

On-Site Systems, Inc. REC'D TN
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Nashville, TN 37209
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OFFICE OF THE
EXECUTIVE SECRETARY

March 9, 2001

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Revision of Docket (NO. 00-01128) Petition to amend CNN - City of
Coopertown

Dear Mr. Waddell:

On-Site Systems would like to revise our petition to amend our Certificate of Convenience and Necessity to include the City of Coopertown in our service area.

(Docket No. 00-01128).

In our letter to you on February 5th, 2001, we requested that our petition for Coopertown be put on hold until the city could review our franchise agreement. After their review, the city passed an ordinance, modifying our franchise agreement to include franchise fees.

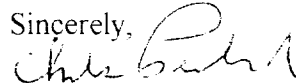
(See attached ordinance)

It is our assumption that these fees would be passed through to the customer in the same manner as other taxes and be included in our monthly billing rate.

With this in mind, we are submitting revised rate schedules and ask that these schedules replace the ones originally submitted in our petition.

We are requesting that our petition be taken off of hold and allowed to proceed through the process.

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

Sincerely,

Charles Pickney, Jr.

ORDINANCE NUMBER 01-01

AN ORDINANCE TO AMEND ORDINANCE 00-13 which established a franchise agreement with On-Site Systems, Inc. for the purpose of providing a system for the proper treatment, movement and disposal of sewage for THE TOWN OF COOPERTOWN.

WHEREAS, it is necessary to establish a franchise fee for the Town of Coopertown;

NOW THEREFORE BE IT ORDAINED that Section 3 of the above mentioned Ordinance be rescinded in its entirety and be replaced by:

Section 3. **BE IT FURTHER ORDAINED**, that this franchise shall be for a term of twenty-five (25) years from the date of acceptance and shall be an exclusive grant of said rights and privileges as herein granted to the Grantee, its successors and assigns.

- A. **BE IT FURTHER ORDAINED** that On-Site Systems, Inc. shall pay to the Town of Coopertown a franchise fee for all paying customers according to the following schedule:
- a) for each residential hook up to the system – a monthly fee of \$4.00;
 - b) for each small commercial or small industrial establishment (using 1000 gallons or less of water per day) – a monthly fee of \$10.00;
 - c) for each large commercial or industrial establishment (using more than 1000 gallons of water per day) – a monthly fee of \$35.00
- B. These franchise fees shall be renewable every five years for the entire term of the franchise. These fees shall remain in effect until June 30, 2006, at which time they may be modified, based on mutual agreement between the Town of Coopertown and On Site Systems, Inc. However, if they are not modified, they should continue in effect at the current rate throughout the remainder of the franchise, or until they are modified within the terms of the franchise agreement.

BE IT FURTHER ORDAINED, that this ordinance shall take effect upon passage of second reading, the public welfare requiring it.

Passed 1st reading February 12, 2001

Passed 2nd reading February 27, 2001

ATTEST:

Herman E. Davis
Herman E. Davis, Mayor

Elsa Spiller
Elsa Spiller, City Recorder

On-Site Systems, Inc. Sewer Service Billing Summary

Residential Sewer Rates

System	Monthly <u>Charge</u>
Oakwood Subdivision - Maury County	\$36.67
Southridge Subdivision - Montgomery County	19.38 + act cost
Swan Harbor - Roane County	\$35.11
River Road Utility District - Cheatham County	\$31.15
Milcrofton Utility District - Williamson Conty	\$37.21
Tall Oaks Subdivision - Blount county	\$35.11
Yoakum Hollow Dev. (Windsor Pt) - Campbell Co.	\$35.11
Shreibman Development - Cannon County	\$35.11
Cornerstone of Mitchell Creek - Overton County	\$35.11
Bolton Area - Shelby County	\$32.68
Harbor Pointe - Dekalb County	\$35.11
Ussery #1 - Sevier County	\$35.11
Hidden Springs Resort - Sevier County	\$35.11
Eagle Crest Development - Sevier County	\$35.11
Legacy Bay - Hawkins County	\$35.11
City of Coopertown - Lagoon	\$34.98
- Sand-Gravel Filter	\$39.11
Fees : Nonpayment - 5%, Disconnection - \$10, Reconnection - \$15, Returned Check - \$20, Access - \$84/yr	

Tariff Rate Sheet

Commercial Sewer Rates - with food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$100 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$94.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$18.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following additional monthly charges per 1,000 gallons of daily flow will apply:

<u>Treatment</u>	<u>Drip Irrigation</u>	<u>Point Discharge</u>	<u>Off Site</u>
Sand-Gravel Filter	\$170.00	\$192.00	N/A
Lagoon	\$142.00	\$163.00	N/A
* Off Site	N/A	N/A	Pass through costs & \$94.00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$142.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows.

For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$210.00
1,001 gallons to 2,000 gallons above expected design flow	\$220.00
Over 2,000 gallons above expected design flow	\$220.00/1,000 gal

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district.

Fees : Nonpayment - 5%

Disconnection - \$10

Reconnection - \$15

Returned Check - \$20

City of Coopertown Franchise Fees:	1,000 gallons per day or less:	\$10.00/month
	Over 1,000 gallons per day:	\$35.00/month

Tariff Rate Sheet

Commercial Sewer Rates - without food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$75 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$73.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$15.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

Disposal

<u>Treatment</u>	<u>Drip Irrigation</u>	<u>Point Discharge</u>	<u>Off Site</u>
<u>Sand-Gravel Filter</u>	\$140.00	\$165.00	N/A
<u>Lagoon</u>	\$116.00	\$140.00	N/A
<u>* Off Site</u>	N/A	N/A	Pass through costs & \$73.00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$116.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$175.00
1,001 gallons to 2,000 gallons above expected design flow	\$200.00
Over 2,000 gallons above expected design flow	\$200.00/1,000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district.

Fees : Nonpayment - 5%

Disconnection - \$10

Reconnection - \$15

Returned Check - \$20

City of Coopertown Franchise Fees:	1,000 gallons per day or less:	\$10.00/month
	Over 1,000 gallons per day:	\$35.00/month