.

17 **Q.** **WHAT WAS THE NON-REVENUE WATER PERCENTAGE OF THE CITY OF**
18 **WHITWELL IN DOCKET NO. 15-00001?**

19 **A.** The non-revenue water percentage included in Docket No. 15-00001 was 53.34%.

20 **Q.** **WHAT WAS EVENTUALLY AUTHORIZED IN DOCKET 15-00001?**

21 **A.** Per Table 1 in Mr. Bradley's May 3rd testimony, a credit surcharge of -.73% on the
22 customer's bill was authorized in Docket No. 15-00001. This surcharge percentage

1 included the City of Whitwell in the PCOP costs, as reflected in the Company's schedule
2 filed electronically in Docket No. 15-00001 on August 7, 2015.

3 **Q. SUBSEQUENT TO THE CONCLUSION OF DOCKET NO. 15-00001, DID THE**
4 **COMPANY CONTINUE TO INCLUDE THE CITY OF WHITWELL IN ITS PCOP**
5 **FILINGS?**

6 **A.** Yes. The Company has been consistent with the subsequent PCOP filings with both the
7 authorized tariff in Docket No. 13-00130, which was updated on November 2, 2017, and
8 the authorized methodology, including actual amounts for Whitwell approved in Docket
9 No. 15-00001.

10 **Q. WAS DOCKET NO. 15-00001 THE FIRST OCASSION THE COMPANY WAS**
11 **ASKED ABOUT APPLYING THE PCOP RIDER TO ITS CITY OF WHITWELL**
12 **OPERATIONS?**

13 **A.** No. At the hearing in TPUC Docket No. 14-00121, the Commission asked the Company
14 to elaborate on its application of the Capital Recovery Riders and the PCOP rider to its
15 City of Whitwell operations. (Tr. of Proceeding, pp. 160 – 162, TPUC Docket No. 14-
16 00121 (April 20, 2015)).

17 **Q. WHAT IS THE HISTORICAL TEST PERIOD FOR THIS PCOP DOCKET?**

18 **A.** The current PCOP filing, Docket No. 21-00006, is reviewing the PCOP costs incurred from
19 December 2019 through November 2020.
20

21 **Q. WHEN DID THE COMPANY ACQUIRE JASPER HIGHLANDS?**

22 **A.** The Company acquired Jasper Highlands from Thunder Air, Inc. on December 30, 2020
23 after receiving approval in TPUC Docket No. 20-00011.

1 **Q. ARE ANY COSTS RELATED TO JASPER HIGHLANDS BEING REVIEWED IN**
2 **THIS DOCKET?**

3 **A.** No. Any operational costs for Jasper Highlands occurred after the review period of this
4 docket. Therefore, Tennessee-American did not include any costs related to Jasper
5 Highlands in its Petition.

6 **Q. SINCE THE APPROVAL OF THE PCOP RIDER BY THE COMMISSION, HOW**
7 **MUCH HAS TENNESSEE-AMERICAN WATER COMPANY CREDITED OR**
8 **COLLECTED FROM ITS CUSTOMERS?**

9 **A.** Per the table below, TAWC has been authorized to credit \$2.9M to its customers.

**Tennessee-American Water Company
Since Inception of PCOP Rider Filings**

Docket No.	Authorized Amount
13-00130	(\$542,382)
15-00001	(345,036)
15-00131	(169,464)
16-00148	(417,123)
18-00009	(586,733)
19-00010	(517,026)
20-00008	(304,222)
	<u>(\$2,881,986)</u>

10 **Q. HAVE CUSTOMERS SERVED BY THE COMPANY'S CITY OF WHITWELL**
11 **OPERATIONS RECEIVED A PORTION OF THE PCOP SURCHARGE CREDITS**
12 **SHOWN IN THE TABLE ABOVE?**

13 **A.** Yes. The Company inherited the rates from the City of Whitwell, which, according to
14 Docket No. 12-00157, were last approved by the City in the 3rd quarter of 2011. Since the
15 acquisition in December 2013 and subsequent PCOP Docket No. 15-00001 for the review
16

1 period ended November 2014, Whitwell customers have been receiving Commission-
2 approved PCOP surcharge credits each year, effectively reducing the customers' bills
3 consistent with the PCOP tariff.

