

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF TENNESSEE)	
WASTEWATER SYSTEMS, INC.,)	DOCKET NO. 16-00139
FOR APPROVAL OF ADJUSTMENT)	
OF ITS RATES AND NEW TARIFF)	

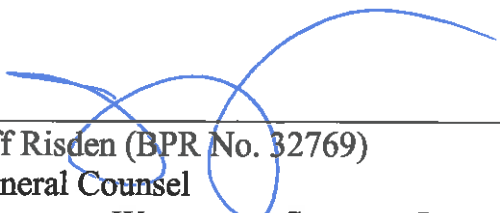
**TWSI'S SUPPLEMENTAL RESPONSE TO FIRST DISCOVERY REQUESTS OF THE
CONSUMER PROTECTION AND ADVOCATE DIVISION**

Tennessee Wastewater Systems, Inc. ("TWSI") files this supplemental response to the Consumer Protection and Advocate Division's *First Discovery Requests of the Consumer Protection and Advocate Division to Tennessee Wastewater Systems, Inc.*

Certain documents responsive to questions 16a and 16b were inadvertently left out of the exhibits filed in response to those questions. The omitted tax returns and franchise and excise returns for 2014 are included in this supplemental response as Exhibit 16aa and Exhibit 16bb.

Further as a point of clarification for question 16d, TWSI did not have any direct employees until the third quarter of 2014, so all responsive documents have been provided for that question.

RESPECTFULLY SUBMITTED,



Jeff Riden (BPR No. 32769)
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

Karen H. Stachowski
Vance Broemel
Office of the Tennessee Attorney General
Consumer Protection and Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Karen.Stachowski@ag.tn.gov
Vance.Broemel@ag.tn.gov

This the 8th day of February, 2017.

Jeff Risdén



CORPORATION
Two-Year Comparison

2014

Name	Employer identification Number
TENNESSEE WASTEWATER SYSTEMS, INC.	** - ***8202

Description	Prior Year	Current Year	Increase (Decrease)
INCOME:			
GROSS RECEIPTS OR SALES LESS RETURNS AND ALLOWANCES	1,579,980.	1,622,353.	42,373.
GROSS PROFITS	1,579,980.	1,622,353.	42,373.
INTEREST	130.	0.	-130.
OTHER INCOME	133,300.	65,200.	-68,100.
TOTAL INCOME	1,713,410.	1,687,553.	-25,857.
DEDUCTIONS:			
SALARIES AND WAGES LESS EMPLOYMENT CREDITS	0.	239,588.	239,588.
REPAIRS AND MAINTENANCE	0.	103.	103.
BAD DEBTS	0.	2,909.	2,909.
RENTS	6,945.	50,554.	43,609.
TAXES AND LICENSES	202,582.	156,437.	-46,145.
INTEREST	0.	192.	192.
DEPRECIATION	2,469.	18,850.	16,381.
ADVERTISING	350.	0.	-350.
PENSION, PROFIT-SHARING, ETC., PLANS	0.	1,782.	1,782.
EMPLOYEE BENEFIT PROGRAMS	0.	1,404.	1,404.
OTHER DEDUCTIONS	1,504,610.	1,283,050.	-221,560.
TOTAL DEDUCTIONS	1,716,956.	1,754,869.	37,913.
TAXABLE INCOME:			
TAXABLE INCOME BEFORE NOL DEDUCTION AND SPECIAL DEDUCTIONS	-3,546.	-67,316.	-63,770.
TAXABLE INCOME	-3,546.	-67,316.	-63,770.
TAX COMPUTATION:			
TAX BEFORE CREDITS	0.	0.	0.
TAX AFTER CREDITS	0.	0.	0.
TOTAL TAX	0.	0.	0.
PAYMENTS AND CREDITS:			
ESTIMATED TAX PAYMENTS	68,200.	0.	-68,200.
TOTAL PAYMENTS AND CREDITS	68,200.	0.	-68,200.
BALANCE DUE OR REFUND:			

