

**TENNESSEE WATER SERVICE, INC.**  
**DOCKET NO. 23-00046**  
**FIRST DATA REQUEST OF THE COMMISSION STAFF**  
  
**IN THE TENNESSEE PUBLIC UTILITY COMMISSION**  
**AT NASHVILLE, TENNESSEE**

<b>IN RE:</b>	)	Electronically Filed in TPUC Docket
	)	Room on July 25, 2023 at 2:44 p.m.
<b>TENNESSEE WATER SERVICE, INC.</b>	)	
<b>PETITION TO ADOPT ANNUAL</b>	)	<b>DOCKET NO. 23-00046</b>
<b>REVIEW MECHANISM AND TARIFF</b>	)	
<b>PURSUANT TO TENN. CODE ANN. § 65-</b>	)	
<b>5-103(D)(6)</b>	)	

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**RESPONSES OF TENNESSEE WATER SERVICE, INC. TO FIRST STAFF DATA REQUEST**

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Tennessee Water Service, Inc. (“TWS” or the “Company”), by and through counsel, hereby submits its Responses to the First Data Requests propounded by the Tennessee Public Utility Commission (“TPUC” and “Commission”) Staff.

**GENERAL OBJECTIONS**

1. TWS 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. TWS 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 Commission.
3. The specific responses set forth below are based on information now available to TWS, and TWS reserves the right at any time to revise, correct, add to or clarify the objections or responses and supplement the information produced.
4. TWS 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.

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5. TWS objects to each request to the extent it seeks information outside TWS' custody or control.
6. TWS' 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 TWS' 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. TWS 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. TWS 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. TWS does not waive any previously submitted objections to the Commission's discovery requests.

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**RESPONSIBLE WITNESS: Dante DeStefano, Director of Regulatory Affairs**

1. Please reference the Direct Testimony of Dante DeStefano, Exhibit 1, Section II.Y. “Cost Allocation Manual.” Provide a copy of the active Affiliate Interest Agreement for TWS.

**RESPONSE: Please see attached Affiliate Interest Agreement with Water Service Corporation. The same attachment is supplied in response to Consumer Advocate Discovery Request (“CA DR”) 1-12.**

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2. Please reference the Direct Testimony of Dante DeStefano, page 11, line 12 through page 12, line 6, and Exhibit 2, Schedule B-3. State whether the proposed 20% Non-Revenue Water (NRW) adjustment will be applied to Historic Period Purchased Power, Purchased Water and Chemical Expenses for purposes of determining the Historic Period Excess or Deficiency Calculation. If the NRW adjustment will be applied to Historic Period expenses, please reference or provide a workpaper(s) that demonstrates this application. If the NRW adjustment will not be applied to Historic Period expenses for determining the Historic Period Excess or Deficiency Calculation, please explain how the proposed NRW adjustment limits the recovery of Purchased Power, Purchased Water and Chemical Expenses from ratepayers should NRW levels exceed the 20% threshold.

**RESPONSE: The Company's proposed ARM methodologies apply an NRW Rate threshold to the Attrition Period Rate Reset. The Historic Period is not adjusted for NRW as there was not a threshold contemplated in the approved revenue requirement in the Company's most recent general rate case, Docket No. 19-00028 (the "2019 Rate Case"). However, the Company recognizes the need to monitor NRW on a going basis and thus the Attrition Period Reset limits the recovery of Chemicals, Purchased Power, and Purchased Water to the extent they are impacted by NRW rates over 20%.**

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3. Please reference the Direct Testimony of Dante DeStefano, Exhibit 2, Schedule B, which shows total Maintenance Expenses of \$193,409 and total General Expenses of \$85,270, for a grand total of \$278,679; the 2022 Annual Report, Schedule W-3, which shows total Operations and Maintenance Expenses of \$279,679; and the December 2022 Quarterly 3.07 Report, which shows total Operations and Maintenance Expenses of \$279,900 (copies attached for convenience). Explain the basis of the different classification/aggregation of Operations and Maintenance expense line items among these reports, (e.g., Salaries and Wages for Exhibit 2, Schedule B, Line 20 is \$12,590; Salaries and Wages for the 2022 Annual Report, Schedule W-3 is (\$4,339); and Salaries and Wages for the December 2022 3.07 Quarterly Report is \$5,239).

