

DSH & Associates, LLC  
Engineering/Construction/Utility Services

November 29, 2011

filed electronically in docket office on 11/29/11

Sharla Dillon  
Dockets and Records Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505  
[Sharla.Dillon@tn.gov](mailto:Sharla.Dillon@tn.gov)  
615-741-2904 ext 136

**SUBJECT: PETITION OF DSH & ASSOCIATES, LLC FOR APPROVAL TO AMEND  
ITS RATES AND CHARGES**

Docket Number 11-00162

Dear Ms. Dillon,

Please find enclosed:

- Amended pages to the above listed petition (original and 4 copies).
- Electronic copy delivered by e-mail.

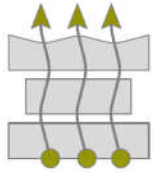
Let me know if you require additional information.

Sincerely,

Douglas S. Hodge, Ph.D., PMP  
Manager  
DSH & Associates, LLC  
4028 Taliluna Avenue  
Knoxville, TN 37919  
Operations Manager  
P: 865-755-8066/F: 866-480-5943  
[Hodge.DSH@gmail.com](mailto:Hodge.DSH@gmail.com)

## **EXHIBIT 1-D**

Customer Notification Letter for  
Rate Change



# DSH & Associates, LLC

*Engineers and Consultants*

July 30th, 2011

**SUBJECT: SEWER UTILITY SERVICES  
LAKESIDE ESTATES**

Dear DSH Utility Services Customers:

On July 11, 2011, the Tennessee Regulatory Authority ("TRA") approved a Certificate of Convenience and Necessity for DSH & Associates, LLC (DSH) to operate a wastewater service in your area. I would like to welcome you to DSH & Associates, LLC and Lakeside Estates. We at DSH & Associates, LLC look forward to providing the best and most environmentally friendly wastewater treatment service. On July 29<sup>th</sup>, 2011, DSH filed a Petition with the TRA to increase your wastewater rates, as the current rates do not provide sufficient revenues to adequately operate the system. The proposed rates are as follows.

We propose 3 basic rates, one if you have not built your home yet and the others as your home is built. First, the rate if you have not built your home yet, is referred to as an *access fee*. The *access fee* is \$120.00 dollars per year and is due on July 1st. What this fee pays for is the maintenance of the lines in the streets and the treatment plant components. Even if no homes are built in the subdivision, maintenance and test records must be maintained to meet state requirements. We use this fee to offset these costs so that when you are ready to connect, the system will be ready for you.

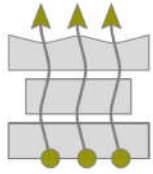
The next proposed rate is the *monthly service rate*. Our new proposed rate for residential customers will decrease from \$54.48 to \$44.53. If you rent your home during any period of time, your rate will be based on usage with a minimum rate of \$69.53 per month. Attachment I outlines DSH's proposed schedule of rates, based on usage.

For these rates we will treat the wastewater to the highest standards and dispose of it into a drip emitter field. We use the fixed film system of treating the wastewater because of its reliability, and it can be maintained more cost effectively than other systems. This is a fully automated PLC controlled system for the utmost reliability. Additionally, you will need to install a septic and pump tank at your home at your expense. We will pump and maintain the septic tank, pump tank and components at no additional cost to you. It should be noted that we do not maintain any plumbing or unstop any blockages in your home, outfall line to the septic tank, or the septic tank itself. Our service and rate schedule includes all lines after your valve and check valve box located near your septic tank.

Additional proposed charges are as follows:

- Service disconnect \$40.00
- Service reconnect all past due amounts with late fees and \$50.00
- Returned Check Fee \$25.00
- A 5% late fee will be added to the total bill on the lot of any month in which we have not received your payment. (within 21 days)

A complete copy of our Petition is on file with the TRA. Prior to these new rates going into effect, a hearing will be conducted before the TRA Directors. A subsequent notice will be issued informing you of the hearing date, time and location.



