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January 5, 2005

Ms. Darlene Standley, Chief Utilities Division Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

RE: Tennessee Wastewater Systems, Inc.'s Petition to Amend Certificate of Public Convenience and Necessity to Provide Wastewater Utility Services (Docket No. 04-00394) Williamson County West – request for information.

Dear Ms. Standley:

Tennessee Wastewater has received numerous inquiries from developers about wastewater service in this part of Williamson County. It is adjacent to a large area (Milcrofton Utility District) that the utility has been serving since 1998. At this time, we have a firm commitment from one development company in the proposed service area. The response to your request for information dated December 28, 2004 will be based on that development (Lewisburg Pike project).

1. Please provide the engineering and construction plans for the proposed area including number of customers to be served.

While this development covers a large parcel of property (255 acres), the developer plans to develop Phase I and then hold for a year or two prior to starting the remaining phases. We are proposing to build a treatment system to serve only Phase I at this time, but to construct it so that it is expandable later. Phase I is expected to have 35 homes. At this time only concept plans for the wastewater treatment plant have been discussed.

2. Please provide a detailed estimate of the cost of construction of the system.

It is difficult to estimate construction costs without a set of design plans for the system and not knowing how many provisions the developer wishes to make for the future expansion of the system. Assuming all of Williamson County's

regulations remain in effluent, a rough cost estimate for the Phase I system with a 25% allowance for future expansion provisions is \$250,000.

3. Please provide the projected number of customers for the first five years. Provide a detailed analysis justifying the projected customer growth.

 $\begin{array}{c} 2005-0 \\ 2006-15 \\ 2007-15 \end{array}$ 

2008 – 5

2009 - 0

The above estimates are based on a normal development construction schedule and recent experience with a similar subdivision that this developer built in Williamson County.

Sincerely,

Charles Pickney, Jr.

Tennessee Wastewater Systems, Inc.