

SHILOH FALLS UTILITIES, INC.

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T.R.A. DOCKET ROOM
RECEIVED

DATE: October 4, 2006

TO: Darlene Standley

OCT 5 2006

FAX NUMBER: (615) 741-5015

TN REGULATORY AUTHORITY
UTILITIES DIVISION

FROM: Lisa Thomas

SUBJECT: Additional data response

NUMBER OF PAGES: 2
(including cover)

06-00177

Following are our responses to your additional request for information. I apologize for not providing an answer to number 2; however, the explanation for this failure is in the response. Should this present an insurmountable problem, please let me know. Your consideration of my request will be greatly appreciated.

Shiloh Falls Utilities, Inc.

Response to Additional Information Request

September 25, 2006

1.
 - a. Does the Company believe an escrow account would be beneficial should an emergency system repair be needed? Why or why not?
Any time non-routine or emergency repairs can be funded through means not affecting current income, it is beneficial to the company involved. However, collecting a monthly escrow amount from each customer can be an accounting nightmare for a small utility, not to mention the ill will it would generate from the customer base. Adding an escrow amount to each statement and accounting for these amounts will require that our software be rewritten and our billing statements be restructured. The Company is not at all certain, given the minimal amount of equipment in use, that the advantages outweigh the disadvantages.
 - b. How are non-routine system repairs currently funded?
Non-routine system repairs are currently funded through collections on customer accounts.
 - 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.
Please see the answer to 1.b.
 - d. Should Shiloh Falls Utilities be required to establish an escrow account, how would the Company propose to fund the escrow account?
Funding for an escrow account would have to come from an additional amount added to each customer's bill.
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.
I received the list of all expenditures for the last five years by mail from our accountant today; however, I have not had the opportunity to review his numbers, determine what is non-routine, and attach a description to those items. I will also have to confer with our plant manager, Virgil Morris, regarding these expenditures. I respectfully request that an extension of one (1) week be granted for the completion of this item. If this is not satisfactory, please advise as soon as possible.
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.
The business office of Shiloh Falls Utilities, Inc. is located at 450 Church Street, Savannah, Tennessee 38372.