CORPORATION
Two-Year Comparison

2014

Name TENNESSEE WASTEWATER SYSTEMS, INC.	Employer identification Number ** - ***8202
---	---

Description	Prior Year	Current Year	Increase (Decrease)
OVERPAYMENT	68,200.	0.	-68,200.
AMOUNT REFUNDED	68,200.	0.	-68,200.
SCHEDULE M-2:			
BALANCE AT BEGINNING OF YEAR -			
UNAPPROPRIATED RETAINED EARNINGS	390,767.	247,988.	-142,779.
NET INCOME (LOSS) PER BOOKS	-142,779.	177.	142,956.
BALANCE AT END OF YEAR -			
UNAPPROPRIATED RETAINED EARNINGS	247,988.	248,165.	177.
SCHEDULE M-3:			
INTEREST INCOME	130.	0.	-130.
TOTAL INCOME (LOSS) ITEMS	130.	0.	-130.
U.S. CURRENT INCOME TAX EXPENSE	136,365.	-68,200.	-204,565.
STATE AND LOCAL CURRENT INCOME TAX			
EXPENSE	93,457.	37,427.	-56,030.
INTEREST EXPENSE	0.	192.	192.
MEALS AND ENTERTAINMENT	0.	713.	713.
FINES AND PENALTIES	2,868.	0.	-2,868.
PENSION AND PROFIT-SHARING	0.	1,782.	1,782.
CHARITABLE CONTRIBUTION OF CASH			
AND TANGIBLE PROPERTY	0.	350.	350.
DEPRECIATION	2,469.	18,850.	16,381.
BAD DEBT EXPENSE	0.	2,909.	2,909.
TOTAL EXPENSE/DEDUCTION ITEMS	235,159.	-5,977.	-241,136.
OTHER ITEMS WITH NO DIFFERENCES	92,250.	-5,800.	-98,050.
1120 SUBGROUP RECONCILIATION TOTALS	-142,779.	177.	142,956.
RECONCILIATION TOTALS	-142,779.	177.	142,956.

Form **8879-C****IRS e-file Signature Authorization for Form 1120**

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service

For calendar year 2014, or tax year beginning _____, 2014, ending _____, 20 _____

▶ **Do not send to the IRS. Keep for your records.****2014**▶ **Information about Form 8879-C and its instructions is at www.irs.gov/form8879.**

Name of corporation

TENNESSEE WASTEWATER SYSTEMS, INC.

Employer identification number

**** - ***8202****Part I Tax Return Information** (Whole dollars only)

1 Total income (Form 1120, line 11)	1	1,687,553.
2 Taxable income (Form 1120, line 30)	2	-67,316.
3 Total tax (Form 1120, line 31)	3	
4 Amount owed (Form 1120, line 34)	4	
5 Overpayment (Form 1120, line 35)	5	

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2014 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize **DEMPSEY VANTREASE & FOLLIS PLLC**

ERO firm name

to enter my PIN **12345**

do not enter all zeros

as my signature on the corporation's 2014 electronically filed income tax return.

☐ As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2014 electronically filed income tax return.

Officer's signature ▶

Date ▶

Title ▶ **TREASURER****Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

62427612345

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2014 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 3112, IRS e-file Application and Participation, and Pub. 4183, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶

Date ▶ **03/12/15**

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see instructions.

Form **8879-C** (2014)

LHA

Form **1120****U.S. Corporation Income Tax Return**

For calendar year 2014 or tax year

OMB No. 1545-0123

beginning

, ending

2014Department of the Treasury
Internal Revenue ServiceInformation about Form 1120 and its separate instructions is at www.irs.gov/form1120.**A Check if:**

- 1a Consolidated return (attach Form 981) ☐
- b Life/nonlife consolidated return ☐
- c Personal holding co. (attach Schedule M-1) ☐
- d Personal service corp. (see instructions) ☐
- e Schedule M-3 attached ☒

**TYPE
OR
PRINT**

Name

TENNESSEE WASTEWATER SYSTEMS, INC.

