

TENNESSEE WASTEWATER SYSTEMS, INC.

AN ADENUS UTILITY

February 14, 2008

Honorable Eddie Roberson
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

FILED ELECTRONICALLY IN DOCKET OFFICE ON 02/15/08

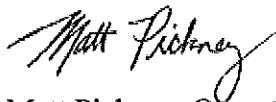
DOCKET NO. 08-00029

RE: Petition to amend Certificate of Convenience and Necessity

Dear Chairman Roberson:

Tennessee Wastewater Systems, Inc. desires to expand its service area to include a portion of Giles County in Tennessee, known as Milky Way Farms. The attached Petition is in support of our request. The proposed updated tariff sheets accompanying this petition are for informational purposes only.

Sincerely,



Matt Pickney, Operations Manager
Tennessee Wastewater Systems, Inc.

851 Aviation Parkway Smyrna, TN 37167
(615) 220-7202 Fax (615) 220-7209

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE
_____, 2008

**IN RE: PETITION OF TENNESSEE WASTEWATER SYSTEMS,
 INC. TO AMEND ITS CERTIFICATE OF
 CONVENIENCE AND NECESSITY**

DOCKET No. _____

Petition of Tennessee Wastewater Systems, Inc.
To amend its Certificate of Convenience and Necessity

Tennessee Wastewater Systems, Inc. ("TWSI") petitions the Tennessee Regulatory Authority ("TRA") to amend TWSI's Certificate of Convenience and Necessity to expand its service area to include a portion of Giles County known as Milky Way Farms. The project is located off of Milky Way Road in Giles County. The property includes parcels 30, 9.00, 9.04, and 30.02 on Tax Map 39 and parcel 16 on Tax Map 50, which are represented on the tax map enclosed (see attached "Exhibit A"). These parcels encompass approximately 1075 acres.

We are proposing to provide wastewater service to approximately 750-900 residential and commercial lots at Milky Way Farms. The initial wastewater system will be constructed to serve 100 residential lots in Phase 1 and Phase 2 at Milky Way Farms. Residential customers will be charged according to residential Rate Class 1, currently set at \$35.49 as of the date of this submittal. Commercial customers will be charged a rate commensurate with their usage volume and will follow the rate structure outlined in the commercial pages of our tariff. The initial wastewater system will be designed and constructed to serve approximately 100 lots (approximately 30,937 gallons per day) and can be expanded if needed. The TDEC application for a permit was submitted February 11, 2008. No contracts have been signed at this point. It is the intention of the parties that TWSI 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 Fairview Utility District and the Giles County Executive stipulating that neither of these entities will provide sewer service for these parcels. We have also enclosed a letter from the developer, Charles Ausburn of Milky Way Farms of Tennessee, LLC, requesting TWSI to be the public sewer utility provider for the project.

After approval, the construction of the system, which is comprised of watertight effluent collection, fixed film treatment, and subsurface drip dispersal, will take approximately 60 days to complete. The estimated value of the contribution in aid of the construction of the initial wastewater system is approximately \$450,000.00.

Respectfully Submitted,



Matt Pickney
Tennessee Wastewater Systems, Inc.

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

IN RE:

PETITION OF TENNESSEE WASTEWATER) Docket No.
SYSTEMS, INC. TO AMEND ITS)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY)

)
)
)
)
)
)

**MILKY WAY FARMS
PRE-FILED DIRECT TESTIMONY OF MATT PICKNEY**

Q. State your name for the record and your position with the Petitioner, Tennessee Wastewater Systems, Inc.

A. Matt Pickney. I am the Operations Manager of Tennessee Wastewater Systems, Inc.

Q. What is the business of Tennessee Wastewater Systems, Inc. (the Company)?

A. Providing affordable wastewater service in communities where it is presently unavailable.

Q. When did the Company receive its first certificate from the Authority to operate a sewer system in Tennessee?

A. April 4, 1994.

Q. How many certificates has the Company received from the Authority to provide sewer service across the State of Tennessee?

A. Over 80.

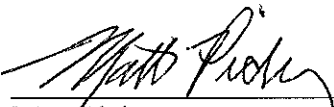
Q. Will Tennessee Wastewater Systems comply with all applicable Tennessee Regulatory rules and regulations?

