

TENNESSEE WASTEWATER SYSTEMS, INC.

AN ADENUS UTILITY

January 14, 2009

electronically filed 1/15/09

Honorable Tre Hargett
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

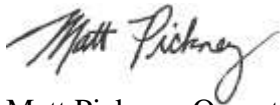
09-00007

RE: Petition to amend Certificate of Convenience and Necessity

Dear Chairman Hargett:

Tennessee Wastewater Systems, Inc. desires to expand its service area to include a portion of Hamblen County in Tennessee, known as The Preserve at Eagle Rock. 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
_____, 2009

**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 Hamblen County known as The Preserve at Eagle Rock. The project is located off Boatman's Mountain Road in Hamblen County. The property includes Parcels 22 and 25 and is outlined in yellow on the enclosed Tax Map 16 (see attached "Exhibits A1 & A2"). This parcel encompasses approximately 145 acres.

We are proposing to provide wastewater service to approximately 109 residential, overnight rental, and commercial units at The Preserve at Eagle Rock. Residential customers will be charged according to residential Rate Class 1, currently set at \$35.49 as of the date of this submittal. The wastewater system will be designed and constructed to serve approximately 109 units (approximately 32,700 gallons per day) and can be expanded if needed. The TDEC application for a permit, received December 27, 2007, has been submitted. The application has been submitted for State approval and permit tracking number SOP-08-006 has been assigned. 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 Mayor of the City of Morristown and the Mayor of Hamblen County stipulating that none of these entities will provide sewer service for this parcel. We have also enclosed a letter from the developer, Mr. Leon Epling, requesting TWSI to be the public sewer utility provider for the project.

After approval, the construction of the system, which is comprised of a recirculating trickling filter 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 \$600,000.

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)

EAGLE ROCK
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 100.

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 Hamblen 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, Mr.
6 Leon Epling of Sunrise Homes, Inc.


7
8 Q. How many customers will be served in this development?

9
10 A. Our company expects to serve approximately 109 residential, overnight rental,
11 and commercial units.

12
13 Q. Does this conclude your pre-filed testimony?

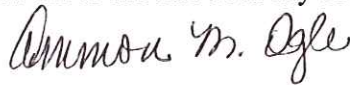
14
15 A. Yes.

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23 I swear that the foregoing testimony is true and correct to the best of my knowledge.

24
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30 
31 Matt Pickney
32 Operations Manager
33 Tennessee Wastewater Systems, Inc.

34
35
36 Subscribed and sworn to me this 14th day of January, 2009.

37
38 Notary Public



39
40 State of Tennessee

41
42 County of Rutherford

43 My Commission Expires on
44 April 22, 2012
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 January 2009 and delivered by hand.

A handwritten signature in cursive script that reads "Matt Pickney". The signature is written in dark ink and is positioned above a horizontal line.

MATT PICKNEY

Sunrise Homes, Inc.
PO Box 1087
Kodak, TN 37764
Office: 865-225-1420
Cell : 865-599-6550
Fax: 865-225-1422

December 29, 2008

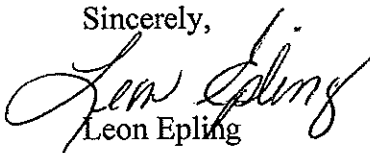
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

To Whom It May Concern:

As the owner/developer of The Preserve at Eagle Rock in Hamblen County, Tennessee, I request that Tennessee Wastewater Systems, Inc. be the sewer provider for this project.

Feel free to contact me if you have any questions.

Sincerely,


Leon Epling

cc: Adam Smith

HAMBLEN COUNTY GOVERNMENT

David W. Purkey
County Mayor



"The People's House"

December 22, 2008

Mr. Michael Hines, Vice-President
Tennessee Wastewater
P.O. Box 22771
Knoxville, TN 37993-0771

Dear Mr. Hines,

As you requested, I am writing to provide clarification to the question concerning the Boatman's Mountain Subdivision properties. Hamblen County does not currently provide sewer services to the properties in question and has no plans to provide them in the future. As stated in the last letter, Hamblen County is not in the sewer business, and has no plans to enter into such.

Thank you.