4 **Q. HAVE CUSTOMERS SERVED BY THE COMPANY'S CITY OF WHITWELL**
5 **OPERATIONS RECEIVED ANY OTHER CREDITS FROM TENNESSEE-**
6 **AMERICAN WATER PURSUANT TO THE CAPITAL RECOVERY RIDERS?**

7 **A.** Yes. These customers are also receiving credits for the return of the excess deferred income
8 taxes in relation to the Tax Cut and Jobs Act of 2017, as established in TPUC Docket No.
9 18-00039.

10 **II. OPERATIONAL CHANGES SINCE DOCKET NOS. 12-00049 AND 13-00130**

11
12 **Q. WHAT ARE SOME OTHER CONCERNS MR. BRADLEY HAS REGARDING**
13 **OPERATIONAL CHANGES SINCE DOCKET NOS. 12-00049 AND 13-00130?**

14 **A.** As discussed above, the City of Whitwell and Jasper Highlands have been acquired since
15 these dockets. Also, the Company sold Walden's Ridge in 2015 (pages 7 and 8 of Mr.
16 Bradley's May 3rd testimony). These changes, along with the Company losing customers
17 in the Lone Oak service area due to the Lone Oak Utility District terminating the
18 Operations and & Maintenance contract with TAWC, have shifted more of the impact of
19 the PCOP rider to residential customers.

20 **Q. DO YOU AGREE WITH MR. BRADLEY'S ASSERTION REGARDING**
21 **OPERATIONAL IMPACTS TO RESIDENTIAL CUSTOMERS?**

22 **A.** I partially agree. The Company acquired the customers of Whitwell in 2013, lost sale for
23 resale customers in Walden's Ridge and Lone Oak in 2015 and just recently, added Jasper
24 Highlands at the end of 2020. Since the City of Whitwell and Jasper Highlands acquisitions

1 added mostly residential customers, with the City of Whitwell acquisition being the largest
2 impact at 2,680 customers or roughly 3% of the customer base, there is a slight shift to a
3 more residential customer base.

4 **Q. DO YOU AGREE WITH MR. BRADLEY'S ATTEMPT TO QUANTIFY THE**
5 **OPERATIONAL IMPACTS OF THIS SHIFT?**

6 **A.** No. CAU witness Mr. Bradley attempts to quantify this shift by comparing authorized
7 revenues from Docket No. 12-00049 (on page 8 of his May 3rd testimony) to 2020 revenues
8 provided by the Company's discovery response to CAU 2-001. Although Mr. Bradley's
9 attempt does show a directional shift to residential revenues with the loss of sale resale
10 revenues, especially from Walden's Ridge, he fails to consider that other variables would
11 need to remain constant between the two periods in his comparison for his methodology to
12 hold.

13 **Q. CAN YOU ELABORATE ON THE OTHER VARIABLES IN MR. BRADLEY'S**
14 **ANALYSIS OF COMPARING THE AUTHORIZED REVENUES IN 2020 WITH**
15 **THE COMPANY'S 2020 REVENUES.**

16 **A.** Yes. In his analysis, Mr. Bradley does not consider normalizing the comparison between
17 the two years. 2020 has been a unique year as it included stay at home advisories from
18 local, state, and federal agencies related to the COVID-19 pandemic public health
19 emergency. Due to the COVID-19 pandemic, especially stay at home advisories for non-
20 essential workers, 2020 is not the best representation of normal operating revenue by
21 customer class. Additionally, Mr. Bradley does not recognize or acknowledge that the
22 inherited organic growth and/or contraction in a specific class may change the source of
23 revenues for the Company through evolving circumstances from time to time. Although

1 Mr. Bradley discusses in his May 3rd testimony, on pages 6 and 7, how water sales have
2 declined yet costs have increased for the Company, he fails to account for, or recognize,
3 this variable.

