



**TENNESSEE REGULATORY AUTHORITY
502 Deaderick Street
Nashville, Tennessee 37243**

June 13, 2014

Junaid Odubeko, Counsel
Butler Snow LLP
150 3rd Avenue South, Suite 1600
Nashville, TN 37201

RE: Docket 14-00061: Petition of Tennessee-American Water Company for Approval of and Authority to Borrow Up to \$60,000,000 to Refinance Outstanding Indebtedness and Finance Additions and Improvements to Facilities and Acquisitions and to Repay Short-Term Indebtedness Pursuant to § 65-5-109

Dear Mr. Odubeko:

In order to analyze the above-referenced *Petition*, the Tennessee Regulatory Authority requires additional information. Please provide the information requested below by June 20, 2014, and refer to this correspondence as Data Request No. 1 in the response.

1. How much of the requested \$60 million in debt authority does Tennessee American Water Company ("TAWC") expect to use for acquisitions?
2. Provide the current capital structure for TAWC. Provide a pro forma capital structure for TAWC assuming the full \$60 million of requested indebtedness is issued.
3. Provide a calculation of TAWC's current interest coverage ratio. Provide an estimate of the interest coverage ratio assuming that all \$60 million of the requested debt authority is utilized. In the response, list all assumption made in calculating the estimated interest coverage ratio.
4. Provide data showing current and projected interest rate spreads between corporate debt with similar credit ratings as those issued by American Water Capital Corp. and U.S. Treasury securities of similar term.

If you have any questions or need further assistance, I can be reached by phone at 615-770-6894, or by e-mail at jerry.kettles@tn.gov. 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
502 Deaderick Street, 4th Floor
Nashville, TN 37243
Sharla.Dillon@tn.gov

Sincerely,

A handwritten signature in black ink that reads "Jerry Kettles". The signature is written in a cursive, flowing style.

Jerry Kettles, Chief
Economic Analysis & Policy

C: Via email