Number, street, and room or suite no. if a P.O. box, see instructions.

851 AVIATION PARKWAY

City or town, state, or province, country and ZIP or foreign postal code

SMYRNA, TN 37167**B Employer identification number******-***8202****C Date incorporated****03/11/1993****D Total assets (see instructions)****\$ 21,847,537.****E Check if:** (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change

Income	1a Gross receipts or sales	1a	1,622,353.	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a	1c	1,622,353.	
	2 Cost of goods sold (attach Form 1125-A)	2		
	3 Gross profit. Subtract line 2 from line 1c	3	1,622,353.	
	4 Dividends (Schedule C, line 19)	4		
	5 Interest	5		
	6 Gross rents	6		
	7 Gross royalties	7		
	8 Capital gain net income (attach Schedule D (Form 1120))	8		
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9		
10 Other income (attach statement)	10	SEE STATEMENT 1	65,200.	
11 Total income. Add lines 3 through 10	11		1,687,553.	
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (attach Form 1125-E)	12		
	13 Salaries and wages (less employment credits)	13	239,588.	
	14 Repairs and maintenance	14	103.	
	15 Bad debts	15	2,909.	
	16 Rents	16	50,554.	
	17 Taxes and licenses	17	SEE STATEMENT 2	156,437.
	18 Interest	18	192.	
	19 Charitable contributions	19	SEE STATEMENT 3 AND SEE STATEMENT 4	0.
	20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	18,850.	
	21 Depletion	21		
	22 Advertising	22		
	23 Pension, profit-sharing, etc., plans	23	1,782.	
	24 Employee benefit programs	24	1,404.	
	25 Domestic production activities deduction (attach Form 8903)	25		
	26 Other deductions (attach statement)	26	SEE STATEMENT 5	1,283,050.
	27 Total deductions. Add lines 12 through 26	27		1,754,869.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28		-67,316.
Tax, Refundable Credits, and Payments	29a Net operating loss deduction (see instructions)	29a	STATEMENT 6	0.
	b Special deductions (Schedule C, line 20)	29b		
	c Add lines 29a and 29b	29c		
	30 Taxable income. Subtract line 29c from line 28 (see instructions)	30		-67,316.
	31 Total tax (Schedule J, Part I, line 11)	31		0.
	32 Total payments and refundable credits (Schedule J, Part II, line 21)	32		
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	33			
34 Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34		0.	
35 Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35			
36 Enter amount from line 35 you want: Credited to 2015 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	36			

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

TREASURER

Title

May the IRS discuss this return with the preparer shown below?

☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input checked="" type="checkbox"/>	PTIN
	MIKE HALLUM, CPA	MIKE HALLUM, CPA	03/12/15		P00241489
	Firm's name	Firm's EIN	Phone no.		
	DEMPSEY VANTREASE & FOLLIS PLLC	** - ***6974			
	Firm's address				
	630 S. CHURCH ST., STE 300				
	MURFREESBORO, TN 37130	(615)893-6666			

411801 01-02-16 JWA For Paperwork Reduction Act Notice, see separate instructions.

Form 1120 (2014)

Schedule C Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1968		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			

Form **1120** (2014)

Schedule J Tax Computation and Payment (see instructions)**Part I - Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>		
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2	0.
3	Alternative minimum tax (attach Form 4626)		3	
4	Add lines 2 and 3		4	0.
5a	Foreign tax credit (attach Form 1118)	5a		
b	Credit from Form 8834 (see instructions)	5b		
c	General business credit (attach Form 3800)	5c		
d	Credit for prior year minimum tax (attach Form 8827)	5d		
e	Bond credits from Form 8912	5e		
6	Total credits. Add lines 5a through 5e		6	
7	Subtract line 6 from line 4		7	0.
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	
9a	Recapture of investment credit (attach Form 4255)	9a		
b	Recapture of low-income housing credit (attach Form 8611)	9b		
c	Interest due under the look-back method-completed long-term contracts (attach Form 8697)	9c		
d	Interest due under the look-back method-income forecast method (attach Form 8866)	9d		
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e		
f	Other (see instructions - attach statement)	9f		
10	Total. Add lines 9a through 9f		10	
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11	0.

