

RECEIVED
2016 JAN 23 PM 1:14
T.R.A. DOCKET ROOM

**PETITION OF LAUREL HILLS WATER
SYSTEM IN RECEIVERSHIP FOR
APPROVAL OF ADJUSTMENT OF ITS
RATES AND CHARGES**

DOCKET NO. 16-00012

Laurel Hills Water System In Receivership, (“LHWS”) by and through its Receiver- Robert E. Moore, Jr., Attorney and Chief Operations Officer of Receivership Management, Inc., respectfully submits this Petition for Emergency Relief to the Tennessee Regulatory Authority (“TRA” or “Authority”) for the purpose of emergency relief for water rates pursuant to Tenn. Code Ann. Section 65-5-103(b)(2). In view of the inadequacy of the current rate to meet the expenses of the water system, Petitioner respectfully requests an expedited hearing. In support of this petition, LHWS states as follows:

1. Full name and address of the principal place of business of the petitioner:

Laurel Hills Water System in Receivership
Post Office Box 25
Crossville, Tennessee 38555

2. All correspondence and communications with respect to this petition should be sent to the following:

Robert E. Moore, Jr.
Receivership Management Inc.
1101 Kermit Drive, Suite 735

Nashville, Tennessee 37217
Phone: 615-370-0051
Fax: 615-373-4336
Email: rmoore@receivermgmt.com

with a copy to:

G. Everett Sinor, Jr.
Attorney at Law
3504 Robin Road
Nashville, Tennessee 37204
Phone: 615.969.9027
Email: Everett.Sinor@gmail.com

3. Laurel Hills Water System ("LHWS") was operated by the Laurel Hills Condominium Property Owners Association ("Laurel Hills POA") until October 26, 2015, when, upon Petition by the TRA, the Chancery Court of Cumberland County, Tennessee appointed Receivership Management Inc. ("RMI" or "the Receiver") as the court-appointed receiver of the LHWS. Laurel Hills POA was never licensed to operate the LHWS, nor did it ever obtain a certificate of convenience and necessity from the TRA to operate the LHWS. The LHWS is currently being operated by RMI under the auspices of the Chancery Court of Cumberland County (the "Receivership Court"), and the recommendation of the Authority on this matter will be forwarded to the Receivership Court.

4. The LHWS serves the area of Renegade Mountain in Cumberland County, Tennessee formerly known as Renegade Mountain Resort and all the developed property located within that planned community.

5. On August 8, 2012, the Honorable Chancellor Ronald Thurman entered an Agreed Order setting a monthly rate of \$43.20 for individual customers until such time as the TRA made a determination of the appropriate rate. On April 8, 2013, the TRA held a hearing concerning rates to be charged by Laurel Hills POA during the pendency of their application for a certificate of convenience and necessity. After taking proof and testimony the TRA issued an Order, which, among other things, set an interim rate of \$33.10 per customer month. The Receivership Court adopted this rate following entry of the TRA's April 18, 2013 order. The

components to this rate are the following monthly expenses, based upon the TRA's April 18, 2013 Order:

Water Testing:	\$600.00
Property Tax:	\$200.00
Telephone Expense:	\$61.00
Insurance Expense:	\$433.00
Postage Expense:	\$8.00 (P.O. Box Rental)
Engineering & Labor	\$333.00
Construction Costs:	\$0.00
Depreciation:	\$88.00
Penalties & Permits:	\$25.00
Debt Interest Expense:	\$0.00
Legal Expense:	\$259.00 per month (\$46,783 amortized over 15 years)
Accounting:	\$242.00
Office Expense:	\$14.00
Equipment Rental:	\$6.00
Maintenance & Repair:	\$0.00
Wholesale Water Expense:	\$1,528.00
Electricity:	\$274.00
Rate of Return Or Margin:	6.5%

