

IN RE:)
)
PETITION OF TENNESSEE-)
AMERICAN WATER TO MODIFY)
TARIFF, CHANGE AND INCREASE) **DOCKET NO. 24-00032**
CHARGES, FEES, AND RATES, AND)
FOR APPROVAL OF A GENERAL)
RATE INCREASE)

This First Set of Discovery Requests is hereby served upon Tennessee-American Water Company (“TAWC” or the “Company”), pursuant to Rules 26, 33, 34, and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Regs. 1220-01-02-.11. The Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”) requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate Division, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Shilina B. Brown and Victoria Glover, on June 25, 2024 at 2:00 p.m. (Central Time).

1. **Continuing Request.** These discovery requests are to be considered continuing in nature and are to be supplemented from time to time as information is received by the Company and any of its affiliates which would make a prior response inaccurate, incomplete, or incorrect.

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2. **Clear References.** To the extent that the data or information requested is incorporated or contained in a document, identify the document including page/line number if applicable.

3. **Format of Responses.** Provide all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to audit and analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.

4. **Objections.** If any objections to this discovery are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document and state the basis for the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

5. **Singular/Plural.** The singular shall include the plural, and vice-versa, where appropriate.

6. **Definitions.** As used in this Request:

(a) “You,” “Your,” “Company,” “Tennessee-American,” or “TAWC” shall mean Tennessee American Water Company and all employees, agents, attorneys, representatives or any other person acting or purporting to act on its behalf.

(b) “Affiliate” shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater clarification, “control” is the ownership of 20% or more of the shares of stock

entitled to vote for the election of directors in the case of a corporation, or 20% or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term “Affiliate” shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an “Affiliate”.

(c) “Communication” shall mean any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings and personal conversations, or otherwise.

(d) “Document” shall have the broadest possible meaning under applicable law. “Document” shall mean any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), work paper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, state what disposition was made of the document and when it was made?

(e) “Person” shall mean any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.

(f) “Identify” with respect to:

- i. Any natural person, means to state the full name, telephone number, email address and the current or last known business address of the person (if no business address or email address is available provide any address known to you) and that person’s relationship, whether business, commercial, professional, or personal with you;
- ii. Any legal person, business entity or association, means to state the full name, the name of your contact person with the entity, all trade name(s), doing business as name(s), telephone number(s), email address(es), and

current or last known business address of such person or entity (if no business address is available provide any address known to you);

iii. Any document, means to state the type of document (e.g., letter), the title, identify the author, the subject matter, the date the document bears and the date it was written; and

iv. Any oral communication, means to state the date when and the place where it was made, identify the person who made it, identify the person or persons who were present or who heard it, and the substance of it.

(g) “And” and “or” shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.

(h) “Including” shall be construed to mean including but not limited to.

FIRST SET OF DISCOVERY REQUESTS

1-1. Refer to the *Testimony of Charles B. Rea* at 4:17 – 19 and respond to the following questions:

- a. Regarding Mr. Rea’s reference to declining water usage, discuss the extent to which Mr. Rea believes price elasticity factors into the reduction in water usage referenced in this passage; and
- b. Describe the extent to which the affordability analysis considered the specific Chattanooga area costs for lodging, utilities, food, taxes, etc;

RESPONSE:

1-2. Refer to the *Testimony Charles B. Rea* at 9, Charts 1, 2 and respond to the following questions:

- a. Provide a copy of the Excel file with cell references intact that support the two charts;
- b. Provide the underlying supporting information demonstrating that the 2023 median household income in the Company’s service area exceeds \$70,000; and
- c. Does the average residential bills reflected in Chart 1 include the impact of the Company’s Capital Rider Surcharge during the period the surcharge has been in effect?

RESPONSE:

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1-3. Refer to the *Testimony of Dominic Degrazia* at 11:12-17 and Petitioner’s Exhibit EXP-21-Amortization-DD. This exhibit reflects an adjustment of \$1,116, which relates to deferred AFUDC debt. However, the title of the EXP-21 schedule is Pro Forma Adjustment of Depreciation and Cost of Removal Expense. Regarding this adjustment, provide the following:

- a. Confirm that the \$1,116 adjustment relates to deferred AFUDC Debt;
- b. If part (a) is confirmed, explain how this cost component was incurred and why it is appropriate to include it as an expense in the revenue requirement; and
- c. If part (a) is not confirmed, describe the nature of the adjustment and how it was calculated.

RESPONSE:

1-4. Refer to the *Testimony of Dominic DeGrazia* at 12:1-10 and respond to the following:

- a. What is meant by “closed accounts” as is used in testimony; and
- b. How were quantities of Purchase Power and Fuel expense correlated with the level of forecasted sales revenue in the attrition period? If revenue Purchase Power and Fuel expenses were not correlated with the company’s proposed revenue requirement, explain why such an analysis was not performed.

RESPONSE:

1-5. Refer to the *Testimony of Dominic DeGrazia*, File <TAWC 2024 Rate Case – Purchased Power Exhibit.xlsx>, Tab “Exhibit” (Petitioner’s Exhibit EXP-2-Purchased Power-DD) and respond to the following:

- a. Discuss the nature and timing of recent efforts to control Purchased Power expenses; and
- b. Identify any capital expenditures incurred from January 1, 2023, through the most recent period available that increased efficiency and are expected to impact future Purchase Power costs. Explain the nature of the capital expenditure and its intended impact on Purchased Power costs.

RESPONSE:

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- 1-6. Refer to the *Testimony of Dominic DeGrazia*, File <TAWC 2024 Rate Case – Chemicals Exhibit.xlsx>, Tab “Exhibit” (Petitioner’s Exhibit EXP-2-Purchased Power-DD) and respond to the following:
- a. Provide support the 3% rate change applied to EPB charges in computing 2024 EPB Purchased Power costs; and
 - b. Provide support the 7.68% rate change assumed in computing 2025 Purchased Power costs.

RESPONSE:

- 1-7. Refer to the *Testimony of Dominic DeGrazia*, File <TAWC 2024 Rate Case – Purchased Power Exhibit.xlsx>, Tab “Exhibit” (Petitioner’s Exhibit EXP-3-Chemicals-DD) and respond to the following:
- a. Provide a copy of any contracts governing the purchase of Chemicals identified in these workpapers;
 - b. Provide a copy of purchase orders for 2023 and 2024 for the following Chemical families at Plant P701:
 - i. Chemicals-Other;
 - ii. Sodium Hypochlorite; and
 - iii. Phosphates.
 - b. Provide a general discussion supporting the assumption that 2025 Chemical-related prices will increase by 5% when 2024 pricing has had significant price decreases; and
 - c. Provide the actual monthly quantities of chemicals used at the P701 Plant by Chemical Family for January 2023 – March 2024 related to general ledger recordings. Indicate in the response whether there is a lag between the period in which actual consumption occurs, and the month when such consumption is reflected in the general ledger.

RESPONSE:

- 1-8. Refer to the *Testimony of Dominic DeGrazia*, File <TAWC 2024 Rate Case – Purchased Power Exhibit.xlsx>, Tab “Workpaper” (Schedule EXP-3.2). Provide the actual January 2024 – March 2024 costs in the format contained in the Workpaper tab.

RESPONSE:

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1-9. Refer to the *Testimony of Dominic DeGrazia*, File <TAWC 2024 Rate Case – Waste Disposal Exhibit.xlsx>, Tab “Exhibit” (Petitioner’s Exhibit Exp-4-Waste Disposal-DD)

and respond to the following questions:

- a. Confirm that there are thirteen monthly entries associated with Denali Water Solutions and that removing the first line item associated with November 2022 usage is appropriate to arrive at a normalized test period level of costs. If this is not confirmed, justify the level of Denali Water Solutions costs, including an explanation of why thirteen monthly entries are appropriate within the Waste Disposal calculation;
- b. Confirm that the cost information in the Tab “Marion Environmental” includes twelve months’ of activity. If this is not confirmed, provide an annual level of base year costs from this vendor;
- c. Explain the nature of the Accruals referenced in the Expense Summary and identify which systems these relate to;
- d. Provide the most recent months’ invoices from Denali Water Solutions and Interceptor Sewer Systems; and
- e. Provide a copy of all invoices received from Marion Environmental for general ledger postings after December 26, 2023.

RESPONSE:

1-10. Refer to the *Testimony of Dominic DeGrazia*, File <TAWC 2024 Rate Case – Purchased Water Exhibit.xlsx>, Tabs Marion Gas & Water” (Schedule EXP-1.6) and “Waldens Ridge” (Schedule EXP-1.7). Respond to the following:

- a. Confirm that the consumption data associated with charges from Marion Gas & Water are in excess of 365 days;
- b. Provide annual consumption data for the years 2020 – 2022 for Marion Gas & Water;
- c. Provide actual invoices from Marion Gas & Water for the period January – March 2024;
- d. Provide consumption data for accounts 111421 and 111599 from Waldens Ridge Utility District for the years 2020 – 2022; and
- e. Provide invoices from Waldens Ridge Utility District for the months of January – March 2024 for each of the two accounts.

RESPONSE:

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- 1-11. Refer to the *Testimony of Dominic Degrazia* at 14:14 – 15:2, and respond to the following:
- Identify the effective date of the plant in service corresponding to the Property Tax Expense recorded in 2023;
 - Identify the balance of accrued property tax expense reflected on the Company's books as of December 31, 2023; and
 - Provide the underlying calculation supporting the 97.03% Equalized Assessment Percentage in the Attrition Year.

RESPONSE:

- 1-12. Refer to the *Testimony of Dominic DeGrazia*, File <TAWC 2024 Rate Case – Other General Taxes Exhibit.xlsx>, Tab “Franchise Tax” (Schedule EXP-22.2). Provide a comprehensive explanation of the implication the Tennessee Franchise Tax legislation will have on the Company's Franchise Tax Expense on a going forward basis and discuss the appropriate regulatory treatment.

RESPONSE:

- 1-13. Refer to the *Testimony of Dominic DeGrazia*, File <TAWC 2024 Rate Case – Other General Taxes Exhibit.xlsx>, Tab “Franchise Tax” (Schedule EXP-22.2.). Provide the following:
- A copy of the Company's 2023 Franchise Tax filing with the Tennessee Department of Revenue. If the 2023 filing has not been completed, provide a copy of the 2022 filing and submit the 2023 filing when it is submitted;
 - The supporting work papers for the percentage assigned to Tennessee;
 - The rationale for the add-in line “Adjustment for Rentals;”
 - A copy of the Company's Gross Receipts Tax filing for 2023 operations. If the 2023 filing has not been completed, provide a copy of the 2022 filing and submit the 2023 filing when it is submitted; and
 - A copy of the Company's TPUC Inspection Fee filing for 2023 operations. If the 2023 filing has not been completed, provide a copy of the 2022 filing and submit the 2023 filing when it is submitted.

