

TENNESSEE REGULATORY AUTHORITY



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460 James Robertson Parkway
Nashville, Tennessee 37243-0505

August 2, 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:

In order for the Authority to further evaluate your petition and for this matter move along as quickly as possible, it is requested that you provide complete responses to the following questions.

1. Have the initial fifty (50) lot owners fully funded the construction of the system to serve those fifty (50) lots? If not please explain. Provide an accounting for how much was spent by Advanced Septic for this system to serve these 50 customers and how much the initial 50 customers paid. Also, please identify the initial 50 customers.
2. Identify the specific costs that Advanced Septic will incur to build the remaining system for the additional 58 customers, including any land purchases. Please separate and identify costs by component. This information is imperative for moving the docket forward.
3. Please state the amount of Tap Fee that Aqua Green Utility proposes to charge for these remaining 58 lot owners. Include all calculations supporting the charge and all other rationale for such charge.
4. Since by definition Tap Fees are paid when the lot owner is ready to hook to the system (may be paid in advance if lot owner agrees), how does Advanced Septic plan to fund the upfront costs of the system expansion?
5. What date does Advanced Septic anticipate that it will begin and complete construction of the sewer system for the additional 58 lots?
6. Provide the accounting journal entries that will be used by Aqua Green to record the tap fees (which the TRA has determined should be booked as revenues). Also, include the journal entries for the accounts payables that will be recorded on Aqua Green's books as

payables to Advanced Septic. Also, include the entry for recording the plant transferred to Aqua Green after it is paid. For example:

Cash	\$xx	
Tap Fee Revenue		\$xx
Plant (when completed and transferred)	\$xx	
Accounts Payable		\$xx
Accounts Payable	\$xx	
Cash (when available)		\$xx

If these are not the journal entries that will be used please explain. Also, if you need a copy of the wastewater Uniform System of Accounts, please let me know and I can provide you with a copy.

7. Is Aqua Green currently charging the \$44.53 monthly fee for sewer service to any customers? If so, please state the number of customers being charged. Has Aqua Green begun assessing the \$120.00 annual access fee to any lot owners? If so, how many lot owners have been assessed? If not, when does Aqua Green plan to assess the \$120.00 annual access fee?
8. Provide all financial information (revenues and expenses) that Aqua Green has incurred since January 1, 2011 by month.
9. Provide latest estimate of the number of homes that will be completed over each of the next three years in the Stonebridge Subdivision (also include the number of homes already built).

This information should be provided no later than 2:00 p.m. Thursday, August 16, 2012, and should reference Docket Number 12-00004 on the response. In accordance with Authority rules submit either (1) thirteen written copies of your response or (2) four written copies and an electronic version. Should you have any questions or need clarification of this request, please contact me at (615) 741-2904, extension 188.

Sincerely,



David Foster, Chief
Utilities Division

C: Docket File