6. There are one hundred thirty (130) known current potential users within the service area of the system.¹ Of this amount, one hundred twenty-two (122) are customers currently receiving water service, who are invoiced \$33.10 per month, consistent with the TRA approved rate.² On a cash basis, LHWS had a net pre-receivership loss in 2014 of \$1,568.01, and a net pre-receivership gain in 2015 of \$2,854.26. *See* Collective Exhibit A.³ However, by letter dated November 20, 2015, the Crab Orchard Utility District, the entity which supplies water to the LHWS, indicated that LHWS was “currently delinquent in the amount of \$8,950.50.” *See* Exhibit B. Under the present tariff/rate structure, the LHWS has accrued no funds for maintenance, repairs, or improvements, nor has it any capital resources to fund such activities. With the increase of the added expense of the receivership, the loss is greater. Based upon the financial information provided to the Receiver, on an incurred basis, LHWS had a projected operating loss of \$2,227.24 prior to the institution of the receivership on October 26, 2015. *See* Exhibit C.⁴

7. The LHWS’s existing rates and charges do not provide it sufficient revenue to recover all of the costs it incurs in providing adequate water service to its customers.

8. The LHWS has an agreement with the Crab Orchard Utility District (“COUD”) in which LHWS purchases water from the COUD and resells such water to the customers of the LHWS.

¹ There are 8 known potential users (timeshare unit holders within the Laurel Hills POA) who are tapped into the LHWS and who are not being currently billed by the LHWS. The proposed new tariff/rate proposes that these 8 known potential users also be required to pay the new rate.

² This figure includes 38 individual users who are each individually billed, as well as the Cumberland Pointe Condominium Association, which is billed and which pays for each of its 84 condominium units. This figure does not include timeshare unit holders within the Laurel Hills POA, who are the 8 known potential users referenced above.

³ These figures are derived from numbers contained within Laurel Hills POAs financial records provided to the Receiver.

⁴ From January 1, 2015 to October 26, 2015, Laurel Hills POA invoiced customers for water service in the total amount of \$40,382.00, paid or incurred \$34,018.74 in expenses, and had \$8,590.50 in known unpaid expenses.

9. The LHWS has significant pending maintenance issues that Laurel Hills POA failed to address prior to the institution of the receivership, namely, proper maintenance and upkeep of the LHWS pumps and supply pipes. The current rate does not provide revenue to address these issues. The LHWS has received an estimate of \$3,403.00 to purchase a motor/engine to repair a back-up pump controller. The Receiver proposes to recover this amount during the first four (4) months after approval by the TRA of the new rate. Furthermore, there are incalculable costs for leak repairs and general maintenance. These costs are factored into the newly proposed rate at \$2,000.00 per month. If the leak repairs and general maintenance expense does not exceed the amount collected, the Receiver proposes to retain the overage for additional unexpected maintenance or repair that may occur during the pendency of the receivership, and to address any cash flow problems the Receiver may experience throughout the course of the receivership. LHWS has an estimated water loss of 50% to 80% of the water it is purchasing and supplying through the LHWS system. Efforts are underway to determine where these leaks are located. One leak has been detected in the main supply pipe in the area that is exposed on the side of Renegade Mountain.

10. Since the institution of the receivership, LHWS has incurred a loss of \$26,113.10. Overall, the LHWS is projected to have experienced a net operating loss of \$31,743.34 on an accrual basis for the year ending December 31, 2015.⁵ Such a return is not fair and reasonable and is confiscatory.

11. Even with the requested rate increase, LHWS is projected to experience a net operating loss for the year ending December 31, 2015. Due to the filing date of this petition, and

⁵ The estimated total combined loss as of December 31, 2015, calculated on an incurred basis, is \$31,743.34, constituting \$26,113.10 of post-receivership losses, \$2,227.24 in 2015 pre-receiver losses, and the estimated cost to repair the back-up pump of \$3,403.00. See Exhibit C.

prospectively assuming the Authority grants the relief sought in this petition, the actual projected loss will be somewhat greater as the increase in revenue for the LHWS is not projected to start until at least March of 2016. For purposes of this petition, total post-receivership losses prior to the prospective institution of a new rate, are projected to be \$52,226.20.⁶

12. LHWS seeks emergency relief for its water rates during the pendency of the receivership proceeding. LHWS requests an emergency relief of its rates under the provision of Tenn. Code Ann. Section 65-5-103(b)(2) due to increased expenses of maintenance and repair, the need for adequate cash flow to meet existing needs, and the institution of the receivership proceeding, as well as the lack of adequate information provided to the TRA at the time the TRA adopted the current rate. The request does not include emergency relief of rates for capital expenditures, as those costs cannot yet be estimated, and there are continuing concerns about title to the water tower that sits atop Renegade Mountain, and the parcel on which it sits.