# DSH & Associates, LLC

*Engineers and Consultants*

The following three items are specifications that are being proposed as part of our Petition and **MUST** be followed by you, the customer, to ensure that your wastewater service gets properly installed and established with DSH:

- You must get a permit from Jefferson County Environmental Health before starting work.
- You must sign and return your Sewer Service Contract Agreement (Form provided as Attachment II).
- A cut off valve between the house and water supply **MUST** be installed. The customer **MUST** grant DSH & Associates, LLC exclusive rights to use such valve to cut off water in order to safely stop wastewater flow if needed. DSH will install for a proposed rate of \$100.00 (Part of Sewer Service Contract).

If you require service to your septic tank and control system, we will provide that service and are proposing, in our TRA Petition, an hourly rate of \$65. You will have an alarm post next to your pump tank or on your house. If there is a power failure, this alarm might go off after the power comes back on due to residual water needing to be pumped out. Wait at least 2 hours and if the alarm is still going off please call the customer service number. If you have had no power failure and the alarm goes off, call customer service without delay. If you need additional assistance, please call our Customer Service number: 865-622-2452.

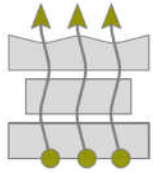
All payments will be sent to:

DSH & Associates, LLC  
P.O. Box 10621  
Knoxville, TN 37939

Again I would like to welcome you to DSH & Associates, LLC and Lakeside Estates. We at DSH & Associates, LLC will do our best to handle your wastewater service needs in an honest and professional manner.

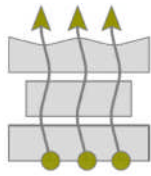
Sincerely,

***Douglas S. Hodge, Ph.D., PMP***  
Manager  
DSH & Associates, LLC



DSH & Associates, LLC  
*Engineers and Consultants*

# Attachment I



DSH & Associates, LLC  
Engineers and Consultants

## RESIDENTIAL RATE SHEET/EXPLANATION

<u>FEES:</u>	<u>TOTAL</u>
Non-Payment	5%
STEP System Installation	\$6,000
Tap Fee	see table
Disconnection	\$ 40.00
Reconnection	\$ 50.00
Returned Check	\$ 25.00
Access Fee	\$120/yr

\*Escrow amount is included in total \$17.94

\*\* Tap fee is for homes with 3 bedrooms or less

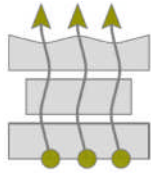
### Explanation

FFR.D:	<b>Standard Base RSF/Fixed Film Reactor Treatment Rate</b>	\$ 23.03
E1:	RSF Escrow Rate	\$ 17.94
B1:	<u>Standard bonding charge of</u>	\$ 3.56
	<b>Total</b>	<b>\$ 44.53</b>

Estimate Tap Fees

Tap Fees for each new unit will be derived based on the number of Bedrooms as listed in the table below:

Daily Flowrate	Number of Bedrooms	Estimated Tap Fee
300	3	\$ 3,750
400	4	\$ 5,000
500	5	\$ 6,250
600	6	\$ 7,500
700	7	\$ 8,750
800	8	\$ 10,000
900	9	\$ 11,250
1000	10	\$ 12,500



# DSH & Associates, LLC

*Engineers and Consultants*

## COMMERICAL RATE 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 \$69.53 per month will be charged for up to the first 300 gallons per day of average daily flow. (I) 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, an additional monthly charge of \$157.95 per 1,000 gallons of average daily flow will apply.