4 **Q. DOES THE PCOP TARIFF APPROVED IN DOCKET NO. 13-00130**
5 **ANTICIPATE, IN SOME MEASURE, CUSTOMER CLASS AND REVENUE**
6 **SOURCE CHANGES?**

7 **A.** Yes. While all regulatory methodologies may have small degrees of inequity, the
8 percentage of bill methodology employed in the PCOP tariff does accommodate or
9 recognize customer class changes by applying a surcharge percentage to the base bill. Even
10 with small organic and inorganic customer class changes, the residential customer still
11 controls the amount of water usage reflected in the base bill and thus effectively, to some
12 extent, the amount of PCOP surcharges applied to their bill. On the other hand, other
13 potential methodologies, such as a flat credit, may not allow such adjustments irrespective
14 of a customer's base bill.

15 **Q. IN YEARS WHERE THE PCOP IS A CREDIT, ARE THE CUSTOMER CLASS**
16 **CHANGES ACCOMMODATED WITH THE PERCENTAGE OF BILL**
17 **METHODOLOGY?**

18 **A.** Yes. The credit percentage gives customer classes with the higher base revenues more of
19 the surcharge credit. Customers paying higher average bills will receive more of the
20 benefits as well.

1 **Q. IN ADDITION TO THE RESIDENTIAL SHIFT, DOES MR. BRADLEY**
2 **HIGHLIGHT ANOTHER OPERATIONAL CONCERN?**

3 **A.** Yes, he also discussed what he characterized as interclass issues within the residential
4 class, beginning on page 9 of his May 3rd testimony.

5 **Q. DID SOME INTERCLASS DIFFERENCES EXIST PRIOR TO THE**
6 **AUTHORIZATION OF THE PCOP RIDER TARIFF IN DOCKET NO. 13-00130?**

7 **A.** Yes. Docket No. 12-00049, the Company's last rate case, in which the Company and the
8 CAU submitted a settlement agreement that was accepted by the Commission, the rate
9 design included different rates for different service areas, as shown in the Table on page 9
10 of Mr. Bradley's May 3rd testimony. For instance, Suck Creek's average bill is higher than
11 the City of Whitwell and is the second highest of all the areas.

12 **Q. SINCE 2014, HOW MANY YEARS DID ACTIVE CUSTOMERS, INCLUDING**
13 **SUCK CREEK CUSTOMERS, RECEIVE THE BENEFIT OF PCOP CREDITS AS**
14 **A PERCENTAGE OF THEIR BILLS?**

15 **A.** All prior 7 years.

16 **Q. SO, EVEN WITH THE RATE DIFFERENCES IN DIFFERENT SERVICE AREAS,**
17 **THE PCOP RIDER HAS NOT HAD A DETRIMENTAL CUSTOMER IMPACT**
18 **SINCE ITS APPROVAL BY THE COMMISSION?**

19 **A.** Correct. The PCOP has continued to be in the best interest of the customers.

20 **Q. GENERALLY, WOULD YOU DESCRIBE RATE DESIGNS AS PRECISELY**
21 **EQUITABLE?**

22 **A.** By their nature, rate designs are often imprecise. Rate designs represent a good faith
23 attempt at reasonableness, fairness, and equity. For this reason, rate designs are often

1 adjusted from time-to-time to reflect and consider various changes. With an aim towards
2 reasonableness, fairness and equity, the Company is always willing to cooperatively
3 discuss and consider appropriate rate design modifications on a prospective basis.

4 **III. RECOMMENDATIONS FOR THE 2020 PCOP**

5 **Q. ON PAGES 9 AND 10 OF HIS MAY 3RD TESTIMONY (UPDATED IN HIS JUNE**
6 **7TH TESTIMONY), MR. BRADLEY EXPRESSES CONCERNS ABOUT THE**
7 **APPLICABILITY OF THE PCOP RIDER TO JASPER HIGHLANDS**
8 **CUSTOMERS? ARE JASPER HIGHLANDS CUSTOMERS CURRENTLY**
9 **RECEIVING UNFAIR PCOP CHARGES?**