13. The Receiver understands that costs in the LHWS receivership proceeding filed in the Receivership Court are taxed as court costs to be paid by the Authority to the Receiver if “funds or assets of Laurel Hills’ water system are not available to pay Receivership fees and costs.” The Receiver further understands that the “Authority reserves the ability to recoup amounts so paid if later there are assets or funds available for such recoupment.”⁷ For the

⁶ This amount is double the estimated post-receivership loss incurred by LHWS as of December 31, 2015. If the new rate is instituted sometime in March of 2015, then it is projected that post-receivership losses in early 2016 will be roughly equal to the post-receivership losses in 2015.

⁷ See *Tennessee Regulatory Authority v. Laurel Hills Condominiums Property Owners Association*, Docket No. 2012-CH-560, Order Appointing Receiver, Cumberland County Chancery Court, ¶ 10, pages 4-5, entered October 26, 2015.

allocation of those costs, there appear to be three (3) different methods by which the new rates can be calculated. Those three methods are set out as follows:

a. The emergency rates can be calculated to provide that receivership costs that post-date the approval of the new rates be allocated to the LHWS rate-payers, but that receivership costs that pre-date the approval of the new rates be recouped by the Authority through the eventual sale of the LHWS or by other means. Using this method (See Exhibit D-1), the following rates are proposed:

Customer Use Rate: \$104.49 per month
Pump Repair Special Assessment: \$6.55 per month for 4 months
Customer Tap Fee: \$1,000.00 per connection
Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

The requested rates will result in an increase of \$77.94 per month for all customers for the first four (4) months while being specially assessed for the pump repairs, and an increase of \$71.39 per month thereafter.

The emergency rate request will result in an approximate increase in water rate revenues of \$41,588.00 for the first four (4) months after institution of the new rate, and \$114,546.00 of additional revenue per annum after the special assessment is completed.

b. The emergency rates can be calculated to provide that receivership costs that post-date the approval of the new rates, as well as receivership costs that pre-date the approval of the new rates, along with pre-receivership losses, be allocated to the LHWS rate-payers, with all receivership costs that pre-date the approval of the new rates being paid in a special assessment over a period of twenty-four (24) months. Using this method (See Exhibit D-2), the following rates are proposed:

Customer Use Rate: \$104.49 per month
Pump Repair Special Assessment: \$6.55 per month for 4 months
Previous Losses Special Assessment: \$16.74 per month for 24 months
Customer Tap Fee: \$1,000.00 per connection

Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

The requested rates will result in an increase of \$94.68 per month for all customers for the first four (4) months while being specially assessed for the pump repairs and the pre-rate increase losses, an increase of \$88.13 for all customers for months five (5) through twenty-four (24) while being specially assessed for the pre-rate increase losses, and an increase of \$71.39 per month thereafter.

The emergency rate request will result in an approximate increase in water rate revenues of \$50,292.80 for the first four (4) months after institution of the new rate, \$234,434.00 of additional revenue for months five (5) through twenty-four (24) after institution of the new rate, and \$114,456.00 of additional revenue per annum after the special assessments are completed.

c. The emergency rates can be calculated to provide that receivership costs that post-date the approval of the new rates, as well as receivership costs that pre-date the approval of the new rates be recouped by the Authority through the eventual sale of the LHWS or by other means. Using this method (*See Exhibit D-3*), the following rates are proposed:

Customer Use Rate: \$42.95 per month
Pump Repair Special Assessment: \$6.55 per month for 4 months
Customer Tap Fee: \$1,000.00 per connection
Connection Charge/Reconnection Charge: Previous unpaid Customer Use Rate Amounts

The requested rates will result in an increase of \$16.40 per month for all customers for the first four (4) months while being assessed for the pump repairs, and an increase of \$9.85 per month thereafter.