<u>COMMERCIAL W/O FOOD</u>	<u>FLOWRATE</u>		<u>TOTAL**</u>	<u>ESCROW***</u>
	<u>BETWEEN (GPD)</u>			
Tier 1	0	300	\$ 69.53	\$ 15.95
Tier 2.1	301	400	\$ 84.53	\$ 19.49
Tier 2.2	401	500	\$ 99.53	\$ 23.02
Tier 2.3	501	600	\$ 114.53	\$ 26.56
Tier 2.4	601	700	\$ 129.53	\$ 30.10
Tier 2.5	701	800	\$ 144.53	\$ 33.63
Tier 2.6	801	900	\$ 159.53	\$ 37.17
Tier 2.7	901	1000	\$ 174.53	\$ 40.71
Tier 3.1	1001	2000	\$ 332.48	\$ 77.95
Tier 3.2	2001	3000	\$ 490.43	\$ 115.19
Tier 3.3	3001	4000	\$ 648.38	\$ 152.43
Each additional tier			\$ 157.95	\$ 37.24

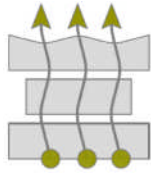
Each customer will be billed the minimum monthly charge unless DSH determines that the customer's measured usage exceeds an average of 300 gallons per day over a thirty day period. Unless otherwise stated in this tariff, measured usage will be based on a customer's actual or estimated usage, averaged 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, DSH will measure the customer's actual usage at least once every ninety days using one of the methods described above and display on the customer's statement the usage and measurement method used. In any month in which DSH 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 DSH 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,



# DSH & Associates, LLC

*Engineers and Consultants*

DSH must measure actual usage for three consecutive months using one of the methods described above.

If DSH determines that a customer's usage meets the criteria described above, DSH 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, 37243. 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.

\*\* Bonding amount of \$3.56 included

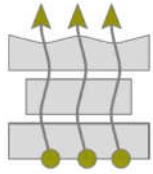
\*\*\* Escrow amount is included

## STEP System Installation:

- For a 3 bedroom unit/300 gallons per day, STEP systems will be installed for \$6,000. If larger STEP systems are required, they will be quoted on an individual basis. The installation of the STEP systems includes a 15% markup by the utility.

<u>Estimate Tap Fees:</u>						
Daily Flowrate	Number of Bedrooms	Estimate Tap Fee				
300	3	\$3,750.00				
400	4	\$5,000.00				
500	5	\$6,250.00				
600	6	\$7,500.00				
700	7	\$8,750.00				
800	8	\$10,000.00				
900	9	\$11,250.00				
1000	10	\$12,500.00				

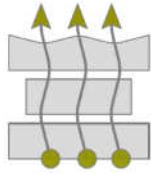




DSH & Associates, LLC

*Engineers and Consultants*

## **Attachment II**



# DSH & Associates, LLC

*Engineers and Consultants*

## SEWER SERVICE CONTRACT

**DATE:**\_\_\_\_\_.

**PRINTED NAME:**\_\_\_\_\_.

**ADDRESS OF PROPERTY:**\_\_\_\_\_.

**MAILING ADDRESS:**\_\_\_\_\_.

**TELEPHONE NUMBER:**\_\_\_\_\_.

**EMAIL ADDRESS:**\_\_\_\_\_.

I hereby make application to DSH & Associates, LLC (DSH) for sewer service at the address of property stated above. In consideration of the undertaking on the part of DSH to furnish sewer service, I understand, covenant and agree as follows:

1. I understand that the components of a sewer system have been installed on the property referred to above, which is owned or occupied by me, and which is to be connected with a wastewater disposal system owned and/or maintained by DSH. I warrant that any connection to and/or subsequent use to this system by the components on my property shall be in accordance with the Rules, Regulations and Plans of DSH. Regarding my usage of the system components on my property, which are owned by me, I covenant to follow the guidelines set forth in the Owners User Manual. Should I violate these Rules and/or abuse or damage my components, I understand that I must bear the expense to repair or replace the same in accordance with the Plans of DSH.
2. I acknowledge DSH, its successors and assigns, have a perpetual easement in, over, under and upon the above specified land as shown on the property plat, with the right to operate and repair all components of the sewer system on my property, including but not limited to the septic tank and septic pump tank systems. I further grant DSH permission to enter upon my property for any reason connected with the provision or removal of sewer service or collection therefore.
3. For all other plumbing and structures on the property, including the outfall line, septic tank and associated PLC, I agree that I am responsible for all operation and repair thereof.
4. I agree to promptly pay for service at the then current schedule or rates and fees and agree to abide by and be subject to DSH's billing and cutoff procedures. Should I not pay in accordance with DSH's rules, I agree to pay all reasonably incurred cost of collection of delinquent fees including attorney fees.
5. I accept the current Rules and Regulations and the Rates and Fees Schedule and agree to abide by any amendments to such Schedules as approved by the Tennessee Regulatory Authority.
6. I agree that this Agreement shall remain in effect for as long as I own, reside upon or rent the above-described property. When such circumstances no longer exist, I agree to provide notice to DSH at least thirty (30) days in advance of my vacating the property.
7. I agree to allow DSH to install an approved cut off valve between the house and water supply and grant DSH exclusive rights to use such valve to cut off water in order to safely stop wastewater flow. I understand there will be a charge of \$100.00 for installation of this valve.

