


**Date:** 2/12/2015  
**TO:** Docket File  
**From:** Patsy Fulton, Utilities Division   
**RE:** Docket No. 14-00136 Petition of Tennessee Wastewater Systems, Inc.  
for Approval of Capital Improvement surcharges and financing  
Arrangements

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The attached e-mails include requests from Staff and responses from Charles Hyatt and Matt Pickney at Tennessee Wastewater Systems, Inc. (February 4-February 11) concerning responses to the Data Request filed January 16, 2015.

**C:** Docket File

## **Patsy Fulton**

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**From:** Charles Hyatt [charles.hyatt@adenus.com]  
**Sent:** Friday, January 30, 2015 2:59 PM  
**To:** Patsy Fulton  
**Subject:** RE: Docket No. 14-00136

I thought you were going to get the sampling from the escrow sheet. UCC, SEE and River Rd are not affiliates.

**From:** Patsy Fulton [mailto:Patsy.Fulton@tn.gov]  
**Sent:** Friday, January 30, 2015 2:31 PM  
**To:** 'Charles Hyatt'  
**Cc:** David Foster; Joe Shirley; [rachel.newton@ag.tn.gov](mailto:rachel.newton@ag.tn.gov); 'alex.bradley@ag.tn.gov'  
**Subject:** Docket No. 14-00136

Charles,

The Adenus Group and Adenus Operations financials are the ones that you provided as the affiliates for question #11. Question #11 includes affiliates (affiliates were defined in the data request) that either allocates or directly charges TWSI.

We discussed Tuesday that TRA Staff would prepare a sampling of charges that we would like to see; however, if we don't know the charges, I am not sure how to come up with a sampling. I think we are going to need the list of charges from all affiliates to TWSI and I can then provide you a sampling of charges that will need further documentation and be described as to business purpose. If labor and or rent are the only allocated charges, then state that they are the only allocated charges for any of the affiliates in question. Also, we need the allocation method(s) used to compute each of the allocations.

The direct charges might be identified in sum in the Annual Reports that were filed for TWSI for 2011, 2012 and 2013. The Annual Reports show amounts for \$944,268, \$1,115,802 and \$1,094,472 respectively as contractual charges. We need to know the detail associated with these charges, broken down by month and by affiliate. Adenus Technologies, Adenus Operations, LLC, Utility Capacity Corp., River Road LP, and Southeast Environmental Engineering are the affiliates that were listed on page F-7 of the Annual Reports for 2011, 2012 and 2013 as having received payments.

In addition, please include in your filing of the Data Response financial statements for Tennessee Wastewater Systems, Inc. for 2011, 2012 and 2013.

Thanks, Patsy

## **Patsy Fulton**

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**From:** Charles Hyatt [charles.hyatt@adenus.com]  
**Sent:** Friday, January 30, 2015 3:06 PM  
**To:** Patsy Fulton  
**Subject:** RE: Docket No. 14-00136

I put on the sheet the allocation method for the rent. The direct charges, Adenus Ops to TNWW you will have to request a sampling... It is very large to gather all the info.

**From:** Patsy Fulton [mailto:Patsy.Fulton@tn.gov]  
**Sent:** Friday, January 30, 2015 2:31 PM  
**To:** 'Charles Hyatt'  
**Cc:** David Foster; Joe Shirley; [rachel.newton@ag.tn.gov](mailto:rachel.newton@ag.tn.gov); 'alex.bradley@ag.tn.gov'  
**Subject:** Docket No. 14-00136

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The direct charges might be identified in sum in the Annual Reports that were filed for TWSI for 2011, 2012 and 2013. The Annual Reports show amounts for \$944,268, \$1,115,802 and \$1,094,472 respectively as contractual charges. We need to know the detail associated with these charges, broken down by month and by affiliate. Adenus Technologies, Adenus Operations, LLC, Utility Capacity Corp., River Road LP, and Southeast Environmental Engineering are the affiliates that were listed on page F-7 of the Annual Reports for 2011, 2012 and 2013 as having received payments.