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- 1-14. Refer to the *Testimony of Dominic Degrazia* at 16:12-17. Provide a comprehensive explanation justifying the use of a three-year average for Maintenance Expenses in arriving at the Test Year Adjustment prior to applying the inflation factors.

RESPONSE:

- 1-15. Refer to the *Testimony of Grady Stout* at 18-26 describing the Company's proposal to implement a lead line service replacement program. Provide a graphic representation of the portion of the service line described by Mr. Stout that aligns with the Company's proposal to include a representation of the portion of the service line that the Company would replace.

RESPONSE:

- 1-16. Refer to the *Testimony of Grady Stout* at 18: 16-18. Mr. Stout describes the Company's historical practice of replacing their portion of lead service lines. Discuss whether the Company intends to replace the lead service lines of customers who declined the option of replacing their service line at their expense under this proposal. If so, discuss the priority level of this type of replacement relative to the replacement of service lines as a component of a more comprehensive main line replacement project. Does the Company know with certainty whether, upon notification by the Company of the presence of a lead in their service line, customers replaced their service line?

RESPONSE:

- 1-17. Refer to the *Testimony of Grady Stout* at 18: 11-16. The Company is requesting a modification of its Qualified Infrastructure Investment Program Rider ("QIIP"). Regarding the rider, address the effective date of the qualifying plant subject to recovery in the future rider filings identified below, given the Company's rate increase request in

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this Docket. This request seeks a general overview of the timing of cost deferrals and/or recovery true-ups the Company will seek recovery of in the following filings:

- a. March 2025 Filing;
- b. March 2026 Filing; and
- c. March 2027 Filing.

RESPONSE:

1-18. Refer to the *Testimony of Grady Stout* at 35: 5-7. Discuss how water usage associated with firefighting and training is measured.

RESPONSE:

1-19. Refer to the *Testimony of Grady Stout* at 36: 11-13. Provide a copy of the Company's Key Performance Indicators ("KPIs") results (reports) for January 2022 – April 2024.

RESPONSE:

1-20. Provide the month-end number of TAWC employees for the period January 31, 2020 – April 30, 2024, further split into the following categories:

- a. Union hourly employees;
- b. Non-union hourly employees; and
- c. Exempt employees.

Please identify the source for accumulating this data.

RESPONSE:

1-21. Refer to the *Testimony of Grady Stout* at 41, Table of APP goals. Provide and provide the following:

- a. Identify the 2021 and 2023 goals, targets, and weights in the same format as provided in this passage for 2024;
- b. For each target identified above, provide the associated achievement level and the resulting weighted average payment for each criterion for 2021 through 2023;

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- c. Identify the methodology used to accrue the Annual Performance Plan (“APP”) costs in 2024 along with monthly charges by account for the period January – April 2024; and
- d. Provide the amounts and accounts charged on the books of TAWC for direct APP costs for:
 - i. 2021;
 - ii. 2022; and
 - iii. 2024 (January through April).

RESPONSE:

1-22. Refer to the *Testimony of Grady Stout* at 41, Table of APP goals. Provide the following for

APP charged to TAWC from AWCC or any other affiliate entity:

- a. Identify the 2021 – 2024 goals, targets, and weights in the format provided in this passage for 2024 TAWC goals;
- b. For each target identified above, provide the associated achievement level and the resulting weighted average payment for each criterion for 2021 through 2023;
- c. Identify the methodology used to accrue for the Annual Performance Plan (APP) costs in 2024 along with monthly charges by account for the period January – April 2024; and
- d. Provide the amounts and accounts charged on the books of TAWC for allocated APP costs for:
 - i. 2021;
 - ii. 2022;
 - iii. 2023; and
 - iv. 2024 (January through April).

RESPONSE:

1-23. Provide the direct Long-Term Performance Plan (“LTPP”) costs incurred associated with

TAWC employees by year, by account for the following periods:

- a. 2021;
- b. 2022;
- c. 2023; and
- d. 2024 (January through April).

RESPONSE:

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1-24. Provide the allocated LTPP costs incurred associated with TAWC affiliate employees by year, by account for the following periods:

- a. 2021;
- b. 2022;
- c. 2023; and
- d. 2024 (January through April).

RESPONSE:

1-25. Provide the following related to the Company's LTPP:

- a. Supply a copy of all plan documentation provided to employees describing how the mechanism will be computed applicable to (i) 2023 results and (ii) 2024 results;
- b. For each metric in the LTPP calculation, provide the annual target and actual performance for the years 2020 – 2023, including the underlying documentation supporting the actual results; and
- c. Identify the number of TAWC employees eligible for the LTPP.

RESPONSE:

1-26. Provide the following related to the Company's RSU/PSU program (Account 50171800):

- a. Supply a copy of all plan documentation provided to employees describing how the mechanism will be computed applicable to (i) 2023 results and (ii) 2024 results;
- b. For each metric in the RSU calculation, provide the target and actual performance for 2020 – 2023, including the underlying documentation supporting the actual results; and
- c. Identify the number of TAWC employees eligible for the RSU in 2023.

RESPONSE:

1-27. Refer to the *Testimony of Robert Mustich* at 2:1 – 3:9. Mr. Mustich explains that companies frequently engage his firm to evaluate the competitiveness of their compensation philosophy. Mr. Mustich has also submitted testimony before other state regulatory commissions. For this section of his testimony, respond to the following questions:

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- a. How many times has Mr. Mustich submitted testimony before state utility regulatory commissions? If the precise number of occasions is not readily known or available, provide the best estimated number of such engagements;
- b. Identify any engagement involving the submission of testimony in which Mr. Mustich determined that the subject utilities Target Total Direct Compensation was above the range of total compensation, as those terms are used in Mr. Mustich's testimony; and
- c. For any such testimony identified in part (b) above, provide a copy of such testimony if it is readily available, or provide the Docket (or Case) number and the jurisdiction in which it was submitted.

RESPONSE:

- 1-28. Refer to the *Testimony of Grady Stout* at 18:14-16 and the Company's proposed Revised Tariff. Reconcile the revised ICR tariff language found on "TPUC No. 20; Original Sheet No. 12-ICR-5" which states "Investments eligible for recovery under the ICR are subject to the conditions established by Commission Order in TPUC Docket No. 19-00103, with the request in Mr. Stout's testimony wherein he says, in part, "[a]s part of this case, the Company's is (sic) seeking approval to replace customer-owned lead service lines and to recover the cost through TAWC's Qualified Infrastructure Investment Program Rider (QIIP)".

RESPONSE:

- 1-29. Refer to the *Testimony of Robert Lane* at 10, Table BL-1. Provide the underlying calculations supporting the values in Table BL-1.

RESPONSE:

- 1-30. Refer to the *Testimony of Robert Lane* at 23, Pension & OPEB Tables. Provide a precise definition of the term "Actuals" within the Pension and OPEB table. Provide the documentation supporting the "Actuals" data contained in these two tables. Indicate

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whether these “Actuals” reflect only TAWC employee costs or include both direct TAWC employee costs and allocated costs.

RESPONSE:

1-31. Identify and describe any “plan” changes in the Company’s Pension plan that have occurred from January 1, 2015, through 2024 to date.

RESPONSE:

1-32. Identify and describe any “plan” changes in the Company’s OPEB plan from January 1, 2015, through 2024 to date.

RESPONSE:

1-33. Provide copies of actuarial reports used to record (a) TAWC direct pension costs and (b) the report underlying pension costs allocated to TAWC, both for 2021 and 2022.

RESPONSE:

1-34. Provide copies of actuarial reports used to record (a) TAWC direct OPEB costs and (b) the report underlying OPEB costs allocated to TAWC, both for 2021 and 2022.

RESPONSE:

1-35. Regarding cash contributions to pension plans made by the Company, provide the following:

- a. Identify the cash contributions to pension plans made on behalf of TAWC for the periods 2021 – 2022. To the extent that any portion of these contributions are attributable to a pro-rata portion of such contributions for non-TAWC employees, identify the annual amount and how such amounts were determined;
- b. Identify the basis for the annual cash contribution made for the period 2021-2023; and
- c. For each year for the period 2021 - 2023, provide the (a) minimum ERISA cash contribution required and (b) the maximum tax-deductible contribution.

RESPONSE:

1-36. **CONFIDENTIAL Request:

- a. **Confidential Subpart;
- b. ** Confidential Subpart;
- c. ** Confidential Subpart; and
- d. ** Confidential Subpart.

RESPONSE:

1-37. Regarding cash contributions to OPEB plans made by the Company, provide the following:

- a. Identify the cash contributions to OPEB plans made on behalf of TAWC, for the periods 2021 – 2023. To the extent that any portion of these contributions are attributable to a pro-rata portion of such contributions for non-TAWC employees, identify the annual amount and how such amounts were determined; and
- b. Further, for each year, identify the basis for the cash contribution.

RESPONSE:

1-38. Has the Company recorded Pension Expense on the books of TAWC in 2023 using the cash contribution method, or those recorded pursuant to Generally Accepted Accounting Principles (“GAAP”), accrued per the former SFAS 87? If such costs have been accrued per GAAP, have such costs been eliminated in the proposed revenue requirement? If so, identify where such costs have been removed.

RESPONSE:

1-39. Confirm that the credit offsetting depreciation costs the Company is deferring in 2024, pursuant to the Commission’s Order in TPUC Docket No. 19-00103, is being credited to Accumulated Depreciation. If this is not confirmed, identify the account used to record the credit associated with the deferred depreciation recorded as a regulatory asset.

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- 1-40. Refer to the *Testimony of Grant Allen Evitts* at 23:5 – 25:15. Mr. Evitts describes several Community Engagement Initiatives and Efforts in this section of his testimony. For each initiative described within this section, provide the following:
- a. Provide a more detailed description of the involvement of the Company in each of these initiatives;
 - b. Identify the costs of each initiative, indicating the types of costs that were incurred and whether such costs include the assignment of TAWC labor costs associated with the time spent by TAWC employees either directly participating or managing the initiative; and
 - c. Identify the account(s) charged with costs associated with each initiative.

