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851 Aviation Parkway  
Smyrna, TN 37167

Date: May 7, 2012

Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

T.R.A. DOCKET ROOM

Re: Docket 11-00112 Response

Please find the following response as evidence to the Authorities Staff recommendations as filed on April 12, 2012 before the Tennessee Regulatory Authority.

1. The Company must provide evidence within (30) days of the Authority Conference at which this report is considered, demonstrating that the questioned charges have been reversed and placed back into escrow.

Response: Tennessee Wastewater Systems Inc. (TWSI) filed its annual report for 2011 and provided detailed evidence of all escrow transactions which included the reversal of the audit recommendations. The ledger detail along with the bank statements supported the Staff recommendations.

2. The Company must provide written procedures the Company will follow regarding billing third parties who are responsible for damages and depositing recoveries from such billings back into escrow reserve.

Response: TWSI no longer uses the escrow account for third party billings. Third party billings are now placed in receivables. The escrow account is reviewed monthly by supervision and detailed accountability is provided annually with the filing of the annual report.

Thank you

Charles Hyatt  
President