Sincerely,

David W. Purkey
Hamblen County Mayor

DWP:as

HAMBLLEN COUNTY GOVERNMENT

David W. Purkey
County Mayor



"The People's House"

February 15, 2008

Mr. Michael Hines, Vice-President
Tennessee Wastewater
P.O. Box 22771
Knoxville, TN 37993-0771

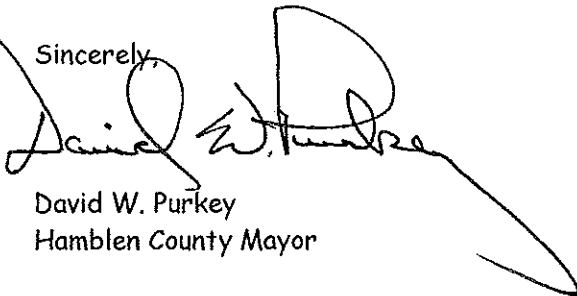
Dear Mr. Hines,

I am in receipt of your letter dated February 7, 2008 inquiring if Hamblen County will be providing sewers to property in Boatman's Mountain Subdivision.

Hamblen County will not be providing sewers to the property in question. Hamblen County is not in the sewer business, and has no plans to enter into such.

Thank you.

Sincerely,



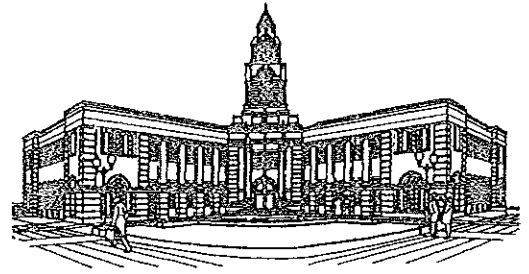
David W. Purkey
Hamblen County Mayor

DWP:kr

City of Morristown

Incorporated 1855

BARBARA C. "SAMI" BARILE
Mayor



19 December 2008

Mr. Michael Hines
Tennessee Wastewater
P. O. Box 22771
Knoxville, TN 37933-0771

Dear Mr. Hines:

Please excuse the delay in replying to your letter. I had understood that the property owner was considering applying to be included in the Morristown Urban Growth Boundary.

At this time, the City of Morristown does not anticipate extending sewer service to the Preserve at Eagle Rock, including Parcels 22 and 25, Tax Map 16, within the next twelve months. If conditions change and the property owner wishes to receive City sewer service, we will be glad to assist as best we can in the process for annexation.

We wish you well in your endeavors to provide service to the Preserve.

Sincerely,

Barbara C. "Sami" Barile, Mayor
City of Morristown

cc: Adam Smith, Southeast Environmental Engineering, LLC

The Preserve at Eagle Rock

Projected Subdivision Build-Out

Total # of customers

		Residential	Overnight Rental	Commercial
2009	-	30 customers	4 customers	1 customer
2010	-	40 customers	12 customers	1 customer
2011	-	50 customers	16 customers	2 customers
2012	-	60 customers	20 customers	3 customers
2013	-	80 customers	25 customers	4 customers

The expected buildout when the subdivision is completed is 4 commercial, 80 residential and 25 overnight rental customers.

Estimated System Costs and Revenues for Five Years

	2009	2010	2011	2012	2013
Cost	\$15,032.06	\$23,841.32	\$31,037.19	\$38,233.07	\$49,958.43
Revenue	\$16,339.20	\$25,914.48	\$33,736.08	\$41,557.68	\$54,302.64

WASTEWATER UTILITY SERVICE**SECTION 4 – RESIDENTIAL RATES SHEET**

	<u>Total</u>	<u>Escrow**</u>
<u>RATE CLASS 1</u>		
Fixed Film Treatment, Drip Dispersal, Bonding Rate #1	\$35.49	\$10.13
<u>RATE CLASS 2</u>		
Fixed Film Treatment, Drip Dispersal, Franchise Rate #1, Bonding Rate #1	\$36.53	\$10.13
<u>RATE CLASS 3</u>		
Fixed Film Treatment, Drip Dispersal, Bonding Rate #1, Bonding Rate #3	\$42.30	\$10.13
<u>RATE CLASS 4</u>		
Fixed Film Treatment, Drip Dispersal, Bonding Rate #1, Bonding Rate #4	\$84.24	\$10.13
<u>RATE CLASS 5</u>		
Deep Cell Pond Treatment, Drip Dispersal, Bonding Rate #1	\$31.36	\$8.43
<u>RATE CLASS 6</u>		
Deep Cell Pond Treatment, Drip Dispersal, Bonding Rate #1, Franchise Rate #2	\$32.29	\$8.43
<u>RATE CLASS 7</u>		
Deep Cell Pond Treatment, Point Discharge Dispersal, Bonding Rate #1	\$31.25	\$7.55
<u>RATE CLASS 8</u>		
Deep Cell Pond Treatment, Drip Dispersal, Bonding Rate #1, Bonding Rate #4	\$80.11	\$8.43
<u>RATE CLASS 9</u>		
Standard base Collection, Pass-through treatment costs	\$24.32	\$6.35
	+ Treatment Costs	
<u>RATE CLASS 10</u>		
DCP Treatment, Drip Dispersal, Loan Costs, Lease Costs, Bonding Rate #1	\$55.36*	\$8.43