RESPONSE:

- 1-41. Refer to the *Testimony of Harold Walker III* at 4:21 – 5:4. Provide a comprehensive discussion of the process by which the Company receives payments and records the resulting payments to accounts receivable. At what point in this process is the payment deemed “received”? This explanation should also include a discussion of the timing of when the cash is available for use by the Company relative to when the funds are recorded as a credit to the balance of Accounts Receivable.

RESPONSE:

- 1-42. Provide evidence of federal income tax payments made by TAWC to the U.S. Treasury for any 2023 federal income tax obligations.

RESPONSE:

- 1-43. Provide evidence of federal income tax payments made by American Water Works to the U.S. Treasury for any 2023 federal income tax obligations.

RESPONSE:

- 1-44. Provide a copy of the TAWC federal income tax return for 2022 if such a filing was made.

RESPONSE:

1-45. Provide a copy of the American Water Works federal income tax return for 2022.

RESPONSE:

1-46. Refer to the *Testimony of Harold Walker III*, File<TN-AW 2024 Lead-Lag Workpapers>, Tab “Purchased Water” (Schedule HW-4). Provide the invoice and all supporting documentation to confirm the date the Company released funds for the following two purchased water charges:

Account	Document #	Paid Date	Amount	Service Period		Vendor
				From	To	
51010000	5000109304	11/28/2023	17,045.57	10/6/2023	11/7/2023	Marion Natural Gas System (Board of Wt
51010000	5000107215	9/25/2023	13,155.52	8/5/2023	9/6/2023	Marion Natural Gas System (Board of Wt

RESPONSE:

1-47. Refer to the *Testimony of Harold Walker III*, <TN-AW 2024 Lead-Lag Workpapers>, Tab “wk chemical” (Schedule HW-4). Provide the invoice and all supporting documentation to confirm the date the Company released funds for the following two chemical purchases:

Document #	Paid	Amount	Service Period		Vendor	month	amt
			From	To		date	amt
5000106033	9/22/2023	42,100.80	8/10/2023	8/10/2023	Carus LLC US	09/30/23	\$42,100.80
5000107013	10/26/2023	23,022.72	9/11/2023	9/11/2023	CEDARCHEM LLC US	10/31/23	\$23,022.72

RESPONSE:

1-48. Refer to the *Testimony of Harold Walker III*, File <TN-AW 2024 Lead-Lag Workpapers>, “wk service co” tab. Refer to the proposed negative expense lead days associated with Service Company costs, whereby TAWC provides compensation to the Service Company before the mid-point of the service period as reflected in the “wk service co” tab. Provide a comprehensive discussion explaining why increasing the rate base for the cash working

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capital implications of this affiliate transaction is appropriate, which is outside the boundary of a normal expense lead for third-party contractor costs.

RESPONSE:

- 1-49. Refer to the *Testimony of Harold Walker III*, File<TN-AW 2024 Lead-Lag Workpapers>, Tab “Gross Receipts Tax” (Schedule HW-28). Respond to the following:
- a. Provide documentation that the Company’s service period runs from July 1 through June 30;
 - b. Provide documentation identifying the due date the Tennessee Department of Revenue has established for Gross Receipt Tax payments applicable to TAWC; and
 - c. Provide documentation demonstrating that the \$1,023,554 payment made on July 26, 2023, as reflected on the “wk gross Rec tax tab” within the Lead-Lag Workpapers file was effectively a prepayment for the service period ending June 30, 2023.

RESPONSE:

- 1-50. Provide a copy of the documentation of all quarterly state excise tax (income) tax payments made by TAWC associated with its 2023 state income tax obligations.

RESPONSE:

- 1-51. Refer to the *Testimony of Harold Walker III*, File <TN-AW 2024 Lead-Lag workpapers.xlsx>, Tab “2 SCH Revenue Lag” (Schedule HW-2), regarding the overall revenue lag calculated within the cash working capital study. Respond to the following:
- a. Provide the source documentation identifying the Daily Accounts Receivable balances which were used to determine the Net Daily Accounts Receivable Balance as reflected in Schedule HW-2;
 - b. Reconcile the Daily Revenues of \$66,087,192 as reflected in Schedule HW-2, with the Total Operating Revenue of \$69,304,200 as reflected in File <Exhibit Rev-1-Revenue Summary.xlsx> (Petitioner’s Exhibit Rev-1 Revenue Summary-HB);
 - c. Explain how the Daily Revenues in Schedule HW-2 was determined; and

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- d. Provide a copy of all source documentation supporting the Service Period and Billing Lag Days of 21.4 reflected in Schedule HW-2.

RESPONSE:

- 1-52. Refer to the *Testimony of John M. Watkins* at 5:3-6. Provide a copy of the Service Company invoices supplied to TAWC for February and August 2023.

RESPONSE:

- 1-53. Refer to the *Testimony of John M. Watkins* at 5:20-21. Provide a copy of the estimated reports received from Willis Tower Watson (“WTW”) as referenced by Mr. Watkins. Further indicate the rationale for relying upon a report characterized as “estimated” to establish rates.

RESPONSE:

- 1-54. Provide a copy of the Cost Allocation Manual, which documents the allocation methodologies for allocating costs from the American Water Works Service Company (“AWWSC”) to TAWC.

RESPONSE:

- 1-55. Refer to the *Testimony of Patrick Baryenbruch*, Schedule PLB-1. In the 107 rate cases in which Mr. Baryenbruch has been engaged, provide the following:
 - a. Identify the number of cases in which he found total affiliate transaction-related costs unreasonable;
 - b. Identify the number of cases in which he found that affiliate transactions were not similar to those provided by service companies of other utility holding companies;
 - c. Identify the number of cases in which the jurisdictional utility was not charged the lower cost or market for managerial services provided by the Service Company;
 - d. Identify the number of cases in which he testified that any portion of services received by the jurisdictional utility were unnecessary; and

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- e. Identify the number of cases in which he testified that the governance practices applied to total Service Company expenses charged to the jurisdictional utility were inappropriate.

RESPONSE:

- 1-56. Provide a copy of all workpapers prepared by John M. Watkins or anyone under his supervision in his preparation for this proceeding.

RESPONSE:

- 1-57. Provide a copy of all workpapers prepared by Patrick L. Baryenbruch or anyone under his supervision in preparation for this proceeding.

RESPONSE:

- 1-58. Refer to the *Testimony of Patrick L. Baryenbruch*, Schedule PLB-2, p. 5. Provide a copy of the AWWSC month-end financial statements for December 31, 2022, December 31, 2023, and April 30, 2024, as referenced in the Market-to-Cost Comparison of Service Company Charges report.

RESPONSE:

- 1-59. Refer to the Minimum Filing Guidelines (1-86), Response to Q003, 2024 TAWC MFG Q003, Attachment 1, and 2024 TAWC MFG Q003_Attachment 2. Provide a copy of the following job descriptions for positions referenced in the Company's response to MFR Question 003:

- a. SVP Communications and External Affairs;
- b. EVP & COO;
- c. VP National Gov't (unreadable) and Regulatory Affairs; and
- d. All employees who directly report to VP National Gov't (unreadable) and Regulatory Affairs.

RESPONSE:

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1-60. Refer to the Minimum Filing Guidelines (1-86), Response to Q003, 2024 TAWC MFG Q003_Attachment 1, and 2024 TAWC MFG Q003_Attachment 2. For the following positions, provide the portion of costs charged to TAWC in 2023 split into the following compensation categories: (i) Base compensation, (ii) employee-related taxes, (iii) short-term incentive compensation, (iv) long-term incentive compensation, and (v) all other benefit costs:

- a. SVP Communications and External Affairs;
- b. EVP & COO;
- c. VP National Gov't (unreadable) and Regulatory Affairs; and
- d. All employees who directly report to VP National Gov't (unreadable) and Regulatory Affairs.

RESPONSE:

1-61. Refer to the Minimum Filing Guidelines (1-86), Response to Q003, 2024 TAWC MFG Q003_Attachment 1, and 2024 TAWC MFG Q003_Attachment 2. A number of employee positions were completely redacted. Identify the positions and discuss why they were redacted.

RESPONSE:

1-62. Refer to the Minimum Filing Guidelines (1-86), Response to Q007. Respond to the following related to TAWC Employment Agreement costs:

- a. Identify the amount, month(s), and year in which the TAWC Employment Agreement costs were incurred; and
- b. Provide a comprehensive explanation surrounding how such costs were incurred and whether such costs were relocation costs or employee retention costs. Identify the job title of the employees associated with these costs.

RESPONSE:

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1-63. Refer to the Minimum Filing Guidelines (1-86), Response to Q007. Respond to the following related to TAWC Separation and/or Severance Agreement costs:

- a. Identify the amount, month(s), and year(s) in which the TAWC Separation/Service Agreement costs were incurred; and
- b. Provide a comprehensive explanation surrounding the nature of the costs. Identify the employees' job title(s) associated with these costs.

RESPONSE:

1-64. Refer to the Minimum Filing Guidelines (1-86), Response to Q007. Respond to the following related to Service Company Separation and/or Severance Agreement costs:

- a. Identify the amount recorded by TAWC by month(s), and year(s) in which the Service Company Separation/Service Agreement costs were incurred; and
- b. Provide a comprehensive explanation surrounding the nature of the costs. Identify the employees' job title(s) associated with these costs.

RESPONSE:

1-65. Refer to the Minimum Filing Guidelines (1-86), Response to Q007 and Q009. Reconcile the Severance Expenses identified in Question 9 with the three-year total of Severance Expenses identified in Response 7.

RESPONSE:

1-66. Refer to the Minimum Filing Guidelines (1-86), Response to Q009. Provide responses to the following questions:

- a. Does the Company have a policy on when an employee is eligible for severance compensation? If so, provide a copy of the policy; and
- b. Describe the nature of the severance compensation incurred in 2021, including the job title of the employee(s), how the compensation was determined, and the reason for the payment.

RESPONSE:

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1-67. Refer to the Minimum Filing Guidelines (1-86), Response to Q013 regarding the Business Development Department, and respond to the following:

- a. Provide a copy of all AWWC Business Development departmental reports or descriptions of department activities for 2023; and
- b. Provide the rationale supporting the recovery of Business Development costs in the revenue requirement of TAWC.

