

# TENNESSEE REGULATORY AUTHORITY



Sara Kyle, Chairman  
Eddie Roberson, Director  
Pat Miller, Director  
Ron Jones, Director

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460 James Robertson Parkway  
Nashville, Tennessee 37243-0505  
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September 21, 2006

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

RE: Docket No. 06-00177 - Compliance Audit of Shiloh Falls Utilities, Inc. for the period January 1, 2005 through December 31, 2005.

Dear Ms. Thomas:

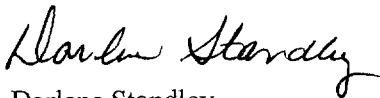
On August 31, 2006 the Audit Staff issued an audit report in the above Docket that has now been withdrawn. Following the consideration of additional information, Audit Staff will issue a revised audit report. Please respond to this Staff Data Request by September 29, 2006.

1. Authority Rule 1220-4-13-.07(8) requires that the Authority on a case by case basis review a wastewater utility's financial condition to determine if an escrow account should be established to provide funds for emergency or non-routine system repairs or replacements. To assist the Authority in making this decision, please provide complete responses to the following questions.
  - a. Does the Company believe an escrow account would be beneficial should an emergency system repair be needed? Why or not?
  - b. How are non-routine system repairs currently funded?
  - c. If such non-routine expenses are paid for by an affiliate entity, provide sufficient financial information to support the affiliate's ability to fund these expenses.
  - d. Should Shiloh Falls Utilities be required to establish an escrow account, how would the Company propose to fund the escrow account?
2. Provide a schedule showing the amounts expended by the Company by year for non-routine system operation and maintenance repairs for the last five years. Also, provide a description of each non-routine expense.

3. Does the Company maintain a physical office location where a customer can speak to a Company representative or pay his water/wastewater bill in person? If so, provide the address of that office.

Thank you for cooperation in this matter. If you have any questions regarding this request, before responding, please contact Butch Phillips or Ron Graham at ext. 183 or 164 respectively.

Sincerely,

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

Darlene Standley  
Chief  
Utilities Division