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February 8, 2007

**VIA HAND-DELIVERY**

Chairman Sara Kyle  
c/o Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

***Re: Petition Of Tennessee American Water Company To Change And  
Increase Certain Rates And Charges So As To Permit It To Earn A Fair  
And Adequate Rate Of Return On Its Property Used And Useful In  
Furnishing Water Service To Its Customers  
Docket No. 06-00290***

Dear Chairman Kyle:

Enclosed please find a CD which contains supplements to the responses to the data requests which were submitted by the Company on Tuesday, February 6, 2007.

In response to the First Set of Data Requests of the Consumer Advocate and Protection Division, Part II, Question 22, the last sentence of Tennessee American Water Company's response was inadvertently omitted in the electronic copy of the response provided on CD. The full response did appear in the printed responses. An electronic copy of the full response is contained on the enclosed CD. An additional hard copy is also provided.

Similarly, in Tennessee American Water Company's response to the First Set of Data Requests of the City of Chattanooga, Question 34, the printed version of the response is correct, but the entire response was inadvertently omitted from the CD. An electronic copy of this response is provided on the accompanying CD.

Please return two copies of the this letter which I would appreciate your stamping as "filed," and returning to me by way of our courier.

Chairman Sara Kyle  
February 8, 2007  
Page 2

Should you have any questions concerning any of the enclosed, please do not hesitate to contact me.

With kindest regards, I remain

Very truly yours,

Ross Booher

RB/smb  
Enclosures

cc: Hon. Pat Miller (*w/o enclosure*)  
Hon. Ron Jones (*w/o enclosure*)  
Hon. Eddie Roberson (*w/o enclosure*)  
Ms. Darlene Standley, Chief of Utilities Division (*w/o enclosure*)  
Richard Collier, Esq. (*w/o enclosure*)  
Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division (*w/o enclosure*)  
Ms. Pat Murphy (*w/o enclosure*)  
Michael A. McMahon, Esq. (*w/enclosure*)  
Vance Broemel, Esq. (*w/enclosure*)  
Henry Walker, Esq. (*w/enclosure*)  
David Higney, Esq. (*w/enclosure*)  
Mr. John Watson (*w/o enclosure*)  
Mr. Michael A. Miller (*w/o enclosure*)

**TENNESSEE AMERICAN WATER COMPANY**  
**Docket No. 06-00290**  
**Consumer Advocate and Protection Division Discovery Request No. 1**

**Responsible Witness:    Sheila Miller**

**PART II: QUESTIONS & PRODUCTION REQUESTS REGARDING ACCOUNTING,  
REVENUE & OPERATING EXPENSES**

**Question:**

22.    Provide copies of all Ad Valorem property taxes paid in 2006, 2005, and 2004. Provide a schedule of all Ad Valorem property taxes paid by jurisdiction for 2006, 2005, and 2004. This schedule should reconcile to copies of property taxes paid by year.

**Response:**

The property tax bills through June 30, 2006 were provided in TRA data request 1 question 47 and labeled as TN-TRA-01-Q047 attachment pages 128 through 399. Attached are copies of those additional invoices paid through December 31, 2006. Also see the attached schedule detailing property tax payments by year. During 2004 and 2005 our year end closing dates were as noted on the schedule; 2004 being December 10, and 2005 being December 9. Thus you will see some payments listed in these years that were paid in the prior December. In 2006 our year end closed on December 31, and there are four jurisdictions that have two payments in our per books year to date numbers. If you eliminate those duplications the total paid in 2006 of \$2,446,604.50 is within a few dollars of our amount in the rate filing of \$2,446,714 as of the twelve months ending June 30, 2006. The additional property tax bills are also included on the enclosed CD and labeled as TN-CAD-01-Q22 Part 2 attachment property tax bills.