RESPONSE:

1-68. Refer to the Minimum Filing Guidelines (1-86), Response to Q013 regarding the External Affairs and Public Policy Department, and respond to the following:

- a. Identify any costs allocated to TAWC and recorded in an above-the-line account that were removed to develop the revenue requirement in this proceeding. If such costs were removed, discuss how the adjustment was quantified;
- b. Identify the number of employees charging time in 2023 to cost centers (i) 332085 and (ii) 332086;
- c. Identify the labor charges, including benefits and employee taxes allocated to TAWC in 2023, included in cost centers (i) 332085 and (ii) 332086; and
- d. Identify any vendors whose costs charged to cost center (i) 332085 or (ii) 332086 exceeded \$5,000 on the books of TAWC. For each vendor meeting these criteria, identify the amount charged in 2023, the TAWC account charged, and the nature of the service provided.

RESPONSE:

1-69. Refer to the Minimum Filing Guidelines (1-86), Response to Q013 regarding the Legal Department, and respond to the following:

- a. Identify the charges directly assigned to TAWC from cost center 332015 in 2023;
- b. Provide all supporting documentation for any third-party costs that were direct charged to TAWC and whose costs were greater than \$10,000 in 2023. This response would include providing a copy of third-party invoices and contracts governing legal services;
- c. Identify the amount of any charges directly assigned to TAWC from cost center 336215 in 2023; and

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- d. Provide all supporting documentation for third-party costs directly charged to TAWC exceeding \$10,000 in 2023. This response would include a copy of third-party invoices and contracts governing legal services.

RESPONSE:

1-70. Refer to the Minimum Filing Guidelines (1-86), Response to Q013 requirements regarding the Legal Department, and respond to the following:

- a. Identify the charges allocated to TAWC from cost center 332015 in 2023;
- b. Provide all supporting documentation for any third-party costs allocated to TAWC in excess of \$10,000 in 2023. This response would include a copy of third-party invoices and contracts governing the provision of legal services;
- c. Identify the amount of any charges allocated to TAWC from cost center 336215 in 2023; and
- d. Provide all supporting documentation for any third-party costs allocated to TAWC over \$10,000 in 2023. This response would include a copy of third-party invoices and contracts governing the provision of legal services.

RESPONSE:

1-71. Refer to the Minimum Filing Guidelines (1-86), Response to Q013 regarding the cost center 332215, Legal Rates and Regulatory, and respond to the following:

- a. Provide the general ledger detail for the December 2023 activity charged to cost center 332215; and
- b. Provide a copy of all invoices from third-party vendors whose costs were charged (direct or allocated) to TAWC in December 2023 associated with cost center 332215.

RESPONSE:

1-72. Refer to the Minimum Filing Guidelines (1-86), Response to Q044, and respond to the following:

- a. Identify the amount of lobbying charges incurred by AWWSC by month in 2023 and identify such costs by type, such as direct labor, employee taxes, third-party contract services, assignment of office rent and office supplies, etc.;
- b. Provide a comprehensive explanation supporting how AWWSC determines the appropriate level of costs to identify as lobbying costs;

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- c. For any direct labor incurred by AWWSC in 2023 and charged to lobbying, identify the job title associated with such charges and the amount charged to lobbying in 2023; and
- d. Identify the employee's job title whose responsibilities include oversight and supervision of the third-party contractor(s) providing lobbying services.

RESPONSE:

1-73. Identify the job title(s) of any AWWSC employee whose workstation is in Tennessee.

RESPONSE:

1-74. Identify and provide invoice support for all legal costs charged to TAWC in 2023 associated with TPUC Docket No. 19-00103.

RESPONSE:

1-75. Refer to the File <TAWC 2024 Rate Case – Customer Accounting Exhibit.xlsx>, Tab “Exhibit” (Petitioner’s Exhibit EXP-13-Customer Accounting-JW). Provide a copy of all invoices charged to Account No. 52510015 in the month of July 2023.

RESPONSE:

1-76. Provide a comprehensive discussion of the extent, if any, that the Corporate Alternative Minimum Tax impacts the revenue requirement. This would include an overview of any account balances recorded on the Company’s Balance Sheet as of December 31, 2023, or any recording to the Income Statement made in 2023.

RESPONSE:

1-77. Refer to the *Testimony of John Watkins*, File <TAWC 2024 Rate Case – IOTG Exhibit.xlsx>, Tab “Exhibit” (Petitioner’s Exhibit EXP-12-Insurance Other than Group-JW). Respond to the following:

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- a. Provide the basis for the projected annual policy increases associated with auto liability, worker's compensation, property and excess liability;
- b. Provide a copy of the excess liability policies in effect in 2024, including documentation of the cost of such policies;
- c. Provide an overview of the need for 'Aviation of Unmanned Vehicles' coverage as identified within the Workpaper tab and explain why this type of insurance is necessary; and
- d. Discuss the nature of General Liability Adjustment Insurance Workers' Compensation Cap Credits and how such amounts are determined.

RESPONSE:

1-78. Refer to the *Testimony of John Watkins*, File <TAWC 2024 Rate Case – Miscellaneous Expense Exhibit.xlsx>, and respond to the following:

- a. Tab "Exhibit" (Petitioner's Exhibit EXP-18-Miscellaneous Expense-JW). Discuss the rationale for using a three-year average of costs in computing the test year amount of "Miscellaneous Expense;"
- b. Tab "Workpaper1" (Schedule Exp-18.2). Provide an overview of the costs charged to account "Trustee Fees," Account No. 52579000; and
- c. Tab "Workpaper1" (Schedule Exp-18.2). Provide an overview of the costs charged to account "Discounts Available," Account No. 5258000.

RESPONSE:

1-79. Refer to the Minimum Filing Guidelines (1-86), Response to Q008, regarding Other Taxes charged during 2023. Provide a copy of invoices associated with charges recorded to accounts 6852000, 68543000, and 68544000.

RESPONSE:

1-80. Refer to the *Testimony of Dominic DeGrazia*, File <TAWC 2024 Rate Case – Other General Taxes Exhibit.xlsx>, Tabs "Gross Receipts" (Schedule EXP-22.4) and "Link Out." The test year recorded for account 6854400 within tab "Link Out" is \$985,923, while the 2023 gross receipts tax identified within tab "Gross Receipts Tax" is \$1,187,026. Provide a comprehensive discussion explaining why the Company's 2023 Gross Receipts Tax

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expense amount differed greatly from the calculations reflected in the “2023 Amount” column, and provide the underlying calculations supporting the test period charges.

RESPONSE:

1-81. Provide the Company’s annual labor capitalization ratios for 2020 – 2023. This response should provide supporting labor distribution amounts by account.

RESPONSE:

1-82. Refer to the *Testimony of Dominic DeGrazia* at 14:14-21. Provide the underlying documentation supporting Mr. Degrazia's statement that the Hamilton Count Equalized Percentage is increasing back to 100%.

RESPONSE:

1-83. Refer to the *Testimony of Dominic DeGrazia* at 14:14-21. Provide any support for using the Company’s “forecasted” Property Tax rate as referenced in Mr. Degrazia’s testimony. Further, provide the historic Property Tax rates for 2022 and 2023.

RESPONSE:

1-84. Refer to the *Testimony of Robert J. Prendergast*, File<TAWC 2024 Rate Case – Rents Exhibit.xlsx>, Tab “Workpaper2” (Schedule EXP-15.3). Refer specifically to the 2021 activity in Account No. 54140014. The costs reflected in 2021 are approximately \$52,000, while 2022 and 2023 costs are under \$5k. Provide a comprehensive explanation describing the nature of the costs incurred in 2021 and address whether such costs are recurring.

RESPONSE:

1-85. Provide the year-end number of American Water Company’s regulated customers for 2020 – 2023.

RESPONSE:

1-86. Refer to the *Testimony of Patrick Baryenbruch* at 6, Table 1, and File<TAWC 2024 Rate Case – Shared ServicesExhibit.xlsx>, Tab “Workpaper” (Schedule EXP-8.2), Column “Base Year Total Expense”. Reconcile the Table 1 2023 O&M balance for External Affairs of \$633, with the EXP-8 balance of External Affairs and Public Policy 2023 Total Expense of \$147,721.

RESPONSE:

1-87. Identify the docket/case number and state regulatory jurisdiction where testimony was filed by Patrick Baryenbruch that analyzes the reasonableness of (a) 2022 costs or (b) 2023 costs on behalf of a client.

RESPONSE:

1-88. Refer to the File <TAWC 2024 Rate Case – Shared Services Exhibit.xlsx>, Tab “Workpaper” (Schedule EXP-8.2) and provide the following:

- a. For each cost category contained in this schedule, identify the cost allocation methodology(ies) used to assign costs to TAWC in 2023. If multiple methodologies are embedded in the costs charged to any single account, identify the 2023 expense charged under each methodology;
- b. For each cost allocation methodology identified above, provide the underlying documentation supporting the numerator (TAWC data) and denominator (American Water data). Discuss the effective date of the information relied upon to develop the allocation ratios for 2023 costs; and
- c. For each cost allocation methodology identified in part (a) above, provide the TAWC allocation ratios used to allocate 2024 costs.

RESPONSE:

1-89. Refer to the File <TAWC 2024 Rate Case – Shared Services Exhibit.xlsx>, Tab “Workpaper” (Schedule 8.2) and respond to the following questions:

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- a. Provide the 2023 general ledger detail for all affiliate costs subject to allocation to TAWC associated with the non-labor portion of Customer Service Organization costs;
- b. Provide the 2023 general ledger detail for all affiliate costs subject to allocation to TAWC associated with the non-labor portion of Corporate Administration costs;
- c. Provide the 2023 general ledger detail for all affiliated costs subject to allocation to TAWC associated with the non-labor portion of Regulated Operations costs; and
- d. Describe the accounting giving rise to the \$171,635 credit recorded to “Corp Admin” in 2023.

RESPONSE:

1-90. Refer to the File <TAWC 2024 Rate Case – Shared Services Exhibit.xlsx>, Tab “Exhibit”

(Petitioner’s Exhibit EXP-8-Support Services-JW) and respond to the following:

- a. Provide a copy of all underlying documentation supporting the adjustments made on lines 5 – 13 of this schedule. This response should include a full description of the nature and justification for each adjustment;
- b. Provide a copy of all underlying documentation supporting the adjustments made on lines 21-23 of this schedule. This response should include a full description of the nature and justification for each adjustment; and
- c. Reconcile and/or differentiate the adjustments to labor reflected as Test Year Adjustments and Attrition Year adjustments within account 53401000 (\$151,159 and \$154,465, respectively) as reflected in the “Link Out” tab, to the “Apply Merit Increases and Inflation” through 2024 (\$303,912) and “Apply Merit Increases and Inflation” through 2025 (\$259,414) as reflected in the Exhibit tab.

