

TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

August 16, 2010

Jerry D. Smith
Swan Ridge MCM Utility, Inc
3403 Swan Ridge Road
Hilham, TN 38568

RE: Docket No. 10-00116 - PETITION OF SWAN RIDGE MCM UTILITY, I.N.C. TO
SERVICE SWAN RIDGE LAKE RESORT, LLC WITH WASTEWATER
TREATMENT SERVICE

Dear Mr. Smith:

Please provide the information as outlined on the attached Data Request. Pursuant to TRA Rule 1220-1-1-.03(4), submit either an electronic response along with an original and four (4) written copies or an original written response and thirteen (13) copies.

Please note that the requisite number of written copies of all requested information must be provided to the Docket Manager and electronic responses, if filed, must be in .pdf format.

All information should be provided no later than 2 PM, Friday, August 27, 2010. Should you have questions regarding the attached request, please contact Patsy Fulton at (615) 741-2904 (extension 193) or Tiffany Underwood (extension 172).

Sincerely,

David Foster
Chief, Utilities Division

Attachment (2)

Data Request Dated August 16, 2010

1. Has construction begun on any portion of the wastewater, treatment or collection system? If so, please indicate the start date, how much construction has been completed to date and when you expect the system will be completed. If not, please indicate when system is to be started and completed.
2. Provide a copy of the Swan Ridge MCM Utility, Inc's ("Swan Ridge" or "Utility") most recent bank statement for Swan Ridge.
3. Provide a list of owners of the Utility and the percentage ownership of each.
4. Provide a TDEC tracking permit number.
5. Provide legible, more descriptive maps that show major roads, the layout of the subdivision and location of the wastewater system.
6. What is the interest rate on the loan from Mr. Smith to the Utility?
7. Provide a copy of the contract between the developer and Swan Ridge.
8. Who owns the land where the system will be built?
9. You provided the estimated costs for the Utility for the next five (5) years; however, the system is not going to be constructed for two years. Therefore please provide the estimated costs to include the first five (5) years of "operation".
10. Clarify who will own the wastewater system, land that it is on and the associated drip field at Swan Ridge Lake Resort when construction of the wastewater system is completed.
11. Provide the amount of contributed capital that will be recorded on the Utility's books as a result of the wastewater system and the land being transferred to the Utility.
12. Clarify how many lots the Utility will serve and how the Utility determined the percentage of lots that would need connection to the system? What method of sewage disposal are the remaining lots using?
13. Provide an independent appraisal of the land.
14. Have any lots been sold in Swan Ridge? If any lots have been sold, has an attestation been given stating that wastewater services would be available? Who signed such agreement?
15. Has construction of any of the homes been started on any of the lots? If so, how many?
16. The Pre-Filed Testimony of Jerry Smith states that the CCN is for Swan Ridge Lake Resort, LLC and Mitchell Creek Marina, LLC with references throughout the Testimony to Mitchell Creek Marina, LLC. Please provide a corrected Pre-Filed Testimony for the applicant, Swan Ridge MCM Utility, Inc.
17. Provide a Cost Allocation Manual showing all costs shared by other affiliate companies including, but not limited to, costs such as those listed below:
 - a. Shared Accounting and Tax Services (pg V-c-4 of 10 states "Covered in Mitchell Creek Numbers")
 - b. Shared office or plant telephone lines (pg 26 of Petition)
 - c. Employees from other businesses (pg 26 of Petition)
18. In the Petition, the Utility stated that the insurance costs would be \$5,000 annually. Please explain why these costs were not included in the Utility's budget.
19. Did the Utility incur costs for the letter of credit? If so, please adjust the budget to include these costs.

20. Provide a detailed calculation/price out of how the monthly residential customer charge (\$44.53) was developed.
21. The informational tariff sheet filed within the Petition is for residential and commercial customers; however, there is no mention of commercial customers throughout the rest of the petition. Will the Utility have any commercial customers?