

TENNESSEE REGULATORY AUTHORITY

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TRA DOCKET ROOM

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

July 23, 2007

Henry Walker, Esq.
Boult, Cummings, Conners & Berry
1600 Division St., Suite 700
P.O. Box 340025
Nashville, TN 37203

Re: Docket No. 06-00259, *Petition of Tennessee Wastewater Systems, Inc. to Reclassify Specific Resort Areas in Sevier County From Residential to Commercial.*

Dear Mr. Walker:

On July 10, 2007 you filed a letter along with a revised tariff proposed by Tennessee Wastewater Systems, Inc. ("TWS" or the "Company") in this docket. The letter described the changes to the tariff, which amends the existing commercial tariff by creating a subcategory of commercial properties entitled "Overnight Rentals," as well as other terms agreed to by the Company and Starr Crest Resort. To assist the Authority in its review of the proposed settlement and tariff, please respond to the following questions:

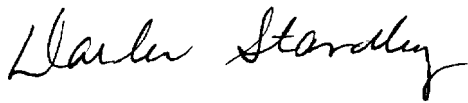
1. Please provide a detailed definition setting forth the conditions that a customer must meet in order to qualify for the proposed "Overnight Rental" tariff rate.
2. Will TWS extend the proposed new minimum bill rate to overnight rentals in its service areas throughout the state?
 - A. If so, how does TWS intend to provide notice to these affected customers?
 - B. If TWS does not propose to extend these rates to all overnight rental customers, please explain.
3. If the new proposed rate is approved and extended throughout TWS' service territory, will any customers receive reduced rates and if so, how many customers will be affected?
4. Please explain and provide all rationale, including documentation, analysis, etc. to justify how overnight rentals are distinguished from other commercial customers (without food) and why they should be placed in a special class to receive a reduced rate, e.g., usage, facilities, maintenance, etc. Please include in your discussion why such a special classification of

customers would not be discriminatory compared to other non-food commercial customers.

5. If TWS files a general rate case, please explain and provide all rationale to justify why overnight rental customers should not bear any portion of a revenue increase proposed by TWS.

Please provide your response no later than 2:00 P.M. on Friday, July 27, 2007 and reference Docket No. 06-00259. Pursuant to TRA Rule 1220-1-1-.03(4), please submit either (a) the original and thirteen (13) copies or (b) four (4) written copies and an electronic version. Should you have any questions regarding this request, please contact David Foster at (615) 741-2904, ext. 188, or Patsy Fulton, ext. 193.

Sincerely,

A handwritten signature in cursive script that reads "Darlene Standley".

Darlene Standley
Chief of Utilities Division

C: Docket File and Parties of Record