RESPONSE:

1-91. Refer to the File <TAWC 2024 Rate Case – Shared Services Exhibit.xlsx>, Tab “Summary by Account” (Schedule EXP-8.1). Provide the costs incurred by TAWC for Support Services for the twelve-month period ended December 31, (a) 2021 and (b) 2022, by account number.

RESPONSE:

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- 1-92. Refer to the File <TAWC 2024 Rate Case – Shared Services Exhibit.xlsx>, Tab “Summary by Account” (Schedule EXP-8.1). The Attrition Period (excel column M) data contains hard-coded data. Provide all supporting documentation for this hard-coded data and a comprehensive explanation describing how the pro forma amounts were determined.

RESPONSE:

- 1-93. Refer to the attached Excel spreadsheet and provide the following for each sampled transaction:
- Provide an explanation of the nature of the charge; and
 - Provide any supporting documentation received from applicable third parties that gave rise to the recording.

RESPONSE:

- 1-94. Does TAWC receive an expense allocation representing a return on shared service assets?
- If so, respond to the following:
- Identify the 2023 charges and the TAWC account charged;
 - Provide the underlying calculations that support the allocation, including the rate of return; and
 - Provide the December 31, 2023, Balance Sheet of AWWSC Services by account, identifying the elements of the Balance Sheet that are incorporated into the calculation of the return on corporate service assets charged to affiliates, such as TAWC.

RESPONSE:

- 1-95. Regarding depreciation charges allocated from any affiliate to TAWC, provide the following:
- Provide the underlying calculations for Depreciation and Amortization expenses charged to TAWC in December 2023, including the depreciation/amortization rate by asset;
 - Provide the associated Accumulated Depreciation/Amortization for each plant or intangible asset;

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- c. Identify the Accumulated Deferred Income Tax balance associated with these common assets and explain how such balances are maintained; and
- d. For each group of shared service assets providing service to TAWC, provide a brief explanation of the nature of the service provided.

RESPONSE:

- 1-96. Refer to the *Testimony of Robert Mustich* at p. 9, where he concludes that American Water's performance compensation program is comparable to those of its utility peers. Identify the companies within the (i) Large Utility Peer Group and (ii) Small Utility Peer Group that provide long-term performance compensation to non-exempt employees.

RESPONSE:

- 1-97. Does the Company believe there is a correlation between the relative level of TAWC capitalized labor and the relative level of capital expenditures in a given year? In other words, does the Company believe that an increase in annual capital expenditures results in an increased labor capitalization ratio? If so, address how the Company has addressed that issue within its revenue requirement proposal.

RESPONSE:

- 1-98. Does the Company believe there is a correlation between the relative level of service company capitalized labor and the relative level of capital expenditures in a given year? In other words, does the Company believe that an increase in annual capital expenditures results in an increased level of service company capitalized labor and a reduction in allocated labor? If so, address how the Company has addressed that issue within its revenue requirement proposal.

RESPONSE:

- 1-99. **CONFIDENTIAL Request:

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- a. **Confidential Subpart; and
- b. **Confidential Subpart?

RESPONSE:

1-100. Provide the job titles of the four highest compensated non-TAWC employees based on costs allocated to TAWC. For each of these employees, provide the following:

- a. Provide a breakdown of the total compensation into the categories of base pay, incentive programs, and other compensation, including benefits;
- b. Provide the total amount of such costs identified in a) above allocated to TAWC in 2023;
- c. Provide the allocated payroll taxes charged to TAWC in 2023 associated with these four employees; and
- d. If the Company has made pro-forma adjustments to any of the compensation for the top four (4) executives, provide an additional work paper reflecting the pro-forma values included in the attrition period for these four employees by base compensation, incentive compensation, and other benefits, and employee taxes.

RESPONSE:

1-101. Provide a copy of the Company's 2022 and 2023 Tennessee Excise Tax Returns.

RESPONSE:

1-102. Refer to the File <TAWC 2024 Rate Case – Deferred Tax.xlsx>, Tab “2024 Plant Def” (Petitioner’s Exhibit RB-7-Deferred Taxes-DD). Provide support for item 1026, referenced as Fed-Tax Repairs, for both the Book Depreciation Amount (\$2,197,180) and the Tax Deduction amount (\$10,042,577).

RESPONSE:

1-103. For each year 2020 – 2022, identify the following TAWC federal income tax deductions:

- a. Repair Deductions; and
- b. Tax Depreciation.

RESPONSE:

1-104. Refer to the *Testimony of Larry Kennedy*, Attachment, Concentric Energy Advisor's 2023 Depreciation Study, Section 8 Detailed Depreciation Calculations, Calculated Annual Accrual and Accrued Depreciation Schedule for Account #: 333 - Services (pdf pages 270 - 273 of 328). There are spikes in original cost data occurring in 1973 and 2001. For example, the original cost of installations of services in 1973 was 642% of those of 1974. Likewise, the 2001 data was 90 times greater than the 2002 data and 70 times as great as the 2003 data. Address whether the vintage data presented in this section of the study is accurate and the implications of such spikes in the study's results for services.

RESPONSE:

1-105. Refer to the *Testimony of Larry Kennedy*, Attachment, Concentric Energy Advisor's 2023 Depreciation Study, Section 8 Detailed Depreciation Calculations, Calculated Annual Accrual and Accrued Depreciation Schedule for Account #: 331.001 - Transmission and Distribution Mains (pdf pages 267 of 328). The study contains an original cost value of over \$7.6 million for 1964, an unusually large amount for that vintage year. In fact, this amount is by far the largest vintage cost until 2006. Discuss the extent to which Mr. Kennedy is confident in the accuracy of this vintage data amount for 1964.

RESPONSE:

1-106. Refer to the *Testimony of Larry Kennedy*, Attachment, Concentric Energy Advisor's 2023 Depreciation Study. Specifically, refer to the annual cost data and identify how this data was obtained and provide a list of assumptions necessary to compile this data.

RESPONSE:

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1-107. Refer to the *Testimony of Larry Kennedy*, Attachment, Concentric Energy Advisor's 2023 Depreciation Study, Section 8 Detailed Depreciation Calculations, Calculated Annual Accrual and Accrued Depreciation Schedule for Account #: 331.001 - Transmission and Distribution Mains (pdf pages 267 of 328). Specifically, refer to the annual original cost data by year for Account No. 331.001 Transmission and Distribution Mains. Provide the quantity of Mains, in miles, corresponding to the Original Cost data supplied in this schedule.

RESPONSE:

1-108. Refer to TPUC Docket No. 24-00011, the Company's Response to Consumer Advocate DR No. 1-3. The Company stated that 568.5 miles of 1,226.4 miles of main in Chattanooga was greater than fifty years old. Conceptually, reconcile this response with the vintage data provided in the analysis attached to Mr. Kennedy's testimony for Account No. 331.001 indicating that the oldest vintage main in its system is 1958.

RESPONSE:

1-109. Provide data produced by the Company to manage and identify budgeted versus actual Income Statement results for TAWC for 2021 – 2023. Provide the information by quarter, if available; otherwise, provide annually.

RESPONSE:

1-110. For the 2025 capital expenditure forecast, split the estimated projects closed to Account 101, Plant in Service, split between ICR qualifying expenditures and non-ICR qualifying expenditures.

RESPONSE:

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1-111. Provide all written contracts between the Company and its affiliates. Provide a narrative description of any unwritten contracts between the Company and any affiliate, including all material terms.

RESPONSE:

1-112. Provide the annual percentage of overtime worked compared to the total hours worked for 2020 – 2023, including an explanation of how this information was derived.

RESPONSE:

1-113. Provide the number of main breaks by year for the period 2020 – 2023. Also, provide the annual number of overtime hours worked repairing mains during this period.

RESPONSE:

1-114. Provide a complete and detailed description of the methods the Service Company and Company used to reduce its health care costs.

RESPONSE:

1-115. Identify the amount of any owned airplane costs allocated to the Company in 2023. This total would include any allocation of depreciation expense, return on corporate-owned aircraft, maintenance fees, insurance costs, and labor costs.

RESPONSE:

1-116. Provide an itemized list of all membership fees directly incurred by the Company in 2023. Provide the name of the membership, the nature of the organization, and the related costs recorded in 2023.

RESPONSE:

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1-117. Provide an itemized list of all membership fees allocated to the Company in 2023. Provide the name of the membership, the nature of the organization and the related costs recorded in 2023.

RESPONSE:

1-118. Itemize by account and amount all advertising and media-related costs included in operations and maintenance expenses in 2023. Also include a copy of each advertisement and its cost.

RESPONSE:

1-119. Provide a list of all legal-suit-related charges allocated to TAWC in 2023. For each suit, provide the total costs allocated to TAWC, including any reserves established for the suit, as well as legal fees incurred, and a full description of the nature of the suit.

RESPONSE:

1-120. Identify any book/tax timing differences which are not normalized (i.e. are flowed-through) for purposes of calculating the TAWC Accumulated Deferred Income Tax (ADIT) balance.

RESPONSE:

1-121. Provide the annual amount of outside auditing fees reflected as an operating expense on the Company's books for the period 2020 – 2023.

RESPONSE:

1-122. Refer to the File <TAWC 2024 Rate Case – Pension Exhibit.xlsx>, and respond to the following:

- a. Tab “2024 Pension Contribution” (Schedule EXP 10.3). Provide the supporting data underlying the 1.66% allocation of Pension contributions to TAWC;

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- b. Tab “2024 Pension Allocation.” Define the term “valuation earnings” used within footnote 1 of the 2024 Pension Allocation tab and provide the rationale for using that particular ratio to allocate Pension Contributions to American Water Company affiliates; and
- c. Provide all documentation supporting the 2024 estimated American Water Company Pension contribution level.

