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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
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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
City of Chattanooga Discovery Request No. 1

Responsible Witness: Michael Miller

Question:

34. Provide all **Documents** reflecting, recording, referring to, reporting, or related to the financial impact of the IPO for the sale of **AWWC** upon to the cost of operation of **TAWC**.

Response:

TAWC objects to this question on the grounds that the requested information is not relevant to this proceeding, overly broad, overly burdensome, subject to attorney client privilege and/or work product generated in anticipation of litigation. Notwithstanding the objection, TAWC provides the following response. The petition filed in case number 06-00119 provides assurances from TAWC, at paragraphs 45, 46, and 47, that the proposed transaction will not adversely impact the operations of TAWC nor will there be any material changes to the financial position of TAWC. TAWC has included the estimated impact of new LT debt issues scheduled for 2007 in its filing in this case. Subject to the TRA approval of TAWC's proposed debt financing plan currently before the TRA in case number 06-00305, TAWC will be able to provide the actual interest rate for those debt issues and address any impact on TAWC's cost of service in this case.