The emergency rate request will result in an approximate increase in water rate revenues of \$9587.20 for the first four (4) months after institution of the new rate, and \$18,543.60 of additional revenue per annum after the special assessment is completed.

14. The proposed tariff revision sheets, which set out new proposed rates utilizing all three (3) methods described above, and which compare such newly proposed rates with existing rates, are set forth in Exhibits D-1, D-2, and D-3, Proposed Tariff Revision Sheets. It is proposed that

all potential customers having access to the LHWS be required to pay these rates, whether they are now being billed or not.⁸ It is further proposed that any new developer or condominium owner/POA whose individual users are permitted to tap into the LHWS, or any new homeowner or other individual user, be required, as a condition of permission to tap into the LHWS, to convey to the LHWS via warranty deed all pipes, meters, pumps, and other water system items necessary to operate the LHWS and provide water service to such individual users, along with easement rights to maintain, repair and construct additional water service pipes, meters, pumps, and other water system items. All financial projections are based on a rate increase becoming effective in March 2016.

15. The LHWS acknowledges that if these interim emergency rates are recommended to the Receivership Court by the Authority and adopted by the Receivership Court, such rates are subject to change at the conclusion of this rate case and the termination of the Receivership Court's jurisdiction over the LHWS.

16. The LHWS respectfully requests the Authority to waive the bond requirement for such interim emergency rates, as the bond requirement is discretionary and not required pursuant to Tenn. Code Ann. Section 65-5-103(b)(1).

17. The LHWS requests this emergency rate relief to be effective immediately upon recommendation by the Authority and approval by the Receivership Court.

18. In further support of this petition, the LHWS has filed seasonably herewith the following:

a. pre-filed testimony of Robert E. Moore, Jr. regarding a general overview of LHWS's operations and a summary of the rate relief requested; and,

⁸ This would include the 8 known condominium units in the Laurel Hills POA, as well as any other users tapped onto the LHWS that are not now known to the Receiver.

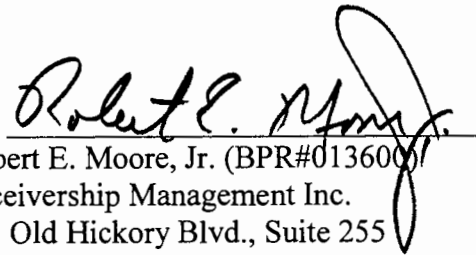
b. revised tariff sheets providing the adjustments to rates and charges for each of the three (3) potential rating methodologies.

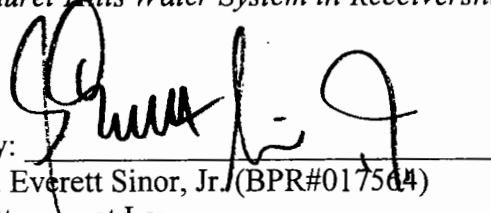
WHEREFORE, the LHWS respectfully requests that the Authority:

- A. schedule this petition for hearing on March 14, 2016, upon proper notice;
- B. approve this Motion for Emergency Relief and make an emergency rate recommendation to the Receivership Court after finding such recommended rate is just and reasonable and in the public interest, the new rate to be effective upon order of the Chancery Court of Cumberland County, Tennessee; and,
- C. grant or recommend such other, further, general or different relief as circumstances may warrant.

Respectfully submitted,

Laurel Hills Water System in Receivership

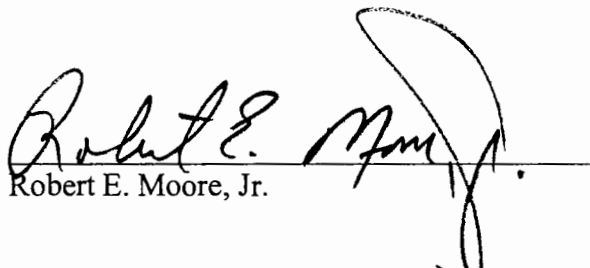
By: 
Robert E. Moore, Jr. (BPR#013600)
Receivership Management Inc.
783 Old Hickory Blvd., Suite 255
Brentwood, TN 37027
615-370-0051
615-373-4336 FAX
*Court Appointed Receiver for
Laurel Hills Water System in Receivership*