Part II - Payments and Refundable Credits

12	2013 overpayment credited to 2014		12	
13	2014 estimated tax payments		13	
14	2014 refund applied for on Form 4466		14	()
15	Combine lines 12, 13, and 14		15	
16	Tax deposited with Form 7004		16	
17	Withholding (see instructions)		17	
18	Total payments. Add lines 15, 16, and 17		18	
19	Refundable credits from:			
a	Form 2439	19a		
b	Form 4136	19b		
c	Form 8827, line 8c	19c		
d	Other (attach statement - see instructions)	19d		
20	Total credits. Add lines 19a through 19d		20	
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32		21	

Schedule K Other Information (see instructions)

1	Check accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 221300		
b	Business activity ▶ UTILITIES		
c	Product or service ▶ WASTEWATER MGMT		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)	X	

Form 1120 (2014)

Schedule K Other information continued (see instructions)**5 At the end of the tax year, did the corporation:**

- a** Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions **X**
- If "Yes," complete (i) through (iv) below.

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

- b** Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions **X**
- If "Yes," complete (i) through (iv) below.

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

- 6** During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) **X**

If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

- 7** At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? **X**

For rules of attribution, see section 318. If "Yes," enter:

(i) Percentage owned ▶ and (ii) Owner's country ▶

(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶

- 8** Check this box if the corporation issued publicly offered debt instruments with original issue discount ☐
- If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶

- 11** If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ☐

If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ **3,546.**

- 13** Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000? **X**

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$

- 14** Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? **X**

If "Yes," complete and attach Schedule UTP.

- 15a** Did the corporation make any payments in 2014 that would require it to file Form(s) 1099? **X**

b If "Yes," did or will the corporation file required Forms 1099? **X**

- 16** During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock? **X**

- 17** During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction? **X**

- 18** Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million? **X**

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		15,272.		162,154.
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (att. stmt.) STMT 7		79,389.		108,578.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (att. stmt.)				
10a	Buildings and other depreciable assets	22,915.		98,711.	
b	Less accumulated depreciation	(14,264)	8,651.	(33,114)	65,597.
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)		2,628,791.		2,667,264.
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (att. stmt.) STMT 8		18,984,262.		18,843,944.
15	Total assets		21,716,365.		21,847,537.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (att. stmt.) STMT 9				987.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				106,572.
21	Other liabilities (att. stmt.) STMT 10				23,436.
22	Capital stock: a Preferred stock				
b	Common stock				
23	Additional paid-in capital		21,468,377.		21,468,377.
24	Retained earnings - Appropriated (attach statement)				
25	Retained earnings - Unappropriated		247,988.		248,165.
26	Adjustments to shareholders' equity (attach statement)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		21,716,365.		21,847,537.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3 (see instructions).

1	Net income (loss) per books	177.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	-68,200.		Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Charitable contributions \$ 350.		b	Charitable contributions \$	
c	Travel and entertainment \$ 357.				
		707.	9	Add lines 7 and 8	
6	Add lines 1 through 5	-67,316.	10	Income (page 1, line 28) - line 6 less line 9	-67,316.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	247,988.	5	Distributions: a Cash	
2	Net income (loss) per books	177.	b	Stock	
3	Other increases (itemize):		c	Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	248,165.	8	Balance at end of year (line 4 less line 7)	248,165.

ALTERNATIVE MINIMUM TAX/ACE DEPRECIATION REPORT

ASSET NUMBER	DESCRIPTION	AMT METHOD	AMT LIFE	REGULAR DEPRECIATION	AMT DEPRECIATION	ACE DEPRECIATION
2	EQUIP	150DB	7.00	557.	765.	765.
3	SOFTWARE LICENSE		3.00	3,133.	3,133.	3,133.
4	FORD F250	150DB	5.00	7,580.	5,685.	5,685.
5	FORD F250	150DB	5.00	7,580.	5,685.	5,685.
	TOTALS			18,850.	15,268.	15,268.
	MACRS AMT ADJUSTMENT				3,582.	