A. Tennessee Wastewater Systems will comply with all applicable Tennessee Regulatory Authority rules and regulations.

Q. Does the Company have the management, technical and financial ability to provide wastewater service in the area in Giles County sought in this Petition?

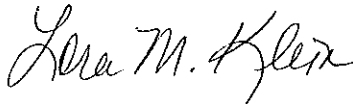
- 1 A. Yes.
2
3 Q. Is there a stated public need for wastewater service in this area?
4
5 A. The public need for this service is reflected in the letter from the developer,
6 Charles Ausburn of Milky Way Farms of Tennessee, LLC.
7
8 Q. How many customers will be served in this development?
9
10 A. Our company expects to serve approximately 750-900 residential and commercial
11 lots.
12
13 Q. Does this conclude your pre-filed testimony?
14
15 A. Yes.
16
17
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19
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21
22

23 I swear that the foregoing testimony is true and correct to the best of my knowledge.
24
25
26
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28
29 
30 Matt Pickney
31 Operations Manager
32 Tennessee Wastewater Systems, Inc.
33
34
35

36 Subscribed and sworn to me this 14th day of February, 2008.

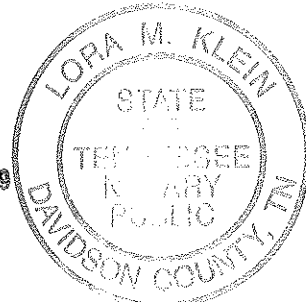
37
38 Notary Public



39
40 State of Tennessee

41
42 County of Davidson

43
44 My Commission Expires My Commission Expires July 25, 2009
45

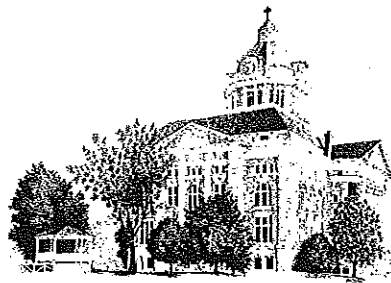


CERTIFICATE OF SERVICE

The undersigned hereby certifies that the above and foregoing Pre-Filed Direct Testimony of Matt Pickney has been served upon the Tennessee Regulatory Authority, 460 James Robertson Parkway, Nashville, TN 37243-0505 on this 14th day of February 2008 and delivered by hand.


MATT PICKNEY

OFFICE OF
JANET PARKER VANZANT
COUNTY EXECUTIVE



The Giles County Courthouse

TELEPHONE
(931) 363-5300
FAX
(931) 424-6101

Giles County, Tennessee

P.O. Box 678 • Pulaski, Tennessee 38478

November 15, 2007

Mr. Oneal McCall
Milky Way Farms
520 Milky Way Road
Pulaski, Tn 38478

Dear Mr. McCall,

This letter is to let you know Giles County does not have sewer services available in our County.

I am sorry we can not help you.

Sincerely,

Janet P. Vanzant
County Executive

FAIRVIEW
UTILITY DISTRICT

P.O. Box 1038
Pulaski, Tennessee 38478
(931) 424-6625

December 20, 2007

Mr. O'Neal McCall, Project Manager
Milky Way Farms of Tennessee, LLC
520 Milky Way Road
Pulaski, TN 38478

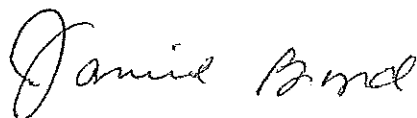
Dear Mr. McCall,

Thank you for your request asking Fairview Utility District to consider the development and management of the Sewer System for the Milky Way Farms Residential and Golf Course Development.

The proposed Sewer System was presented to the Board for consideration and after some study and discussion, elected not to pursue this opportunity.

We look forward to serving your water needs in the future as the Milky Way Farm Development project continues. If you have any questions, please do not hesitate to call me at 931-424-6625.

