

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**MAY 30, 2007**

electronically filed 5/30/07 @ 2:59pm

*In re: Petition of Tennessee Wastewater*                     )  
*Systems, Inc. to Amend its Certificate of*                     )  
*Convenience and Necessity*                                     )

Docket No. 06-00259

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**TENNESSEE WASTEWATER SYSTEMS, INC.'S RESPONSES TO STARR CREST  
RESORT II and USSERY #1's FIRST ROUND OF DISCOVERY**

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The Tennessee Wastewater Systems, Inc. ("TWS") hereby submits the following responses to the First Set of Discovery Requests from Starr Crest Resort II ("Starr Crest") and Ussery #1 (the "Company") propounded upon TWS.

The following information was provided by Michael Hines, P.E., Founding Principal of Southeast Environmental Engineering, LLC (SEE). SEE is the contracting entity that manages TWS's East Tennessee operations. Mr. Hines is also President of Utility Capacity Corporation, Inc., the contracting entity that designed the sewerage systems for both installations and built the system for Starr Crest Resort II.

**DISCOVERY REQUESTS**

1. What did you think the cabins in question were being built for when you contracted with the Petitioners to provide them wastewater treatment? What were they represented to be built for .Mr. Ussery or anyone else connected with Mr. Ussery?

**RESPONSE:** TWS understood that the cabins were being built either for overnight rentals or residential purposes.

2. Are flow rates of effluent figured differently if property is residential as opposed to any other classification? Is so, how?

**RESPONSE:** Effluent flow rates of individual units may be measured indirectly by checking the time logs of the septic tank effluent pump (STEP logs) or by measuring water usage. Residential customers pay a flat rate, regardless of actual usage. Commercial customers pay a higher rate and are charged an additional fee if the customer's average daily usage over a thirty day period exceeds 300 gallons per day.

3. What are the flow numbers for effluent for each unit in Starr Crest and Ussery #1? Provide the documents from the period May 1,2006 to April 30, 2007.

**RESPONSE:** Because these units are currently classified as residential, no flow data has been recorded for billing purposes. In connection with this proposed re-classification, Petitioner has measured flow rates at selected cabins. This data (attached) is derived from STEP logs at the indicated cabins.

4. At what rates do these Intervenorors pay to Tennessee WasteWater currently?

**RESPONSE:** Customers within Starr Crest Resort II and Ussery #1 are all currently classified as residential and pay a monthly rate of \$35.55 for sewer service, regardless of actual usage.

a. Can a customer of Tennessee WasteWater go over the daily/weekly/monthly capacity?

**RESPONSE:** There is currently no restriction on the amount of flow from a residential customer. Commercial customers pay excess usage charges in accordance with the tariff.

b. At what rate or charge will a customer pay if it goes over the capacity?

**RESPONSE:** Residential customers pay no charge for excess flow. Commercial customers pay a graduated rate for excess flows in accordance with the tariff. That rate is dependent on the type of wastewater produced, original design capacity allotment, and amount by which the allotment was exceeded.

c. Have either of these Intervenorors gone over that rate/capacity from May 1, 2006 to April 30, 2007?

**RESPONSE:** No such data has been collected for billing purposes. See response to question three.

5. What is your increase in cost in providing waste water treatment for these two Intervenor from May 1,2006, to April 30, 2007 regardless of their classification?

**RESPONSE:** The increased usage and the different kind of usage, caused by improper disposal, at overnight rental properties requires Petitioner to pump out tanks more often and to clean pumps and filters more frequently. Over time, it will require Petitioner to expand the treatment system beyond what it was designed for.

a. Describe how it is figured?

**RESPONSE:** See above.

b. Provide the documentation as to how the increase in cost is figured for these two Intervenor for the time period referenced.

**RESPONSE:** See above.

c. To what extent will the waste water treatment costs be increased as a result of your petition, if granted?

**RESPONSE:** See above.

d. How is that justified if the flow rates of effluent stay the same?

