

ON-SITE SYSTEMS, INC.
A PUBLIC UTILITY CO.

January 15, 2002

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

EXECUTIVE SECRETARY

RE: Docket # 01-01128
Expansion of Service Territory (Eagle Crest II)
Clarification of Issues

Dear Mr. Waddell:

In response to your request dated January 15, 2001 for further information to clarify information in connection with the above-referenced petition, we submit the following:

1. Is the proposed service area adjoining any previously approved service territories by this Authority:

ANSWER: Yes, proposed area is adjacent to Eagle Crest.

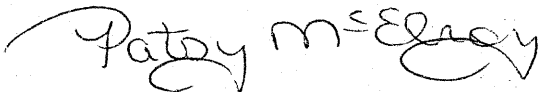
2. Are there any neighboring utility districts that may desire to provide service to the proposed service area?

ANSWER: No. There is no other utility district with the authority to service this area.

3. How many customers are planned for the proposed area and are they only residential?

ANSWER: The area is projected to serve approximate 300 customers, all of which are residential.

Sincerely,



Patsy McElroy
Assistant to Mr. Charles Pickney

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