Sincerely,



Jamie Byrd, Manager
Fairview Water District

JB/rh

Milky Way Farms
520 Milky Way Rd
Pulaski, TN 38478
931-363-9769

Charles Pickney, Jr
Tennessee Wastewater
851 Aviation Parkway
Smyrna, TN 37167

January 4, 2008

Re: Sewer Availability

Mr. Pickney,


We would like to request sewer availability for the Milky Way Farm Development. It is almost 900 acre Development and is planned to be developed as Residential Golf Course Community with a small element of commercial. Fairview Utility District and the County Mayor have declined to serve us.

Availability for our first phase (39 Single Family Residential Units and 21 units for Colt Barn condos) is needed ASAP.

Please let us know if you can provide service.

Thank you for assistance. If you have any questions please call.

Sincerely,


Charles Ausburn

WASTEWATER UTILITY SERVICE

SECTION 4 – RESIDENTIAL RATES SHEET**RATE CLASS 1**

Fixed Film Treatment, Drip Dispersal, Bonding Rate #1 \$35.55

RATE CLASS 2

Fixed Film Treatment, Drip Dispersal, Franchise Rate #1, Bonding Rate #2 \$36.61

RATE CLASS 3

Fixed Film Treatment, Drip Dispersal, Bonding Rate #3 \$46.55

RATE CLASS 4

Fixed Film Treatment, Drip Dispersal, Bonding Rate #4 \$55.46

RATE CLASS 5

Deep Cell Pond Treatment, Drip Dispersal, Bonding Rate #5 \$31.36

RATE CLASS 6

Deep Cell Pond Treatment, Drip Dispersal, Bonding Rate #6, Franchise Rate #2 \$32.31

RATE CLASS 7

Deep Cell Pond Treatment, Point Discharge Dispersal, Bonding Rate #7 \$31.54

RATE CLASS 8

Deep Cell Pond Treatment, Drip Dispersal, Bonding Rate #8 \$51.33

RATE CLASS 9Standard base Collection, Pass-through treatment costs \$24.24 +
Treatment Costs**RATE CLASS 10**

DCP Treatment, Drip Dispersal, Loan Costs, Lease Costs, Bonding Rate #9 \$55.66*

*Applies only to Southridge after the new treatment facility is placed in service

