

RECEIVED
MARCH 22 2006
T.R.A. DOCKET ROOM

TENNESSEE WASTEWATER SYSTEMS, INC.
A PUBLIC UTILITY CO.

March 22, 2006

Honorable Ron Jones
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

06-00081

RE: Petition to amend Certificate of Convenience and Necessity

Dear Chairman Jones:

Tennessee Wastewater Systems, Inc. desires to expand its service area to include a portion of Sevier County in Tennessee, known as Settlers Ridge. The attached Petition is in support of our request.

Sincerely,



Charles Pickney, Jr., President
Tennessee Wastewater Systems, Inc.

7638 River Road Pike Nashville TN 37209-5733
(615) 356-2880 Fax (615) 356-7295

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

_____, 2006

**IN RE: PETITION OF TENNESSEE WASTEWATER SYSTEMS,
INC. TO AMEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY**

DOCKET No. _____

Petition of Tennessee Wastewater Systems, Inc.
To amend its Certificate of Convenience and Necessity

Tennessee Wastewater Systems, Inc. ("TWS") petitions the Tennessee Regulatory Authority ("TRA") to amend TWS's Certificate of Convenience and Necessity to expand its service area to include a portion of Sevier County known as Settlers Ridge. The project is located off of Manis Hollow Road near Gatlinburg in Sevier County. The property includes parcel 90 and is shown on the enclosed Tax Maps 107 and 117 (see attached "Exhibits A & B"). This development encompasses approximately 100 acres.

We are proposing to provide wastewater service to approximately 40 residential and commercial lots at Settlers Ridge (we are assuming that 50% will be residential). The wastewater system will be designed and constructed to serve 40 lots (approximately 10,000 gallons per day) and can be expanded later if needed. The TDEC application for a permit is being prepared. No contracts have been signed at this point. It is the intention of the parties that TWS will own the collection, treatment, and dispersal system and will own a permanent easement on the property that the system occupies.

Also enclosed, are letters from the Sevier County Mayor and the City Manager of Pigeon Forge stipulating that none of these entities will provide sewer service for these parcels. We have also enclosed a letter from the developer, Matt Naas of Fredrick Dreambuilders, requesting TWS to be the public sewer utility provider for the project.

After approval, the construction of the system, which is comprised of a recirculating sand filter and subsurface drip dispersal, will take approximately 60 days to complete. The developer will pay for the cost of construction. The estimated value of the contribution of aid in construction is approximately \$260,000.00.

Respectfully Submitted,



Charles Pickney, Jr.

Tennessee Wastewater Systems, Inc.

Tennessee Wastewater Systems, Inc.
Sewer Systems with Commercial Customers

System	County
Townsend Town Square – 99-00659	Blount County
Coopertown - 00-01128	Robertson County
East Stewart – 01-00229	Stewart County
Highway 31 Project (Herndon's BP) - 01-00446	Robertson County
Lyles Texaco - 01-00756	Hickman County
Topside Business Park – 01-00220	Blount County
Stewart County West - 02-00477	Stewart County
Cedar Hill Baptist Church – 03-00287	Robertson County
Tims Ford Area – 03-00286	Franklin County
Sunnybrook - 03-00307	Robertson County
Sevier County - 03-00045	Sevier County
Smoky Cove Subdivision – 03-00377	Sevier County
King Branch Road – 03-00386	Sevier County
Weigel's Convenience Store – 03-00519	Roane County
Paris Landing Area – 03-00544	Henry County
Turner's Landing – 04-00053	Hamblen County
Spring Creek Ranch – 04-00123	Shelby County
Marion Womack Property (Creekview Estates) – 04-00170	Sumner County
Arbor Crest Subdivision – 04-00171	Davidson County
Merril Taylor Subdivision - 04-00274	Blount County
Black Bear Ridge Expansion – 04-00045	Sevier County