By: 
G. Everett Sinor, Jr. (BPR#017564)
Attorney at Law
Counsel for Receivership Management, Inc.
3504 Robin Road
Nashville, Tennessee 37204
615-969-9027 (Phone)
Everett.Sinor@gmail.com

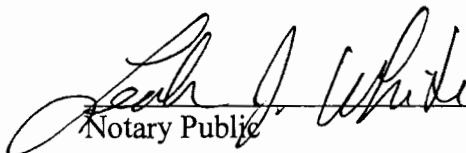
VERIFICATION

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

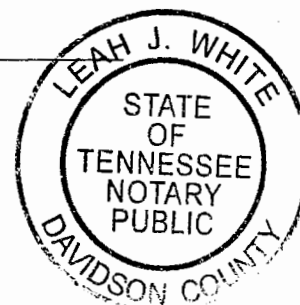
I, Robert E. Moore, Jr., Chief Operations Officer for Receivership Management, Inc., hereby declare under penalty of perjury, that I am authorized to make this verification on behalf of Laurel Hills Water System in Receivership; that I have read the foregoing petition for emergency relief; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.


Robert E. Moore, Jr.

SWORN TO AND SUBSCRIBED before me this 28 day of January, 2016.


Notary Public

My Commission Expires: _____ My Commission Expires September 10, 2018



Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing pleading has been served upon the parties hereto and the other persons listed below, at:

Shiva K. Bozarth, Esq.
Chief of Compliance
Counsel for Tennessee Regulatory Authority
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

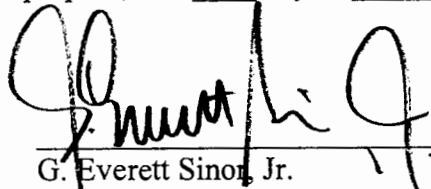
Donald Scholes, Esq.
Benjamin Gastel, Esq.
Branstetter, Stranch & Jennings
Counsel for Laurel Hills Condominiums
Property Owners Association
227 Second Avenue North, Fourth Floor
Nashville, Tennessee 37201

Melanie Davis, Esq.
Kizer & Black
329 Cates Street
Maryville, Tennessee 37801

Vance Broemel, Esq.
Consumer Advocate and Protection Division
Tennessee Attorney General and Reporter
Post Office Box 20207
Nashville, Tennessee 37202

Roger York, Esq.
York & Bilbrey
456 North Main Street, Suite 201
Crossville, Tennessee 38555

via the United States Mails, postage prepaid, this 28th day of January, 2016.



G. Everett Sinor, Jr.

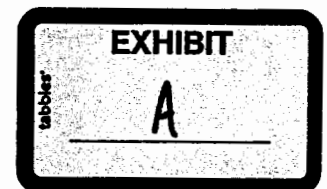
10:37 AM

01/21/16

Cash Basis

Laurel Hills Condominiums POA
Profit & Loss - WATER DEPT ONLY
 January through December 2014

	Jan - Dec 14
Ordinary Income/Expense	
Income	
Connect & Reconnect Fees Income	250.00
Water Income	47,796.40
Total Income	48,046.40
Gross Profit	48,046.40
Expense	
Contract Labor	450.00
Penalties	15.00
Water Testing	6,103.00
Depreciation	1,061.00
Real Estate Taxes	200.00
Licenses & Permits	637.00
Interest Expense	3.78
Legal Fees	9,450.00
Community Club Fees	125.00
Accounting Services	2,790.00
Postage & Delivery	53.00
Repair & Maintenance	
Plumbing Parts	481.89
Grounds	628.07
Total Repair & Maintenance	1,109.96
Utilities	
Water	23,305.35
Electric	4,311.32
Total Utilities	27,616.67
Total Expense	49,614.41
Net Ordinary Income	-1,568.01
Net Income	-1,568.01



10:36 AM

01/21/16

Cash Basis

Laurel Hills Condominiums POA
Profit & Loss - WATER DEPT ONLY
January 1 through October 26, 2015