Issued: March 1, 2007

Effective: May 1, 2007

Issued By: Charles Pickney, Jr.
President

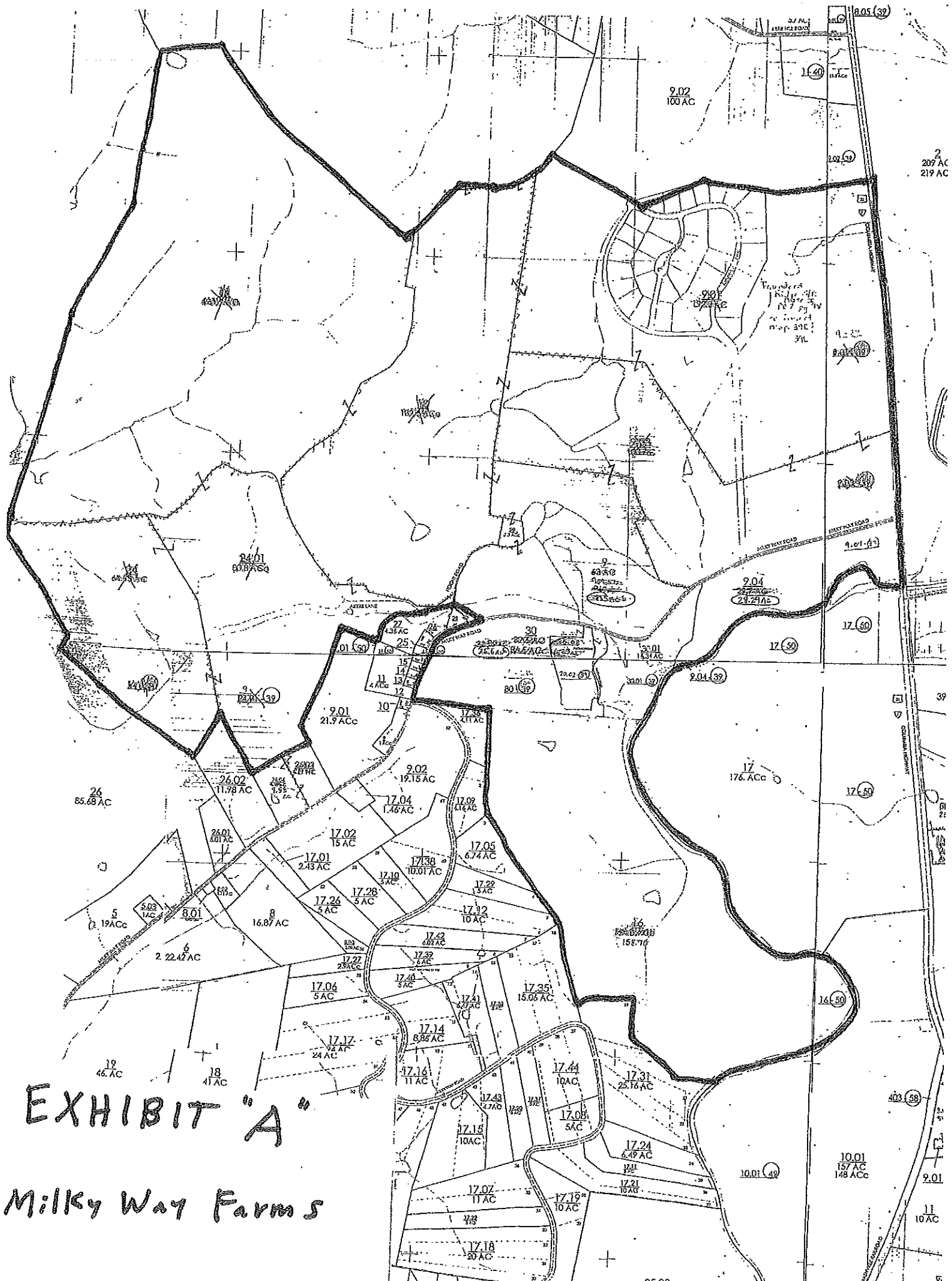


EXHIBIT "A"

Milky Way Farms

PROPERTY CROSS INDEX CARD

COUNTY, TENNESSEE

DISTRICT	MAP NO.	GROUP	PARCEL	WARD	PROPERTY ADDRESS		
13	039		9.04		Milky Way Rd		
OWNER					DATE	BOOK	PAGE
May, Carey					06-02-95	273	471
Mailing Address					P.O. Box 650		
Milky Way Farm of					10-13-06	327	118
TN LLC					Port Royal, SC 2993		
LEGAL DESCRIPTION					DIMENSIONS		ACRE
6/2/95 8,820,000 IWM D							28.2'
10/12/06 8,820,000 IWM D							Ac
APPRaisal					ASSESSMENT		
YEAR	LAND	IMPS	PERSONAL	TOTAL	ASSESSOR	BOARD	

maps 39 and 50
 Patents
 included in map and
 area on Exhibit A
 Totalling approximately
 1,075 Acres

Ref Info
 Map 39

P 30 26.6 A'
 P 9.00 2.5 A'
 P 9.04 28,29 A'
 P 30.02 6.22 A'
 P 16 158.70
 Total Area 1,074.82

IRREVOCABLE STANDBY LETTER OF CREDIT
NUMBER 1088



PrimeTrust
BANK

DATE: March 28, 2007
BENEFICIARY: Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville TN 37243-050

FOR THE ACCOUNT OF: Tennessee Wastewater Systems, Inc.
7638 River Road Pike
Nashville TN 37209

AMOUNT: \$880,632.00

To Whom It May Concern:

You have requested of PrimeTrust Bank, (hereinafter called the "Lender") that we establish an irrevocable letter of credit which will remain available on behalf of Tennessee Wastewater Systems, Inc., (hereinafter the "Company") who has applied to the Tennessee Regulatory Authority (the "Authority") for authority to provide public wastewater services in the State of Tennessee. The purpose of this letter is to secure payment of any monetary obligation imposed against the Company, its representatives, successors or assigns, in any contested case proceeding brought under Tenn. Comp. R. & Regs. Chapter 1220-4-13 by or on behalf of the Authority.