**RESPONSE:** The approximately \$1,000 difference between the 2022 Annual Report and Exhibit 2, Schedule B is due to Uncollectible Accounts (Bad Debt Expense) being categorized as an offset to Revenues in the latter Schedule. The approximately \$221 variance with the 3.07 Report occurred because the 3.07 Report for 4<sup>th</sup> quarter of 2022 was due 2/15/2023, before the year-end audit was complete, and a small adjustment was made to the year-end balance of Corporate Allocation account #691000 (decreased \$277) and Regional Allocation account #692000 (increased \$56).

Please see attached TB Mapping file for the mapping of each GL account for each 2022 report. The ARM Exhibits are prepared consistent with the mapping used in the 2019 Rate Case and the Company's ERP system's expense categories and is not NARUC-driven. The ARM filing also presents information in a ratemaking context (i.e., not primarily a "compliance" or "reporting" context) and allows for pro-forma and other granular analysis to be performed on "like" accounts in an efficient manner. The 3.07 report is NARUC-driven, as is the Annual Report, but both group expenses

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**differently within the established templates.**

**Please see response to 1-7 below for further explanation.**

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4. For calendar years 2020, 2021 and 2022, please provide a schedule identifying the amount of “Salaries and Wages” and “Pension and Benefits” that are directly charged to the Tennessee jurisdiction and the amount of “Salaries and Wages” and “Pension and Benefits” that are allocated to the Tennessee jurisdiction. Please identify the amount of “Salaries and Wages” and “Pension and Benefits” that are capitalized for calendar years 2020, 2021 and 2022.

**RESPONSE: Salaries and overhead, including benefits and payroll taxes, are capitalized into GL Account #522001. The amounts for the requested years are as follows: 2022 = \$7,155. 2021 = \$3,620. 2020 = \$214.**

See below the following table that summarizes Salaries & Wages (NARUC 601) and Pension and Benefits (NARUC 604) for each year requested, broken down by allocated and direct charged. The Salaries and Wages amounts include capitalized activity noted above within the NARUC 601 data.

Please note that 2020 was the last year that shared services allocations posted across all applicable expense accounts (e.g., shared services Salaries posting to Salaries Expense), as opposed to the current practice of posting all corporate and shared services costs to Corporate Allocations and Regional Allocations accounts. 2021 was also a transitional year for regional leadership based on restructuring of leadership responsibilities.

<b>NARUC Acct</b>	<b>Allocated?</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>601</b>	<b>Allocated</b>	<b>\$11,948</b>	<b>\$4,774</b>	<b>\$3,657</b>
<b>601</b>	<b>Direct</b>	<b>\$20,857</b>	<b>\$24,163</b>	<b>\$1,777</b>
<b>604</b>	<b>Allocated</b>	<b>\$2,288</b>	<b>\$671</b>	<b>\$615</b>
<b>604</b>	<b>Direct</b>	<b>\$599</b>	<b>\$1,085</b>	<b>\$116</b>
<b>Total</b>		<b>\$35,693</b>	<b>\$30,694</b>	<b>\$6,167</b>

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**Please note the data above includes correcting for NARUC coding variance in annual reports, explained in response to 1-7.**



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**RESPONSIBLE WITNESS: Dante DeStefano, Director of Regulatory Affairs**

5. Please refer to the Direct Testimony of Dante DeStefano, Exhibit 2, Schedule B, and provide a schedule that maps/references each reported line-item description to the General Ledger account(s) that comprises each line-item amount for Historic Period per Books column [A].

**RESPONSE: Please see ARM Filing Template TWS 2022.xlsx file, Linked TB tab, which shows the grouping of GL accounts to each Schedule B line item, with formulas intact.**

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**RESPONSIBLE WITNESS: Dante DeStefano, Director of Regulatory Affairs**

6. Please refer to the Direct Testimony of Dante DeStefano, Exhibit 2, Schedule B, and provide a schedule showing the Historic Period per Books amounts for calendar years 2020 and 2021 in the same format and classifications as Exhibit 2, Schedule B.

