

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE TENNESSEE

March 2, 2012

IN RE:)	
DATA REQUEST DATED FEBRUARY 29, 2012 REGARDING THE)	DOCKET NO. 12-00004
PETITION OF AQUA GREEN UTILITY INC. TO IMPLIMENT)	
TAP FEE'S FOR THE SERVICE OF THE PART OF JEFFERSON)	
COUNTY, TENNESSEE KNOWN AS STONEBRIDGE ON DOUGLAS)	
LAKE.)	

Before answering the data request I would like to include the following statement. Advanced Septic Inc and the Stonebridge HOA entered into a contract to complete the sewer facility when it became apparent that the developer had abandoned the project. The Stonebridge HOA requested that Aqua Green Utility Inc. agree not to connect any homeowner that did not pay their part of the construction cost. The homeowners are agreeable to pay for their part, but do not want to pay more than their fair share. Aqua Green Utility Inc. informed the HOA that the Utility would be compelled to connect any customer in its CCN area. At the HOAs' request, Aqua Green Utility Inc. contacted the TRA staff and asked for possible ways of helping out the HOA. They were informed that a tap fee might be a funding method to achieve that goal but would have to be approved at the discretion of the board. Aqua Green Inc. is NOT asking the board to mediate between Advanced Septic Inc. and the developers' contract in whole or in part. Included below are the answers to data requested to help the TRA determine if Aqua Green Utility Inc. can collect tap fees.

1. Question - What is Advanced Septic's total cost to date for system construction that has already taken place? Of this amount, how much has Advanced Septic not been reimbursed for?
Provide copies of all unpaid invoices and other documentation supporting this amount owed by the utility, including a breakdown of the cost of parts and materials, labor cost (showing number of hours times hourly rate), and Advanced Septic's profit margin.

Answer 1. Excerpt from Advanced Septic Inc letter shown below:

In response to the Tennessee Regulatory Authority Information request dated February 29, 2012. Advance Septic Inc. is a private for profit corporation, not a regulated corporation; additionally Advanced Septic Inc is not subject to open records laws.

The information requested for exact construction cost is proprietary. Advanced Septic Inc receives its contracts as a result of competitive bidding process. If this requested information was released our competitors would have an unfair advantage in the bidding process and be able to win bids at will. Therefore the requested information will not be provided.

2. Question - What is the projected total additional cost to the utility for Advanced Septic to complete the system for the currently approved 50 homes? Provide a schedule detailing the calculation of this additional cost. This calculation should include your estimate of the cost for parts and materials (itemized), the number of labor hours, hourly rate and Advanced Septic's profit margin.

Answer 2. There is no projected cost to the Utility. Advanced Septic Inc. will be paid by the homeowners via a pass through tap fee if approved. If tap fees are not approved the homeowners will be required to raise all funds necessary to complete each construction phase and directly pay Advanced Septic Inc. before work begins. Once the construction is complete, Aqua Green Utility will assume ownership and operations of the sewer facility.

Part B

Excerpt from Advanced Septic Inc letter shown below:

In response to the Tennessee Regulatory Authority information request dated February 29, 2012, Advanced Septic Inc. is a private for profit corporation, not a regulated corporation; additionally Advanced Septic Inc. is not subject to open records laws.

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3. Question - What is the total projected additional cost to the utility for Advanced Septic to complete the system for 107 homes? Provide a schedule detailing the calculation of this additional cost. This calculation should include your estimate of the cost for parts and materials (itemized), the number of labor hours hourly rate, and Advanced Septic's profit margin.

Answer 3. There is no projected cost to the Utility. Advanced Septic Inc. will be paid by the homeowners via a pass through tap fee if approved. If tap fees are not approved the homeowners will be required to raise all funds necessary to complete each construction phase and directly pay Advanced Septic Inc. before work begins. The estimated total project cost is \$458,000.00 as detailed in questioned 15 data

request January 6, 2012. Once the construction is complete, Aqua Green Utility will assume ownership and operations of the sewer facility.

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4. Question - Please provide the written terms and conditions surrounding the HOA,s \$35,000.00 payment to Advanced Septic, e.g. was it a loan?

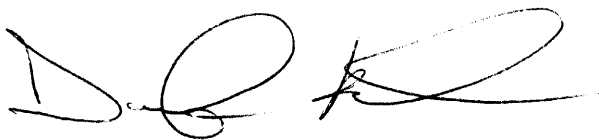
Answer 4

. Excerpt from Advanced Septic Inc letter shown below:

The cost and terms of the construction project is included in the contract between the Stonebridge HOA and Advanced Septic Inc. This information is already included in Docket # 12-00004.

See Question 14 data request January 6, 2012.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'Dart Kendall', with a stylized flourish at the end.

Dart Kendall

President Aqua Green Utility Inc.

ADVANCED SEPTIC INC

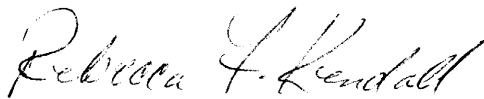
3350 GALTS RD.

ACWORTH, GA 30102

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Rebecca F Kendall

CFO Advanced Septic Inc.