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

August 3, 2006

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

06-00198

RE: Petition to amend Certificate of Convenience and Necessity

#### Dear Chairman Kyle:

Tennessee Wastewater Systems, Inc. desires to expand its service area to include a portion of Sevier County in Tennessee, known as Providence Hills. 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		
DO	CKET No		
	Petition of Tennessee Wastewater Systems, Inc. To amend its Certificate of Convenience and Necessity		
	W. daniel C. da J. (WTWG2) 444 dl T. D. J.d.		

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 Providence Hills. The project is located off of Providence Road near Sevierville in Sevier County. The property includes parcel 19 and is shown on the enclosed Tax Map 19 (see attached "Exhibit A"). This development encompasses approximately 32.7 acres.

We are proposing to provide wastewater service to approximately 90 residential lots and a small commercial store at Providence Hills. The wastewater system will be designed and constructed to serve 90 lots (approximately 18,000 gallons per day) and can be expanded 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 of Sevierville stipulating that none of these entities will provide sewer service for this parcel. We have also enclosed a letter from the developer, Ralph B. Laughton, owner of Providence Hills, 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 \$360,000.00.

Respectfully Submitted,

Charles Pickney, Jr.

Tennessee Wastewater Systems, Inc.

Effective: Sept. 3, 2006

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

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	\$46.55
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	\$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: Aug. 3, 2006

Issued By: Charles Pickney, Jr./President

Effective: Sept. 3, 2006

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

System	Mor	nthly Charge
East Stewart – Stewart County – 01-00229	Lagoon – Sheet 19 Fixed Film Treatment – Sheet	\$30.98 t 20 \$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	Lagoon – Sheet 25 Fixed Film Treatment – Sheet	\$30.98 + 3% Franchise fee t 26  \$35.11 + 3% Franchise 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	5 – Sheet 30	\$35.11
Airbase Road Condominiums – Blount County – G	02-00478 - Sheet 31	\$35.11
Goose Creek Area -Williamson County – 02-00172	2 – Lagoon - Sheet 32 Fixed Film Treatment – Sheet	\$51.33 \$55.46
Falling Waters – Sevier County – 02-00782 – Shee	et 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: Aug. 3, 2006

Issued By: Charles Pickney, Jr./President

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

System	<b>Monthly Charge</b>
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 +
Fixed Film Treatment – Sheet 40	
	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 4-	4 \$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 8 \$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,	

Issued: Aug. 3, 2006

Issued By: Charles Pickney, Jr./President Effective: Sept. 3, 2006

Reconnection - \$15, Return Check - \$20, Access - \$84/yr

Effective: Sept. 3, 2006

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

System	<b>Monthly Charge</b>
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 6. Fixed Film Treatment - Sheet 6.	
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 6	9 \$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 –	\$30.98 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: Aug. 3, 2006

Issued By: Charles Pickney, Jr./President

## 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 – 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 (Pending)		\$35.11
Richland – Humphreys County (Pending)		\$35.11
East Montgomery – Montgomery County (Pending)		\$23.94 + Actual Costs
Providence Hills – Sevier County		\$35.11

Fees: Nonpayment - 5%, Disconnection - \$10,

Reconnection - \$15, Return Check - \$20, Access - \$84/yr

Issued: Aug. 3, 2006

Issued By: Charles Pickney, Jr./President Effective: Sept. 3, 2006

Effective Date: Sept. 3, 2006

## 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

Issued 8-3-06

Issued by: Charles Pickney, Jr. President

## 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

Issued 8-3-06

Issued by: Charles Pickney, Jr. President Effective Date: Sept. 3, 2006

Effective Date: Sept. 3, 2006

## 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 – 06-00078	Sevier County
Parrott's Bay -06-00077	Jefferson County
Griffitts Mill – 06-00076	Blount County
Settlers Ridge – 06-00081	Sevier County
Happy Creek (Pending)	Sevier County
Providence Hills	Sevier County

## **Providence Hills**

## **Projected Subdivision Build-Out**

## Total # of homes

2007 - 45 homes 2008 - 90 homes 2009 - 90 homes 2010 - 90 homes 2011 - 90 homes

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

	2007	2008	2009	2010	<u>2011</u>
Costs	17,300	34,900	34,900	34,900	34,900
Revenues	18,900	37,900	37,900	37,900	37,900

#### **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**

	Drip Irrigation	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%



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

May 22, 2006

Michael Hines Tennessee Wastewater Systems, Inc. P.O. Box 227771 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 19, Tax Map 19, known as Providence Hill.

Sincerely,

Larry Waters

Sevier County Mayor



June 5, 2006

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

Re:

Sewer Service Availability

Providence Hill, Parcel 19, Tax Map 19

At the present time, sewer service is not available to the proposed Happy subdivision.

Should you need any additional information, please call me at 453-1736.

