

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:)	
DOCKET TO EVALUATE)	
AFFILIATE TRANSACTIONS OF)	DOCKET NO. 09-00033
WASTEWATER COMPANIES)	

CONSUMER ADVOCATE'S PROPOSED ISSUES LIST


Robert E. Cooper, Jr., Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"), pursuant to the Hearing Officer's order in this case, hereby submits its Proposed Issues List.

This docket was established by the Authority "to examine the use of affiliates by Tennessee Wastewater Systems Inc., ("TWSI") and other wastewater utilities and to address the application of Tenn. Code Ann. § 65-4-201 to affiliates in the wastewater service industry." It is the Tennessee Regulatory Authority ("TRA") that has decided to perform the evaluation at this time. Further, the Directors or the TRA Staff may well have additional issues, claims and remedies not identified by the Consumer Advocate, which may be addressed in this docket. Consequently, the Consumer Advocate does not waive its right to amend the lists included in this filing in the future.

1. Whether transactions between affiliates are at the lower of cost or market.
2. Whether there is any cross-subsidization involved between affiliates.
3. Whether costs are allocated properly for shared services.
4. Whether any affiliates are used in an anticompetitive way or in restraint of trade.

5. Whether affiliates should be required to make filings of financial information with the TRA.
6. Whether affiliates are used to shield income from regulated activities.
7. Whether executive or owner compensation is reasonable.
8. Whether individual compensation is reasonable.
9. Whether certificates of convenience and necessity ("CCN") are too broad and are used to favor affiliates of the company holding the CCN.
10. Whether the requirement that prior to construction of a public wastewater facility, any builder shall obtain, "a certificated that the present or future public convenience and necessity require or will require such construction" is adhered to as required by Tenn. Code Ann. § 65-4-201 (Supp. 2008).
11. Whether contracts exist between affiliates for services provided, and if so, whether those contracts are the result of a bidding process.
12. Other issues that become known as the discovery process proceeds.

RESPECTFULLY SUBMITTED,


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Dated: May 14, 2009.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Proposed Issues List was served via U.S. Mail or electronic mail upon:

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This the 14 day of May, 2009.



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