## INGRAHAM PAUTIENUS TIDWELL PLLC

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MAY 43 2009

TN REGULATORY AUTHORITY **UTILITIES DIVISION** 

DATE:

May 12, 2009

TO:

Darlene Standley

FAX:

(615) 741-2336

FROM:

Robert M. Pautienus, III

FAX:

(615) 371-8769

TOTAL NUMBER OF PAGES INCLUDING TRANSMITTAL SHEET: 3

Re:

Tennessee Wastewater Systems, Inc.

TRA Docket No. 08-00202

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May 12, 2009

Attn: Darlene Standley Utility Division Chief Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243

> Re: Tennessee Wastewater Systems Inc.; TRA Docket No. 08-00202;

Dear Ms. Standley:

Please be advised that I have been retained to represent the Highland Cove Condominium Association ("Highland Cove").

As you are aware, Tennessee Wastewater Systems Inc. ("TWS") is the public utility company servicing Highland Cove pursuant to a Sewage Facilities Easement and Maintenance Agreement dated July 6, 2004 ("Agreement"). The Agreement was entered between TWS and Waterfront Group Inc., the developer of Highland Cove. Agreement gives TWS the exclusive right to service Highland Cove, the exclusive right to cancel the Agreement, and the right to collect monthly charges as "approved by the Tennessee Regulatory Authority." Based on the terms of the Agreement, it does not appear that Highland Cove has the right to terminate TWS' service, regardless of the fees charged or lack of service provided by TWS. The only level of protection provided to the residents of Highland Cove is the discernment and authority of the Tennessee Regulatory Authority ("TRA").

TWS has requested approval from TRA for a seventy percent (70%) rate increase on the residents of Highland Cove. Highland Cove respectfully requests that TRA deny the requested increase by TWS. TWS has not provided a level of service that warrants its current rates, let alone a rate increase of seventy percent (70%). The minimal level of service being offered by TWS to Highland Cove is documented in Highland Cove's previous correspondences to TRA dated March 3, 2009 and March 16, 2009.

Attn: Darlene Standley Utility Division Chief Tennessee Regulatory Authority May 12, 2009 Page 2

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Highland Cove has requested an opportunity to inspect any and all service and maintenance records of TWS since 2004. TRA, by correspondence dated March 25, 2009, requests a response from TWS as to its intent to supply the reports to Highland Cove. Charles Pickney, Jr., the President of TWS, responded that "as a matter of policy, Tennessee Wastewater ... does not send out maintenance information to customers." The production of these reports to Highland Cove, with a reasonable period of time for Highland Cove to review the reports and provide a response to TRA, should be required before any rate increase is approved.

Because of the Agreement, the residents of Highland Cove are dependent on TRA to protect the residents' best interest. Highland Cove may be agreeable to a reasonable increase after reviewing the service and maintenance records, and upon TWS' consent to amend the Agreement to give Highland Cove a reasonable termination period, that could be exercised in the future, in which Highland Cove could select another service provider, as approved by TRA. As it currently stands, TWS holds the unconscionable right to unilaterally terminate the Agreement. This creates a monopoly whereby TWS can offer any level of service, at any price, with TRA as the only barrier of protection for Highland Cove.

At a very minimum, Highland Cove requests a meeting with TRA and TWS in an attempt to reach a resolution of the outstanding issues in this matter.

I appreciate your attention to this matter and look forward to your prompt response.

Robert M. Pautienus III

RMP/hos

cc: Client - Highland Cove Condominium Association Tennessee Wastewater Systems Incorporation