**RESPONSE: Please see attached ARM Filing Template TWS 2022, 2021, 2020.xlsm, Income Statement tab, columns T and V for 2021 and 2020 amounts in Schedule B format, respectively.**

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**RESPONSIBLE WITNESS: Dante DeStefano, Director of Regulatory Affairs**

7. Please refer to the following table of Operations and Maintenance Expenses reported on Schedule W-3 of the Company's Annual Reports:

<b>Description</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>OPERATING EXPENSES</b>			
Salaries & Wages - Employees	(\$4,339)	\$24,164	\$21,472
Salaries & Wages - Officers, Directors	\$0	\$4,775	\$11,333
Employee Pensions & Benefits	6,294	1,759	2,893
Purchased Water	77,020	59,580	9,883
Purchased Power	403	12,201	31,619
Chemicals	1,000	3,757	2,246
Materials & Supplies	30,373	7,375	2,770
Contractual Services	149,618	84,946	12,222
Rents (Rental of building/real property)	-	2,098	2,049
Transportation Expense	625	(21)	3
Insurance Expense	2,137	4,487	4,503
Regulatory Commission Expense	12,578	20,161	27,161
Bad Debt Expense	5,059	1,156	590
Miscellaneous Expense	(1,090)	48,038	102,592
<b>Total O&amp;M Expense</b>	<u>279,678</u>	<u>274,476</u>	<u>231,336</u>

Provide a detailed explanation of the following:

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- a. The decrease in Salaries and Wages from (i) 2020 to 2021 and (ii) 2021 to 2022;
- b. The decrease in Purchased Power from (i) 2020 to 2021 and (ii) 2021 to 2022;
- c. The increase in Contractual Services from (i) 2020 to 2021 and (ii) 2021 to 2022;

and

- d. The decrease in Miscellaneous Expenses from (i) 2020 to 2021 and (ii) 2021 to 2022.

**RESPONSE:** In preparing this response, TWS identified discrepancies in how it applied NARUC mapping across the three annual reports in question, driving the variances identified. Please see attached comparison of the annual report activity, aligned to proper NARUC account mapping. Below are explanations on certain variances in the revised mapping of activity.

**Salaries and Wages (NARUC 601):** Please see response to 1-4 above.

**Contract Services – Management Fees (NARUC 634):** As described in response to 1-4 above, corporate and shared services costs transitioned from posting across the various expense accounts to two accounts – Corporate Allocations and Regional Allocations, which are categorized as NARUC 634 accounts.

**Contract Services – Other (NARUC 636):** Coding for the outside operator used by TWS to operate the system was transitioned from Other Contracted Workers – GL Account 512022 (NARUC 675) to Contractor Outside Services – GL Account 541200 (NARUC 636) when the Company transitioned to blanket purchase orders for these services in the transition to the Oracle Fusion ERP system.

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**Miscellaneous Expenses (NARUC 675): Coding for the outside operator used by TWS to operate the system was transitioned from Other Contracted Workers – GL Account 512022 (NARUC 675) to Contractor Outside Services – GL Account 541200 (NARUC 636) when the Company transitioned to blanket purchase orders for these services in the transition to the Oracle Fusion ERP system.**

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8. With regard to future filings, if the Commission approves the Company's proposed Annual Rate Review Mechanism (ARRM), please confirm whether the Company intends to file its annual and quarterly reports to the Commission using the same categories and classifications of financial information as presented in the ARRM schedules submitted each year. If the categories and classifications of financial information presented in the ARRM schedules substantially differ from the format of the annual and quarterly reports, does the Company intend to provide a line-by-line reconciliation of financial information between the ARRM schedules and related annual and quarterly reports? Please explain.

**RESPONSE: The Company developed the ARM schedules and exhibits to align with its ERP system setup and reporting capabilities. However, TWS is agreeable to providing a reconciliation upon request that maps the Company's activity for a given period, as well as providing supporting workpapers for its quarterly and annual filings.**

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9. Please reference the Direct Testimony of Dante DeStefano, Exhibit 2, and provide the following schedules, as well as all supporting workpapers, in Excel format: A Rate Base; B Income Statement; C Annual True Up Reconciliation and Attrition Period Rate Reset; D Income Taxes; E Capital Structure and Retention Factor; F Rate of Return; A-1 Plant In- Service and Depreciation Expense; A-2 Accumulated Depreciation; A-3 Cash Working Capital; and A-6 CIAC and CIAC Amortization Expense.