4/28/01 05:01:14

(Rev. December 2011)
Department of the Treasury
Internal Revenue Service

OMB No. 1545-0123

▶ Attach to Form 1120.

Employer identification number (EIN)

-*8202

Part I **Certain Entities Owning the Corporation's Voting Stock.** (Form 1120, Schedule K, Question 4a). Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization that owns directly 20% or more, or owns, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote (see instructions).

[illegible]

Part II **Certain Individuals and Estates Owning the Corporation's Voting Stock.** (Form 1120, Schedule K, Question 4b).
Complete columns (i) through (iv) below for any individual or estate that owns directly 20% or more, or owns, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote (see instructions).

[illegible]

Schedule G (Form 1120) (Rev. 12-2011)

417701 JWA
05-01-14

**SCHEDULE M-3
(Form 1120)**

Department of the Treasury
Internal Revenue Service

**Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More**

▶ Attach to Form 1120 or 1120-C.

OMB No. 1545-0123

2014

▶ Information about Schedule M-3 (Form 1120) and its separate instructions is available at www.irs.gov/form1120.

Name of corporation (common parent, if consolidated return)

Employer identification number

TENNESSEE WASTEWATER SYSTEMS, INC.

**** - ***8202**

Check applicable box(es): (1) ☒ Non-consolidated return
(3) ☐ Mixed 1120/L/PC group

(2) ☐ Consolidated return (Form 1120 only)
(4) ☐ Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

1 a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?

- ☐ Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
☒ No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the corporation prepare a certified audited non-tax-basis income statement for that period?

- ☐ Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
☒ No. Go to line 1c.

c Did the corporation prepare a non-tax-basis income statement for that period?

- ☐ Yes. Complete lines 2a through 11 with respect to that income statement.
☒ No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

2 a Enter the income statement period: Beginning _____ Ending _____

b Has the corporation's income statement been restated for the income statement period on line 2a?

- ☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
☐ No.

c Has the corporation's income statement been restated for any of the five income statement periods immediately preceding the period on line 2a?

- ☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
☐ No.

3 a Is any of the corporation's voting common stock publicly traded?

- ☐ Yes.
☐ No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock _____

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock _____

4 a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1

4a **177.**

b Indicate accounting standard used for line 4a (see instructions): (1) ☐ GAAP (2) ☐ IFRS
(3) ☐ Statutory (4) ☐ Tax-basis (5) ☐ Other (specify) _____

5 a Net income from nonincludible foreign entities (attach statement)

5a ()

b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount)

5b ()

6 a Net income from nonincludible U.S. entities (attach statement)

6a ()

b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)

6b ()

7 a Net income (loss) of other includible foreign disregarded entities (attach statement)

7a _____

b Net income (loss) of other includible U.S. disregarded entities (attach statement)

7b _____

c Net income (loss) of other includible entities (attach statement)

7c _____

8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach stmt.)

8 _____

9 Adjustment to reconcile income statement period to tax year (attach statement)

9 _____

10 a Intercompany dividend adjustments to reconcile to line 11 (attach statement)

10a _____

b Other statutory accounting adjustments to reconcile to line 11 (attach statement)

10b _____

c Other adjustments to reconcile to amount on line 11 (attach statement)

10c _____

11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10

11 **177.**

Note. Part I, line 11, must equal Part II, line 30, column (a) or Schedule M-1, line 1 (see instructions).

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	21,847,537.	130,995.
b Removed on Part I, line 5		
c Removed on Part I, line 6		
d Included on Part I, line 7		

JWA For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule M-3 (Form 1120) 2014

419321/11-14-14

Name of corporation (common parent, if consolidated return)

TENNESSEE WASTEWATER SYSTEMS, INC.