We hereby establish and issue, in favor of the Authority, an irrevocable letter of credit in the amount of \$880,632.00 Dollars lawful money of the United States of America. Upon entry of an Order that finds a monetary obligation pursuant to Chapter 1220-4-13, the Authority may draw upon this letter of credit, at any time and from time to time, by delivering a Letter of Credit Notice, substantially in the form set forth below ("Notice"), which Notice shall specify the amount (the "Draw Amount") to be drawn and the account (the "Bank Account") to which the Draw Amount should be delivered and shall be signed by an official designated and duly authorized by the Authority, to Lender at the address listed below, or to such other address as the Lender shall notify the Authority in writing by certified mail. Promptly after the delivery of each Notice, the Lender hereby covenants and agrees to deliver, by wire transfer of immediately available funds, the Draw Amount to the Bank Account.

This letter of credit shall be deemed automatically renewed without amendment for successive one-year periods and may be canceled by the Lender by giving (30) days advanced written notice by certified mail of such cancellation to the Authority and the Company, it being understood that the Lender shall not be relieved of liability that may have accrued under this letter of credit prior to the date of cancellation.

Failure to renew this letter of credit shall allow the Authority to draw upon it without the necessity of the Authority being required to hold a hearing concerning the Principal's operation or Certificate of Public Convenience and Necessity. In such an event and upon a directive from the Authority, the Lender hereby covenants and agrees to deliver by wire transfer of immediately available funds the maximum sum of this letter of credit to the Bank Account to enable the continued operation of the public wastewater utility.

The Lender Hereby represents and warrants that it is qualified and authorized to issue this letter of credit and is a bank designated by the Treasurer of the State of Tennessee as an authorized depository bank for the deposit of state funds.

Except as otherwise expressly stated, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credit (1993 Revision) International Chamber of Commerce Publication No. 500 or any revisions thereto.

Very Truly Yours,

PrimeTrust Bank
Jimmy Green
Senior Vice President
7651 Highway 70 South
Nashville TN 37221



Secretary of State Business Information Search

[Secretary of State Web Site](#)[Instructions](#)

Name	I.D. Number
TENNESSEE WASTEWATER SYSTEMS, INC.	0263854

Business Type*:	CORPORATION
Profit/Nonprofit:	FOR PROFIT
Status*:	ACTIVE
Date of Formation/Qualification:	03/16/1993
Domestic/Foreign:	DOMESTIC
Place of Incorporation/Organization:	DAVIDSON
Duration:	PERPETUAL
FYC(Fiscal Year Closing) Month:	DECEMBER

Principal Office:**Address Line 1:** 7638 RIVER ROAD**Address Line 2:****City:** NASHVILLE**State:** TN**Zip:** 37209**Other than USA:****Registered Agent:****Name:** LARRY R. WILLIAMS**Address Line 1:** 329 UNION STREET**Address Line 2:****City:** NASHVILLE**State:** TN**Zip:** 372190632**Business Filing History**

* Important Note: Business filing History includes information about (1) the basis for an inactive status and (2) the current true name and filing status of a business with an assumed name or a changed status.

Note: This information is current as of three working days prior to today's date.

[Search Again](#)[Report a Technical Issue](#)

**Class C Water Annual Report
for the
Tennessee Regulatory Authority**

Tennessee Wastewater Systems

2006

Prepared for
The Energy and Water Division

Name of Respondent		This Report is:		Date of Report	Year of Report
Tennessee Wastewater Systems, Inc.		(1) <input checked="" type="checkbox"/> An Original		(Mo, Da, Yr)	
		(2) <input type="checkbox"/> A Resubmission		3/30/07	Dec. 31, 2006
INCOME STATEMENT					
Account Name (a)	Ref Page (b)	Water (c)	Sewer (d)	Other (e)	Total (f)
Gross Revenue:					
Residential		-	539,634	-	539,634
Commercial		-	50,541	-	50,541
Industrial		-	-	-	-
Multi-Family		-	-	-	-
Access Fees		-	63,182	-	63,182
Other (Please Specify)		-	81,459	-	81,459
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Total Gross Revenue			734,816		734,816
Operation & Maint. Expense	W3/S3	-	647,441	-	647,441
Depreciation Expense	F-5	-	286,175	-	286,175
Amortization Expense		-	(286,132)	-	(286,132)
Miscellaneous Expenses		-	19,999	-	19,999
Other Expense (Please Specify)		-	-	-	-
Taxes Other Than Income	F-7	-	57,635	-	57,635
Income Taxes	F-7	-	16,952	-	16,952
Total Operating Expenses			742,070		742,070
Net Operating Income			(7,254)		(7,254)
Other Income:					
Nonutility Income		-	-	-	-
Developer Income		-	118,600	-	118,600
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Total Other Income			118,600		118,600
Other Deductions:					
Misc. Nonutility Expenses		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Total Other Deductions					
Net Income			111,346		111,346