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

**Escrow amount is included in the Total

Issued: September 25, 2007

Effective: October 1, 2007

Issued By: Charles Pickney, Jr.
President

WASTEWATER UTILITY SERVICE**COMMERCIAL RATES SHEET****with food service**

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$100 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$94.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$18.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

Disposal

<u>Treatment</u>	<u>Drip Irrigation</u>	<u>Point Discharge</u>	<u>Off Site</u>
<u>Sand-Gravel Filter</u>	\$170.00	\$192.00	N/A
<u>Lagoon</u>	\$142.00	\$163.00	N/A
<u>* Off Site</u>	N/A	N/A	Pass through costs & \$94.00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$142.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows.

For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$210.00
1,001 gallons to 2,000 gallons above expected design flow	\$220.00
Over 2,000 gallons above expected design flow	\$220.00/1000 gallons

- * If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer. ✕

* Off Site means treatment and disposal by another entity such as a city or utility district

Fees: Nonpayment – 5%	Reconnection - \$15	City of Coopertown
Disconnection - \$10	Returned Check - \$20	Franchise Fees: 3%
All rates are subject to a \$0.38 bonding fee		

Issued: September 25, 2007

Effective: October 1, 2007

**Issued By: Charles Pickney, Jr.
President**

WASTEWATER UTILITY SERVICE**SECTION 6 – COMMERCIAL RATES SHEET****without food service**

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$75 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$73.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$15.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

Disposal

<u>Treatment</u>	<u>Drip Irrigation</u>	<u>Point Discharge</u>	<u>Off Site</u>
<u>Sand-Gravel Filter</u>	\$140.00	\$165.00	N/A
<u>Lagoon</u>	\$116.00	\$140.00	N/A
<u>* Off Site</u>	N/A	N/A	Pass through costs & \$73.00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$116.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows.

For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$175.00
1,001 gallons to 2,000 gallons above expected design flow	\$200.00
Over 2,000 gallons above expected design flow	\$200.00/1000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district

Fees: Nonpayment – 5%	Reconnection - \$15	City of Coopertown
Disconnection - \$10	Returned Check - \$20	Franchise Fees: 3%
All rates are subject to a \$0.38 bonding fee		

Issued: September 25, 2007

Effective: October 1, 2007

**Issued By: Charles Pickney, Jr.
President**

WASTEWATER UTILITY SERVICE

SECTION 6 – COMMERCIAL RATES SHEET

Overnight Rental Units

The monthly sewer charge per customer is based on the monthly average daily flow monitored from the unit being served. A minimum of \$55 per month will be charged for up to the first 300 gallons per day of average daily flow. For each additional 100 gallons per day of average daily flow, up to a total of 1,000 gallons per day, an additional charge of \$15.00 per month per 100 gallons will be levied. For average daily flows over 1,000 gallons per day, the following additional monthly charges per 1,000 gallons of average daily flow will apply.

<u>Treatment</u>	<u>Disposal</u>		
	<u>Drip Irrigation</u>	<u>Point Discharge</u>	<u>Off Site</u>
<u>Fixed Film</u>	\$140.00	\$165.00	N/A
<u>Lagoon</u>	\$116.00	\$140.00	N/A

Each customer will be billed the minimum monthly charge unless TWS determines that the customer's measured usage exceeds an average of 300 gallons per day over a thirty day period. Unless otherwise stated in this tariff, measured usage will be based on a customer's actual or estimated usage, averaged over a thirty-day period.

