

TENNESSEE PUBLIC UTILITY COMMISSION



Andrew Jackson State Office Bldg.
502 Deaderick Street, 4th Floor
Nashville, TN 37243-0001

November 4, 2024

Electronically Filed in TPUC Docket Room
on November 4, 2024 at 1:06 p.m.

Melvin J. Malone, Counsel
Butler Snow, LLP
150 3rd Avenue S, Suite 1600
Nashville, TN

Via email: Melvin.Malone@butlersnow.com

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

Dear Mr. Malone:

In order to assist the Commission in its review and analysis of the cost of capital issues in the above-referenced docket, it is requested that responses be provided to the questions below.

1. Provide the document identified as "S&P Capital IQ Pro" on page 21, footnote 28 in the Rebuttal Testimony of Anne Bulkley. To the extent the footnote refers to a data extract from a financial data service, provide all information sufficient to calculate the statistics provided in Figure 4 of Ms. Bulkley's Rebuttal Testimony. All information extracted in the preparation of Figure 4 should be provided. At a minimum, the name of the utility, industry, equity return, and date of rate order should be provided. Additionally, information describing the type of rate proceeding, e.g. general rate case, base rate case, annual review, and should be provided. Also, if available, information on the capital structure and overall rate of return from the associated rate order should be provided.
2. Provide all SEC 10-Q filings for American Water Works Company released in calendar year 2024.
3. Provide the final order for each rate proceedings referenced in the American Water Works 2023 Annual report submitted as MFG 4, Attachment 3 on attachment index pages 126 through 128. Any final order for a rate proceeding that is discussed in the 2024 10-Q filings provided in response to question 2 that are not discussed in the American Water Works 2023 Annual Report should also be provided.
4. Provide the projected capital structure for American Water Works Company for the attrition year ended December 31, 2025. Provide that projected cost rate associated with each element of the capital structure except common equity. Provide the cost rates for all elements of the capital

structure except common equity of American Water Works Company as identified in the response to MFG 66 as of December 31, 2023.

5. Referring to the Direct Testimony of Nicholas Furia, Schedule CS-1.3, identify the lender associated with the 7.84% Series General Mortgage Bond. Is the lender affiliated with Tennessee American Water Company or American Water Works Company? What percentage of TAWC's projected attrition year total capitalization does the carrying value of the 7.84% Series General Mortgage Bond comprise? Upon maturity of the 7.84% Series General Mortgage Bond in 2026, does the Company intend to replace the indebtedness with funding from AWCC?

6. Provide measures of the BETA statistic for American Water Works Company to allow calculation of equity return for each variant of the Capital Asset Pricing Model found in Exhibit AEB-5 of the Direct Testimony of Anne Bulkley and Exhibit AEB-3 of the Rebuttal Testimony of Anne Bulkley. Provide all necessary data for American Water Works Company to allow calculation of the Discounted Cash Flow equity return estimates as found in Exhibit AEB-4 of the Direct Testimony of Anne Bulkley and her Rebuttal Exhibit AEB-2.

Please provide all responses no later than 2:00 p.m. on Thursday November 14, 2024. Responses may be submitted electronically at tpuc.docketroom@tn.gov with one hard copy mailed to the Docket Manager at the Tennessee Public Utility Commission, 502 Deaderick Street, 4th Floor, Nashville, Tennessee 37243.

Sincerely,



Jerry Kettles, Director
Economic Analysis

C: Via email

bob.lane@amwater.com
shilina.brown@ag.tn.gov
victoria.glover@ag.tn.gov
vance.broemel@ag.tn.gov
noblett@chattanooga.gov
rhitchcock@chamblisslaw.com
stift@barrettjohnston.com
dgarrison@barrettjohnston.com

Docket File