Tennessee Wastewater Systems, Inc.
Sewer Systems with Commercial Customers

System	County
Legacy Laurel Branch - 04-00045	Sevier County
Legacy Mountain – 04-00045	Sevier County
Legacy the Preserves – 04-00045	Sevier County
Starr Crest II Phase 4 – 04-00045	Sevier County
Timber Tops Rental Center – 04-00045	Sevier County
Trailhead – 04-00045	Sevier County
Wyndsong Subdivision – 04-00395	Blount County
Huffines Development – 04-00393	Robertson County
Williamson County West - 04-00394	Williamson County
Trillium Cove Condominiums – 05-00030	Blount County
Tennessee State Bank-Wears Valley Branch - 05-00042	Sevier County
Marvin Keys RV Park – 05-00071	Cocke County
Brownlee Commercial Building – 05-00078	Blount County
Grainger's Landing Condominiums – 05-00117	Grainger County
German Creek Marina and Resort – 05-00138	Grainger County
Fentress Service Area - 05-00162	Fentress County
Emerald Pointe – 05-00200	Cocke County
Elk Springs Resort – 05-00211	Sevier County
Cedar Hill Area – 05-00212	Robertson County
Brigadoon Resort 05-00241	Roane County

Tennessee Wastewater Systems, Inc.
Sewer Systems with Commercial Customers

System	County
Cross Plains – 05-00293	Robertson County
Keene’s Island - 06-00021	Jefferson County
Sugarloaf Ridge – 06-00022	Sevier County
Summit View - Pending	Sevier County
Parrott’s Bay - Pending	Jefferson County
Griffitts Mill - Pending	Blount County
Settlers Ridge	Sevier County

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	\$200.00/1000 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: 3%

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 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>	\$170.00	\$192.00
	<u>Lagoon</u>	\$142.00	\$163.00
	<u>* Off Site</u>	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	\$220.00/1000 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: 3%

**Tennessee Wastewater Systems, Inc.
Sewer Service Billing Summary
Residential Sewer Rates**

System	Monthly Charge
Oakwood Subdivision – Maury County – 99-00393 - Sheet 1	\$35.11
Southridge Subdivision – Montgomery County – 97-01104 - Sheet 2	\$23.94 + actual costs
Swan Harbor – Roane County – 97-01003 – Sheet 3	\$35.11
River Road Utility District – Cheatham County – 97-01394 – Sheet 4	\$31.15
Milcrofton Utility District – Williamson County – 97-01393 – Sheet 5	\$37.21
Tall Oaks Subdivision – Blount County – 98-00790 - Sheet 6	\$35.11
Yoakum Hollow Dev. (Windsor Pt) – Campbell County – 98-00881 – Sheet 7	\$35.11
Shreibman Development – Cannon County – 98-00880 – Sheet 8	\$35.11
Cornerstone of Mitchell Creek – Overton County – 99-00357 – Sheet 9	\$35.11
Bolton Area – Shelby County - 99-00724 – Sheet 10	\$32.68
Ussery #1- Sevier County – 00-00198 – Sheet 11	\$35.11
Harbor Pointe – Dekalb County – 00-00149 - Sheet 12	\$35.11
Hidden Springs Resort – Sevier County – 00-00379 - Sheet 13	\$35.11
Eagle Crest Development – Sevier County – 01-00234 – Sheet 14	\$35.11
Legacy Bay – Hawkins County – 00-00622 - Sheet 15	\$35.11
Dollywood Project (Dream Catcher Ridge) - Sevier County – 01-00424 – Sheet 16	\$35.11
Homestead Subdivision – Sevier County – 01-00423 – Sheet 17	\$35.11
Rice Property (Blue Water Bay) – DeKalb County – 01-00425 – Sheet 18	\$35.11

