

March 15, 2007

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T.R.A. DOCKET ROOM

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

DOCKET FILE NO. 0600259-CHANGE OF SERVICE CLASSIFICATION FOR
SMOKY COVE SUBDIVISION

Dear Chairman Kyle:

We would like to express our concern on a proposed change to the service classification for Smoky Cove Subdivision in Sevier County. We respectfully request that this letter and enclosure be made a part of Docket File No. 0600259.

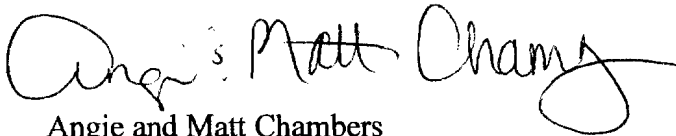
We have reviewed the petition submitted to the Tennessee Regulatory Authority by Mr. Charles Pickney, Jr. of Tennessee Wastewater Systems, Inc. (TWSI) in October 2006. We, as homeowners in Smoky Cove, do not have our home on the rental market and absolutely do not feel that we should be classified as commercial just because we choose to own a home in Smoky Cove where there are some rental cabins.

1. According to our research, TWSI has operated the wastewater system at Hidden Springs Resort in Sevier County for over seven years. This resort has over 150 cabins used as overnight rentals. Using the knowledge gained from this experience, TWSI should have been able to accurately predict waste stream flows for other overnight rental cabins in the same county.
2. According to our developer/builder, at no time during the planning or construction phases of our sewer system did representatives of TWSI indicate there might, in the future, be a possibility that the service provided to Smoky Cove homeowners would be reclassified from residential to commercial. There was never any discussion that the "advertised" number of individuals a home could sleep would dictate a change in service classification.
3. According to our developer, HP Development, LLC initially paid over \$200,000 for installation of our on-site wastewater disposal system. Since the completion of this system, TWSI has not been required to remove any waste from Smoky Cove property.
4. According to our developer, the majority of homes in Smoky Cove are on overnight rental programs. However, it is important to recognize that the annual occupancy rate of these rental homes are less than 50%.
5. Neither the Smoky Cove homeowners nor the developer were notified of TWSI's "Petition to Amend Certificate of Convenience and Necessity 06-00259" that, when approved, would affect rates paid by these parties.

6. In the enclosed undated letter sent by TWSI, Michael Hines provides a guaranteed usage chart. Since TWSI is able to monitor and record actual waste stream flow for individual homes, we would like to suggest that the actual waste stream flow of each affected home in Smoky Cove be monitored for 12 consecutive months before a decision is made to reclassify from Residential to Commercial. We predict that the actual waste stream flow recorded during this period of time will be no more or less than a comparable residential home.
7. TWSI's usage chart states that any customer with a waste stream flow in excess of 300 gallons per day will pay additional charges above their commercial usage rate. The following statement is taken directly from the United States Geological Survey web site: "Estimates vary, but each person uses about 80-100 gallons of water per day." Based on this Government estimate, TWSI has grossly underestimated the water usage for typical residential households.

We appreciate your consideration of the above information before approving TWSI's tariff page issued on January 16, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Angie & Matt Chambers". The signature is fluid and cursive, with the first names being more prominent.

Angie and Matt Chambers
Homeowners, Smoky Cove Resort
426 Foundry Circle
Murfreesboro, TN 37129