RESPONSE:

1-123. Does American Water Company or its affiliates have a separate pension plan for executives, commonly referred to as a Supplemental Executive Retirement Plan (“SERP”) or Excess Retirement Plan? If so, respond to the following:

- a. What were the costs of such a plan allocated to TAWC in 2023, and where were such costs recorded?
- b. Are the actuarial results of such a plan contained in the CONFIDENTIAL Responses MFG Q017, MFG Q31, and MFG Q031 as provided in this case? If not, provide a copy of all such studies completed in 2023.
- c. Identify the portion, if any, of the estimated 2024 contributions attributed to the SERP (or similar plan) and provide the underlying documentation supporting this cost assignment.

RESPONSE:

1-124. Trial Balance. Refer to the Minimum Filing Guidelines (1-86), Response to Q010, File <2024 TAWC MFG Q010_Attachment.xlsx>, regarding the monthly trial balance for the last 2 fiscal years for TAWC. The Company’s response only includes schedules for the monthly assets and liabilities of TAWC for January 2022 through December 2023. Provide a supplement to this response that also includes the monthly revenue and expense activity by subaccount for this same period.

RESPONSE:

1-125. Trial Balance. Refer to the Minimum Filing Guidelines (1-86), Response to Q010, File <2024 TAWC MFG Q010_Attachment.xlsx>, regarding the monthly trial balance for the

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last two (2) fiscal years for TAWC. The Company's response only includes the trial balance for TAWC. The monthly trial balance for TAWC's parent and any other affiliate that allocates costs to TAWC was also requested. Provide a supplement to this response that includes the monthly assets, liabilities, equity, revenues and expenses for affiliates that allocate costs to TAWC for this same period.

RESPONSE:

1-126. Trial Balance. Refer to the Minimum Filing Guidelines (1-86), Response to Q010, File <2024 TAWC MFG Q010_Attachment.xlsx>, regarding the monthly trial balance for the last two (2) fiscal years for TAWC. Provide a supplement to this response that also includes the monthly assets, liabilities, equity, revenue, and expenses from January 2020 to December 2022.

RESPONSE:

1-127. Trial Balance. Refer to the Minimum Filing Guidelines (1-86), Response to Q010 and File <2024 TAWC MFG Q010_Attachment.xlsx>, regarding the monthly trial balance for the last 2 fiscal years for TAWC. Provide a supplement to this response that includes the monthly assets, liabilities, equity, revenues and expenses for affiliates that allocate costs to TAWC from January 2020 to December 2022.

RESPONSE:

1-128. Current Tariff. Refer to the File <Exhibit REV – 2_Revenue at Present and Proposed Rates.xlsx>, Tab “Exhibit Rev – 2”. Provide an official copy of the current tariff that supports the “Current Rate” used in the Company's calculations.

RESPONSE:

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1-129. Revenue Reconciliation. Refer to the File <TAWC - Exhibit REV - 2 Revenue at Present and Proposed Rates.xlsx> included with the Company's filing. Provide a reconciliation of revenues between the “Test Period at Present Rates” and the amounts recorded on the Company's ledger by customer class (Residential, Commercial, etc.), and by territory (Chattanooga, Lookout Mountain, etc.), and by determinant type (customer charges, usage charges, riders, other). In addition, provide a narrative explanation for revenue variances greater than 1%.

RESPONSE:

1-130. Reclassified Water Usage. Refer to the File <TAWC - Exhibit REV - 3 Revenue Forecast.xlsx> included with the Company's filing. Provide an analysis that restates the monthly usage for each customer class for the Company's Suck Creek, Whitwell-Inside City, Whitwell-Outside City, and Jasper Highlands territories into the usage steps that are used by Chattanooga, Lookout Mountain and Lakeview from January 2018 through December 2023.

RESPONSE:

1-131. Customer Aggregation. Refer to the File <TAWC - Exhibit REV - 3 Revenue Forecast.xlsx> included with the Company's filing. This spreadsheet provides the monthly forecasted bills for 2024 and 2025 for each customer class by geographic territory and by meter size. Provide the source and support for the 2024 and 2025 forecasted monthly number of bills for each customer class by month, geographic territory and by meter size.

RESPONSE:

1-132. Customer Aggregation. Refer to the File <TAWC - Exhibit REV - 3 Revenue Forecast.xlsx> included with the Company's filing. This spreadsheet provides the historic

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monthly bills for 2023 for each customer class by geographic territory and by meter size. Provide the historic monthly number of bills for each customer class by month, geographic territory and by meter size from January 2018 to December 2022 in the same format as Exhibit REV-3.

RESPONSE:

1-133. Usage Aggregation. Refer to the File <TAWC - Exhibit REV - 3 Revenue Forecast.xlsx> included with the Company's filing. This spreadsheet provides the monthly forecasted usage for 2024 and 2025 for each customer class by geographic territory and by usage billing step. Provide the source and support for the 2024 and 2025 forecasted monthly usage for each customer class by month, geographic territory and by usage billing step.

RESPONSE:

1-134. Usage Aggregation. Refer to the File <TAWC - Exhibit REV - 3 Revenue Forecast.xlsx> included with the Company's filing. This spreadsheet provides the historic monthly usage for 2023 for each customer class by geographic territory and by usage billing step. Provide the historic monthly usage for each customer class by month, geographic territory and by usage billing step from January 2018 to December 2022 in the same format as Exhibit REV-3.

RESPONSE:

1-135. 25 Largest Customers. Refer to the Minimum Filing Guidelines (1-86), Response to Q017 and the File <2024 TAWC MFG Q017_Attachment 1_CONFIDENTIAL.xls> and provide the following information:

- a. Provide the contact name, title, phone number and email address of the individual at each company that is most familiar with their water consumption;

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- b. Provide all correspondence with these customers from January 2023 through the most recent date regarding their historical and projected water consumption or any changes to this consumption; and
- c. Provide a copy of each customer's bill (all meter points) for December 2023.

RESPONSE:

1-136. Other Revenues. Refer to the File <TAWC - Exhibit REV – 3_Revenue Forecast.xlsx>, Tab “Other Operating Revenues”, included with the Company’s filing. Specifically, refer to the test period billing determinants (“occurrences”) of Other Operating Revenues included on this spreadsheet. Provide a reconciliation of the Test Period Other Operating Revenues (“Revenues”) that are included on this spreadsheet and the amounts recorded on the Company’s ledger. In addition, provide a narrative explanation for revenue variances greater than 1%.

RESPONSE:

1-137. Other Revenues. Refer to the File <TAWC - Exhibit REV – 3_Revenue Forecast.xlsx>, Tab “Other Operating Revenues”, included with the Company’s filing. This spreadsheet provides the monthly forecasted determinants (“occurrences”) for 2024 and 2025 for certain components of Other Operating Revenues. Provide the source and support for the 2024 and 2025 forecasted monthly billing determinants for the Other Operating Revenues components included on this spreadsheet.

RESPONSE:

1-138. Other Revenues. Refer to the File <TAWC - Exhibit REV – 3_Revenue Forecast.xlsx>, Tab “Other Operating Revenues”, included with the Company’s filing. This spreadsheet provides the monthly historic determinants (“occurrences”) for 2023 for certain components of Other Operating Revenues. Provide the historic monthly billing

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determinants for the Other Operating Revenues components included on this spreadsheet from January 2018 to December 2023 in the same format as Exhibit REV-3.

RESPONSE:

- 1-139. Other Revenues. Refer to the File <TAWC - Exhibit REV – 3_Revenue Forecast.xlsx>, Tab “Other Operating Revenues”, included with the Company’s filing. Specifically, refer to the “Late Payment Charge” in the “Revenue” section of this spreadsheet and provide the following information:
- a. Provide the source and support for the 2024 and 2025 forecasted monthly late payment charges included on this spreadsheet; and
 - b. Provide the Company’s monthly billed revenue and late payment charges from January 2018 to December 2023.

RESPONSE:

- 1-140. Other Revenues. Refer to the File <TAWC - Exhibit REV – 3_Revenue Forecast.xlsx>, Tab “Other Operating Revenues”, included with the Company’s filing. Specifically, refer to the “Rent” in the “Revenue” section of this spreadsheet and provide the following information:
- a. Provide the source and support for the 2024 and 2025 forecasted monthly rent included on this spreadsheet;
 - b. Provide a narrative of the source for this rental revenue as well as a copy of the lease agreements supporting the Company's projections for Rent from Water Property; and
 - c. Provide the monthly historic rental revenue from January 2018 to December 2023.

RESPONSE:

- 1-141. Weather Normalization. Refer to the file <TAWC - Exhibit CBR-3.xlsx>, Tab “Exhibit CBR-3”, included with the Company’s filing. This spreadsheet provides the weather normalization calculation for the residential customer class. Provide the source and support

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for the weather data (rainfall, heating degree days, and cooling degree days) included in Columns BJ, BM and BO of this spreadsheet.

RESPONSE:

1-142. Weather Normalization. Refer to the File <TAWC - Exhibit CBR-3.xlsx>, Tab “Exhibit CBR-3”, included with the Company’s filing. This spreadsheet provides the weather normalization calculation for the residential customer class. Admit or deny that the Company’s model does not consider “normal” weather (based on a 30-year average or any other average time basis) as part of this calculation.

RESPONSE:

1-143. Weather Normalization. Refer to the File <TAWC - Exhibit CBR-3.xlsx>, Tab “Exhibit CBR-3”, included with the Company’s filing. This spreadsheet provides the weather normalization calculation for the residential customer class. Provide a narrative explanation of the “Billing Adjustments” included in “Column AB” of this spreadsheet.

RESPONSE:

1-144. Weather Normalization. Refer to the File<TAWC - Exhibit CBR-4.xlsx>, Tab “Exhibit CBR-3”, included with the Company’s filing. This spreadsheet provides the weather normalization calculation for the commercial customer class. Provide a narrative explanation of the “Billing Adjustments” included in “Column AA” of this spreadsheet.

RESPONSE:

1-145. Weather Normalization. Refer to the File <TAWC - Exhibit CBR-5>, Tab “Exhibit CBR-3”, included with the Company’s filing. This spreadsheet provides the weather

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normalization calculation for the public authority customer class. Provide a narrative explanation of the “Billing Adjustments” included in “Column AA” of this spreadsheet.

RESPONSE:

1-146. Revenue Workpapers. Provide a copy of all revenue workpapers not included in the Company’s filing or the Minimum Filing Requirements.

RESPONSE:

1-147. Plant in Service. Provide an analysis that shows the monthly plant in service by plant account and by geographic territory consisting of the beginning balance, plant additions-regular, plant additions-investment projects, retirements, cost of removal, account transfers, and other adjustments from January 2020 through December 2023.