Actual usage may be measured in any of the following ways:

- Effluent flow meter.
- STEP pump. Usage will be measured by multiplying the period of elapsed pumping time shown on the pump times the capacity of the pump.
- In the absence of an effluent flow meter or a STEP pump, usage will be assumed to be equal to the customer's usage of potable water as shown on the customer's potable water meter.

If a customer is charged in excess of the minimum monthly fee, TWS will measure the customer's actual usage at least once every ninety days using one of the methods described above. In any month in which TWS does not measure the company's actual usage, the customer's monthly bill will be based on the customer's estimated monthly usage. No less than once every ninety days TWS will bill (or credit) the customer for any differences between an estimated bill and actual measured usage.

If a customer's usage exceeds the average daily design flow for three consecutive months, the customer may be required to pay any capital costs associated with increasing the capacity of that portion of the system designed and dedicated to serve that customer. For purposes of this section, TWS must measure actual usage for three consecutive months using one of the methods described above.

If TWS determines that a customer's usage meets the criteria described above, TWS will notify the customer in writing of any proposed construction work, the reasons for the work, and the estimated cost to the customer. The notice will also state that if the customer believes that his usage does not meet the criteria described above or that the charge to the customer is unjust and unreasonable, the customer may file a written complaint with the Tennessee Regulatory Authority, located at 460 James Robertson Parkway, Nashville, TN, 37253. Unless the TRA orders otherwise, the filing of a complaint will not delay the proposed construction work but may initiate a proceeding in which the TRA will determine whether, under the terms of this tariff, the customer is responsible for the cost of the construction work.

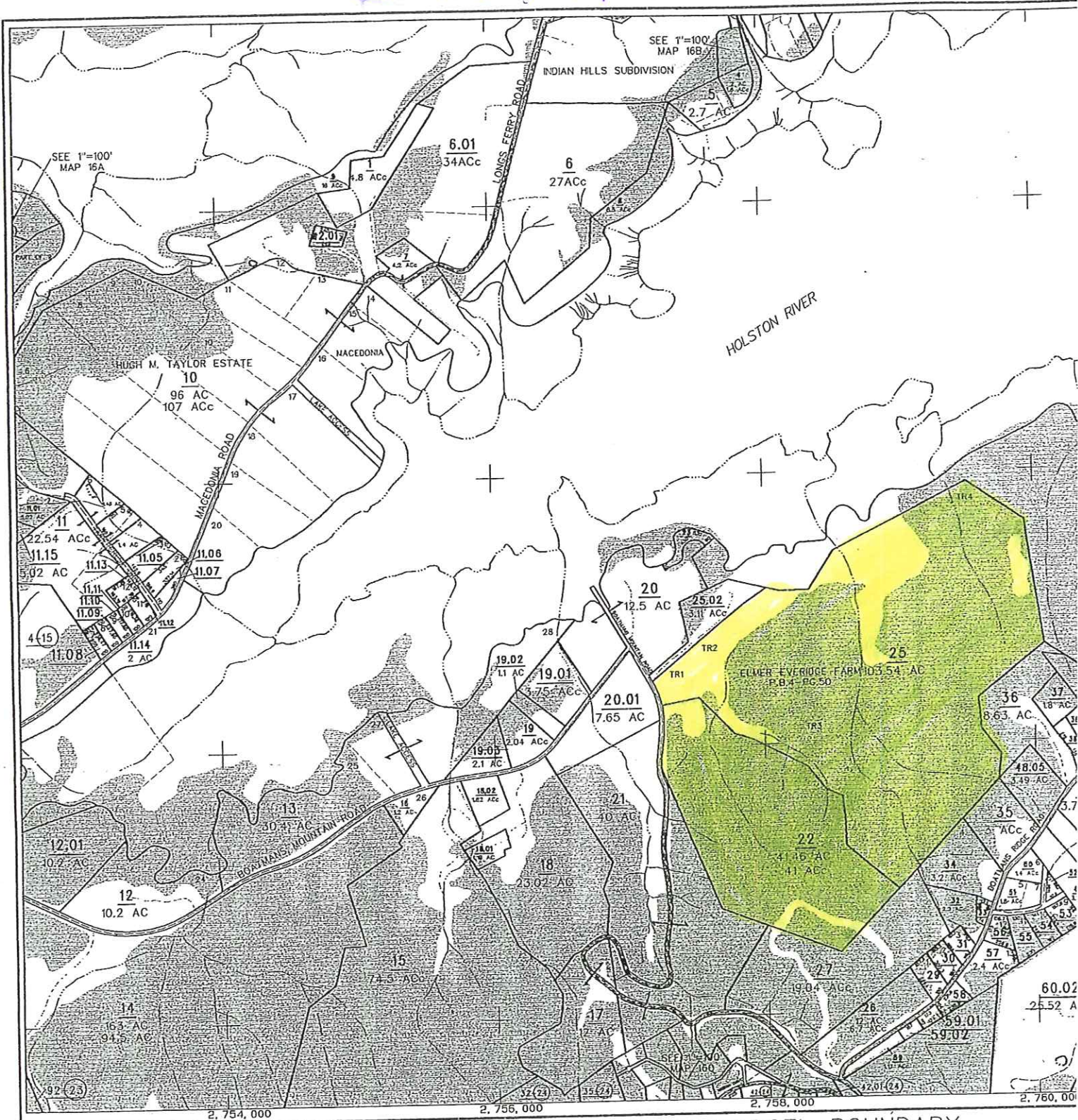
Fees: Nonpayment – 5% Reconnection - \$15
 Disconnection - \$10 Returned Check - \$20
 All rates are subject to a \$0.38 bonding fee