Employer identification number

-*8202

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/LPC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 12)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar inc inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships				
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions				
13 Interest income (see instructions)				
14 Total accrual to cash adjustment				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Cost of goods sold (see instructions)	()			()
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue				
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach stmt.)				
g Other gain/loss on disposition of assets other than inventory				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach stmt.)				
26 Total income (loss) items. Combine lines 1 through 25				
27 Total expense/deduction items (from Part III, line 38)	5,977.	350.	-67,843.	-61,516.
28 Other items with no differences STMT 11	-5,800.			-5,800.
29a Mixed groups, see instructions. All others, combine lines 28 through 28	177.	350.	-67,843.	-67,316.
b PG Insurance subgroup reconciliation totals				
c Life Insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	177.	350.	-67,843.	-67,316.

Note. Line 30, column (a), must equal Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Employer identification number

TENNESSEE WASTEWATER SYSTEMS, INC.

-*8202

Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	-68,200.		68,200.	
2 U.S. deferred income tax expense				
3 State and local current income tax expense	37,427.			37,427.
4 State and local deferred income tax expense				
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Interest expense (see instructions)	192.			192.
9 Stock option expense				
10 Other equity-based compensation				
11 Meals and entertainment STMT 13	713.		-357.	356.
12 Fines and penalties				
13 Judgments, damages, awards, and similar costs				
14 Parachute payments				
15 Compensation with section 162(m) limitation				
16 Pension and profit-sharing	1,782.			1,782.
17 Other post-retirement benefits				
18 Deferred compensation				
19 Charitable contribution of cash and tangible property STMT 14	350.			350.
20 Charitable contribution of intangible property				
21 Charitable contribution limitation/carryforward		-350.		-350.
22 Domestic production activities deduction				
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees				
25 Current year acquisition/ reorganization other costs				
26 Amortization/impairment of goodwill				
27 Amortization of acquisition, reorganization, and start-up costs				
28 Other amortization or impairment write-offs				
29 Reserved				
30 Depletion				
31 Depreciation	18,850.			18,850.
32 Bad debt expense STMT 15	2,909.			2,909.
33 Corporate owned life insurance premiums Purchase versus lease				
34 (for purchasers and/or lessees)				
35 Research and development costs				
36 Section 118 exclusion (att. stmt.)				
37 Other expense/deduction items with differences (attach statement)				
38 Total expense/deduction items. Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	-5,977.	-350.	67,843.	61,516.

Form **4562****Depreciation and Amortization**
(Including Information on Listed Property) **OTHER**

OMB No. 1545-0172

2014Attachment
Sequence No. 179Department of the Treasury
Internal Revenue Service (99)
Name(s) shown on return

▶ Attach to your tax return.

▶ Information about Form 4562 and its separate instructions is at www.irs.gov/form4562.

Business or activity to which this form relates

Identifying number

TENNESSEE WASTEWATER SYSTEMS, INC.**OTHER DEPRECIATION****** - ***8202****Part I Election To Expense Certain Property Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2013 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2015. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	3,133.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2014	17	557.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2014 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2014 Tax Year Using the Alternative Depreciation System

20a Class life				S/L	
b 12-year			12 yrs.	S/L	
c 40-year	/		40 yrs.	MM	S/L

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	15,160.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	18,850.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (include automobiles, certain other vehicles, certain aircraft, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☒ Yes ☐ No 24b If "Yes," is the evidence written? ☒ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	-------------------------------------	--	-------------------------------	--	---------------------------	------------------------------	----------------------------------	---------------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use

25

26 Property used more than 50% in a qualified business use:

FORD F250	08/04/14	100.00 %	37,898.	37,898.	5.00	200DB-HY	7,580.	
FORD F250	08/04/14	100.00 %	37,898.	37,898.	5.00	200DB-HY	7,580.	
		%						

27 Property used 50% or less in a qualified business use:

		%				S/L		
		%				S/L		
		%				S/L		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28 15,160.

