

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Eddie Roberson, Director
Pat Miller, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

October 6, 2006

Mr. Charles Pickney, Jr., President
Tennessee Wastewater Systems, Inc.
7638 River Road Pike
Nashville, Tennessee 37209-5733

RE: Petition of Tennessee Wastewater Systems to Expand Its Service Area to Include a Portion of Montgomery County in Tennessee Known as East Montgomery Service Area (Docket No. 06-00184).

Dear Mr. Pickney:

A Petition was filed in this Docket on July 13, 2006. Subsequent to the filing, the Tennessee Regulatory Authority ("Authority") received a letter dated August 15, 2006 from the Montgomery County Mayor, Mr. Douglas Weiland, requesting that the Authority deny Tennessee Wastewater's amendment to expand its service territory to include the portion of Montgomery County known as East Montgomery. Mr. Weiland stated that Montgomery County intends to establish a Wastewater Regulatory Authority, pursuant to Tenn. Code Ann. § 68-221-601 through 68-221-618 that will benefit the interests of all county residents. A copy of Mr. Weiland's letter is enclosed.

On September 21, 2006, the Authority received a letter from Carolyn P. Bowers, County Mayor of Montgomery County, requesting that the Petition by TWS, Inc. to expand its service territory to include East Montgomery area be approved; however, maintaining that Montgomery County intends to establish a public Wastewater Regulatory Authority and that you have agreed to work with them in that regard. A copy of Ms. Bowers letter is also enclosed.

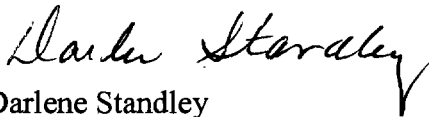
To assist the Authority in its review of Tennessee Wastewater Systems, Inc.'s (TWS) amendment to its Certificate of Convenience and Necessity to provide wastewater utility services to a portion of Montgomery County, Tennessee known as the East Montgomery Service Area, please explain in detail the specific roles both TWS and Montgomery County will have in working together to establish a Wastewater Authority in Montgomery County. In addition to the explanation, please provide the following information:

1. Is there a signed contract between Montgomery County and TWS? If so, please provide the Authority a copy of the contract.
2. Which party will contract for the construction of the system?
3. Which party will own the system?
4. Who will pay for the system that is built?
5. Who will operate the system?

Please provide your response no later than 2:00 P.M. on Thursday October 12, 2006 and reference Docket No. 06-00184. In accordance with TRA rules, submit either one original and thirteen (13) written copies of your response or an original and four (4) written copies and an electronic version.

Should you have any questions regarding this request, please contact Patsy Fulton at 615-741-2904 ext. 193.

Sincerely,



Darlene Standley
Chief of Utilities Division

C. Carolyn Bowers, Mayor of Montgomery County
Henry Walker
Docket File



Montgomery County Government

Douglas Weiland
Mayor

One Millennium Plaza, Suite 205
P.O. Box 368
Clarksville, TN. 37041-0368

Phone 931.648.5787
Fax 931.553.5177

August 14, 2006

Chairman Sara Kyle
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Docket No. 06-00184 – Petition by Tennessee Wastewater Systems to expand its service area to include a portion of Montgomery County known as East Montgomery

Dear Chairman Kyle:

In reference to the above captioned item—Docket No. 06-00184—it is Montgomery County's intent to establish a Water and Wastewater Authority, pursuant to T.C.A. 68-221-601 through 68-221-618. We therefore respectfully ask that the petition by TWS, Inc., to amend its Certificate of Convenience and Necessity (CCN) *not* be approved.

While Tennessee Wastewater Systems has applied to expand service to include a portion of Montgomery County known as East Montgomery, it is Montgomery County Government's desire to explore the creation of a Wastewater Regulatory Authority that is in the best interests of all county residents. As mandated by T.C.A. 68-221-604, the Montgomery County Board of Commissioners shall hold a public hearing; then, if the local legislative body determines that the public convenience and necessity require the creation of an authority, a resolution shall be approved declaring such authority.

Montgomery County is a rapidly growing community, as indicated by our 34% population increase and the overwhelming demand for building permits. We would appreciate the opportunity and time necessary to institute a public Wastewater Regulatory Authority.

Sincerely,

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

Douglas Weiland
County Mayor

CC: Ms. Darlene Standley
Utilities Division Director
Tennessee Regulatory Authority

TRA
08/15/06
11:11 AM



2006 SEP 21 AM 10:36

Carolyn P. Bowers,
Mayor

TRA DOCKET ROOM

Montgomery County Government

P.O. Box 368
Clarksville, TN 37041-0368

Phone (931) 648-5787
Fax (931) 553-5177
mayorbowers@montgomerycountyttn.org

September 19, 2006

Chairman Sara Kyle
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Docket No. 06-00184 – Petition by Tennessee Wastewater Systems
to expand its service area to include a portion of Montgomery County
known as East Montgomery

Dear Chairman Kyle:

In reference to the above captioned case, Montgomery County is requesting that the Petition by TWS, Inc. to expand service to include the East Montgomery area be approved by the Tennessee Regulatory Authority.

We intend to move ahead and take the necessary steps to establish a public Wastewater Regulatory Authority and Mr. Charles Pickney has agreed to work with us in that regard.

Please contact me with any questions regarding this matter.

Sincerely,

Carolyn P. Bowers
County Mayor

CPB/dg