# TENNESSEE WASTEWATER SYSTEMS, INC. A PUBLIC UTILITY CO.

April 17, 2006

T.R.A. DOCKET ROOM

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

06-00104

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 Happy Creek. 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
DC	OCKET 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 Happy Creek. The project is located off of Happy Creek Road near Sevierville in Sevier County. The property includes parcel 22 and is show on the enclosed Tax Map 36 (see attached "Exhibit A"). This development encompasses approximately 202 acres.

We are proposing to provide wastcwater service to approximately 33 residential and commercial lots at Happy Creek. The wastcwater system will be designed and constructed to serve 33 lots (approximately 8,000 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, Keith L. Hailes of HMR Development. LLC, 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 estimated value of the contribution of aid in construction is approximately \$160,000.00.

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	<b>/</b>
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	y
Tims Ford Area – 03-00286	Franklin County	
Sunnybrook - 03-00307	Robertson County	y
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	i
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 Cour	i nty
Keene's Island - 06-00021	Jefferson Coun	ty 
Sugarloaf Ridge – 06-00022	Sevier County	
Summit View - 06-00078	Sevier County	
Parrott's Bay -06-00077	Jefferson Coun	ty
Griffitts Mill – 06-00076	Blount County	
Settlers Ridge – 06-00081	Sevier County	
Happy Creek	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**

#### **Treatment**

	Drip Irrigation	Point Discharge	Off Site
Sand-Gravel Filter	\$140.00	\$165.00	N/A
Lagoon	\$116 00	\$140.00	N/A
* Off Site	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

#### **Treatment**

	<b>Drip Irrigation</b>	Point Discharge	Off Site
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	\$220.00/1000 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%

System	<b>Monthly Charge</b>
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 1	6 \$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
Face Name 4 50/ Diagram 4 9 010	

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

Issued: 4-13-06 Effective Date: June 13, 2006

Issued By: Charles Pickney, Jr., President

System	7	Monthly (	Charge
East Stewart – Stewart County – 01-00229	Lagoon – Sheet 19 Fixed Film Treatment – Sh	neet 20	\$30.98 \$35.11
Eagle Springs Subdivision – Sevier County – 01-00	)445 – Sheet 21		\$35.11
Jackson Bend Subdivision – Blount County - 01-0	0221 – Sheet 22		\$35.11
Browning Subdivision – Knox County – 01-00492	- Sheet 23	·	\$35.11
Starr Crest II – Sevier County - 01-00755 – Sheet 2	24		\$35.11
City of Coopertown - Robertson County - 00-0112	8 Lagoon – Sheet 25 Fixed Film Treatment – Sh	neet 26	\$30.98 + anchise fee \$35.11 + anchise fee
Horseshoe Bend – Bedford County – 01-01025 – S	heet 27		\$35.11
Eagle Crest II - Sevier County - 01-01128 - Sheet	28	;	\$35.11
Eagle Crest Resort – Sevier County – 01-00183 – S	Sheet 29		\$35.11
Gnatty Branch Retreat – Sevier County – 02-00055	S – Sheet 30		\$35.11
Airbase Road Condominiums – Blount County – C	)2-00478 - Sheet 31		. \$35.11
Goose Creek Area - Williamson County – 02-00172	2 – Lagoon - Sheet 32 Fixed Film Treatment – Sh	heet 33	\$35.50 \$40.71
Falling Waters – Sevier County – 02-00782 – Shee	t 34		\$35.11
Stewart County West – Stewart County – 02-0047	7 - Sheet 35		\$35.11
Lighthouse Point Condominiums – Jefferson Coun	ty – 02-00732 – Sheet 36		,\$35.11

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

Issued: 4-13-06 Effective Date: June 13, 2006

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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  Fixed Film Treatment - Sheet 40	30.98 + bonding costs 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 Fixed Film Treatment – Sheet 44	\$30.98 \$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 Fixed Film Treatment - Sheet 48	\$30.98 \$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	

Issued: 4-13-06
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Effective Date: June 13, 2006

System M	Ionthly 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 Fixed Film Treatment - Sheet 64	\$35.50 \$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 Fixed Film Treatment – Sh	\$30.98 neet 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: 4-13-06 Effective Date: June 13, 2006

Issued By: Charles Pickney, Jr., President

System	<b>Monthly Charge</b>	
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 – Sheet 81	:	\$35.11
Sugarloaf Ridge – Sevier County – 06-00022 – Sheet 82		\$35.11
Griffitts Mill – Blount County – 06-00076 – Sheet 83		\$35.11
Parott's Bay – Jefferson County – 06-00077 – Sheet 84		\$35.11
Summit View – Sevier County – 06-00078 – Sheet 85		\$35.11
Settlers Ridge – Sevier County – 06-00081	•	\$35.11
Happy Creek – Sevier County	:	\$35.11

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

Issued: 4-13-06 Effective Date: June 13, 2006

Issued By. Charles Pickney, Jr., President

# Happy Creek Projected Subdivision Build-Out

## Total # of homes

 2007
 5 homes

 2008
 10 homes

 2009
 20 homes

 2010
 33 homes

 2011
 33 homes

# **Estimated System Costs and Revenues for Five Years**

	2007	2008	2009	2010	2011
Costs	2,800	6,100	12,100	19,800	19,800
Revenues	3,000	6,600	13,200	21,500	21,500

# HMR Development LLC

4478 S.McCall Road Englewood Florida.34224 941-473-1078

April 1st 2006

Tennessee Wastewater Systems Inc P.O Box 22771 Knoxville.TN.37933

Dear Sir,

This letter is to confirm to you that we desire Tennessee Wastewater Systems Inc to be our Sewer Service provider for the Happy Creek project in Sevier County, TN

Sincerely,

Keith L Hailes

Jesier Bounty TENNESSEE

125 Court Avenue

Sevierville, TN 37862

Suite 201E

Telephone 865.453.6136 Fax 865.453.6830

E-mail: lwaters@seviercountytn.org

Larry Waters County Mayor

March 24, 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 20, 2006, Sevier County has no plans to provide sewer to the property which includes parcel 22, Tax Map 36, which is part of the proposed Happy Creek Subdivision, during the next twelve months.