**Fees: Nonpayment – 5%, Disconnection - \$10,
Reconnection - \$15, Return Check - \$20, Access - \$84/yr**

Issued: 3-20-06
Issued By: Charles Pickney, Jr., President

Effective Date: May 20, 2006

**Tennessee Wastewater Systems, Inc.
Sewer Service Billing Summary
Residential Sewer Rates**

System	Monthly Charge
East Stewart – Stewart County – 01-00229	
Lagoon – Sheet 19	\$30.98
Fixed Film Treatment – Sheet 20	\$35.11
Eagle Springs Subdivision – Sevier County – 01-00445 – Sheet 21	\$35.11
Jackson Bend Subdivision – Blount County - 01-00221 – Sheet 22	\$35.11
Browning Subdivision – Knox County – 01-00492 – Sheet 23	\$35.11
Starr Crest II – Sevier County - 01-00755 – Sheet 24	\$35.11
City of Coopertown - Robertson County - 00-01128	
Lagoon – Sheet 25	\$30.98 +
	3% Franchise fee
Fixed Film Treatment – Sheet 26	\$35.11 +
	3% Franchise fee
Horseshoe Bend – Bedford County – 01-01025 – Sheet 27	\$35.11
Eagle Crest II - Sevier County – 01-01128 – Sheet 28	\$35.11
Eagle Crest Resort – Sevier County – 01-00183 – Sheet 29	\$35.11
Gnatty Branch Retreat – Sevier County – 02-00055 – Sheet 30	\$35.11
Airbase Road Condominiums – Blount County – 02-00478 - Sheet 31	\$35.11
Goose Creek Area -Williamson County – 02-00172 – Lagoon - Sheet 32	\$35.50
Fixed Film Treatment – Sheet 33	\$40.71
Falling Waters – Sevier County – 02-00782 – Sheet 34	\$35.11
Stewart County West – Stewart County – 02-00477 - Sheet 35	\$35.11
Lighthouse Point Condominiums – Jefferson County – 02-00732 – Sheet 36	\$35.11

**Fees: Nonpayment – 5%, Disconnection - \$10,
Reconnection - \$15, Return Check - \$20, Access - \$84/yr**

Issued: 3-20-06
Issued By: Charles Pickney, Jr., President

Effective Date: May 20, 2006

**Tennessee Wastewater Systems, Inc.
Sewer Service Billing Summary
Residential Sewer Rates**

System	Monthly Charge
The Highlands – Sevier County – 02-00781 – Sheet 37	\$35.11
Highland Cove – Dekalb County – 03-00242 – Sheet 38	\$35.11
Tims Ford State Park Area-Franklin County - 03-00286 - Lagoon – Sheet 39	30.98 + bonding costs
Fixed Film Treatment – Sheet 40	35.11+ bonding costs
Black Bear – Sevier County – 03-00192 – Sheet 41	\$35.11
Sunnybrook – Robertson County – 03-00307 – Sheet 42	\$35.11
Sevier County – Sevier County – 03-00045	Lagoon – Sheet 43 \$30.98
Fixed Film Treatment – Sheet 44	\$35.11
Smoky Cove Subdivision – Sevier County – 03-00377 – Sheet 45	\$35.11
King Branch Road – Sevier County – 03-00386 – Sheet 46	\$35.11
Paris Landing - Henry County – 03-00544 – Lagoon Treatment – Sheet 47	\$30.98
Fixed Film Treatment – Sheet 48	\$35.11
Walnut Grove – Giles County - 04-00054 – Sheet 49	\$35.11
Turner's Landing – Hamblen County – 04-00053 – Sheet 50	\$35.11
Spring Creek Ranch – Shelby County – 04-00123 - Sheet 51	\$35.11
Marion Womack Property (Creekview Estates) – Sumner County – 04-00170 – Sheet 52	\$35.11
Arbor Crest Subdivision – Davidson County – 04-00171 – Sheet 53	\$35.11
Merril Taylor Subdivision – Blount County - 04-00274 – Sheet 54	\$35.11
Black Bear Ridge Expansion – Sevier County – 04-00045 – Sheet 55	\$35.11