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
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42 Amortization of costs that begins during your 2014 tax year:

43 Amortization of costs that began before your 2014 tax year 43

44 Total. Add amounts in column (f). See the instructions for where to report 44

Form **8916-A****Supplemental Attachment to Schedule M-3**

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

▶ Information about Form 8916-A and its instructions is at www.irs.gov/form1120.**2014**

Name of common parent

TENNESSEE WASTEWATER SYSTEMS, INC.

Employer identification number

****-***8202**

Name of subsidiary

Employer identification number

Part I Cost of Goods Sold

Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 Amounts attributable to cost flow assumptions				
2 Amounts attributable to:				
a Stock option expense				
b Other equity based compensation				
c Meals and entertainment				
d Parachute payments				
e Compensation with section 162(m) limitation				
f Pension and profit sharing				
g Other post-retirement benefits				
h Deferred compensation				
i Reserved				
j Amortization				
k Depletion				
l Depreciation				
m Corporate owned life insurance premiums				
n Other section 263A costs				
3 Inventory shrinkage accruals				
4 Excess inventory and obsolescence reserves				
5 Lower of cost or market write-downs				
6 Other items with differences (attach statement)				
7 Other items with no differences				
8 Total cost of goods sold. Add lines 1 through 7 in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See Instructions ...				

JWA For Paperwork Reduction Act Notice, see Instructions.

Form 8916-A (2014)

418315
11-14-14

Part II Interest Income

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income				
2	Interest income from hybrid securities				
3	Sale/lease interest income				
4a	Intercompany interest income - From outside tax affiliated group				
4b	Intercompany interest income - From tax affiliated group				
5	Other interest income				
6	Total interest income. Add lines 1 through 5 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.				

Part III Interest Expense

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities				
2	Lease/purchase interest expense				
3a	Intercompany interest expense - Paid to outside tax affiliated group				
3b	Intercompany interest expense - Paid to tax affiliated group				
4	Other interest expense STMT 17	192.			192.
5	Total interest expense. Add lines 1 through 4 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	192.			192.

JWA

Form 8916-A (2014)

Election Not to Claim the Additional First Year
Depreciation Allowable Under IRC Sec. 168(k)

Tennessee Wastewater Systems, Inc.
851 Aviation Parkway
Smyrna, TN 37167

Employer Identification Number: 62-1548202

For the Year Ending December 31, 2014

Tennessee Wastewater Systems, Inc., hereby Elects, pursuant to IRC Sec. 168(k)(2)(D)(iii), not to claim the additional depreciation allowable under IRC Sec. 168(k) for the following qualifying property placed in service during the tax year ending December 31, 2014.

All property in the 5 year class.

See attached Form 4562.

Section 1.263(a)-1(f) De Minimis Safe Harbor Election

Tennessee Wastewater Systems, Inc.
851 Aviation Parkway
Smyrna, TN 37167

Employer Identification Number: 62-1548202

For the Year Ending December 31, 2014

Tennessee Wastewater Systems, Inc. is making the de minimis safe harbor election under Reg. Sec. 1.263(a)-1(f).

FORM 1120	OTHER INCOME	STATEMENT	1
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DESCRIPTION	AMOUNT
MISCELLANEOUS FEES	65,200.
TOTAL TO FORM 1120, LINE 10	65,200.

FORM 1120	TAXES AND LICENSES	STATEMENT	2
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DESCRIPTION	AMOUNT
LICENSES AND PERMITS	57,237.
PAYROLL TAXES	19,090.
PROPERTY TAXES	42,683.
TENNESSEE TAXES - OTHER	37,427.
TOTAL TO FORM 1120, LINE 17	156,437.

CURRENT YEAR CONTRIBUTIONS	STATEMENT	3
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DESCRIPTION	AMOUNT
CHARITABLE CONTRIBUTIONS	350.
TOTAL CURRENT YEAR CONTRIBUTIONS	350.