RESPONSE:

1-148. Corporate Plant in Service. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “RB2 UPIS Balances” (Petitioner’s Exhibit RB-2-UPIS-DD), included with the Company’s filing. Specifically, refer to line number 176 of this spreadsheet which states “Chattanooga Total UPIS includes 2601 Corporate”. Provide the following information related to the “2601 Corporate” monthly amounts:

- a. Provide the monthly amounts by utility account and by geographic territory;
- b. Provide the source and support of these monthly amounts included in Plant in Service from January 2024 through December 2025; and
- c. Provide a narrative description of the corporate investment that is included in Tennessee Plant in Service along with the methodology for allocating these costs to Tennessee.

RESPONSE:

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1-149. Test Period Plant Balances. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx> included with the Company's filing. Provide the source and support for the "UPIS Balance Dec-23" amounts included in Column F of this spreadsheet by geographic territory and by utility plant account.

RESPONSE:

1-150. Plant Additions. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab "RB2 UPIS Balances" (Petitioner's Exhibit RB-2-UPIS-DD), included with the Company's filing. Specifically refer to the "Forecasted Capital Expenditures by Month, January 2024 - December 2025" amounts included in Columns AI through AO on this spreadsheet. Provide the source and support for the individual monthly amounts by utility account and geographic territory included on this spreadsheet which appear as unreferenced, hard-coded amounts.

RESPONSE:

1-151. Plant Retirements. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab "Monthly Retirements", included with the Company's filing. Specifically refer to the "Total 2022-2023 Retirements" amounts included in Columns C through F on this spreadsheet. Provide the source and support for the individual monthly amounts by utility account and geographic territory included on this spreadsheet which appear as unreferenced, hard-coded amounts.

RESPONSE:

1-152. Plant Retirements. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab "Monthly Retirements", included with the Company's filing. Specifically refer to Footnote 1 of this spreadsheet which states "Retirement amount

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adjusted”. Provide the source and support for all adjustments included in Footnote 1 along with a narrative explanation supporting the need for each such adjustment.

RESPONSE:

1-153. Plant Retirements. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “Monthly Retirements”, included with the Company’s filing. Specifically refer to Footnote 2 of this spreadsheet which states “Monthly Retirements average excluded retirement in the calculation of the 2-year average due to a zero-asset balance remaining.” Provide the source and support for all adjustments included in Footnote 2.

RESPONSE:

1-154. Plant Retirements. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “Monthly Retirements”, included with the Company’s filing. Provide the historical monthly plant retirements by plant account, by geographical territory and by year for 2020, 2021, 2022 and 2023.

RESPONSE:

1-155. Cost of Removal. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “Monthly Cost of Removal”, included with the Company’s filing. Specifically refer to the “Total 2022-2023 Cost of Removals” amounts included in Columns B through E on this spreadsheet. Provide the source and support for the individual monthly amounts by utility account and geographic territory included on this spreadsheet which appear as unreferenced, hard-coded amounts.

RESPONSE:

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1-156. Cost of Removal. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “Monthly Cost of Removal”, included with the Company’s filing. Provide the historical cost of removal by plant account, by geographical territory and by year for 2020, 2021, 2022 and 2023.

RESPONSE:

1-157. Test Period CWIP Balances. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “RB2.3 InService Activity CWIP” (Exhibit-2.3-UPIS), included with the Company’s filing. Specifically refer to the “Inservice Date” and “CWIP Balance Dec-23” amounts included in Columns J and K on this spreadsheet. Provide the source and support for the “Inservice Date” and “CWIP Balance Dec-23” amounts included in this spreadsheet by geographic territory and by utility plant account.

RESPONSE:

1-158. Contributions in Aid of Construction. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “RB9.1 CIAC Activity” (Exhibit RB-9.1 CIAC), included with the Company’s filing. Provide the source and support for the “CIAC Balance Dec-23” amounts included in Column F of this spreadsheet by geographic territory and by utility plant account.

RESPONSE:

1-159. Contributions in Aid of Construction. Refer to the File<TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “RB9.1 CIAC Activity” (Exhibit RB-9.1 CIAC), included with the Company’s filing. Specifically refer to the “CIAC Activity by Month, January 2024 - December 2025” amounts included in Columns G through AD on this spreadsheet. Provide the source and support for the individual monthly amounts by utility

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account and geographic territory included on this spreadsheet which appear as unreferenced, hard-coded amounts.

RESPONSE:

1-160. Contributions in Aid of Construction. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “RB9.1 CIAC Activity” (Exhibit RB-9.1 CIAC), included with the Company’s filing. Provide the monthly historical CIAC by plant account, by geographical territory from January 2020 through December 2023.

RESPONSE:

1-161. Customer Advances. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “RB8.1 CAC Activity” (Exhibit RB-8.1-Customer Advances-DD), included with the Company’s filing. Provide the source and support for the “CAC Balance Dec-23” amounts included in Column F of this spreadsheet by geographic territory and by utility plant account.

RESPONSE:

1-162. Customer Advances. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “RB8.1 CAC Activity” (Exhibit RB-8.1-Customer Advances-DD), included with the Company’s filing. Specifically refer to the “CAC Activity by Month, January 2024 - December 2025” amounts included in Columns G through AD on this spreadsheet. Provide the source and support for the individual monthly amounts by utility account and geographic territory included on this spreadsheet which appear as unreferenced, hard-coded amounts.

RESPONSE:

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1-163. Customer Advances. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “RB8.1 CAC Activity” (Exhibit RB-8.1-Customer Advances-DD), included with the Company’s filing. Provide the monthly historical CAC by plant account, by geographical territory from January 2020 through December 2023.

RESPONSE:

1-164. Accumulated Depreciation. Refer to the File<TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “RB6 Accumulated Depreciation” (Petitioner’s Exhibit RB-6-Accumulated Depreciation-DD), included with the Company’s filing. Provide the source and support for the “Dec-23” amounts included in Column F of this spreadsheet by geographic territory and by utility plant account.

RESPONSE:

1-165. Accumulated Depreciation. Refer to the File <TAWC 2024 Rate Case - Capital & Depreciation Workpaper.xlsx>, Tab “RB6 Accumulated Depreciation” (Petitioner’s Exhibit RB-6-Accumulated Depreciation-DD), included with the Company’s filing. Provide the monthly historical Accumulated Depreciation by plant account, by geographical territory from January 2020 through December 2023.

RESPONSE:

1-166. Materials & Supplies. Refer to the File <TAWC 2024 Rate Case - Materials and Supplies.xlsx>, Tab “RB3” (Petitioner’s Exhibit RB-3-Materials and Supplies-DD), included with the Company’s filing. Provide the monthly historical Materials and Supplies by plant account, by geographical territory from January 2020 through December 2023.

RESPONSE:

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1-167. Deferred Rate Case Expense. Refer to the File <TAWC 2024 Rate Case - Other Working Capital Exhibit.xlsx>, Tab “Deferred Rate Case Expense” (Petitioner’s Exhibit RB-5.2-Other Working Capital-DD), included with the Company’s filing. Specifically refer to Cell C10 of this spreadsheet which contains a value of \$1,554,000. Provide the source and support for this amount which appears as an unreferenced, hard-coded amount.

RESPONSE:

1-168. Unamortized Debt Cost. Refer to the File <TAWC 2024 Rate Case - Other Working Capital Exhibit.xlsx>, Tab “Unamortized Debt Balance” (Petitioner’s Exhibit RB-5.3-Other Working Capital-DD), included with the Company’s filing. Specifically refer to Cell C7 of this spreadsheet which contains a value of \$1,352,860. Provide the source and support for this amount which appears as an unreferenced, hard-coded amount.

RESPONSE:

1-169. Unamortized Debt Cost. Refer to the File <TAWC 2024 Rate Case - Other Working Capital Exhibit.xlsx>, Tab “Unamortized Debt Balance” (Petitioner’s Exhibit RB-5.3-Other Working Capital-DD), included with the Company’s filing. Specifically refer to Cells E8 to E31 which contain the forecasted balances of this account from January 2024 to December 2025. Provide the source and support for these amounts which appear as unreferenced, hard-coded values.

RESPONSE:

1-170. Unamortized Debt Cost. Refer to the File <TAWC 2024 Rate Case - Other Working Capital Exhibit.xlsx>, Tab “Unamortized Debt Balance” (Petitioner’s Exhibit RB-5.3-Other Working Capital-DD), included with the Company’s filing. Provide the monthly unamortized debt cost by account from January 2020 through December 2023.

RESPONSE:

1-171. Incidental Collections. Refer to the File <TAWC 2024 Rate Case - Other Working Capital Exhibit.xlsx>, Tab “Unamortized Debt Balance” (Petitioner’s Exhibit RB-5.3-Other Working Capital-DD), included with the Company’s filing. Provide the monthly incidental collections for each account from January 2020 through December 2023.

RESPONSE:

1-172. Unamortized Investment Tax Credit. Refer to the File <TAWC 2024 Rate Case - Unamortized ITC Exhibit.xlsx>, Tab “Unamortized ITC” (Petitioner’s Exhibit RB-10-Unamort ITC-DD), included with the Company’s filing. Provide the monthly unamortized ITC balance by account from January 2020 through December 2023.

RESPONSE:

1-173. Jasper Highlands Regulatory Liability. Refer to the File <TAWC 2024 Rate Case - Jasper Highlands Reg Liability.xlsx>, Tab “Jasper Highlands Reg Liability” (Petitioner’s Exhibit RB-11-Jasper Highlands Reg Liab-DD) spreadsheet that was included with the Company’s filing and provide the following information:

- a. Provide the monthly unamortized Jasper Highlands Regulatory Liability balance from January 2020 through December 2023;
- b. Provide a copy of the initial entry recorded in the Company’s books that created this regulatory liability; and
- c. Provide a narrative explanation of the reasons for creating this regulatory liability.

RESPONSE:

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1-174. Jasper Highlands Acquisition Adjustment. Refer to the File <TAWC 2024 Rate Case - Jasper Highlands UPAA>, Tab “Exhibit RB-12-UPAA-DD” (Petitioner’s Exhibit RB-12-

UPAA-DD), included with the Company’s filing and provide the following information:

- a. Provide the monthly balance in this account from January 2020 through December 2023;
- b. Provide a copy of the initial entry recorded in the Company’s books that created this UPAA liability; and
- c. Provide a narrative explanation of the reasons for creating this regulatory liability.