Issued: October 1, 2007

Effective: October 1, 2007

Issued By: Charles Pickney, Jr.
President

Exhibit A-1



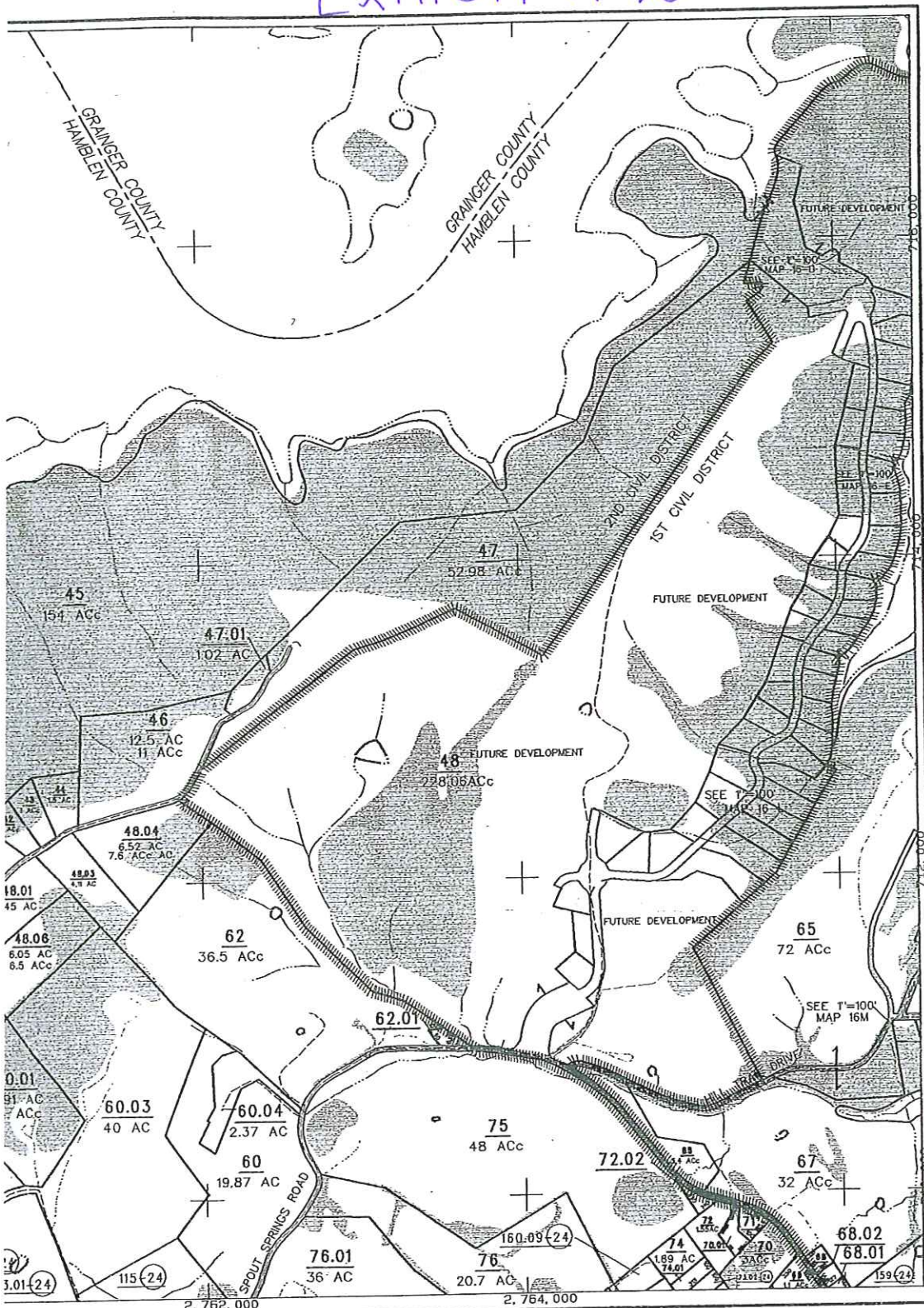
PARCEL BOUNDARY



- | | | |
|---|---|---|
| <ul style="list-style-type: none"> 1. PARCEL NUMBER 12. AC DEED ACREAGE 12. AC CALCULATED ACREAGE 12. AC DEED/PLAT DIMENSION 12. AC SCALED DIMENSION 12. AC SURVEYED DIMENSION 29. SUBD. LOT NO. | <ul style="list-style-type: none"> 4. PARCEL HOOK INTERIOR TRACT LINE DISTRICT LINE PARCEL OUTLINE SECTION CORNERS CO. LINE CORP. LIMITS | <ul style="list-style-type: none"> 21-22. PARCEL & CONTROL MAP NO. CENETERY CHURCH SCHOOL STATE LINE ROAD ROW RAILROAD ROW |
|---|---|---|

REPLACEMENT "THE ONLY" FOR PROPERTY TAX ASSESSMENT PURPOSES AND FIELD CONFIRMATION
FROM PROPERTY RECORDS EXISTING IN THE OFFICE OF THE CLERK OF SUPREMACY
AND TO BE USED AS A GUIDE TO LOCATING PROPERTY OR LOTS, COUSIN, 10/1/2018

Exhibit A-2



ANIMETRIC MAP

STREAM
 ROAD
 TRANSMISSION LINE POLE
 TRANSMISSION LINE TOWER

EDGE OF PAVEMENT W/C/L
 DRIVE
 RIDGE LINE

8	9	10
15	16	17
23	24	25

HAMBLEN COUNTY, TENN

SCALE: 1" = 400'
 PHOTO DATE: February 2000
 COMPILED: June 2001
 LAST REVISION: 2005

DISTRICT 2nd
 TR 8 DATE PLAIN 1009
