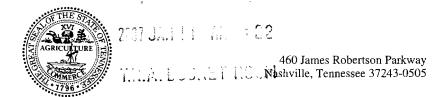
## TENNESSEE REGULATORY AUTHORITY



January 11, 2007

R. Dale Grimes, Esq. George H. Masterson, Esq. Bass, Berry & Sims PLC 315 Deadrick Street, Suite 2700 Nashville, TN 37238-0002

Docket No. 06-00305 - Petition of Tennessee-American Water Company for Approval RE: of and Authority to Borrow up to \$44,900,000.

Dear Messrs. Grimes and Masterson:

In order to fully analyze the above-referenced Petition, the Tennessee Regulatory Authority ("TRA" or "Authority") requires additional information. Please provide the information requested below by January 18, 2007, and refer to this correspondence as Data Request No. 1 in the response.

- 1. Specify the amount of the requested financing transaction in the *Petition* that is included in the capital structure presented in the pending rate proceeding in Docket No. 06-00290.
- 2. Describe the relationship between the amounts requested in the *Petition* and the response to Question 82 of Staff Data Request No. 1 in Docket 06-00290.
- 3. On what date will Tennessee-American Water Company begin the financing transactions described in the Petition?

Please contact me with any questions at 615-741-2904, ext. 153 or via e-mail at Jerry.Kettles@state.tn.us. Please respond by sending the original and 13 copies either by U.S. Mail or express mail. Alternatively, you may send the original and four (4) copies along with an electronic file to:

Ms. Sharla Dillon, Docket Room Manager Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Email: sharla.dillon@state.tn.us

Sincerely,

Jerry Kettles, Chief

Economic Analysis & Policy Division