**SUBSCRIBERS SIGNATURE:**\_\_\_\_\_

**DATE:**\_\_\_\_\_

## **REVISED TARIFF PAGES**

T.R.A. No. 1  
Section 1  
Rev. Page 2

[illegible]

notice will be sent to the customer. If payment is not received within 30 days, service will be turned off from the customer's property as per the Sewer Service Contract Agreement (Attachment 14) executed by the customer with no additional notice being sent. No service shall be reconnected if disconnected for non-payment (or any other valid reason) until all charges have been paid, including disconnection and reconnection fees. The disconnection fee is \$40. The reconnection fee is \$50 plus all back payments.

#### **Returned Checks**

A check returned by the bank will incur a fee of \$25.

#### **Changes in Ownership, Tenancy of Service**

A new application and contract must be made and approved by the Company on any change in ownership of property, or tenancy, or in the service as described in the application. In the event of a failure of a new owner or tenant to make such application, the Company shall have the right to discontinue service until such new application is made and approved.

#### **Sewer System Access Fee**

The owner of each property parcel, which is provided a service connection when the sewer system is built, will be required to pay a sewer access fee of \$120.00 per year. This fee will be payable each July 1st. As each Customer attaches to the Service Connection and signs up for service, they will pay a pro-rated access fee for that year and thereafter the fee will not be charged.

#### **Engineering, Material and Construction Standards**

General: This specification covers the type of sewer system required for various design conditions of sewers constructed by developers.

1. The requirements called for are a minimum in all cases. Bedding conditions, material specifications, sealing requirements and installation methods are the responsibility of the design engineer and must be approved by the Company Engineer.
2. Design and construction of sewer lines shall meet the requirements of the State of Tennessee Department of Environment. Any conflicts between company and state requirements shall be resolved so that the more restrictive shall govern.
3. All sewage collection system components are to be watertight. This includes Building Outfall lines, all tanks, Collector Lines, Service Lines and Main Lines.
4. Collector Lines and Main Lines are to be tested to 100 pounds per square inch of water pressure. Risers and lids are to be watertight.
5. Septic Pump and Septic Gravity Tanks are to be installed near the customer's building to be served. The tanks are to be set in a level condition and tested for water tightness before backfilling.
6. STEP septic tanks must meet the specifications outlined in this document. Size of STEP tanks must be approved by DSH and will be based on the number of bedrooms in the home and the intended use of the home.
7. All pipe is to be PVC. Classes and sizes will be per Engineer's design and in all cases Schedule 40 will be the minimum allowable.
8. Only wastewater drains are to be connected to the sewer system. No water sources such as roof drains, sump pumps, condensate lines and swimming pools shall be connected to the sewer system.

#### **Special Pretreatment Sewage Requirements**

For all sewage connections the Company reserves the right to require any non-residential user to provide special pre-treatment for any high strength effluent before discharge into its sewage system. The Company may, upon the basis of recognized engineering standards and treatment costs, increase the rate charged to cover the cost of treatment of high strength effluent or industrial waste, and may impose recognized engineering standards as to the maximum size of solids and constituents in such waste discharged into its sewage system.