 HAD 83503 RUND 08
 CITY OF: BORTONSTOWN

MAP N°

16

PinnacleSM

NATIONAL BANK

211 Commerce Street • Suite 300 • Nashville, TN 37201 • (615) 744-3700

IRREVOCABLE STANDBY LETTER OF CREDIT AMENDMENT

Irrevocable Standby Letter of Credit Number: 1088

Amendment Date: July 10, 2008

Original Transaction Date: March 28, 2007

Original Transaction Amount: \$880,632.00 USD

AMENDMENT # 001

Beneficiary:

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-050

Applicant:

Tennessee Wastewater Systems, Inc.
851 Aviation Parkway
Smyrna, TN 37167

At the request of Tennessee Wastewater Systems, Inc., we, "Pinnacle National Bank", hereby amend our irrevocable standby Letter of Credit number 1088 as follows:

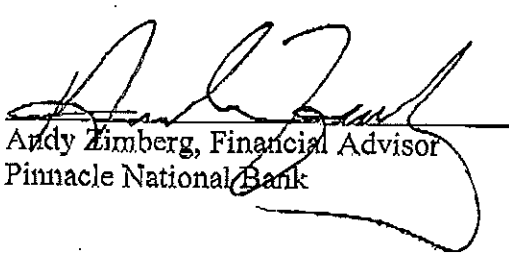
The amount of this credit has been increased from \$880,632.00 to \$1,007,973.00 United States Dollars.

The Applicants address has been changed from: 7638 River Road Pike, Nashville, TN 37209 to 851 Aviation Parkway, Smyrna, TN 37167.

All other terms and conditions remain the same.

All documents should be presented to Pinnacle National Bank, Attn: Letter of Credit Department, 211 Commerce Street, Suite 300, Nashville, TN 37201.