**Fees: Nonpayment – 5%, Disconnection - \$10,
Reconnection - \$15, Return Check - \$20, Access - \$84/yr**

**Tennessee Wastewater Systems, Inc.
Sewer Service Billing Summary
Residential Sewer Rates**

System	Monthly Charge
Legacy Laurel Branch – Sevier County – 04-00045 – Sheet 56	\$35.11
Legacy Mountain – Sevier County – 04-00045 – Sheet 57	\$35.11
Legacy the Preserve – Sevier County – 04-00045 – Sheet 58	\$35.11
Starr Crest II Phase 4 – Sevier County – 04-00045 – Sheet 59	\$35.11
Trailhead – Sevier County – 04-00045 – Sheet 60	\$35.11
Wyndsong Subdivision – Blount County – 04-00395 – Sheet 61	\$35.11
Huffines Development – Robertson County – 04-00393 – Sheet 62	\$35.11
Williamson County West - Williamson County – 04-00394-Lagoon –Sheet 63	\$35.50
Fixed Film Treatment –Sheet 64	\$40.71
Trillium Cove Condominiums – Blount County – 05-00030 – Sheet 65	\$35.11
Marvin Keys RV Park – Cocke County – 05-00071- Sheet 66	\$35.11
Blackberry Ridge Subdivision – Bedford County – 05-00111 – Sheet 67	\$35.11
Steve Jones Subdivision – Union County – 05-00116 – Sheet 68	\$35.11
Grainger’s Landing Condominiums – Grainger County – 05-00117 – Sheet 69	\$35.11
German Creek Marina and Resort – Grainger County – 05-00138 – Sheet 70	\$35.11
Smoky Village Subdivision – Sevier County - 05-00145 – Sheet 71	\$35.11
Fentress Service Area – Fentress County – 05-00162 – Lagoon – Sheet 72	\$30.98
Fixed Film Treatment – Sheet 73	\$35.11
Emerald Pointe –Cocke County – 05-00200 – Sheet 74	\$35.11

**Fees: Nonpayment – 5%, Disconnection - \$10,
Reconnection - \$15, Return Check - \$20, Access - \$84/yr**

Issued: 3-20-06
Issued By: Charles Pickney, Jr., President

Effective Date: May 20, 2006

**Tennessee Wastewater Systems, Inc.
Sewer Service Billing Summary
Residential Sewer Rates**

System	Monthly Charge
Elk Springs Resort – Sevier County –05-00211 – Sheet 75	\$35.11
Cedar Hill Area – Robertson County - 05-00212 – Sheet 76	\$35.11
Brigadoon Resort – Roane County – 05-00241 – Sheet 77	\$35.11
Cross Plains – Robertson County – 05-00293 – Sheet 78	Lagoon \$30.98
Lowe’s Ferry Landing – Blount County – 05-00339 – Sheet 79	\$35.11
Riversedge Subdivision Phase II – Decatur County – 05-00340 – Sheet 80	\$35.11
Keene’s Island – Jefferson County – 06-00021	\$35.11
Sugarloaf Ridge – Sevier County – 06-00022	\$35.11
Griffitts Mill – Blount County –(Pending)	\$35.11
Parott’s Bay – Jefferson County –(Pending)	\$35.11
Summit View – Sevier County – (Pending)	\$35.11
Settlers Ridge – Sevier County	\$35.11

**Fees: Nonpayment – 5%, Disconnection - \$10,
Reconnection - \$15, Return Check - \$20, Access - \$84/yr**

Settlers Ridge

Projected Subdivision Build-Out

<u>Total # of homes</u>		
2007	-	10 homes
2008	-	20 homes
2009	-	30 homes
2010	-	40 homes
2011	-	40 homes

Estimated System Costs and Revenues for Five Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Costs	6,100	12,100	18,200	24,300	24,300
Revenues	6,600	13,200	19,800	26,400	26,400



P.O. Box 6820
Sevierville, TN 37864
Fax (865)774-8398
Office (865)774-0671
1-888-976-5566

March 1, 2006

-- Tennessee Waste Water Systems, Inc.

Dear Anita,

This letter is to confirm that Frederick Dreambuilders would desire TN Waste Water Systems, Inc. to provide sewer service to Settlers Ridge.

