

TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

June 13, 2006

Jason G. Yarbrow, Esq.
Butler, Snow, O'Mara, Stevens & Canada PLC
6075 Poplar Avenue, Suite 500
Memphis, TN 38119

RE: *Petition of Total Environmental Solutions, Inc. for Expedited Approval of and Authority to Borrow Up to \$17,000,000 to Refinance Outstanding Indebtedness with National Cooperative Services Corp. and Hancock Bank*, TRA Docket No. 06-00095

Dear Mr. Yarbrow:

This letter is in response to the petition filed with the Tennessee Regulatory Authority ("Authority") on April 6, 2006 requesting approval for Total Environmental Solutions, Inc. ("TESI") to refinance outstanding indebtedness. According to the information provided in the petition, TESI plans to enter into a financing program with CoBank, ACB the proceeds of which will be used by TESI to meet its short-term and long term financing needs. TESI indicated in a data response filed with the Authority on May 4, 2006 that no Tennessee assets are being pledged in connection with the proposed financing arrangements.

Based on the description of the transaction and the representations that the financing arrangements will not involve the pledge of Tennessee assets, the transaction itself does not appear to require the approval of the Authority. This conclusion is based solely on the facts as presented in this situation and should not be construed as a statement of general policy regarding the Tennessee Regulatory Authority's jurisdiction to review financing transactions under Tenn. Code Ann. § 65-4-109.

Thank you for notifying the Authority of this transaction. In the event it becomes apparent that the financing transaction will affect any of the TESI assets located in Tennessee, please notify the Authority immediately. Please keep the Authority informed of the subsequent transactions involving TESI operations in Tennessee.

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

Very truly yours,

J. Richard Collier
J. Richard Collier
General Counsel

c: Ron Jones, Chairman
Darlene Standley, Chief of Utilities Division