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T.R.A. DOCKET ROOM

June 22, 2007

Ms. Darlene Standley
Chief, Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Docket 07-00060
Mr. Jack Strickland
HC Sewage Treatment, LLC

Dear Ms. Standley:

I am in receipt of your letter dated May 21, 2007 to Mr. Jack Strickland of HC Sewage Treatment, LLC. This letter is to confirm Mr. Strickland does have available a \$1,000,000 line of credit for business needs. He has authorized me to inform you of the availability of the line. We do not disclose the terms and conditions of our credit facilities nor the use thereof. I can confirm that Mr. Strickland is a highly valued customer in excellent standing with First Bank & Trust Company.

If you need any further information, please feel free to call me at 423-282-3850.

With kind regards,

Julia N. Bell
Senior Vice President

HAMPTON-CARTER SEWAGE TREATMENT PLANT

June 22, 2007

Re: Tangible assets inventory

To whom it may concern:

This letter is to list the assets of the Hampton-Carter Sewage Treatment facility. This document will also give background information concerning the treatment process and the equipment used.

The utility currently has two customers: a McDonald's/BP convenience center and a Pizza Plus restaurant. The Pizza Plus has two pumps which discharge into the treatment system but the utility is not responsible for the operation or maintenance of this equipment. The McDonald's/BP has a single pump pumping station which is the utility's responsibility. This pump discharges sewage into the treatment system. All the wastewater that comes to the treatment plant flows into the recirculating tank which contains two recirculating pumps. These pumps discharge the wastewater into a recirculating sand filter. After this process repeats several times, the plant effluent gravity flows to a pair of ultraviolet disinfection units. The effluent is disinfected then flows into a post-aeration tank where a centrifugal force blower adds dissolved oxygen to the effluent. From that point it is discharged into Laurel Fork Creek.

The following is a list of main components of the treatment system:

- 3 wastewater pumps – 1 septic tank pump and 2 recirculating pumps all of which are the same size and model. Estimated cost is less than \$300 each.

- Recirculating sand filter – filled with different sizes and densities of aggregate with a lifespan of approximately 20 years at which time it can be cleaned and reused.

- 2 ultraviolet disinfection units – valued at approximately \$1250 each

- 1 centrifugal force blower – estimated price \$1500.

All sewer lines at the treatment plant are PVC and can be replaced at any plumbing supply store.

Currently we have spare parts in stock for all wear items. We have two spare sewer/recirculation pumps. We have one replacement UV lamp which fits either disinfection unit. (Only one unit is used at a time.)

This operation is small and has a tendency to have very few equipment breakdowns. The utility has access to plumbers, electricians, and equipment to handle any emergency at the STP. I have also enclosed photos as reference.

If you have any questions, please feel free to call me at (423)791-2915.

Sincerely,

A handwritten signature in black ink, appearing to read "H. A. Thomason", with a long horizontal flourish extending to the right.

Hugh A. Thomason
Plant Operator
Hampton-Carter STP