Sincerely,

Larry Waters County Mayor



OFFICE OF CITY MANAGER March 24, 2006

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

RE: Happy Creek Subdivision

Dear Mr. Hines:

The property identified as Parcel 22, Tax Map 36 is beyond the Gatlinburg Corporate City Limits and Planning Region. Therefore, the City of Gatlinburg will not provide sewer service to the property.

Please feel free to contact our office if you have any further questions.

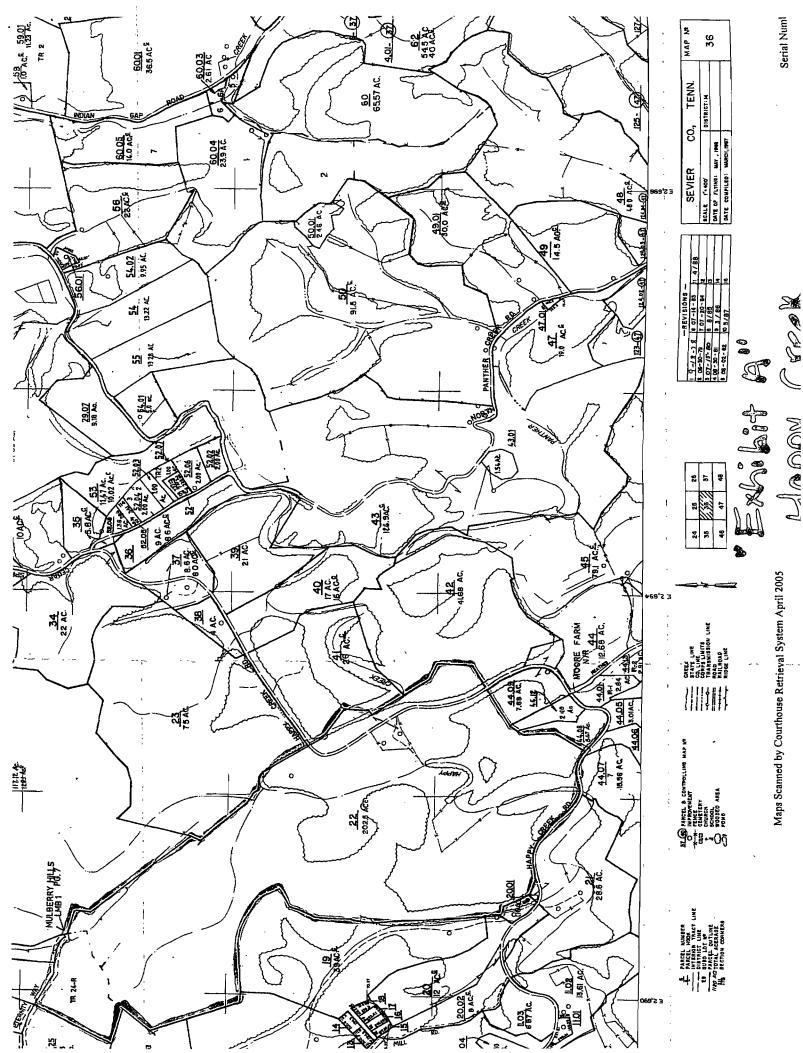
Sincerely,

Cindy C. Ogle

City Manager

DP/sa

cc: Ron Greene, ACM, Public Works Director Dale Phelps, Utility Manager



# BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

	IN R	<b>E</b> :
	SYST CER	ITION OF TENNESSEE WASTEWATER ) Docket No ITEMS, INC. TO AMEND ITS ) ITIFICATE OF CONVENIENCE AND ) ITIFICATE OF CONVENIENCE AND )
	i i	HAPPY CREEK PRE-FILED DIRECT TESTIMONY OF CHARLES PICKNEY, JR.
1 2 3	Q.	State your name for the record and your position with the Petitioner, Tennessee Wastewater Systems, Inc.
4	<b>A</b> .	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 9 10	A	Providing affordable wastewater service in communities where it is presently unavailable.
11 12 13	Q.	When did the Company receive its first certificate from the Authority to operate a sewer system in Tennessee?
14	A.	April 4, 1994.
15 16 17	Q.	How many certificates has the Company received from the Authority to provide sewer service across the State of Tennessee?
18 19	<b>A</b> .	Over 50.
20 21 22	Q.	Does the Company have the management, technical and financial ability to provide wastewater service in the area in Sevier County sought in this Petition?
23 24	$\mathbf{A}^{!}$	Yes.
25 26	Q.	Is there a stated public need for wastewater service in this area?
27 28 29 30	A.	The public need for this service is reflected in the letter from the developer Keith L. Hailes of HMR Development, LLC.
31	:	

1 Q. How many customers will be served in this development?
2 3 A. Our company expects to serve approximately 33 residential and commercial lots.
4 5 Q. Does this conclude your pre-filed testimony?
6 7 A. Yes.

#### **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 1714 day of April 2006 and delivered by hand.

CHARLES PICKNEY, JR.