Name of Respondent	This Report is:	Date of Report	Year of Report
Tennessee Wastewater Systems, Inc.	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	3/30/07	Dec. 31, 2006

COMPARATIVE BALANCE SHEET

Account Name (a)	Ref Page (b)	Current Year (c)	Previous Year (d)
ASSETS			
Utility Plant in Service (101-105)	F5/W1/S1	10,031,769	7,570,929
Accum. Depreciation and Amortization (108)	F5/W2/S2	1,243,309	685,521
Net Utility Plant		8,788,460	6,885,408
Cash		457,959	287,980
Customer Accounts Receivable (141)		0	50,113
Land		1,523,380	1,372,363
Other Assets (Please Specify)		0	0
Other Assets (Please Specify)		0	0
Other Assets (Please Specify)		0	0
Total Assets		10,769,799	8,595,864
LIABILITIES AND CAPITAL			
Common Stock Issued (201)	F-6	1,000	1,000
Preferred Stock Issued (204)	F-6	0	0
Other Paid-In Capital (211)		0	0
Retained Earnings (215)	F-6	132,854	305,958
Capital (Proprietary & Partnership-218)	F-6	0	0
Total Capital		133,854	306,958
Long-Term Debt (224)	F-6	99,896	99,896
Accounts Payable (231)		0	0
Notes Payable (232)		130,790	150,599
Customer Deposits (235)		69,159	60,456
Accrued Taxes (236)		27,768	21,927
Other Liabilities (Please Specify)		0	0
Other Liabilities (Please Specify)		0	0
Other Liabilities (Please Specify)		0	0
Other Liabilities (Please Specify)		0	0
Other Liabilities (Please Specify)		0	0
Advances for Construction		0	0
Contributions In Aid Of Const.-Net (271-2)	F-8	8,787,477	8,456,553
Total Liabilities		9,115,090	8,789,431
Total Liabilities & Capital		9,248,944	9,096,389

Name of Respondent Tennessee Wastewater Systems, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 3/30/07	Year of Report Dec. 31, 2006
NET UTILITY PLANT					
Plant Accounts (101-107) Inclusive (a)		Water (c)	Sewer (d)	Other (e)	Total (f)
Utility Plant in Service (101)		0	10,031,769	0	10,031,769
Construction Work in Progress (105)		0	0	0	0
Other (Please Specify)		0	0	0	0
Other (Please Specify)		0	0	0	0
Other (Please Specify)		0	0	0	0
Other (Please Specify)		0	0	0	0
Other (Please Specify)		0	0	0	0
Other (Please Specify)		0	0	0	0
Total Utility Plant		0	10,031,769	0	10,031,769
ACCUMULATED DEPRECIATION AND AMORTIZATION OF UTILITY PLANT					
Account 108 (a)		Water (c)	Sewer (d)	Other (e)	Total (f)
Balance First of Year		0	923,492	0	923,492
Credits During Year:					
Accruals charged to Depreciation Account		0	319,817	0	319,817
Salvage		0	0	0	0
Other Credits (Please Specify):		0	0	0	0
Other Credits (Please Specify):		0	0	0	0
Other Credits (Please Specify):		0	0	0	0
Other Credits (Please Specify):		0	0	0	0
Total Credits		0	319,817	0	319,817
Debits During Year:					
Book/Historical Cost of Plant Retired		0	0	0	0
Cost of Removal		0	0	0	0
Other Debits (Please Specify):		0	0	0	0
Other Debits (Please Specify):		0	0	0	0
Other Debits (Please Specify):		0	0	0	0
Other Debits (Please Specify):		0	0	0	0
Total Debits		0	0	0	0
Balance End of Year		0	1,243,309	0	1,243,309