10 **A.** No. The Company is authorized by the Commission to include Jasper Highlands in its
11 rider mechanisms. After reviewing the evidentiary record in Docket No. 20-00011, the
12 Commission determined that it is reasonable for TAWC to apply the Capital Recovery
13 Riders, including the PCOP rider, to Jasper Highlands. As concerning the PCOP rider, the
14 Commission found that “while the water utilized in the JHWS will not incur costs for
15 treatment since it is being purchased wholesale, the expense of purchasing water that is
16 already treated is an allowable expense under TAWC’s PCOP Rider.” (*Order Approving*
17 *Asset Purchase Agreement and Granting Certificate of Convenience and Necessity*, p. 19,
18 TPUC Docket No. 20-00011 (Feb. 26, 2021).

19 Upon inheriting the Jasper Highland rates, and consistent with the approval in Docket No.
20 20-00011, the Company effectively reduced their rates, both fixed and volumetric, by all
21 the Company’s surcharge rates. Jasper Highlands’ base rates are effectively less now than
22 they were prior to TAWC acquiring the system.
23

1 **Q. DO YOU AGREE WITH MR. BRADLEY’S RECOMMENDATION SET FORTH**
2 **ON PAGES 10 AND 11 OF HIS MAY 3RD TESTIMONY (UPDATED IN HIS JUNE**
3 **7TH TESTIMONY) TO REMOVE AN EMBEDDED PCOP AMOUNT FOR JASPER**
4 **HIGHLANDS?**

5 **A.** No. There are no costs included in this PCOP filing related to Jasper Highlands, so there
6 cannot be any costs to remove.

7 **Q. HAS THE COMPANY PREVIOUSLY SEEN SOME OF THESE ARGUMENTS**
8 **OFFERED BY THE CAU IN MR. BRADLEY’S TESTIMONY WITH RESPECT**
9 **TO THE APPLICATION OF THE PCOP RIDER TO NEWLY ACQUIRED**
10 **OPERATIONS?**

11 **A.** Yes. For instance, some of these same arguments were set forth by CAU witness William
12 H. Novak in TPUC Docket No. 20-00011

13 **Q. DID THE COMMISSION ADOPT THOSE POSITIONS SET FORTH BY CAU**
14 **WITNESS MR. NOVAK IN DOCKET NO. 20-00011?**

15 **A.** No. As I noted earlier, the Commission concluded that the application of the PCOP rider
16 to Jasper Highlands customers is reasonable. Yet, since Jasper Highlands was acquired
17 after the PCOP review period for this proceeding concluded, no adjustment for authorized
18 Jasper Highlands’ amount should be warranted.

19 **Q. DO YOU AGREE THAT PCOP COSTS FOR THE CITY OF WHITWELL HAVE**
20 **BEEN AUTHORIZED IN PRIOR FILINGS?**

21 **A.** Yes. As I outlined earlier, the costs related to Whitwell have been included since Docket
22 No. 15-00001. Further, and as I previously highlighted, Whitwell has received the benefit

1 of customer credits for all 6 of the PCOP dockets in which the customers have been
2 included.

3 **Q. IF THE COMMISSION DETERMINES THAT A PROSPECTIVE ADJUSTMENT**
4 **FOR EMBEDDED PCOP COSTS RELATED TO THE CITY OF WHITWELL**
5 **OPERATIONS IS WARRANTED, SHOULD THE COMMISSION APPLY MR.**
6 **BRADLEY’S METHODOLOGY SET FORTH IN HIS PRE-FILED TESTIMONY**
7 **SUBMITTED ON MAY 3, 2021?**

8 **A.** No. First, Mr. Bradley assumes that current costs and volumes are equal to what is
9 embedded in the City of Whitwell approved rates, which is not the case. Costs in 2011
10 would be different than costs today. Also, certain current processes utilized by the
11 Company today may not have been in place in 2011. If the Commission determines that
12 costs should be removed, any adjustment should be relative to what the customer rates we
13 set on in 2011. Secondly, Mr. Bradley removes the costs directly from actual costs without
14 any consideration for water sales and NRW impacts that City of Whitwell has within the
15 rider.