**RESPONSE: Please see ARM Filing Template TWS 2022.xlsx file provided in response to 1-5 above.**

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RESPECTFULLY SUBMITTED,



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Ryan Freeman

**Baker, Donelson, Bearman, Caldwell &  
Berkowitz**

1900 Republic Centre

633 Chestnut Street

Chattanooga, TN 37450-1800

Direct: 423.209.4181

Email: [rfreeman@bakerdonelson.com](mailto:rfreeman@bakerdonelson.com)



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**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:

Victoria B. Glover  
Mason Rush  
**Office of the Tennessee Attorney General**  
**Consumer Advocate Division**  
P.O. Box 20207  
Nashville, Tennessee 37202-0207  
Phone: (615) 360-4219  
Fax: (615) 741-8151  
Email: [Victoria.Glover@ag.tn.gov](mailto:Victoria.Glover@ag.tn.gov)  
Email: [Mason.Rush@ag.tn.gov](mailto:Mason.Rush@ag.tn.gov)

This the 25<sup>th</sup> day of July, 2023.

A handwritten signature in blue ink that reads "Ryan Freeman". The signature is written in a cursive style with a horizontal line underneath it.

Ryan Freeman

## Tennessee Water Service Affiliate Agreement

## AGREEMENT

Agreement dated December 19, 2007 between Water Service Corp., a Delaware corporation (hereinafter called the "**Service Company**") and Tennessee Water Service, Inc. (hereinafter called the "**Operating Company**"):

WHEREAS, both the Service Company and the Operating Company are subsidiaries of or affiliated with Utilities, Inc., an Illinois corporation (hereinafter called the "**Parent**"); and

WHEREAS, the Service Company maintains an organization which includes among its officers and employees, persons who are familiar with the development, business and property of the Operating Company and are experienced in the conduct, management, financing, construction, accounting and operation of water and sewer properties and are qualified to be of great aid and assistance to the Operating Company through the services to be performed under this Agreement; and

WHEREAS, the Service Company has or proposes to enter into agreements similar to this Agreement with certain affiliated water and/or sewer companies (hereinafter referred to collectively as the "**Operating Companies**"); and

WHEREAS, the services to be rendered under this Agreement are to be rendered at cost and without profit to the Service Company;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

The Service Company will furnish to the Operating Company, upon the terms and conditions hereinafter set forth, the following services:

- A. EXECUTIVE: The principal executive officers of the Service Company, such as the Chairman of the Board, President and Vice Presidents, and Treasurer will assist and advise the Operating Company in respect to corporate, financial, operating, engineering, organization, regulatory, and other

problems. They will keep themselves informed in regard to the operation, maintenance and financial condition of, and other matters relating to, the Operating Company through contacts with the officers, directors and other representatives of the Operating Company. Such officers of the Service Company will visit the property of the Operating Company when necessary to the proper furnishing of the services provided for in this Agreement. They will also supervise the personnel of the Service Company to the end that services under this Agreement shall be performed efficiently, economically and satisfactorily to the Operating Company.

- B. ENGINEERING: The Service Company will supply engineering services as required in all areas of design, construction, operation and management of the Operating Company.
- C. OPERATING: The Service Company will furnish competent personnel to perform and/or control all normal operating functions, including pumping, treatment, and distribution as well as maintenance of all equipment and facilities. These responsibilities will include testing and record keeping to insure compliance with all state and local regulatory agency requirements.
- D. ACCOUNTING: The Service Company will provide total accounting service, including bookkeeping, payroll, tax determination, financial statement preparation, budgets, credit, P.S.C. annual reports, etc. Periodic analyses will be made for purposes of planning and measurement of efficiency.
- E. LEGAL: The Service Company will employ general counsel as necessary to advise and assist it in the performance of the services herein provided for and to aid the operating company in all matters where such assistance may be desired.
- F. BILLING AND CUSTOMER RELATIONS: The Service Company will handle all billing and collections. It will serve as the link between the customer and

the Operating Company in all areas such as new accounts, deposits, meter reading, inquiries, and complaints.

- G. CONSTRUCTION: The Service Company will perform directly or supervise all construction, including customer connections, meter installations, main extensions, plant expansions, or capital additions of any nature as required by the Operating Company.
- H. ALL OTHER SERVICES AS PROVIDED FOR IN APPENDIX A: In addition to items (A) through (G), the Service Company will employ or provide personnel to perform the attached services, or in the instance of assets. Liabilities, and associated non-cash items, has incurred costs associated with providing service to the corporate headquarters, regional areas, or to all operating companies as a whole. The allocated costs from these services will be for costs attributable to all operating companies, costs attributable to the Service Company, or for costs that cannot, without excessive effort and expense, be directly identified and related to services rendered to a particular operating company.