Name of Respondent Tennessee Wastewater Systems, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 3/30/07	Year of Report Dec. 31, 2006
CAPITAL STOCK (201 - 204)				
(a)		Common Stock (b)	Preferred Stock (c)	
Par or stated value per share		1	-	
Shares Authorized		1,000	-	
Shares issued and outstanding		1,000	-	
Total par value of stock issued		1,000	-	
Dividends declared per share for year		0	0	
RETAINED EARNINGS (215)				
(a)		Appropriated (b)	Unappropriated (c)	
Balance first of year		-	21,508	
Changes during year NET INCOME/(NET LOSS)		-	111,346	
Changes during year (Please Specify)		-	-	
Changes during year (Please Specify)		-	-	
Changes during year (Please Specify)		-	-	
Changes during year (Please Specify)		-	-	
Changes during year (Please Specify)		-	-	
Balance end of year		0	132,854	
PROPRIETARY CAPITAL (218)				
(a) NONE		Proprietor (b)	Partner (c)	
Balance first of year		-	-	
Changes during year (Please Specify)		-	-	
Changes during year (Please Specify)		-	-	
Changes during year (Please Specify)		-	-	
Changes during year (Please Specify)		-	-	
Changes during year (Please Specify)		-	-	
Changes during year (Please Specify)		-	-	
Balance end of year		0	0	
LONG-TERM DEBT (224)				
Obligation including Issue & Maturity Dates (a)		Interest Rate (b)	Year End Balance (c)	
Start-up Loan		0.00%	99,896.00	
Debt #2		0.00%	-	
Debt #3		0.00%	-	
Debt #4		0.00%	-	
Debt #5		0.00%	-	
Debt #6		0.00%	-	
Debt #7		0.00%	-	
Debt #8		0.00%	-	
Debt #9		0.00%	-	
Debt #10		0.00%	-	
Debt #11		0.00%	-	
Debt #12		0.00%	-	
Total Long-Term Debt			99,896	

Name of Respondent Tennessee Wastewater Systems, Inc.	This Report is: (1) <u> X </u> An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 3/30/07	Year of Report Dec. 31, 2006
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TAXES ACCRUED (236)

Description (a)	Water (b)	Sewer (c)	Other (d)	Total (e)
Balance First of year	-	-	-	0
Accruals Charged:				
Federal Income Tax	-	-	-	0
Local Property tax	-	-	-	0
State ad valorem tax	-	27,768	-	27,768
TN State Sales Tax	-	-	-	0
Regulatory Assessment Fee	-	-	-	0
Payroll Tax	-	-	-	0
Other Taxes (Please Specify)	-	-	-	0
Other Taxes (Please Specify)	-	-	-	0
Total Taxes Accrued	0	27,768	0	27,768
Taxes Paid				
Federal Income Tax	-	16,952	-	16,952
Local Property tax	-	-	-	0
State ad valorem tax	-	27,768	-	27,768
TN State Sales Tax	-	-	-	0
Regulatory assessment fee	-	1,555	-	1,555
Payroll Tax	-	-	-	0
Other Taxes (Please Specify)	-	-	-	0
Other Taxes (Please Specify)	-	-	-	0
Total Taxes Paid	0	46,275	0	46,275
Balance End of Year	0	(18,507)	0	(18,507)

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all info concerning rate, management, construction, advertising, labor relations, or other professional services rendered to the Utility for which total payments during the year to any Corp, Ptnshp, indiv, or organization of any kind, amounted to \$500 or more.

