

WHN CONSULTING

19 Morning Arbor Place
The Woodlands, TX 77381

March 8, 2006

Mr. Richard Collier, General Counsel
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

**RE: Docket 05-00105 – Rulemaking for the Regulation of Wastewater Companies
Financial Security Requirements for Aqua Utilities Company, Inc.**

Dear Mr. Collier:

I have received your letter of March 3, asking for Aqua Utilities Company, Inc. (“Aqua”) to provide proof of financial security in compliance with the Tennessee Regulatory Authority’s (“TRA’s”) newly adopted wastewater regulations. According to your letter, proof of financial security is to be provided to the TRA using the standard forms found in Rule 1220-4-13-.08.

Aqua has every intention of complying with financial security requirements of the TRA’s wastewater regulations. However, as you are aware, at the TRA Conference on March 6, 2006, the TRA Directors voted unanimously to change the standard form for bonding and letter of credit notice found in Rule 1220-4-13-.08. As a result this change, Aqua is presently unable provide the TRA with proof of financial security since we have yet to receive or discover the newly adopted standard forms.

Again, Aqua intends to ultimately fully comply with the TRA’s financial security requirements. Once we receive the new standard forms adopted by the TRA at the March 6 2006 Conference, we will approach an outside vendor to provide the requested financial security.

Thank you for your consideration of this response to your data request. If you have any questions regarding this letter, please contact me at 713-298-1760.

Sincerely,



William H. Novak
Regulatory Agent for Aqua Utilities Company, Inc.