In consideration for the services to be rendered by the Service Company as hereinabove provided, the Operating Company agrees to pay to the Service Company the cost of said services. Said cost shall not include a markup for profit. In addition, the Operating Company agrees to pay to the Service Company its share of the cost of the investment in the Service Company rate base, including depreciation, amortization, interest on debt and a return on the equity invested.

All costs of the Service Company, including salaries and other expenses, incurred in connection with services rendered by the Service Company for the Operating Companies which can, without excessive effort or expense, be identified and related to services rendered to a particular Operating Company, shall be charged directly to such company. Examples of such costs to be directly allocated include salary and other expenses incurred for specific projects such as rate cases, construction projects, legal proceedings, etc. Similarly, all such costs which may be identified and related to

services rendered to a particular group of the Operating Companies shall be charged directly to such group of the Operating Companies.

All such costs which, because of their nature, cannot, without excessive effort or expense, be identified and related to services rendered to a particular Operating Company, shall be allocated among all the Operating Companies, in the manner hereinafter set forth.

First, the allocable costs shall be distributed on a monthly basis, unless the Parent should elect to make a supplementary analysis for a special purpose.

Secondly, these costs will be prorated on the basis of the proportion of active Equivalent Residential Customers ("ERCs") served by the Operating Company to the total number of active ERCs served by the Parent and its affiliates (including, without limitation, the Operating Company), determined as of the end of each month. For purposes of this Agreement, the number of ERCs attributable to each water and sewer connection maintained by the Parent and its affiliates (including, without limitation, the Operating Company) will be determined by applying the formulae set forth in Appendix B.

The Service Company will also at any time, upon request of the Operating Company, furnish to it any and all information required by the Operating Company or by any governmental authorities having jurisdiction over the Operating Company with respect to the services rendered by the Service Company hereunder, the cost thereof and the allocation of such cost among the Operating Companies. In the case of services in connection with construction, the Service Company will, to the extent practicable, furnish to the Operating Company such information as shall be necessary to permit the allocation of charges for such services to particular work orders.

This Agreement shall be in full force and effect from the date as hereinabove mentioned and shall continue in full force and effect until termination by either of the parties hereto upon ninety days notice in writing.

IN WITNESS WHEREOF, the Service Company and the Operating Company have caused these presence to be signed in their respective corporate names by their respective Presidents or Vice Presidents, and attest by their respective Secretaries or Assistant Secretaries, all as of the day and year first above written.

Water Service Corporation

BY Steven Lubertozi  
Steven Lubertozi  
Vice President and Chief Financial  
Officer

Attest

[Signature]

Tennessee Water Service, Inc.

BY Steven Lubertozi  
Steven Lubertozi  
Vice President and Chief Financial  
Officer

Attest

[Signature]

AFFILIATE AGREEMENT  
APPENDIX A

The following list includes expense accounts at the Water Service Corporation level which have dollars booked to them and allocated to all Utilities, Inc. operating companies at a business unit level.

JDE Object Number	Account Description
5505	Agency Expense
5525	Bill Stock
5530	Billing Computer Supplies
5535	Billing Envelopes
5540	Billing Postage
5545	Customer Service Printing
5625	401K/ESOP Contributions
5630	Dental Premiums
5635	Dental Ins Reimbursements
5640	Emp Pensions & Benefits
5645	Employee Ins Deductions
5650	Health Costs & Other
5655	Health Ins Reimbursements
5660	Other Emp Pensions/Benefits
5665	Pension Contributions
5670	Term Life Ins
5675	Term Life Ins - Opt
5680	Depend Life Ins - Opt
5685	Supplemental Life Ins
5690	Tuition
5700	Insurance - Vehicle
5705	Insurance - Gen Liab
5710	Insurance - Workers Comp
5715	Insurance - Other
5735	Computer Maintenance
5740	Computer Supplies
5745	Computer Amort & Prog Cost
5750	Internet Supplier
5755	Microfilming
5760	Website Development
5785	Advertising/Marketing
5790	Bank Service Charges
5795	Contributions
5800	Letter of Credit Fee
5805	License Fees
5810	Memberships
5815	Penalties/Fines
5820	Training Expense
5825	Other Misc Expense
5855	Answering Service
5855	Answering Service
5860	Cleaning Supplies
5865	Copy Machine
5870	Holiday Events/Picnics
5875	Kitchen Supplies
5880	Office Supply Stores
5885	Printing/Blueprints
5890	Publ Subscriptions/Tapes
5895	Shipping Charges
5900	Other Office Expenses
5930	Office Electric
5935	Office Gas
5940	Office Water
5945	Office Telecom
5950	Office Garbage Removal
5955	Office Landscape / Mow / Plow
5960	Office Alarm Sys Phone Exp
5965	Office Maintenance
5970	Office Cleaning Service
5975	Office Machine/Heat&Cool
5980	Other Office Utilities
5985	Telemetering Phone Expense
6005	Accounting Studies
6010	Audit Fees
6015	Employ Finder Fees
6020	Engineering Fees
6025	Legal Fees
6030	Management Fees
6035	Payroll Services
6040	Tax Return Review
6045	Temp Employ - Cleri
6050	Other Outside Serv
6075	Water Resource Conserve Exp
6090	Rent
6105	Salaries - System Project
6110	Salaries - Acctg/Finance
6115	Salaries - Admin
6120	Salaries - Officers/Stkhldr
6125	Salaries - HR
6130	Salaries - MIS

