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October 24, 2006

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## VIA HAND DELIVERY

PUCO

Ms. Reneé Jenkins Administration/Docketing Public Utilities Commission of Ohio 180 East Broad Street, 13<sup>th</sup> Floor Columbus, OH 43215

Re: Ohio American Water Company Case No. 06-1258-WS-AIS

Dear Ms. Jenkins:

Ohio American Water Company herewith files an errata to its application filed on October 13, 2006 by submitting a corrected page 3.

If you have any questions, please give me a call.

Sally W. Bwonfuls

Sincerely,

Sally W. Bloomfield

Enclosure

cc: Shahid Mahmud (w/Enclosure)

Inc. ("AWW"), additional common stock, for cash, for an aggregate sale price not to exceed \$9,000,000 to be completed on or before December 31, 2007.

5. <u>Explanation of the Timing of the Requests:</u> During 2007, it is anticipated that AWW will file an initial public offering ("IPO") before the Securities and Exchange Commission. The completion of this IPO is expected to have the effect that AWW will become a publicly traded company no longer controlled by RWE Aktiengesellschaft ("RWE").

On or before completion of the IPO, the \$5,300,000 owed to American Water Capital Corp. ("AWCC") will require refinancing because RWE is the ultimate lender to AWCC for this debt. The agreements between AWCC and RWE and between AWCC and Ohio-American allow RWE to have the loans repaid early. On or before completion of the IPO, Ohio-American intends to consolidate the long-term debt of \$5,300,000 and short-term debt of up to \$3,000,000 into a single debt offering not to exceed \$8,300,000. This debt offering will constitute a portion of the \$31,000,000 Debt Financing for which Ohio-American seeks approval.

6. <u>Use of the Loan Proceeds:</u> The proposed financing program will extend the maturity of existing loans and obtain funds to refinance loans that are maturing in their ordinary course of business or maturing due to change of control provisions and for purposes of consolidating outstanding loans. In addition, portions of the proceeds would be used to reimburse Ohio-American's treasury for monies actually expended by it for the construction, completion, extension and improvement of its property, for the discharge and lawful refunding of its short-term debt obligations, and other purposes permitted by R.C. 4905.40. After reimbursement of Ohio-American's treasury, the net proceeds will be applied to the repayment of Ohio-American's then outstanding short-term borrowings and for Ohio-American's construction program.

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