Sincerely,

Stephen W. Flynn

Director

SWF:bjp



Ralph B. Laughton 573 NW 159 Lane Pembroke Pines, FL 33028

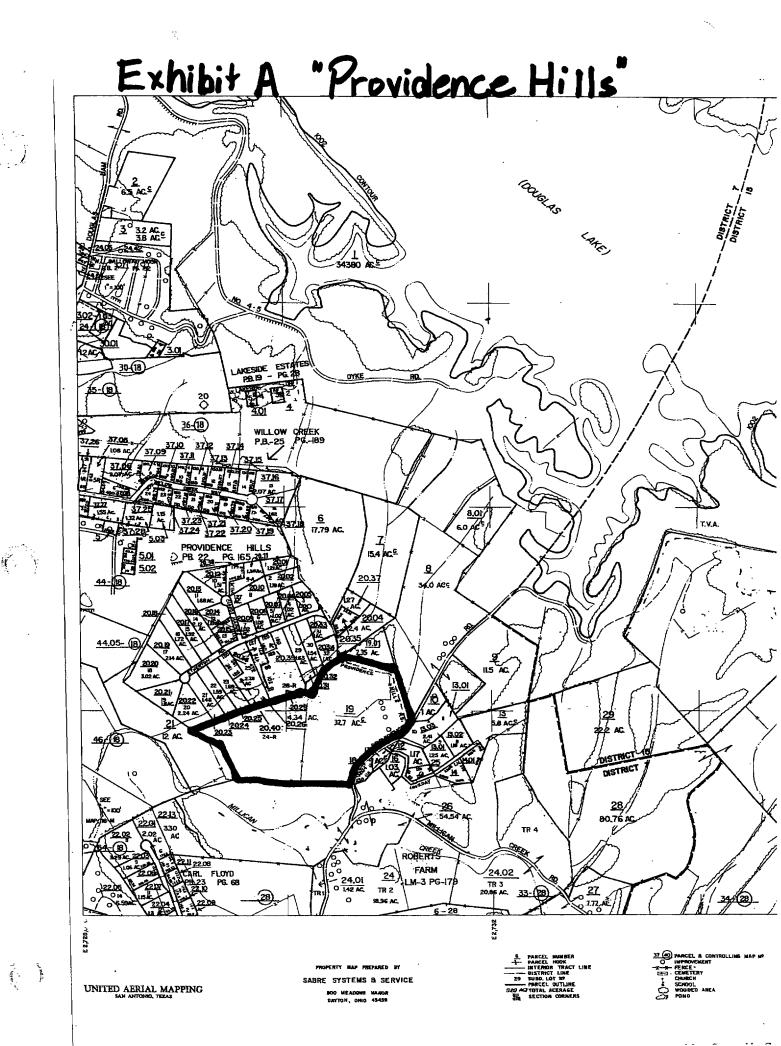
June 29, 2006

Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243

RE: Providence Hills at Douglas Lake

To whom it may concern:

As the owner and president of Providence Hills at Douglas Lake in Sevier County, Tennessee. I request that Tennessee Wastewater Systems, Inc. be the sewer service provider for this project.



1 2 3		BEFORE THE TENNESSEE REGUI NASHVILLE, TENN	
4 5 6	IN R	E:	) )
7	PET]	ITION OF TENNESSEE WASTEWATER	) Docket No
8		FEMS, INC. TO AMEND ITS	)
9		TIFICATE OF CONVENIENCE AND	)
10	NEC	ESSITY	)
11 12			
13		PROVIDENCE H	ILLS
14		PRE-FILED DIRECT TESTIMONY OF	
15			
16			
17	Q.	State your name for the record and your pos	ition with the Petitioner, Tennessee
18		Wastewater Systems, Inc.	
19			
20	A.	Charles Pickney, Jr. I am the president of T	ennessee Wastewater Systems, Inc.
21	0	Maria Con Maria	
22	Q.	What is the business of Tennessee Wastewat	er Systems, Inc. (the Company)?
23 24	A.	Providing affordable wastewater service in c	ommunities where it is presently
2 <del>4</del> 25	A.	unavailable.	ommunities where it is presently
26		unavanaore.	
27	Q.	When did the Company receive its first certi	ficate from the Authority to operate a
28		sewer system in Tennessee?	•
29		·	
30	Α.	April 4, 1994.	
31			
32	Q.	How many certificates has the Company rec	
33		sewer service across the State of Tennessee?	
34		O 70	
35	A.	Over 70.	
36 37	Q.	Will Tennessee Wastewater Systems comply	wwith all applicable Tennessee
38	Q.	Regulatory rules and regulations?	with an approacte remission
39		Regulatory rules and regulations.	
40	A.	Tennessee Wastewater Systems will comply	with all applicable Tennessee
41		Regulatory Authority rules and regulations.	••
42			
43	Q.	Does the Company have the management, to	echnical and financial ability to
44		provide wastewater service in the area in Se	vier County sought in this Petition?
45			
46	Α.	Yes.	

1					
2	Q.	Is there a stated public need for wastewater service in this area?			
3 4 5	A.	The public need for this service is reflected in the letter from the developer Ralph B. Laughton, owner of Providence Hills.			
6 7 8	Q.	How many customers will be served in this development?			
9 10	A.	Our company expects to serve approximately 90 residential lots and a small commercial store.			
11 12	Q.	Does this conclude your pre-filed testimony?			
13 14 15	A.	Yes.			
16 17 18 19 20					
21 22 23 24 25 26	I swea	ar that the foregoing testimony is true and correct to the best of my knowledge.			
27 28 29	Charle	les Pickney, Jr.			
30	Presid				
31 32 33 34	Tenne	essee Wastewater Systems, Inc.			
35	Subsc	ribed and sworn to me this3rdday of August, 2006.			
36 37 38	Notar	y Public Lora M. Klein ORA M. Miller			
39	State	of Tennessee			
40 41 42	Coun				
43	My C	ommission Expires My Commission Expires July 25, 2000			
44		My Commission Expires July 25, 2009			

#### **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 3rd day of August 2006 and delivered by hand.

CHARLES PICKNEY, JR.

Chabo Gily 6