

May 24, 2007

The Honorable Sara Kyle  
Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

electronically filed 5/24/07 @ 3:23pm

***Re: Joint Petition of Tennessee American Water Company and Marion County,  
Tennessee for Approval of Purchase Agreement, Docket No. 03-00388***

Dear Chairman Kyle

We are filing with the docket office today this response by Petitioner Tennessee American Water Company to the Authority Staff's data requests to be answered upon the closing of the sale of the former Suck Creek Utility District system to Tennessee American Water.

As its response to the data request, the Company answers as follows:

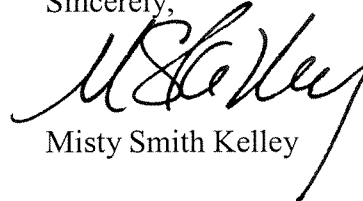
- Q1.** Provide the accounting entry made to record the purchase of Suck Creek, including account numbers.
- A1.** Please see attached.
- Q2.** If an acquisition adjustment was recorded, explain the Company's proposed regulatory treatment of this acquisition adjustment.
- A2.** As shown on the attached, the Company recorded an acquisition adjustment of \$14,608. The Company has not proposed any particular regulatory treatment of this amount at this time, as the former Suck Creek system is treated separately from the Company's remaining operations for ratemaking purposes.

Pursuant to the purchase agreement approved by the Authority in this docket, the customers of the former Suck Creek Utility District system are charged at the rates in place for those customers when the purchase agreement was entered into. The Company operates the former Suck Creek Utility District system as a

separate business unit, and all expenses and revenues are kept separate from the remainder of the Company's operations. (No amounts from the Suck Creek system operations were included in the Company's most recent rate case.) The Company anticipates that over time, as the Suck Creek system expands, the Company will petition the Authority to change the Suck Creek rates, and/or to combine the Suck Creek system with the Company's remaining operations under a single tariff for ratemaking purposes. At that time, the Company will include a proposal for regulatory treatment of the acquisition adjustment.

Please do not hesitate to contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Misty Smith Kelley', written in a cursive style.

Misty Smith Kelley

Encl.

cc: Mr. Ron Graham (via electronic mail w/encl)