In addition, please include in your filing of the Data Response financial statements for Tennessee Wastewater Systems, Inc. for 2011, 2012 and 2013.

Thanks, Patsy

## **Patsy Fulton**

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**From:** Charles Hyatt [charles.hyatt@adenus.com]  
**Sent:** Wednesday, February 11, 2015 2:04 PM  
**To:** Patsy Fulton  
**Cc:** 'Matt Pickney'  
**Subject:** Re: 14-00136

The hard copies were sent. It had reference to the questions. The questions that asked for excel files should have been sent.

*Sent from my Verizon Wireless 4G LTE DROID*

Patsy Fulton <[Patsy.Fulton@tn.gov](mailto:Patsy.Fulton@tn.gov)> wrote:

Matt,

Unfortunately, we did not take anything with us when we left. Charles wanted to keep his originals to include with the filing. I did receive some confidential originals, along with the filing ; however they were not in any order and also not all included. If you want to file an electronic copy of the confidential material/documents (stating that they are confidential) and copy me on the electronic filing (without the pass code set on each document), I will print and take to Sharla. She has to have one original for the Docket room, so that if one of our attorneys, or Directors need a copy (and they usually do) she will have one available for them. There needs to be a cover page showing what items should be there and also explain why any are not there. If there is something that you don't have or don't want to provide, it must be documented in the filing. Feel free to state that Staff agreed that (pertaining to the confidential documents) that the General Ledgers and Trial Balances need only to be provided at year end 2012, 2013 and 2014. These documents need to be labeled as to date, company name and document title. If there is a company name on the document such as Adenus Utility, and that entity doesn't exist anymore, that needs to be changed prior to filing the document. I have skimmed thru the non-confidential filing and the filing format is good. Please follow that same filing format with the confidential documents, listing only the questions/answers marked confidential on the non-confidential filing.

Charles agreed that there are affiliates (question #6) that provided direct costs. I agreed to provide a sampling of costs for the affiliates that were previously provided (Adenus Group and Adenus Operations) based on the information from the General Ledgers so that all of the documentation of costs will not have to be provided; however, we must receive those documents in order to pull the sampling. If there are affiliates that need to be added that have been involved in the construction or supported the four areas in question #10, please also provide the names of those. I believe examples such as Adenus Capacity, Maple Green, LLC and Adenus Technologies have all been mentioned.

In addition, please provide the financial statements, inclusive of balance sheet, income statement and statement of cash flows for Tennessee Wastewater Systems, Inc.

Thanks, Patsy

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**From:** Matt Pickney [<mailto:Matt.Pickney@adenus.com>]  
**Sent:** Wednesday, February 11, 2015 9:48 AM  
**To:** Patsy Fulton  
**Cc:** 'Charles Hyatt'  
**Subject:** RE: 14-00136

**\*\*\* This is an EXTERNAL email. Please exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email - OIR-Security. \*\*\***

Patsy-

No, I did not. It was my understanding that you received the confidential information when you came out to Adenus when Charles hand delivered it to you. We made no modifications to that portion of the data response since then. Unless I am missing something, I thought it would have been redundant to bring another copy of that portion down when I delivered the public filing portion.

Thanks,

  
**Matt Pickney**  
DEVELOPMENT LEAD

HAWKMS/Adenus Group, LLC | 851 Aviation Pkwy, Smyrna, TN 37167  
Direct: +1 615.220.7157 | Toll Free: +1 888.4.ADENUS Ext: 157 | Mobile: +1 615.351.0302 | Fax: 615.220.7207

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**From:** Patsy Fulton [<mailto:Patsy.Fulton@tn.gov>]  
**Sent:** Wednesday, February 11, 2015 9:43 AM  
**To:** 'Matt Pickney'  
**Subject:** 14-00136

Matt,

Did you bring the originals to the answers marked confidential to Sharla? She is not here today and the only stack from TWSI that I find in her office is the stack that is not confidential.

Thanks, Patsy

No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2015.0.5646 / Virus Database: 4284/9090 - Release Date: 02/10/15