

August 23, 2024

VIA ELECTRONIC FILING

Electronically Filed in TPUC Docket
Room on August 23, 2024 at 4:24 p.m.

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

RE: *Petition of Tennessee-American Water Company to Modify Tariff, Change and Increase Charges, Fees, and Rates, and for Approval of a General Rate Increase, TPUC Docket No. 24-00032*

Dear Chairman Jones:

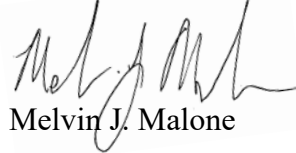
Attached for filing please find *Tennessee-American Water Company's Supplemental Response to Consumer Advocate's Discovery Request No. 1-90* in the above-captioned matter.

The Company is supplementing its Original Response to CAD DR 1-90 to correct an error discovered in responding to the Consumer Advocate in CAD 3-18.

As required, the original plus four (4) hard copies will follow. Should you have any questions concerning this filing, or require additional information, please do not hesitate to contact me.

Very truly yours,

BUTLER SNOW LLP



Melvin J. Malone

Attachments

cc: Bob Lane, TAWC
Shilina Brown, Consumer Advocate Division
Victoria Glover, Consumer Advocate Division
Phillip Noblett, City of Chattanooga
Frederick Hitchcock, City of Chattanooga
Scott Tift, UWUA

**TENNESSEE AMERICAN WATER COMPANY
TENNESSEE PUBLIC UTILITY COMMISSION
DOCKET NO. 24-00032
FIRST DISCOVERY REQUEST OF THE
CONSUMER ADVOCATE DIVISION**

Responsible Witness: John Watkins

Question:

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.

Supplemental Response:

a-b. The Company is supplementing its original response to CAD 1-90 to correct an error discovered in responding to the Consumer Advocate in CAD 3-18. An issue was discovered where adjustments for Long-Term Performance Pay (LTPP) were coded to the Severance account 50185000 as well as the Overnight Shipping account 52562500 in error.

Please refer to TAW_R_CADDR1_090_062524_Revised Attachment
CONFIDENTIAL (Excel format only).

- c. Please see table below for an updated reconciliation.

| Amount | Description |
|------------------|--|
| \$29,902 | Normalized merit increase - Merit increase (Labor), based on trend, for all functions with an effective date April 2023. |
| 6,997 | Normalized merit increase - Merit increase (Labor Related), based on trend, for all functions with an effective date April 2023. |
| 145,301 | Merit increase (Labor), based on 3.94% average merit for 2024 |
| 34,022 | Merit increase (Labor Related), based on 3.94% average merit for 2024 |
| 87,688 | Adjustment for average Service Company expense growth - 3-Year Average Inflation Factor |
| \$303,912 | Exhibit Tab Total - line 9 |
| \$134,842 | Merit increase (Labor), based on 3-Year average (2022-2024). |
| 31,103 | Merit increase (Labor Related), based on 3-Year average (2022-2024). |
| 93,495 | Adjustment for average Service Company expense growth - 3-Year Average Inflation Factor |
| \$259,440 | Exhibit Tab Total - line 22 |
| \$29,902 | Labor Adjustments |
| (67,316) | Adjustment to remove severance |
| 4,412 | Employee Movement - Labor |
| 145,301 | Merit increase eff 1/8/24 |
| 41,633 | LTPP Expense Adjustment |
| \$153,932 | Link Out Total - ties back to Adjustments Data tab |
| \$134,842 | Merit Increase eff 1/13/2025 |
| 27,139 | LTPP Expense Adjustment |
| \$161,981 | Link Out Total - ties back to Adjustments Data tab |

Response:

- a-b. Please refer to TAW_R_CADDR1_090_062524_Attachment CONFIDENTIAL (Excel format only) for supporting documentation made on the lines requested.
- c. Please see table below for a reconciliation of the adjustments. Please note that the two sets of numbers will not tie as account 53401000 is related to Labor OPEX only and the amounts being asked to be reconciled include adjustments for inflation which are recorded to other accounts such as Group Insurance and Other Benefits.

| Amount | Description |
|------------------|--|
| \$29,902 | Normalized merit increase - Merit increase (Labor), based on trend, for all functions with an effective date April 2023. |
| 6,997 | Normalized merit increase - Merit increase (Labor Related), based on trend, for all functions with an effective date April 2023. |
| 145,301 | Merit increase (Labor), based on 3.94% average merit for 2024 |
| 34,022 | Merit increase (Labor Related), based on 3.94% average merit for 2024 |
| 87,688 | Adjustment for average Service Company expense growth - 3-Year Average Inflation Factor |
| \$303,912 | Exhibit Tab Total - line 9 |
| \$133,394 | Merit increase (Labor), based on 3-Year average (2022-2024). |
| 32,455 | Merit increase (Labor Related), based on 3-Year average (2022-2024). |
| 93,564 | Adjustment for average Service Company expense growth - 3-Year Average Inflation Factor |
| \$259,414 | Exhibit Tab Total - line 22 |
| \$29,902 | Labor Adjustments |
| (67,316) | Adjustment to remove severance |
| 4,412 | Employee Movement - Labor |
| 145,301 | Merit increase eff 1/8/24 |
| 41,633 | LTPP Expense Adjustment |
| (2,773) | LTPP Adjustment misclassified in Adjustments Data tab as Other O&M Expense |
| \$151,159 | Link Out Total - ties back to Adjustments Data tab |
| \$133,394 | Merit Increase eff 1/13/2025 |
| 1,354 | Merit increase (labor related) |
| 27,139 | LTPP Expense Adjustment |
| (7,422) | LTPP Adjustment misclassified in Adjustments Data tab as Other O&M Expense |
| \$154,465 | Link Out Total - ties back to Adjustments Data tab |

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

**PETITION OF TENNESSEE-
AMERICAN WATER COMPANY TO
MODIFY TARIFF, CHANGE AND
INCREASE CHARGES, FEES, AND
RATES, AND FOR APPROVAL OF A
GENERAL RATE INCREASE**

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DOCKET NO. 24-00032

VERIFICATION

STATE OF Tennessee)

COUNTY OF Hamilton)

I, ROBERT C. LANE, being duly sworn, state that I am authorized to testify on behalf of Tennessee-American Water Company in the above-referenced docket, that if present before the Commission and duly sworn, verifies that the data requests and discovery responses are accurate to the best of my knowledge.



ROBERT C. LANE

Sworn to and subscribed before me
this 23rd day of August, 2024.



Notary Public

My Commission expires: 2/28/28



CERTIFICATE OF SERVICE

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

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Union Counsel

This the 23rd day of August 2024.



Melvin J. Malone