TENNESSEE'S JE		SUCK CREEK ACQUISITION AS OF 12/31/2002			DEBIT	CREDIT
Asset	Description					
30218931	Well Pump.SC AC	260305	101000	304300	20,059	
30218932	High Service pumps.SC AC	260305	101000	304300	26,440	
30218933	Sludge Pump.SC AC	260305	101000	304300	5,100	
30218934	Backwash Supenatant .SC AC	260305	101000	304300	2,000	
30218935	Backwash Hold Tank.SC AC	260305	101000	304300	30,800	
30218937	Filter Office & Building.SC AC	260305	101000	304300	78,000	
30218938	Yard &Building Piping.SC AC	260305	101000	304300	26,500	
30218939	Painting.SC AC	260305	101000	304300	12,000	
30218940	Site Work.SC AC	260305	101000	304300	26,000	
30218941	Septic Tank & Drain .SC AC	260305	101000	304300	6,000	
30218942	Heating, Ventialton.SC AC	260305	101000	304300	8,400	
30218943	Clearwell Level Sensor.SC AC	260305	101000	304300	3,800	
30218944	Welt Level Sensor.SC AC	260305	101000	304300	8,880	
30218945	Sludge Blank Detector.SC AC	260305	101000	304300	4,350	
30218946	Pump Dischrg Pressu.SC AC	260305	101000	304300	330	
30218947	Contact for tieing i.SC AC	260305	101000	304300	450	
30218948	Alarm Dialer.SC AC	260305	101000	304300	1,800	
30218949	Pump Control system.SC AC	260305	101000	304300	1,800	
30218950	Electrical Work.SC AC	260305	101000	304300	33,000	
30218951	Culligan Installation.SC AC	260305	101000	304300	8,000	
30218952	Culligan Equipment.SC AC	260305	101000	320100	61,727	
30218953	Elevated Tank.SC AC	260305	101000	306000	188,225	
30218954	Well Drilling.SC AC	260305	101000	306000	47,982	
30218955	Crushed stone trench .SC AC	260305	101000	331001	30,304	
30218956	Replace Pavement.SC AC	260305	101000	331001	1,810	
30218957	12-inch Casing Place.SC AC	260305	101000	331350	6,375	
30218958	4-inch casing in place.SC AC	260305	101000	331100	5,425	
30218959	Service Line Hwy.SC AC	260305	101000	331001	1,410	
30218960	Class B Concrete.SC AC	260305	101000	331001	2,138	
30218961	3/4 inch Service meter.SC AC	260305	101000	333000	17,508	
30218962	1-inch Service meter.SC AC	260305	101000	333000	280	
30218963	3/4 inch Service .SC AC	260305	101000	333000	23,787	
30218964	1 inch Service .SC AC	260305	101000	333000	5,500	
30218965	LMI Connections.SC AC	260305	101000	331001	6,000	
30218966	D.I. Fittings.SC AC	260305	101000	331001	6,303	
30218967	6-inch D.T. Pipe.SC AC	260305	101000	331210	5,000	
30218968	6-inch PVC Pipe.SC AC	260305	101000	331210	240,226	
30218969	2-inch PVC Pipe.SC AC	260305	101000	331100	35,982	
30218970	6-inch PVC in casing.SC AC	260305	101000	331210	629	
30218971	2-inch PVC Pipe .SC AC	260305	101000	331100	977	
30218972	6 inch gate vatve.SC AC	260305	101000	331210	4,620	
30218973	2-inch gate.SC AC	260305	101000	331100	2,430	
30218975	1-inch air release valve.SC AC	260305	101000	331100	2,000	
30218976	Blow off valve.SC AC	260305	101000	331001	5,400	
30218977	Valve markers.SC AC	260305	101000	331001	2,650	
30218978	Pressure reduc valve.SC AC	260305	101000	331001	7,000	
30218979	Fire Hydrant & Valve.SC AC	260305	101000	335000	22,400	
30218980	5/8x3/4 meters.SC AC	260305	101000	334100	26,690	
30218981	Sink installation.SC AC	260305	101000	331001	170	
30218982	MISC Items.SC AC	260305	101000	331001	28,418	
30218983	USGS Well Develop.SC AC	260305	101000	331001	95,964	
30218984	Pump.SC AC	260305	101000	311200	950	
30218985	10 HP Pump.SC AC	260305	101000	311200	8,995	
30218986	Transmitter.SC AC	260305	101000	346100	800	
30218930	Circular Chart Record.SC AC	260305	101000	346100	1,190	
30218987	Level Transmitter.SC AC	260305	101000	346100	1,638	
30218988	Water Line.SC AC	260305	101000	331100	3,600	
30218989	1000 Ft Addition.SC AC	260305	101000	331100	3,695	
30218991	New Equipment.SC AC	260305	101000	340230	9,876	
30218931	Well Pump.SC AC	260305	108105	01		5,885
30218932	High Service pumps.SC AC	260305	108105	01		8,432
30218933	Sludge Pump.SC AC	260305	108105	01		1,530
30218934	Backwash Supenatant .SC AC	260305	108105	01		600
30218935	Backwash Hold Tank.SC AC	260305	108105	01		4,196
30218937	Filter Office & Building.SC AC	260305	108105	01		12,360
30218938	Yard &Building Piping.SC AC	260305	108105	01		3,680
30218939	Painting.SC AC	260305	108105	01		3,765
30218940	Site Work.SC AC	260305	108105	01		3,620
30218941	Septic Tank & Drain .SC AC	260305	108105	01		1,800
30218942	Heating, Ventialton.SC AC	260305	108105	01		5,040
30218943	Clearwell Level Sensor.SC AC	260305	108105	01		2,280
30218944	Welt Level Sensor.SC AC	260305	108105	01		5,328
30218945	Sludge Blank Detector.SC AC	260305	108105	01		2,610
30218946	Pump Dischrg Pressu.SC AC	260305	108105	01		198
30218947	Contact for tieing i.SC AC	260305	108105	01		270
30218948	Alarm Dialer.SC AC	260305	108105	01		1,080
30218949	Pump Contro system.SC AC	260305	108105	01		540
30218950	Electrical Work.SC AC	260305	108105	01		4,960

