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TENNESSEE REGULATORY AUTHORITY

**460 James Robertson Parkway
Nashville, Tennessee 37243-0505**

July 7, 2006

Ms. Lisa Thomas, Manager
Shiloh Utilities, Inc.
P.O. Box 1027
Savannah, TN 38372

RE: Compliance Audit of Shiloh Falls Utilities, Inc.

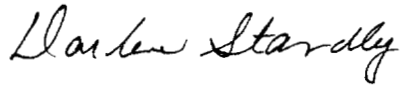
Dear Ms. Thomas:

In order to complete the compliance audit of Shiloh Utilities, Inc., further information is needed. Please respond to the data request items listed below, and submit these responses by July 21, 2006.

1. During the on-visit conducted by the audit staff, the Company indicated that the customer billings are in arrears. What is the current status of the customer billings?
2. The Company recorded \$850 associated with a lift station pump replacement. The name of the vendor is DK Mfg. & Construction and the invoice number is DK1811. Provide the historical cost of the pump that was replaced.
3. Has Shiloh Falls Utilities, Inc. established or does the Company plan to establish an escrow account for non-routine expenditures?
4. Provide a map that shows your service area and the entire layout of the wastewater system (location of plant and lines, line sizes, etc.).
5. Were any expenses of the utility paid for by another entity on behalf of the utility during the audit period, January through December 2005? If so, provide a list of the expenses by date, type, amount, and the name of the entity making such payments.

Should you have any questions concerning this request, you may contact Butch Phillips at 615-741-2904 ext. 183.

Sincerely,

A handwritten signature in cursive script that reads "Darlene Standley".

Darlene Standley
Chief, Utilities Division

cep06-19