RESPONSE:

1-175. Rate Base Workpapers. Provide a copy of all rate base workpapers not included in the Company’s filing or the Minimum Filing Requirements.

RESPONSE:

1-176. Refer to the *Testimony of Dominic DeGrazia*, File <TAWC 2024 Rate Case – Purchased Water Exhibit.xlsx>, Tabs “Marion Gas & Water” (Schedule EXP-1.6) and “Waldens Ridge” (Schedule EXP-1.7). Provide the support for the rate change for the Marion Gas Systems & Board of Water Works and Sewers.

RESPONSE:

1-177. Refer to the *Testimony of Dominic DeGrazia*, File <TAWC 2024 Rate Case – Chemicals Exhibit.xlsx>, Tab “Chem Prices” (Schedule EXP-3.3). Provide the following:

- a. The source for the hardcoded values contained in rows J through L that contain chemical prices; and
- b. The source for the values contained within columns O through T.

RESPONSE:

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1-178. Refer to the File <2024 TAWC Rate Case – Appendix Inflation.xlsx>. Confirm that the datasets contained within this file were obtained from the U.S Bureau of Labor Statistics.

If not confirmed, provide the source of these datasets.

RESPONSE:

1-179. Refer to the File <2024 TAWC Rate Case – Appendix Inflation.xlsx>, Tab “Inflation- Ofc Sup Stationery” (Schedule 1.3). The Consumer Advocate was unable to locate this database, “PCU4532--4532--” on the U.S. Bureau of Labor Statistics website (<https://data.bls.gov/cgi-bin/srgate>). Provide the source for this database along with the values going back to 2018.

RESPONSE:

1-180. Refer to the Minimum Filing Guidelines (1-86), Response to Q008 and Files <2024 TAWC MFG Q008, Attachment1.xlsx> through <2024 TAWC MFG Q008, Attachment6.xlsx>. In the same format, provide the Company’s General Ledger detail for the years ending 2019 and 2020.

RESPONSE:

1-181. Refer to the File <TAWC 2024 Rate Case – Customer Accounting Exhibit.xlsx>, Tab “Exhibit” (Petitioner’s Exhibit EXP-13-Customer Accounting-JW). Provide the following:

- a. Tab “Workpaper 2” (Schedule EXP 13.3). Provide the information for the years ending 2019 and 2020; and
- b. The number of customers paying cash or by mailed check for the years ending 2019-2023.

RESPONSE:

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1-182. Refer to the File <TAWC - Exhibit Rev - 3_Revenue Forecast.xlsx>. Specifically, refer to forecasted values provided in Columns S through AP in all tabs of this workbook. What is the source/formula for these forecasted values? If no source/formula exist, provide how the Company arrived at these forecasts.

RESPONSE:

1-183. Refer to the File <TAWC - Exhibit Rev - 3_Revenue Forecast.xlsx>, Tab “Other Operating Revenues”, Column C. Provide the data for the years ending 2019-2022 for Column C.

RESPONSE:

1-184. Refer to the File <TAWC - Exhibit Rev - 3_Revenue Forecast.xlsx>, Tab “Residential Revenue”, Column C. Provide the data for the years ending 2019-2022 for Column C.

RESPONSE:

1-185. Refer to the File <TAWC - Exhibit Rev - 3_Revenue Forecast.xlsx>, Tab “Commercial Revenue”, Column C. Provide the data for the years ending 2019-2022 for Column C.

RESPONSE:

1-186. Refer to the File <TAWC - Exhibit Rev - 3_Revenue Forecast.xlsx>, Tab “Public Authority Revenue”, Column C. Provide the data for the years ending 2019-2022 for Column C.

RESPONSE:

1-187. Refer to the File <TAWC - Exhibit Rev - 3_Revenue Forecast.xlsx>, Tab “IND Revenue”, Column C. Provide the data for the years ending 2019-2022 for Column C.

RESPONSE:

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1-188. Refer to the File <TAWC - Exhibit Rev - 3_Revenue Forecast.xlsx>, Tab “Fire Revenue”, Column C. Provide this data for the years ending 2019-2022 for Column C.

RESPONSE:

1-189. Refer to the *Direct Testimony of Grady Stout* at 38:13-16. Provide the yearly number of customers added organically by service territory since 2012.

RESPONSE:

1-190. Refer to *the Direct Testimony of Heath Brooks* at 30: 13-21 - 311:13. Provided a detailed explanation on the Company proposes to “gradually” move Jasper Highlands into a consolidated rate structure.

RESPONSE:

1-191. Refer to the *Direct Testimony of Heath Brooks* at 31:14-21. Provide the workpaper supporting figures referenced by Mr. Brooks.

RESPONSE:

1-192. Refer to Exhibit-BL-2, Red Line Version of Tariff – Tennessee American Water as attached to the *Direct Testimony of Robert Lane*. Provide this redline document in Microsoft Word format. (starts on p.55)

RESPONSE:

1-193. Provide the actual balance of short-term debt used by TAWC for each month (or most frequently available) from January 1, 2016, to the most currently available in Excel format.

RESPONSE:

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1-194. Provide the total actual balance of CWIP broken down into CWIP earning AFUDC and CWIP not earning AFUDC for TAWC for each month (or most frequently available) from January 1, 2016, to the most currently available.

RESPONSE:

1-195. Provide the monthly (or most frequently available) balance sheet and income statements for TAWC for each year from January 1, 2016, to the most currently available in Excel format.

RESPONSE:

1-196. Provide the monthly (or most frequently available) balance sheet and income statements for American Water Works for each year from January 1, 2016, to the most currently available in Excel format.

RESPONSE:

1-197. Provide TAWC's water sales to residential, commercial, and industrial customers for each month (or most frequently available) from January 1, 2018, to the most currently available.

RESPONSE:

1-198. Provide a copy of all the major bond rating agency reports that cover American Water Works and TAWC that were issued from January 1, 2018, to the most currently available.

RESPONSE:

1-199. List all debt and equity raised by American Water Works and TAWC since January 1, 2015, to the most currently available. For bonds, provide the CUSIP number for all securities raised over this time.

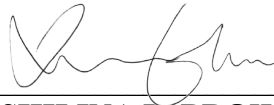
RESPONSE:

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1-200. Does American Water Works, Inc. provide lines of credit to TAWC? If yes, explain how much the amount of funds available as of the most currently available data and quarterly, or the most frequently available, since December 2022.

RESPONSE:

RESPECTFULLY SUBMITTED,



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Assistant Attorney General

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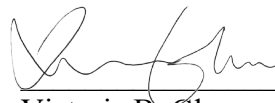
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail, with
a courtesy copy sent via electronic mail, upon:

Robert C. Lane
Director, Rates and Regulatory
Tennessee-American Water Company
109 Wiehl Street
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Melvin J. Malone
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This the 7th day of June, 2024.



Victoria B. Glover
Assistant Attorney General

Calculated Field	Company Code	Profit Center	Assignment	Document Type	Document Number	Account	Amount	Text	Reference	Posting Key	Offsett.account type	Offsetting acct no.	Name of offsetting account	Reference Key	WBS element	Order	Cost Center	Purchasing Document	Item	Entry Date	Posting Date	Document Date	Year/month	Posting Period	Fiscal Year
Maintenance	1026	2605	E26-2600-260501	CS	9300168033	63150026	108000	WBS E26-;		40 S		53150000	Contract Svc-Other - Natural Accou	303513835			260501		0	45279	45291	45279	2023/12	12	2023
Maintenance	1026	2602	E26-2440-260206	CS	9300164679	62002400	21358.89	WBS E26-;		40 S		52000000	M & S (O&M) - Natural Account	303439467			260206		0	45197	45199	45197	2023/09	9	2023
Maintenance	1026	2602	E26-2440-260206	CS	9300164519	62002400	18664.97	WBS E26-;		40 S		52000000	M & S (O&M) - Natural Account	303434638			260206		0	45194	45199	45194	2023/09	9	2023
Contract Services	1026	2602	E26-1600-260203	CS	9300154209	53150016	22864.68	WBS E26-;		40 S		53150000	Contract Svc-Other - Natural Accou	303211302			260203		0	44937	44957	44937	2023/01	1	2023
Contract Services	1026	2602	E26-1400-260206	CS	9300165295	53150014	34000	WBS E26-;		40 S		53150000	Contract Svc-Other - Natural Accou	303444919			260206		0	45202	45199	45202	2023/09	9	2023
Contract Services	1026	2602	E26-1400-260206	CS	9300164660	53150014	34196.31	WBS E26-;		40 S		53150000	Contract Svc-Other - Natural Accou	303439451			260206		0	45197	45199	45197	2023/09	9	2023
Support Services	1026	2601		CF	9300157611	53401800	39671.81	CTR.AWTR		40 K	C1033		AMERICAN WATER WORKS SERV	303280560			260000		0	45020	45016	45020	2023/03	3	2023
Support Services	1026	2601		CF	9300159015	53401400	7484.02	CTR.AWTR		40 K	C1033		AMERICAN WATER WORKS SERV	303325005			260000		0	3/2/2023	2/26/2023	3/2/2023	2023/02	3	2023
Support Services	1026	2601		CF	9300159923	53401400	13120.69	CTR.AWTR		40 K	C1033		AMERICAN WATER WORKS SERV	303332495			260000		0	45079	45077	45079	2023/05	5	2023
Support Services	1026	2601		CF	9300168556	53401400	15014.61	CTR.AWTR		40 K	C1033		AMERICAN WATER WORKS SERV	303527035			260000		0	45295	45291	45295	2023/12	12	2023
Support Services	1026	2601		CF	9300168897	53401400	6333.45	SO_33997		40 K	C1033		AMERICAN WATER WORKS SERV	0303611433AWTR			260000		0	45295	45291	45295	2023/12	12	2023
Transportation	1026	2602		KR	5000107067	55000000	231562.73	N54012738		40 K		115925	Automotive Rentals	5.00011E+17	R26-02O1.23-P-001				0	45185	45185	45180	2023/09	9	2023
Transportation	1026	2602		KR	5000107066	55000000	159866.05	N48011943		40 K		115925	Automotive Rentals	5.00011E+17	R26-02O1.23-P-001				0	45185	45185	45174	2023/09	9	2023
Transportation	1026	2602		KR	5000107456	55000000	137677.39	N54012740		40 K		115925	Automotive Rentals	5.00011E+17	R26-02O1.23-P-001				0	45198	45198	45180	2023/09	9	2023