Additionally, if excessive volumes of sewage are received, the Company may require the Customer to monitor flow volume and increase surge holding capacity at the Customer's expense. All customers will be required to follow the Owners User Manual for an effluent collection system supplied to them by the Company (Attachment 1). These requirements prohibit the dumping of any toxic chemicals that kill tank bacteria and disposal of an excessive amount of grease, among other things. All requirements (and notification of repair costs associated with the system abuse) are established in the Customer's Sewer Subscription Contract with the Company.

## RESIDENTIAL RATE SHEET/EXPLANATION

<b>The monthly sewer charge per customer is</b>	<b>\$ 44.53</b>	
<b>FEES:</b>	<b>TOTAL</b>	
Non-Payment	5%	
STEP System Installation	\$6,000	
Tap Fee	3,750/lot	
Disconnection	\$ 40.00	
Reconnection	\$ 50.00	
Returned Check	\$ 25.00	
Access Fee	\$120/yr	
*Escrow amount is included in total	\$10.24	
** Tap fee is for homes with 3 bedrooms or less		

### Explanation

FFR.D:	<b>Rate Class I: Standard Base RSF/Fixed Film Reactor Treatment Rate</b>	\$	30.73	
E1:	RSF Escrow Rate	\$	10.24	
B1:	<u>Standard bonding charge of</u>	\$	3.56	
	<b>Total</b>	<b>\$</b>	<b>44.53</b>	
Estimate Tap Fees				
Tap Fees for each new unit will be derived based on the number of Bedrooms as listed in the table below:				
Daily Flowrate	Number of Bedrooms		Estimated Tap Fee	
300	3	\$	3,750	
400	4	\$	5,000	
500	5	\$	6,250	
600	6	\$	7,500	
700	7	\$	8,750	
800	8	\$	10,000	
900	9	\$	11,250	
1000	10	\$	12,500	

### STEP System Installation:

- For a 3 bedroom unit/300 gallons per day, STEP systems will be installed for \$6,000. If larger STEP systems are required, they will be quoted on an individual basis. The installation of the STEP systems includes a 15% markup by the utility.

## COMMERCIAL RATE 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 \$69.53 per month will be charged for up to the first 300 gallons per day of average daily flow. (I) 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, an additional monthly charge of \$157.95 per 1,000 gallons of average daily flow will apply.

<u>COMMERCIAL W/O FOOD</u>	<u>FLOWRATE</u>		<u>TOTAL**</u>	<u>ESCROW***</u>
	<u>BETWEEN (GPD)</u>			
Tier 1	0	300	\$ 69.53	\$ 15.95
Tier 2.1	301	400	\$ 84.53	\$ 19.49
Tier 2.2	401	500	\$ 99.53	\$ 23.02
Tier 2.3	501	600	\$ 114.53	\$ 26.56
Tier 2.4	601	700	\$ 129.53	\$ 30.10
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Tier 3.3	3001	4000	\$ 648.38	\$ 152.43
Each additional tier			\$ 157.95	\$ 37.24

Each customer will be billed the minimum monthly charge unless DSH 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.

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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, DSH must measure actual usage for three consecutive months using one of the methods described above.

If DSH determines that a customer's usage meets the criteria described above, DSH will notify the

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, 37243. 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.

\*\* Bonding amount of \$3.56 included

\*\*\* Escrow amount is included

**STEP System Installation:**

- For a 3 bedroom unit/300 gallons per day, STEP systems will be installed for \$6,000. If larger STEP systems are required, they will be quoted on an individual basis. The installation of the STEP systems includes a 15% markup by the utility.

<b><u>Estimate Tap Fees:</u></b>						
<b>Daily Flowrate</b>	<b>Number of Bedrooms</b>	<b>Estimate Tap Fee</b>				
300	3	\$3,750.00				
400	4	\$5,000.00				
500	5	\$6,250.00				
600	6	\$7,500.00				
700	7	\$8,750.00				
800	8	\$10,000.00				
900	9	\$11,250.00				
1000	10	\$12,500.00				