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April 24, 2008

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OTHER OFFICES

KNOXVILLE **MEMPHIS**

Re: Tennessee American Water Company

Dear Gentlemen:

Enclosed please find copies of the letters sent to the Directors of the TRA on April 23, 2008.

Yours very truly,

R. Dale Grimes

RDG/ms Enclosure



Mr. John Watson, President P.O. Box 6338 Chaltanooga, TN 37401

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April 23, 2008

Chairman Eddie Roberson, Ph. D Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243

Dear Chairman Roberson:

We are excited to inform you that American Water is a publicly traded company once again! Listed under our previous ticker symbol of AWK, American Water began trading on the New York Stock Exchange on April 23, 2008.

American Water is the largest, most geographically diversified investor-owned water and wastewater utility company in the United States. As such, we play a key role in important areas of the industry including water quality and safety, infrastructure funding, environmental stewardship and research and development. To better illustrate our strong local presence, commitment to excellence and our long history, you will also notice a new look and logo for American Water. The purpose is to celebrate our employees and to educate our customers about the complexity of the water industry. We recognize that all of these issues are important to you and moving forward, we will address them in a way that best serves both you and your constituents.

For Tennessee American Water, this means that we will continue to demonstrate our passion and commitment to delivering reliable, high-quality water service in a cost-effective, efficient and environmentally friendly manner. In the last two years we have invested \$27 million in the community to enhance water service, reliability, efficiency and in some cases provide or improve fire protection to our customers. In 2008 and 2009, we plan to invest approximately \$21.4 million to continue to provide the service our customers have come to expect. We look forward to working with you to achieve these goals.

I welcome the opportunity to meet with you to update you on Tennessee American Water's future plans for the area.

Sincerely,

John S. Watson

President