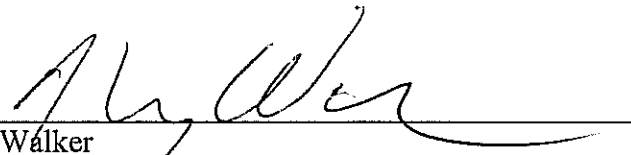
**RESPONSE:** See above.

6. Provide the flow rates of effluent for the other Intervenor in this case for their individual units for the time period of May 1, 2006 to April 20, 2007.

**RESPONSE:** We do not have flow data for each unit in the developments. Attached are periodic flow calculations for selected cabins. The data is derived from STEP pump logs at the indicated cabins.

Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 

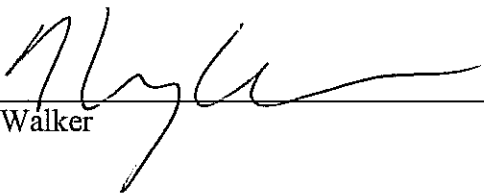
Henry Walker  
1600 Division Street, Suite 700  
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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing is being forwarded via U.S. Mail, to:

Robert G. Wheeler, Jr.  
Attorney at Law  
112 Long Hollow Pike, Suite 208  
Goodlettsville, TN 37072  
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on this the 30 day of May, 2007.

  
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Henry Walker



Sevier County Cabin Sewage Flow Data

				24-May-07		29-May-07	
				Water Meter	Time Elapse (h)	Time Elapse (h)	Water Meter
Resort	Cabin Name	# Bdrms	Lot #	(gal)	(h)	(h)	(gal)
Starr Crest 2	Window to Heaven	5	140	190376	321.06	322.19	191334
	Its Got It All	8	60	138300	98.16	102.3	143660
	Cloud 9	4	62	78714	79.23	80.03	79541
	Tree Top Haven	1	7	62741	77.86	80.42	63788
	Absolute Tranquility	2	67	66173	101.73	102.62	67014
	Mtn Lodge	8	38	420229			426570
	High Adventure	7	40	461935			464100
	Diamond in the Sky	8	37	173673			175855
	Mtn Dream	2	15	192373	312.43	315.8	193772
	Play House	1	7	18549	28.65	29.86	19814
Black Bear	Black Bear Manor	12	11	499904			503520
	Moonlight Lodge	8	13R	320220			322378
	Valhalla Manor	12	12R	543760			545445
	Wet-N-Wild	1	85	157203			157595
	Bear Naked	1	37	140147			140725
	Breathless	4	101	59110			60127
	Angel Crest	4	100	50083			51332
	TN Treasure	2	60	122965			123086
Smoky Cove	Smoky Bear	2	27	2807 Turkey Court	44.81	45.01	
The Highlands	Mt. LeConte Lodge	8	6	1156 Villa Overlook Way	201.93	203.92	
	Mama Bears Cabin	8	4	1152 Villa Overlook Way	287.79	289.23	
	Papa Bears Cabin	8	5	1154 Villa Overlook Way	475.49	475.49	
	Heavens View Lodge	8	3	1148 Villa Overlook Way	374	375.01	
	Blackbeary Lodge	8	2	1140 Villa Overlook Way	377.83	379.77	
	Blackbeary Cobbler	3	1	1132 Villa Overlook Way	264.42	265.29	

<sup>1</sup> Data based on number of days unit rented during period.

	Average Daily		Calculated Gallons Pumped (gal/day) <sup>1</sup>
	Flow (gal/day) <sup>1</sup>		
Starr Crest 2	239.50		118.65
	1072.00		347.76
	275.67		112
	349.00		358.4
	280.33		124.6
	1268.20		
	433.00		
	436.40		
	466.33		471.8
	421.67		169.4
Black Bear	723.20		
	431.60		
	337.00		
	130.67		
	115.60		
	203.40		
	416.33		
	40.33		
Smoky Cove			16.8
The Highlands			167.16
			201.6
			0
			84.84
			162.96
			182.7