The following list includes asset and liability accounts at the Water Service Corporation level which have dollars booked to them and allocated to all Utilities, Inc. operating companies

JDE Object Number	Subsidiary Number	Account Description
1030		Land & Land Rights Pump
1035		Land & Land Rights Wtr Trt
1040		Land & Land Rights Trans Dist
1045		Land & Land Rights Gen Plt
1175		Office Struct & Imprv
1180		Office Furn & Eqpt
1190		Tool Shop & Misc Eqpt
1205		Communication Eqpt
1260		Land & Land Rights Intang Plt
1265		Land & Land Rights Coll Plt
1270		Land & Land Rights Trtmt Plt
1275		Land & Land Rights Reclaim Wtp
1280		Land & Land Rights Rel Dst Plt
1285		Land & Land Rights Gen Plt
1455		Office Struct & Imprv
1460		Office Furn & Eqpt
1470		Tool Shop & Misc Eqpt
1485		Communication Eqpt
1575		Desktop Computer Wtr
1580		Mainframe Computer Wtr
1585		Mini Computers Wtr
1590		Comp Sys Cost Wtr
1595		Micro Sys Cost Wtr
1605		Desktop Computer Swr
1610		Mainframe Computer Swr
1615		Mini Computers Swr
1620		Comp Sys Cost Swr
1625		Micro Sys Cost Swr
1741		Other Plant In Process History
1745	00301	Wip-Cap Time Office Renovation
1745	00302	Wip-Cap Time Electrical
1745	00303	Wip-Cap Time Lab Expansion
1745	00304	Wip-Cap Time Computer Equipmnt
1745	00305	Wip-Cap Time Computer Software
1745	00306	Wip-Cap Time Radio Equipment
1746	00301	Wip - Interest During Constr
1746	00302	Wip - Interest During Constr
1746	00303	Wip - Interest During Constr
1746	00304	Wip - Interest During Constr
1746	00305	Wip - Interest During Constr
1746	00306	Wip - Interest During Constr
1747	00303	Wip - Labor/Installation
1747	00304	Wip - Labor/Installation
1747	00305	Wip - Labor/Installation
1748	00302	Wip - Equipment
1748	00303	Wip - Equipment
1748	00304	Wip - Equipment
1748	00306	Wip - Equipment
1749	00301	Wip - Material
1749	00302	Wip - Material
1749	00303	Wip - Material
1749	00304	Wip - Material
1749	00305	Wip - Material
1749	00306	Wip - Material
1750	00301	Wip - Electrical
1751	00301	Wip - Site Work
1752	00301	Wip - Contractor/Labor
1752	00302	Wip - Contractor/Labor
1753	00301	Wip - Architect/Designer
1753	00302	Wip - Architect/Designer
1753	00303	Wip - Architect/Designer
1754	00303	Wip - Building Addition
1755	00301	Wip - Furniture
1755	00302	Wip - Furniture
1756	00301	Wip - Heating/Air Condition
1756	00302	Wip - Heating/Air Condition
1757	00301	Wip - Interior Finish
1757	00302	Wip - Interior Finish
1758	00305	Wip - Modification/Convert
1759	00304	Wip - Remodeling
1769	00301	Wip - Transfer To Fixed Assets
1769	00302	Wip - Transfer To Fixed Assets
1769	00303	Wip - Transfer To Fixed Assets
1769	00304	Wip - Transfer To Fixed Assets
1769	00305	Wip - Transfer To Fixed Assets
1769	00306	Wip - Transfer To Fixed Assets
1771		Deferred Plant In Process History
1775	00401	Wip-Cap Time Water Tower Paint
1775	00402	Wip-Cap Time W/S Plt Paint
1775	00403	Wip-Cap Time Water Tank Paint
1775	00404	Wip-Cap Time Clean Sewer Line



