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A PROFESSIONAL LIMITED LIABILITY COMPANY

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June 20, 2008

Via Email and Hand Delivery

Chairman Eddie Roberson, PhD
c/o Ms. Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

filed electronically in docket office on 06/20/08

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. 08-00039

Dear Chairman Roberson:

Enclosed please find an original and seven (7) copies of Tennessee American Water Company's ("TAWC") Supplemental Response to the Tennessee Regulatory Authority's Data Request 1, Item 56.

In addition, enclosed please find two compact disks. The first compact disk contains these responsive documents in their native format. The second disk contains a pdf image of this letter and its attachments.

Please stamp three (3) copies of this material as "filed," and return it to me by way of our courier.

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

Sincerely,


Kathryn Hannen Walker

Enclosures

Chairman Eddie Roberson, PhD

June 20, 2008

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cc: Hon. Ron Jones (*w/o enclosure*)
Hon. Sara Kyle (*w/o enclosure*)
Hon. Tre Hargett (*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*)
Timothy C. Phillips, Esq. (*w/enclosure*)
David C. Higney, Esq. (*w/enclosure*)
Henry M. Walker, Esq. (*w/enclosure*)
Michael A. McMahan, Esq. (*w/enclosure*)
Frederick L. Hitchcock, Esq., (*w/enclosure*)
Mr. John Watson (*w/o enclosure*)
Mr. Michael A. Miller (*w/o enclosure*)

TENNESSEE AMERICAN WATER COMPANY
AVERAGE ACCOUNT BALANCES
TRA DR 56

Description	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Average
a UPS & Capital Leases	181,434,793	188,944,500	188,435,291	188,872,625	190,986,422	192,248,713	192,508,675	192,838,206	193,232,000	194,822,082	196,046,079	196,598,293	197,159,678	191,853,643
b CWIP	3,469,458	1,580,421	2,353,071	2,219,487	1,578,516	930,414	1,878,222	2,730,672	2,774,842	1,900,910	1,703,243	2,394,708	2,829,032	2,180,231
c Materials & Supplies/inventories	646,621	232,151	272,775	305,137	281,867	341,950	365,893	311,007	275,053	283,745	355,016	287,678	314,087	334,844
d Deferred debts	14,739,647	14,646,047	14,801,561	14,516,777	14,646,946	14,513,846	14,420,864	15,154,262	15,084,238	15,025,681	14,830,612	14,890,194	14,833,766	14,761,887
e Reserves														
f Customer Deposits														
g Interest on customer deposits														
h Contributions in Aid - Const.	(7,312,160)	(8,280,830)	(8,238,889)	(8,239,059)	(8,234,959)	(8,236,196)	(8,280,380)	(8,285,789)	(8,322,093)	(8,327,759)	(8,334,192)	(8,336,954)	(8,258,501)	(8,205,215)
i Accumulated deferred FIT	(21,390,040)	(21,775,877)	(21,838,555)	(21,863,670)	(21,686,574)	(21,652,957)	(21,616,679)	(21,541,766)	(21,643,342)	(21,483,334)	(21,201,387)	(20,804,789)	(20,734,148)	(21,470,240)
j Accum. Deprac. & Amort.	(52,980,183)	(53,359,996)	(53,916,588)	(54,241,236)	(54,482,688)	(54,887,149)	(55,307,243)	(55,705,663)	(56,102,356)	(56,209,203)	(56,620,209)	(57,024,025)	(57,435,980)	(55,254,887)
k Accounts Payable - CWIP	(91,629)	(288,625)	0	(16,625)	(25,024)	(28,900)	(10,575)	(3,658)	(58,847)	(5,311)	(128,608)	(8,003)	(91,629)	(36,733)
l Accounts Payable - materials & supp	(18,040)	(38,256)	(68,200)	(42,800)	(72,819)	(37,813)	(44,500)	(41,302)	(54,837)	(51,015)	(80,838)	(52,586)	(18,040)	(47,619)
m Customer Advances	(5,409,523)	(5,678,228)	(5,688,465)	(5,649,193)	(5,996,469)	(5,911,167)	(5,956,523)	(5,985,705)	(5,918,084)	(5,829,309)	(5,971,310)	(5,871,038)	(5,750,527)	(5,816,820)
n Materials & supplies (see above)														
o Accounts receivable other	516,949	561,668	295,666	359,742	335,132	235,321	244,798	59,966	54,108	73,018	551,223	563,782	571,665	340,238
p Prepaids	332,436	224,933	472,722	297,548	507,866	413,159	213,300	232,003	172,846	637,352	525,965	555,782	445,686	387,046

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served via the method(s) indicated, on this the 20th day of June, 2008, upon the following:

<input checked="" type="checkbox"/> Hand-Delivery	Timothy C. Phillips, Esq.
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