[illegible]

Name of Respondent	This Report is:	Date of Report	Year of Report
Tennessee Wastewater Systems, Inc.	(1) <u>X</u> An Original	(Mo, Da, Yr) 3/30/07	Dec. 31, 2006
	(2) A Resubmission		

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

Description (a)	Water (b)	Sewer (c)	Total (d)
Balance First of Year	-	8,221,764	8,221,764
Add Credits During Year	-	2,089,050	2,089,050
Less Charges During Year	-	-	-
Balance End of Year	0	10,310,814	10,310,814
Less Accumulated Amortization	-	319,817	319,817
Net Contributions in Aid of Construction	0	9,990,997	9,990,997

CONDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year (a)	Indicate "Cash" or "Property" (b)	Water (c)	Sewer (d)
Legacy Mountain East Collection System		-	65,000
Legacy Mountain East Treatment System		-	285,000
Smoky Village Collection System		-	19,000
Smoky Village Treatment System		-	81,000
Elk Springs Collection System		-	50,800
Elk Springs Treatment System		-	242,200
Grainger's Landing Collection System		-	39,000
Grainger's Landing Treatment System		-	286,000
Womack's Creekview Estates Collection System		-	6,750
Womack's Creekview Estates Treatment System		-	151,000
Womack's Creekview Estates Land		-	264,000
Boswell Road Collection System		-	131,300
Boswell Road Treatment System		-	173,600
Boswell Road Land		-	281,900
Belle Vista Collection System		-	12,500
Contractor or Developer #16		-	-
Contractor or Developer #17		-	-
Contractor or Developer #18		-	-
Contractor or Developer #19		-	-
Contractor or Developer #20		-	-
Contractor or Developer #21		-	-
Contractor or Developer #22		-	-
Contractor or Developer #23		-	-
Contractor or Developer #24		-	-
Contractor or Developer #25		-	-
Contractor or Developer #26		-	-
Contractor or Developer #27		-	-
Contractor or Developer #28		-	-
Contractor or Developer #29		-	-
Contractor or Developer #30		-	-
Total Credits During Year		0	2,089,050

Name of Respondent Tennessee Wastewater Systems, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 3/30/07	Year of Report Dec. 31, 2006
SEWER OPERATION & MAINTENANCE EXPENSE					N/A
Acct No.	Description (a)			Amount (b)	
701	Salaries & Wages - Employees			-	
703	Salaries & Wages - Officers, Directors & Stockholders			42,787	
704	Employee Pensions & Benefits			-	
710	Purchased Sewage Treatment			67,156	
711	Sludge Removal Expense			-	
715	Purchased Power			-	
716	Fuel for Power Production			-	
718	Chemicals			5,062	
720	Materials & Supplies			-	
730	Contractual Services			376,344	
740	Rents			13,469	
750	Transportation Expense			-	
755	Insurance Expense			-	
765	Regulatory Commission Expense			21,982	
770	Bad Debt Expense			-	
775	Miscellaneous Expenses			120,641	
Total Sewer Operation & Maintenance Expense			647,441		
SEWER CUSTOMERS					
Description (a)	Customers First of Year (b)	Additions (c)	Disconnections (d)	Customers End of Year (e)	
Metered Customers:					
5/8 Inch	-	-	-	-	
3/4 Inch	158	17	-	175	
1.0 Inch	-	-	-	-	
1.5 Inch	-	-	-	-	
2.0 Inch	-	-	-	-	
2.5 Inch	-	-	-	-	
3.0 Inch	-	-	-	-	
4.0 Inch	-	-	-	-	
6.0 Inch	-	-	-	-	
8.0 Inch	-	-	-	-	
Other (Please Specify)	-	-	-	-	
Other (Please Specify)	-	-	-	-	
Other (Please Specify)	-	-	-	-	
Unmetered Customers	755	437	-	1,192	
Total Customers	913	454	0	1,367	

Milky Way Farms

Projected Subdivision Build-Out

		<u>Total # of customers</u>	
		Residential	Commercial
2009	-	25 customers	0 customers
2010	-	50 customers	1 customer
2011	-	75 customers	1 customer
2012	-	100 customers	2 customers
2013	-	125 customers	3 customers

The expected buildout when the subdivision is completed is 125 residential customers and 3 commercial customers.

Estimated System Costs and Revenues for Five Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Costs	\$9795.24	\$20422.68	\$30217.92	\$40845.35	\$51472.79
Revenues	\$10647.00	\$22198.56	\$32845.56	\$44397.12	\$55948.68