16 **Q. WHAT DO YOU RECOMMEND WITH REGARD TO THIS PETITION?**

17 **A.** It is the Company's position that the Petition, as amended in its Supplemental Testimony,
18 should be approved.

19 **Q. IF THE COMMISSION CONCLUDES THAT A PROSPECTIVE ADJUSTMENT**
20 **IS WARRANTED, DO YOU AGREE WITH MR. BRADLEY’S**

**RECOMMENDATION SET FORTH IN HIS PRE-FILED TESTIMONY
SUBMITTED ON JUNE 7, 2021?**

A. Yes. The Company would agree with Mr. Bradley's Confidential Supplemental Testimony filed in this proceeding as it pertains to the City of Whitwell. It does not agree with including an adjustment for Jasper Highlands since no actual costs are being included as discussed above. Please refer to the Petitioner's Exhibit – PCOP Calc – Rebuttal TPW-1 that removes Jasper Highlands' impact from Mr. Bradley's testimony.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

Tennessee American Water Company
Docket #21-00006
Calculation of Production Costs and Other Pass-Throughs ("PCOP") Including Non-Revenue Water
To Determine PCOP Tariff Rider

Petitioner's Exhibit - PCOP Calc - Rebuttal TPW-1

Number	Description	Whitwell Adjustment	Docket # 21-00006 Amount
<u>I. Calculation of the Base Rate Cost of Production Costs and Other Pass-Throughs as authorized in the Base Rate case (*):</u>			
en's Ridge Support			
1	Pro Forma Production Costs and Other Pass-Throughs	\$176,147	\$4,238,314
2	Pro Forma Water Sales (WS) in 100 Gallons	1,527,738	102,106,392
3	Base Rate Cost per 100 Gallons WS (Line 1 / Line 2)	\$0.11530	\$0.04151

II. Deferral calculation - Actual Non-Revenue Water Cost Production Costs and Other Pass-Throughs vs. the Base Rate Cost ():**

4	Actual Production Costs and Other Pass-Throughs		\$3,636,606
5	Over-Under Collection Adjustment		\$114,026
6	Review Period PCOP Costs Adjusted for Over-Under Collections		\$3,750,632
7	Actual Water Sales (100 Gallons)		88,492,069
8	Actual Rate Cost Production Costs and Other Pass-Throughs per 100 Gallons WS (Line 6 / Line 7)		\$0.04238
9	Base Rate Cost per 100 Gallons WS (Line 3)		\$0.04151
10	Incremental Change in Production Costs and Other Pass-Throughs per 100 Gallons WS (Line 9 - Line 8)		\$0.00088
11	Base Rate Case Water Sales 100 Gallons (Line 2)		102,106,392
12	Deferral Amount (Line 10 * Line 11)		\$89,345

III. Calculation of Production Costs and Other Pass-Throughs ("PCOP") Tariff Rider

13	Total Deferred Amount (Line 12)		\$89,345
14	Total Deferred Amount Grossed Up for revenue taxes (Line 13 / (1.0-.03191) (***)		\$92,290
15	Projected Annual Base Rate Revenue subject to PCOP (*)		47,073,724
16	PCOP % (Line 14 / Line 15)		0.20%

STATE OF NEW JERSEY)
)
COUNTY OF CAMDEN)

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Todd P. Wright being by me first duly sworn deposed and said that:

He is appearing as a witness on behalf of Tennessee-American Water Company before the Tennessee Public Utility Commission, and if present before the Commission and duly sworn, his testimony would be as set forth in his pre-filed testimony in this matter.

Todd P Wright
Todd P. Wright

Sworn to and subscribed before me
this 21st day of June 2021.

Ann G. Alfano
Notary Public

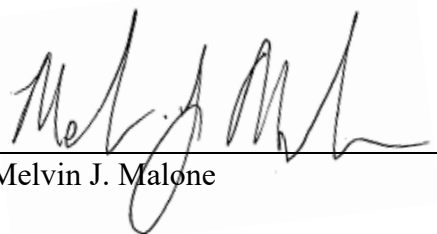
My Commission Expires: 04/15/2025
Commission # 50014130

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:

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

This the 21st day of June, 2021.



Melvin J. Malone