TENNESSEE'S JE		SUCK CREEK ACQUISITION AS OF 12/31/2002		DEBIT	CREDIT
Asset	Description				
30218951	Culligan Installation.SC AC	260305	108105 01		960
30218952	Culligan Equipment.SC AC	260305	108105 06		14,053
30218953	Elevated Tank.SC AC	260305	108105 06		42,846
30218954	Well Drilling.SC AC	260305	108105 06		10,923
30218955	Crushed stone trench .SC AC	260305	108105 05		5,966
30218956	Replace Pavement.SC AC	260305	108105 05		356
30218957	12-inch Casing Place.SC AC	260305	108105 05		1,255
30218958	4-inch casing in place.SC AC	260305	108105 05		1,068
30218959	Service Line Hwy.SC AC	260305	108105 05		278
30218960	C[ass B Concrete.SC AC	260305	108105 05		421
30218961	3/4 inch Service meter.SC AC	260305	108105 05		3,447
30218962	1-inch Service meter.SC AC	260305	108105 05		55
30218963	3/4 inch Service .SC AC	260305	108105 05		0
30218964	1 inch Service .SC AC	260305	108105 05		0
30218965	LMI Connections.SC AC	260305	108105 05		0
30218966	D.I. Fittings.SC AC	260305	108105 05		1,241
30218967	6-inch D.T. Pipe.SC AC	260305	108105 05		984
30218968	6-inch PVC Pipe.SC AC	260305	108105 05		47,292
30218969	2-inch PVC Pipe.SC AC	260305	108105 05		7,084
30218970	6-inch PVC in casing.SC AC	260305	108105 05		619
30218971	2-inch PVC Pipe .SC AC	260305	108105 05		961
30218972	6 inch gate vatve.SC AC	260305	108105 05		910
30218973	2-inch gate.SC AC	260305	108105 05		478
30218975	1-inch air release valve.SC AC	260305	108105 05		394
30218976	Blow off valve.SC AC	260305	108105 05		1,063
30218977	Valve markers.SC AC	260305	108105 05		522
30218978	Pressure reduc valve.SC AC	260305	108105 05		3,445
30218979	Fire Hydrant & Valve.SC AC	260305	108105 05		4,410
30218980	5/8x3/4 meters.SC AC	260305	108105 05		26,272
30218981	Sink installation.SC AC	260305	108105 05		0
30218982	MISC Items.SC AC	260305	108105 05		0
30218983	USGS Well Develop.SC AC	260305	108105 05		25,190
30218984	Pump.SC AC	260305	108105 06		950
30218985	10 HP Pump.SC AC	260305	108105 06		4,498
30218986	Transmitter.SC AC	260305	108105 07		560
30218930	Circular Chart Record.SC AC	260305	108105 07		595
30218987	Level Transmitter.SC AC	260305	108105 07		817
30218988	Water Line.SC AC	260305	108105 05		495
30218989	1000 Ft Addition.SC AC	260305	108105 05		322
30218991	New Equipment.SC AC	260305	108105 08		648
	CIAC	260305	271120		807,476
	Utility Plant Purchase	260305	104000		147,363
	Acquisition Adjustment	260305	114100	14,608	
Totals				1,234,391	1,234,391