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The following list includes expense accounts at the Water Service Corporation level which have dollars booked to them and allocated to all Utilities, Inc. operating companies at a business unit level:

<u>JDE Object Number</u>	<u>Account Description</u>
6135	Salaries - Leadership Ops
6140	Salaries - Regulatory
6145	Salaries - Customer Service
6185	Travel Lodging
6190	Travel Airfare
6195	Travel Transportation
6200	Travel Meals
6205	Travel Entertainment
6207	Travel Other
6355	Deferred Maint Expense
6360	Communication Expense
6365	Equipment Rentals
6385	Uniforms
6390	Weather/Hurricane Costs
6580	Deprec-Office Structure
6585	Deprec-Office Furn/Eqpt
6610	Deprec-Communication Eqpt
6615	Deprec-Misc Equipment
6820	Deprec-Office Structure
6825	Deprec-Office Furn/Eqpt
6850	Deprec-Communication Eqpt
6855	Deprec-Misc Equipment
6920	Deprec-Computer
7510	FICA Expense
7515	Federal Unemployment Tax
7520	State Unemployment Tax
7535	Franchise Tax
7540	Gross Receipts Tax
7545	Personal Property/ICT Tax
7550	Property/Other General Tax
7555	Real Estate Tax
7560	Sales/Use Tax Expense
7565	Special Assessments
7665	Extraordinary Gain/Loss
7670	Extraordinary Deductions
7680	Rental Income
7685	Interest Income
7690	Sale of Equipment

The following list includes asset and liability accounts at the Water Service Corporation level which have dollars booked to them and allocated to all Utilities, Inc. operating companies

<u>JDE Object Number</u>	<u>Subsidiary Number</u>	<u>Account Description</u>
1030		Land & Land Rights Pump
1775	00405	Wip-Cap Time Chng Filter Media
1775	00406	Wip-Cap Time Tv Sewer Main
1775	00407	Wip-Cap Time Sludge & Hauling
1775	00408	Wip-Cap Time W/S Plt Landscape
1776	00401	Wip - Interest During Constr
1776	00402	Wip - Interest During Constr
1776	00403	Wip - Interest During Constr
1776	00404	Wip - Interest During Constr
1776	00405	Wip - Interest During Constr
1776	00406	Wip - Interest During Constr
1776	00407	Wip - Interest During Constr
1776	00408	Wip - Interest During Constr
1777	00408	Wip - Engineering
1778	00401	Wip - Labor/Installation
1779	00401	Wip - Equipment
1779	00404	Wip - Equipment
1779	00406	Wip - Equipment
1780	00401	Wip - Material
1780	00402	Wip - Material
1780	00403	Wip - Material
1780	00404	Wip - Material
1780	00405	Wip - Material
1780	00406	Wip - Material
1780	00407	Wip - Material
1780	00408	Wip - Material
1781	00408	Wip - Site Work
1782	00401	Wip - Contractor/Labor
1782	00402	Wip - Contractor/Labor
1782	00403	Wip - Contractor/Labor
1782	00405	Wip - Contractor/Labor
1782	00406	Wip - Contractor/Labor
1783	00404	Wip - Grouting/Sealing
1784	00404	Wip - Jet Cleaning
1785	00407	Wip - Pump & Haul Sludge
1786	00404	Wip - Rental/Machine
1786	00405	Wip - Rental/Machine
1787	00402	Wip - Repair
1787	00403	Wip - Repair
1799	00401	Wip - Transfer To Fixed Assets
1799	00402	Wip - Transfer To Fixed Assets
1799	00403	Wip - Transfer To Fixed Assets
1799	00404	Wip - Transfer To Fixed Assets
1799	00405	Wip - Transfer To Fixed Assets
1799	00406	Wip - Transfer To Fixed Assets
1799	00407	Wip - Transfer To Fixed Assets
1799	00408	Wip - Transfer To Fixed Assets
1970		Acc Depr-Office Structure
1975		Acc Depr-Office Furn/Eqpt
1985		Acc Depr-Tool Shop & Misc Eqpt
2000		Acc Depr-Communication Eqpt
2215		Acc Depr-Office Structure
2220		Acc Depr-Office Furn/Eqpt
2230		Acc Depr-Tool Shop & Misc Eqpt
2245		Acc Depr-Communication Eqpt
2315		Acc Depr-Desktop Computer Wtr
2320		Acc Depr-Mainframe Comp Wtr
2325		Acc Depr-Mini Comp Wtr
2330		Comp Sys Amortization Wtr
2335		Micro Sys Amortization Wtr
2345		Acc Depr-Desktop Computer Swr
2350		Acc Depr-Mainframe Comp Swr
2355		Acc Depr-Mini Comp Swr
2360		Comp Sys Amortization Swr
2365		Micro Sys Amortization Swr
2950		Def Chgs-Landscaping
2955		Def Chgs-Customer Complaints
2960		Def Chgs-Tank Maint&Rep Wtr
2965		Def Chgs-Relocation Expenses
2970		Def Chgs-Attorney Fee
2975		Def Chgs-Hurricane/Storms Cost
2980		Def Chgs-Emp Fees
2985		Def Chgs-Other
3000		Def Chgs-Other Wtr & Swr
3005		Def Chgs-Voc Testing
3020		Def Chgs-Sludge Hauling
3025		Def Chgs-Pr Wash/Jet Swr Mains
3030		Def Chgs-Tv Sewer Mains
3040		Def Chgs-Tank Maint&Rep Swr
3080		Amort - Landscaping
3090		Amort - Customer Complaints