Except so far as otherwise expressly stated, this credit is subject to the Uniform Customs & Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600.



Andy Zimberg, Financial Advisor
Pinnacle National Bank



Secretary of State Web Site

Instructions

Name	I.D. Number
TENNESSEE WASTEWATER SYSTEMS, INC.	0203064
Business Type*:	CORPORATION
Profit/Nonprofit:	FOR PROFIT
Status*:	ACTIVE
Date of Formation/Qualification:	03/10/1993
Domestic/Foreign:	DOMESTIC
Place of Incorporation/Organization:	DAVIDSON
Duration:	PERPETUAL
FYC(Fiscal Year Closing) Month:	DECEMBER
Principal Office:	
Address Line 1:	851 AVIATION PKWY
Address Line 2:	
City:	SMYRNA
State:	TN
Zip:	37107
Other than USA:	
Registered Agent:	
Name:	LARRY R. WILLIAMS
Address Line 1:	329 UNION STREET
Address Line 2:	
City:	NASHVILLE
State:	TN
Zip:	372190832
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.	
<input type="button" value="Search Again"/>	
Report a Technical Issue	

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

Tennessee Wastewater Systems

2007

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 (2) A Resubmission	(Mo, Da, Yr) 4/30/08	Dec. 31, 2007		
INCOME STATEMENT					
Account Name (a)	Ref Page (b)	Water (c)	Sewer (d)	Other (e)	Total (f)
Gross Revenue:					
Residential		-	654,569	-	654,569
Commercial		-	46,421	-	46,421
Industrial		-	-	-	-
Multi-Family		-	-	-	-
Access Fees		-	112,500	-	112,500
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Total Gross Revenue			813,489		813,489
Operation & Maint. Expense	W3/S3	-	1,019,526	-	1,019,526
Depreciation Expense	F-5	-	416,408	-	416,408
Amortization Expense		-	(413,629)	-	(413,629)
Miscellaneous Expenses		-	-	-	-
Other Expense (Please Specify)		-	-	-	-
Taxes Other Than Income	F-7	-	144,843	-	144,843
Income Taxes	F-7	-	37,000	-	37,000
Total Operating Expenses			1,204,149		1,204,149
Net Operating Income			(390,660)		(390,660)
Other Income:					
Nonutility Income		-	18,367	-	18,367
Developer Income		-	216,400	-	216,400
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Total Other Income			234,767		234,767
Other Deductions:					
Misc. Nonutility Expenses		-	26,421	-	26,421
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Total Other Deductions			26,421		26,421
Net Income			(182,314)		(182,314)

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	4/30/08	Dec. 31, 2007
COMPARATIVE BALANCE SHEET				
Account Name (a)	Ref Page (b)	Current Year (c)	Previous Year (d)	
ASSETS				
Utility Plant in Service (101-105)	P5/W1/S1	14,353,859	10,031,769	
Accum. Depreciation and Amortization (108)	P5/W2/S2	1,659,717	1,243,309	
Not Utility Plant		12,694,142	8,788,460	
Cash		577,098	457,959	
Customer Accounts Receivable (141)		100,045	0	
Land		2,755,380	1,523,380	
Other Assets (Please Specify)		0	0	
Other Assets (Please Specify)		0	0	
Other Assets (Please Specify)		0	0	
Total Assets		16,126,668	10,769,799	
LIABILITIES AND CAPITAL				
Common Stock Issued (201)	P-6	1,000	1,000	
Preferred Stock Issued (204)	P-6	0	0	
Other Paid-In Capital (211)		(43,897)	448,125	
Retained Earnings (215)	P-6	140,148	132,854	
Capital (Proprietary & Partnership-218)	P-6	0	0	
Total Capital		97,251	581,979	
Long-Term Debt (224)	P-6	99,896	99,896	
Accounts Payable (231)		169,355	0	
Notes Payable (232)		0	0	
Customer Deposits (235)		85,713	69,159	
Accrued Taxes (236)		0	27,768	
Other Liabilities (Payroll, Intercompany, Escrow)		235,622	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)	P-8	15,438,828	9,990,997	
Total Liabilities		16,029,415	10,187,820	
Total Liabilities & Capital		16,126,668	10,769,799	

