

**Composite Average Days Interval between Date Expenses
are Incurred and Date of Payment**

Tennessee Public Service Commission
Company: Tennessee-American Water Company
Case No:

Test Year: Twelve Months Ended: July 31, 2002
Exhibit No. 1, Schedule 3
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Line No.	Description	Amount	Post Payment or (Lead) Days	Dollar Days
1				
2				
3				
4	Payrolls Charged to Expense - Hourly	3,107,510	5.50	17,091,305
5	Payrolls Charged to Expense - Salary	1,871,463	14.02	26,237,915
6	Fuel and Power	1,551,622	50.65	78,589,653
7	Chemicals	740,531	28.27	20,934,819
8	Waste Disposal	179,951	31.23	5,619,870
9	AWWS Charges	2,507,276	(4.46)	(11,182,451)
10	Group Insurance	862,753	(1.31)	(1,130,207)
11	Pensions	387,895	0.00	0
12	Insurance Other than Group	709,686	(21.72)	(15,414,380)
13	Rents	28,624	9.24	264,486
14	Telephone Expense	153,334	(2.73)	(418,602)
15	Postage Expense	265,193	24.77	6,568,832
16	Amortizations	0	0.00	0
17	Stock E	51,951	23.77	1,234,875
18				
19				
20	Other Operating and Maintenance Expenses	3,694,518	20.51	75,774,559
21	Total O & M Expenses	16,112,307		
22				
23	Depreciation and Amortization	4,121,753	0.00	0
24	Taxes, Other than Income			
25	Payroll	457,400	10.61	4,853,016
26	Other	3,276,201	174.52	571,762,599
27	FIT-Current	194,667	37.00	7,202,679
28	SIT-Current	37,341	58.63	2,189,303
29	Deferred Taxes	1,092,221	0.00	0
30	Interest Expense	3,347,700	87.97	294,497,169
31	Preferred Dividends	72,295	89.48	6,468,957
32	Net Earnings	1,773,436	0.00	0
33	Net Operating Funds	30,485,321		1,091,144,397
34				
35				
36	Average Days Interval between Date Expenses are Incurred and Date of Payment		35.79	
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