	Jan 1 - Oct 26, 15
Ordinary Income/Expense	
Income	
Water Income	36,873.00
Total Income	36,873.00
Gross Profit	36,873.00
Expense	
Water Testing	5,103.00
Accounting Services	2,060.00
Postage & Delivery	64.00
Repair & Maintenance	
Plumbing Parts	1,014.48
Total Repair & Maintenance	1,014.48
Utilities	
Water	21,675.44
Electric	4,101.82
Total Utilities	25,777.26
Total Expense	34,018.74
Net Ordinary Income	2,854.26
Net Income	2,854.26

November 20, 2015

Crab Orchard Utility
2089 East First Street
Crossville, TN 38555
(931) 484-6987

0001-00900-001

RECEIVERSHIP MANAGEMENT

00006



RECEIVERSHIP MANAGEMENT, INC.

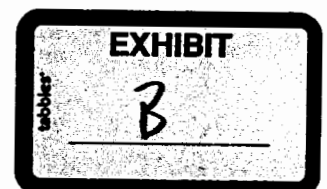
783 OLD HICKORY BLVD. SUITE 255
Brentwood, TN 37027

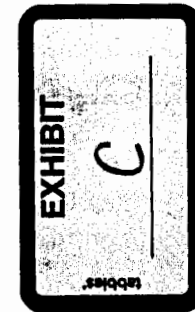
Dear Customer,

Our records indicate that your account is currently delinquent in the amount of \$8,590.50. If payment is not received by December 8, 2015, your service will be disconnected on December 9, 2015. If your service is disconnected a reconnect fee of \$50.00, in addition to the amount delinquent, will be due before service can be re-established.

If you have any questions regarding this notice or your current bill please contact our office at: (931) 484-6987.

*Bill -
For the file
R.M.
12-10-2015*





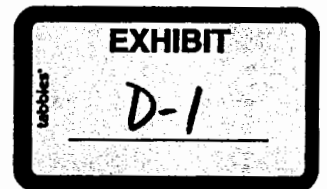
	POST	RECEIVERSHIP	PRE	RECEIVERSHIP
REVENUE				40,382.00
NOV	4,038.20			
DEC	4,038.20	8,076.40		
EXPENSE				
WATER TESTING FEES	201.00		5,103.00	
G WILLIAMS				
NOV	500.00			
DEC	500.00			
CRAB ORCHARD UTILITY			21,675.44	
NOV	2,250.00			
DEC	2,250.00			
ACCOUNTING			2,060.00	
NOV	300.00			
DEC	300.00			
ELECTRIC			4,101.82	
NOV	442.00			
DEC	442.00			
RECEIVERSHIP FEES & EXPENSES				
OCT	10,561.02			
NOV	5,267.48			
DEC	7,000.00			
DEPRECIATION - PUMP				
NOV	88.00			
DEC	88.00			
BACKUP PUMP REPAIR			1,078.48	
MAINTENANCE AND IMPROVEMENTS				
NOV	2,000.00			
DEC	2,000.00	34,189.50		34,018.74
		(26,113.10)		6,363.26 PER QUICKBOOKS
				(8,590.50) UNPAID EXP
				(2,227.24) PRE RECEIVERSHIP LOSS
NET POST RECEIVERSHIP LOSS		(26,113.10)		
NET PRE RECEIVERSHIP LOSS PER QUICKBOOKS		(2,227.24)		
REPAIR BACKUP PUMP		(3,403.00)		
		(31,743.34)		
BACKUP PUMP REPAIR AMORT. 4 MONTHS				1/14/2016 8:40
3403.00/4= 851.00				