Name of Respondent Tennessee Wastewater Systems, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 4/30/08	Year of Report Dec. 31, 2007
NET UTILITY PLANT					
Plant Accounts (101-107) Inclusive (a)		Water (c)	Sewer (d)	Other (e)	Total (f)
Utility Plant in Service (101)		0	14,353,859	0	14,353,859
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	14,353,859	0	14,353,859
ACCUMULATED DEPRECIATION AND AMORTIZATION OF UTILITY PLANT					
Account 108 (a)		Water (c)	Sewer (d)	Other (e)	Total (f)
Balance First of Year		0	1,243,309	0	1,243,309
Credits During Year:					
Accruals charged to Depreciation Account		0	416,408	0	416,408
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	416,408	0	416,408
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	1,659,717	0	1,659,717

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) 4/30/08	Year of Report Dec. 31, 2007
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		-	140,148	
Changes during year NET INCOME/(NET LOSS)		-	(179,535)	
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	(39,387)	
PROPRIETARY CAPITAL (218)				
NONE		Proprietor (b)	Partner (c)	
(a)		(b)	(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		Interest Rate (b)	Year End Balance (c)	
(a)		(b)	(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) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 4/30/08	Year of Report Dec. 31, 2007
TAXES ACCRUED (236)					
Description (a)		Water (b)	Sewer (c)	Other (d)	Total (e)
Balance First of year		-	-	-	0
Accounts Charged:					
Federal Income Tax		-	-	-	0
Local Property tax		-	-	-	0
State ad valorem tax		-	-	-	0
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	0	0	0
Taxes Paid					
Federal Income Tax		-	37,000	-	37,000
Local Property tax		-	-	-	0
State ad valorem tax		-	28,544	-	28,544
TN State Sales Tax		-	-	-	0
Regulatory assessment fee		-	3,019	-	3,019
Payroll Tax		-	-	-	0
Other Taxes (Please Specify)		-	-	-	0
Other Taxes (Please Specify)		-	-	-	0
Total Taxes Paid		0	68,563	0	68,563
Balance End of Year		0	(68,563)	0	(68,563)
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, Pinship, indiv, or organization of any kind, amounted to \$500 or more.					
Name of Recipient		Amount	Description of Service		
Southeast Environmental Engineering		268,767	Management, maintenance and inspection service		
City of Clarksville		75,084	Wastewater treatment		
Bault Cummings		78,102	Professional services		
Blunkenship CPA		8,402	Professional services		
Ballthrop, Perry & Noe		1,235	Professional services		
Pleknay Brothers, Inc.		5,294	Management, maintenance and inspection service		

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) 4/30/08	Year of Report Dec. 31, 2007
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CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

Description (a)	Water (b)	Sewer (c)	Total (d)
Balance First of Year	-	11,554,124	11,554,124
Add Credits During Year	-	5,649,600	5,649,600
Less Charges During Year	-	108,000	108,000
Balance End of Year	0	17,095,724	17,095,724
Less Accumulated Amortization	-	1,656,896	1,656,896
Net Contributions In Aid of Construction	0	15,438,828	15,438,828

ADDITIONS 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)
Abington Ridge Collection	-	-	13,500
Cedar Hill Collection	-	-	30,000
Cedar Hill Land	-	-	320,000
Cedar Hill Treatment	-	-	300,000
Elk Springs Collection	-	-	25,000
Elk Springs Treatment	-	-	250,000
German Creek Collection	-	-	32,500
German Creek Treatment	-	-	267,500
Guffee Farms Collection	-	-	19,800
Guffee Farms Land	-	-	1,020,000
Guffee Farms Treatment	-	-	1,837,700
Legacy Mountain East Collection	-	-	30,000
Legacy Mountain East Treatment	-	-	280,000
Settlers Ridge Collection	-	-	26,000
Settlers Ridge Treatment	-	-	234,000
Smokey Cove Collection	-	-	30,000
Smokey Cove Treatment	-	-	310,000
Smokey Village Collection	-	-	10,800
Smokey Village Treatment	-	-	89,200
Summit View Collection	-	-	19,000
Summit View Treatment	-	-	156,000
Timber Tops Rental Ctr. Treatment	-	-	36,000
Trillium Cove Collection	-	-	10,600
Trillium Cove Treatment	-	-	122,000
Wyndsong Collection	-	-	18,000
Wyndsong Treatment	-	-	162,000
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total Credits During Year	0	0	5,649,600