

# TENNESSEE REGULATORY AUTHORITY

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



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

October 12, 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. Applicants for Certificates of Public Convenience and Necessity are required, by statute, to demonstrate their managerial, financial and technical abilities to provide the services for which they seek authority. To assist the Authority in its review of Tennessee Wastewater Systems, Inc.'s (TWS) amendment to its Certificate of Convenience and Necessity to provide a wastewater treatment utility services to East Montgomery Service Area, you are requested to provide the following information:

1. Provide an estimated timeframe for construction of the system including estimated date construction will begin and the date it is estimated to end.
2. The Petition stated that permit #SOP 02014 for the treatment facility has been approved by TDEC. Please provide copies of the approved design and permit for TDEC Permit Number SOP 02014.
3. You stated that this Petition is a solution to the problem of the average sewer bill for this territory being at over \$70.00 per month. Please provide the tariff with the specific rates for which approval is requested pursuant to TRA Rule 1220-4-1-.03 for the sewer system when converted from the Clarksville treatment system to the new TWS system.
4. Will there need to be any changes in the current collection system now being operated by TWS to accommodate the treatment system TWS is building? If so, please itemize the costs associated with updating the current collection system?
5. Please provide the engineering and construction plans for the proposed area including estimated potential number of customers to be served.

6. To establish need, please provide a letter(s) of intent from the developers or developers in the area that have expressed an interest in looking into TWS's system.
7. Who will provide funding for construction of the system? If more than one company/individual, please provide a complete listing.
8. Please provide a detailed estimate of the cost of construction of the system.
9. Provide the proposed depreciation rates including the estimated useful life of all treatment plant and facilities.
10. A pro forma statement of the cost of operating the system and estimated revenues for the first five years.
11. Please provide the projected number of customers for the first five years including a breakdown of the class of customers served (residential, commercial, apartments, recreational, institutional, etc.). Provide a detailed analysis justifying the projected customer growth.
12. Provide an estimate of the maximum capacity of the system being installed in the area requested.
13. For purposes of this Docket, please provide a description of the technology that is being used for the wastewater system in the newly petitioned East Montgomery Service Area.
14. Please provide evidence that the utility owns the land, has a long-term lease or a written easement where the wastewater facilities will be located.

Please provide your response no later than 2:00 P.M. on Friday October 20, 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,

*and for Darlene Standley*

Darlene Standley  
Chief of Utilities Division

C: Docket File