POST RECEIVERSHIP EXPENSES ARE PRESENTED ON AN INCURRED BASIS

COMPARISON OF CURRENT RATE ALLOCATION WITH PROPOSED RATE ALLOCATION

BASIS: EXHIBIT D-1

<u>Current Rate Item</u>	<u>Current Rate Monthly Allocation</u>	<u>Proposed Rate Monthly Allocation</u>
Water Testing	\$600.00	\$67.00
Property Tax	\$200.00	\$0.00
Telephone Expense	\$61.00	\$0.00
Insurance Expense	\$433.00	\$0.00
Postage Expense	\$8.00	\$11.00
Engineering & Labor	\$333.00	\$500.00
Construction Costs	\$0.00	\$0.00
Depreciation	\$88.00	\$88.00
Penalties & Permits (TDEC)	\$25.00	\$25.00
Debt Interest Expense	\$0.00	\$0.00
Legal Expense	\$259.00	\$0.00
Accounting	\$242.00	\$333.00
Office Expense	\$14.00	\$0.00
Equipment Rental	\$6.00	\$0.00
Maintenance & Repair	\$0.00	\$2,000.00
Wholesale Water Expense	\$1,528.00	\$2,159.00
Electricity	\$274.00	\$401.00
Rate of Return or Margin	6.50%	\$0.00
Receiver's Fee		\$8,000.00
<i>Pump Rate Special Assessment (4 months)</i>		\$851.00
Estimated Number of Customers		130
Monthly Customer Use Rate (first 4 months)		\$111.04
Monthly Customer Use Rate Thereafter	\$33.10	\$104.49



COMPARISON OF CURRENT RATE ALLOCATION WITH PROPOSED RATE ALLOCATION

BASIS: EXHIBIT D-2

<u>Current Rate Item</u>	<u>Current Rate Monthly Allocation</u>	<u>Proposed Rate Monthly Allocation</u>
Water Testing	\$600.00	\$67.00
Property Tax	\$200.00	\$0.00
Telephone Expense	\$61.00	\$0.00
Insurance Expense	\$433.00	\$0.00
Postage Expense	\$8.00	\$11.00
Engineering & Labor	\$333.00	\$500.00
Construction Costs	\$0.00	\$0.00
Depreciation	\$88.00	\$88.00
Penalties & Permits (TDEC)	\$25.00	\$25.00
Debt Interest Expense	\$0.00	\$0.00
Legal Expense	\$259.00	\$0.00
Accounting	\$242.00	\$333.00
Office Expense	\$14.00	\$0.00
Equipment Rental	\$6.00	\$0.00
Maintenance & Repair	\$0.00	\$2,000.00
Wholesale Water Expense	\$1,528.00	\$2,159.00
Electricity	\$274.00	\$401.00
Rate of Return or Margin	6.50%	\$0.00
Receiver's Fee		\$8,000.00
<i>Pre-Rate Change Losses & Costs (24 months)</i>		\$2,176.09
<i>Pump Rate Special Assessment (4 months)</i>		\$851.00
Estimated Number of Customers		130
Monthly Customer Use Rate (first 4 months)		\$127.78
Monthly Customer Use Rate (months 5-24)		\$121.23
Monthly Customer Use Rate Thereafter	\$33.10	\$104.49



COMPARISON OF CURRENT RATE ALLOCATION WITH PROPOSED RATE ALLOCATION

BASIS: EXHIBIT D-3

<u>Current Rate Item</u>	<u>Current Rate Monthly Allocation</u>	<u>Proposed Rate Monthly Allocation</u>
Water Testing	\$600.00	\$67.00
Property Tax	\$200.00	\$0.00
Telephone Expense	\$61.00	\$0.00
Insurance Expense	\$433.00	\$0.00
Postage Expense	\$8.00	\$11.00
Engineering & Labor	\$333.00	\$500.00
Construction Costs	\$0.00	\$0.00
Depreciation	\$88.00	\$88.00
Penalties & Permits (TDEC)	\$25.00	\$25.00
Debt Interest Expense	\$0.00	\$0.00
Legal Expense	\$259.00	\$0.00
Accounting	\$242.00	\$333.00
Office Expense	\$14.00	\$0.00
Equipment Rental	\$6.00	\$0.00
Maintenance & Repair	\$0.00	\$2,000.00
Wholesale Water Expense	\$1,528.00	\$2,159.00
Electricity	\$274.00	\$401.00
Rate of Return or Margin	6.50%	\$0.00
Receiver's Fee		\$0.00
<i>Pump Rate Special Assessment (4 months)</i>		\$851.00
Estimated Number of Customers		130
Monthly Customer Use Rate (first 4 months)		\$49.50
Monthly Customer Use Rate Thereafter	\$33.10	\$42.95