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The following list includes expense accounts at the Water Service Corporation level which have dollars booked to them and allocated to all Utilities, Inc. operating companies at a business unit level:

<u>JDE Object Number</u>	<u>Account Description</u>
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The following list includes asset and liability accounts at the Water Service Corporation level which have dollars booked to them and allocated to all Utilities, Inc. operating companies:

<u>JDE Object Number</u>	<u>Subsidiary Number</u>	<u>Account Description</u>
1030		Land & Land Rights Pump
3110		Amort - Tank Maint&Rep Wtr
3120		Amort - Relocation Exp
3125		Amort - Attorney Fee
3130		Amort - Hurricane/Storms
3135		Amort - Employee Fees
3140		Amort - Other
3155		Amort - Other Wtr & Swr
3160		Amort - Voc Testing
3175		Amort - Sludge Hauling
3180		Amort - Pr Wash/Jet Swr Mains
3185		Amort - Tv Sewer Mains
3195		Amort - Tank Maint&Rep Swr
4367		Accum Def Income Tax-Fed
4369		Def Fed Tax - Ciac Pre 1987
4371		Def Fed Tax - Tap Fee Post 2000
4373		Def Fed Tax - Idc
4375		Def Fed Tax - Rate Case
4377		Def Fed Tax - Def Maint
4379		Def Fed Tax - Other Operation
4381		Def Fed Tax - Sold Co
4383		Def Fed Tax - Orgn Exp
4385		Def Fed Tax - Bad Debt
4387		Def Fed Tax - Depreciation
4389		Def Fed Tax - Nol
4391		Def Fed Tax - Cont Prop
4393		Def Fed Tax - Amt
4395		Def Fed Tax - Pre Acrs
4397		Def Fed Tax - Res Cap Fee
4417		Accum Def Income Tax - St
4419		Def St Tax - Ciac Pre 1987
4421		Def St Tax - Tap Fee Post 2000
4423		Def St Tax - Idc
4425		Def St Tax - Rate Case
4427		Def St Tax - Def Maint
4429		Def St Tax - Other Operation
4431		Def St Tax - Sold Co
4433		Def St Tax - Orgn Exp
4435		Def St Tax - Bad Debt
4437		Def St Tax - Depreciation
4439		Def St Tax - Nol
4441		Def St Tax - Cont Prop
4443		Def St Tax - Amt
4445		Def St Tax - Res Cap Fee

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**APPENDIX B**

The formula used to calculate all allocations is as follows:

Expenses:

Active ERC count for business unit/Active ERC count for all UI operating business units

Assets/Liabilities:

Active ERC count for company/Active ERC count for all UI operating companies