

TENNESSEE REGULATORY AUTHORITY



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460 James Robertson Parkway
Nashville, Tennessee 37243-0505

February 3, 2012

Mr. Dart Kendall
Aqua Green Utility, Inc.
3350 Galts Road
Acworth, Georgia 30102

RE: Docket No. 12-00004 - Petition of Aqua Green Utility, Inc. to Implement Tap Fees

Dear Mr. Kendall:

To assist the Authority in its review of Aqua Green Utility, Inc.'s ("Aqua Green") Petition to Implement Tap Fees at Stonebridge on Douglas Lake, LLC in Jefferson County, Tennessee, it is requested that the following information be provided:

1. Provide a schedule showing all amounts paid to Advanced Septic, Inc. for construction of the sewer plant or any component of a collection system or treatment system at Stonebridge. The list should include all amounts from Chip Leonard, Stonebridge on Douglas Lake LLC, RPM Group, Inc., Sam Pinner and the Homeowners Association ("HOA"), referred to in this Petition, or any member of the HOA. List each amount, the date paid and the payer.
2. Provide a schedule showing all amounts paid to Aqua Green or "tap fees" collected by Aqua Green for construction of the sewer plant or any component of a collection system or treatment system at Stonebridge. List each amount, the date paid and the payer.
3. Provide a schedule by month showing all revenues (other than tap fees listed above) that Aqua Green has received from any of the lot owners at Stonebridge.
4. Provide the utility's definition of tap fees and Aqua Green's expenses the proposed tap fees will cover.
5. If any tap fees have been collected to date, what account(s) have they been booked to? Are you aware that tap fees are considered revenues of the utility for which appropriate taxes and related fees are owed?
6. What would prevent Advanced Septic from contracting directly with the Homeowner's Association to finance the system?
7. Has Advanced Septic attempted to contract with the Homeowner's Association for financing? If so, explain the outcome. If not, explain why an attempt has not been made.

8. In the Data Response, filed June 27, 2011 in Docket No. 10-00145, you stated that if the developer did not pay for the system as agreed, you would turn the contract over to your attorney. Have you filed a law suit for breach of contract to collect the monies due to build the wastewater system? If so, provide a copy of the lawsuit. If no legal action has been taken by Advanced Septic, explain why.
9. Explain all steps you have taken to collect monies owed by the developer to Advanced Septic, Inc., such as any other legal action, letters or e-mails to the developer, letters to developer from collectors, attorneys, etc. Provide copies of any communications. Explain any further actions that you plan to take against the developer.
10. If the proposed tap fees are not approved by the TRA, discuss other possible sources of funding to build the system.
11. Discuss the rationale for requiring all lot owners pay a tap fee, even though they do not yet have service and may or may not decide to build a house in the future?
12. Provide a reference to any state law or Authority rules/orders that would allow Aqua Green to refuse service to any lot owner (including the owner(s) of lots 27, 64 or 65).
13. Provide a list of expenses that Aqua Green has incurred to date associated with Stonebridge. Provide the listing by month from August, 2011 to the present.
14. Is there a contract between Advanced Septic, Inc. and the HOA at Stonebridge and/or between Aqua Green Utility, Inc. and the HOA at Stonebridge? If so, provide a copy(ies).
15. How was a tap fee of \$4,250 per lot determined? Provide any calculations and/or assumptions used.

Please provide your responses no later than 2:00 P.M. on Friday, February 10, 2012 and reference Docket No. 12-00004 on your response. In accordance with TRA rules, submit either one original and thirteen (13) written copies of your response or an original and four (4) written copies and an electronic version.

Should you have any questions regarding this request, please contact Patsy Fulton at 615-741-2904 ext. 193.

Sincerely,

David Foster
by PM

David Foster
Chief of Utilities Division

C. Docket File