If you have any questions, please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Matt Naas", is written over a horizontal line.

Matt Naas
Owner
Frederick Dreambuilders

Telephone 865.453.6136
Fax 865.453.6830
E-mail: lwaters@seviercountyttn.org



125 Court Avenue
Suite 201E
Sevierville, TN 37862

Larry Waters *County Mayor*

March 9, 2006

Michael Hines
Tennessee Wastewater Systems, Inc.
P.O. Box 22771
Knoxville, TN 37933-0771

Dear Mr. Hines:

In response to your letter of March 1, 2006, Sevier County has no plans to provide sewer to the property which includes parcel 90, Tax Maps 107 and 117, known as Settlers Ridge, during the next twelve months.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Waters", written over a horizontal line.

Larry Waters
County Mayor



March 9, 2006

Mr. Michael Hines, M.S., P.E.
Tennessee Wastewater Systems, Inc.
P.O. Box 22771
Knoxville, Tennessee 37933-0771

Subject: Settlers Ridge Development

Dear Mr. Hines:

Per your request, this letter serves to advise that the City of Pigeon Forge has no plans to extend City sewerage service to the Settlers Ridge Development within the next twelve (12) months.

Thanks for your inquiry and good luck with this project.

Sincerely,

CITY OF PIGEON FORGE

A handwritten signature in cursive script, reading "Earlene M. Teaster".

Earlene M. Teaster
City Manager

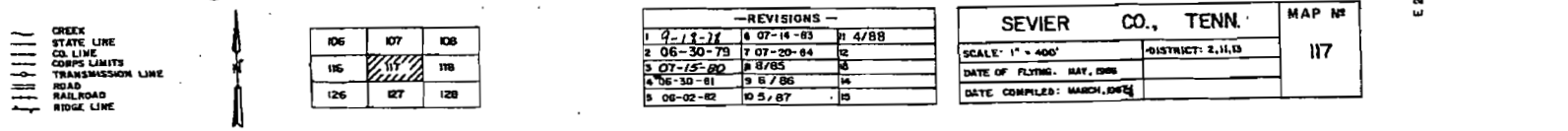
EMT:sgt

c: Mark Miller, Director of Public Works

Settlers Ridge



Settlers Ridge



**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF TENNESSEE WASTEWATER
SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY**

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Docket No. _____

**SETTLERS RIDGE
PRE-FILED DIRECT TESTIMONY OF CHARLES PICKNEY, JR.**

1 Q. State your name for the record and your position with the Petitioner, Tennessee
2 Wastewater Systems, Inc.

3
4 A. Charles Pickney, Jr. I am the president of Tennessee Wastewater Systems, Inc.

5
6 Q. What is the business of Tennessee Wastewater Systems, Inc. (the Company)?

7
8 A. Providing affordable wastewater service in communities where it is presently
9 unavailable.

10
11 Q. When did the Company receive its first certificate from the Authority to operate a
12 sewer system in Tennessee?

13
14 A. April 4, 1994.

15
16 Q. How many certificates has the Company received from the Authority to provide
17 sewer service across the State of Tennessee?

18
19 A. Over 50.

20
21 Q. Does the Company have the management, technical and financial ability to
22 provide wastewater service in the area in Sevier County sought in this Petition?

23
24 A. Yes.

25
26 Q. Is there a stated public need for wastewater service in this area?

27
28 A. The public need for this service is reflected in the letter from the developer Matt
29 Naas of Fredrick Dreambuilders.

30
31

1 Q. How many customers will be served in this development?

2
3 A. Our company expects to serve approximately 40 residential and commercial lots.

4
5 Q. Does this conclude your pre-filed testimony?

6
7 A. Yes.

8
9

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the above and foregoing Pre-Filed Direct Testimony of Charles Pickney, Jr. has been served upon the Tennessee Regulatory Authority, 460 James Robertson Parkway, Nashville, TN 37243-0505 on this 22~~nd~~ day of March 2006 and delivered by hand.



CHARLES PICKNEY, JR.