CONTRIBUTIONS

STATEMENT 4

QUALIFIED CONTRIBUTIONS SUBJECT TO 100% LIMIT

CONTRIBUTION SUBJECT TO LIMITATION:

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS

FOR TAX YEAR 2009

FOR TAX YEAR 2010

FOR TAX YEAR 2011

FOR TAX YEAR 2012

FOR TAX YEAR 2013

TOTAL CARRYOVER

CURRENT YEAR CONTRIBUTIONS

350

TOTAL CONTRIBUTIONS AVAILABLE

350

TAXABLE INCOME LIMITATION AS ADJUSTED

0

EXCESS CONTRIBUTIONS

350

ALLOWABLE CONTRIBUTIONS DEDUCTION

0

TOTAL CONTRIBUTION DEDUCTION

0

FORM 1120

OTHER DEDUCTIONS

STATEMENT 5

DESCRIPTION

AMOUNT

BANK FEES	51,042.
BILLING/COLLECTING FEES	960.
DEED REGISTRATION	1,000.
DUES & SUBSCRIPTIONS	3,779.
EASEMENT COSTS	87.
FRANCHISE FEES	2,464.
INSURANCE	22,819.
MATERIALS & SUPPLIES	135,559.
MEALS AND ENTERTAINMENT	356.
MISCELLANEOUS	965.
OFFICE SUPPLIES	434.
OTHER CONTRACTUAL SERVICES	666,732.
POSTAGE	3,845.
PROFESSIONAL FEES	121,175.
PURCHASE WASTEWATER TREATMENT	104,304.
PURCHASED POWER-UTILITIES	121,303.
REGULATORY COMMISSION EXPENSE	6,788.
SMALL EQUIPMENT	2,500.
SOFTWARE LICENSES	9,400.
TELEPHONE	3,742.
TRANSPORTATION EXPENSES	23,796.
TOTAL TO FORM 1120, LINE 26	1,283,050.

NET OPERATING LOSS DEDUCTION

STATEMENT 6

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
12/31/07	13,299.	13,299.	0.	0.
12/31/08	178,411.	178,411.	0.	0.
12/31/13	3,546.		3,546.	3,546.
NOL AVAILABLE THIS YEAR			3,546.	3,546.

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT	7
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
CONSTRUCTION MAPLE GREEN RELATED PARTY RECEIVABLES	79,389.	13,693. 94,885.
TOTAL TO SCHEDULE L, LINE 6	79,389.	108,578.

SCHEDULE L	OTHER ASSETS	STATEMENT	8
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
COLLECTION/TREATMENT SYSTEMS MISC RESERVES	18,843,944. 140,318.	18,843,944.
TOTAL TO SCHEDULE L, LINE 14	18,984,262.	18,843,944.

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT	9
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
PAYROLL LIABILITIES SEWER DEPOSITS		1,019. -32.
TOTAL TO SCHEDULE L, LINE 18		987.

SCHEDULE L	OTHER LIABILITIES	STATEMENT	10
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
MISC OPERATING RESERVES		23,436.
TOTAL TO SCHEDULE L, LINE 21		23,436.

SCHEDULE M-3 OTHER INCOME (LOSS) AND EXPENSE / DEDUCTION STATEMENT 11
ITEMS WITH NO DIFFERENCES

DESCRIPTION	PER INCOME STATEMENT	PER TAX RETURN
OTHER INCOME (LOSS) - SEE STATEMENT	1,687,553.	1,687,553.
OTHER EXPENSE / DEDUCTION - SEE STATEMENT	-1,693,353.	-1,693,353.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	-5,800.	-5,800.

SCHEDULE M-3 OTHER INCOME (LOSS) ITEMS WITH NO DIFFERENCES STATEMENT 12

DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	INCOME (LOSS) PER TAX RETURN
GROSS RECEIPTS OR SALES	1,622,353.	1,622,353.
MISCELLANEOUS FEES	65,200.	65,200.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	1,687,553.	1,687,553.

SCHEDULE M-3 MEALS AND ENTERTAINMENT STATEMENT 13

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
MEALS AND ENTERTAINMENT	713.		-357.	356.
TOTAL	713.		-357.	356.

SCHEDULE M-3 CHARITABLE CONTRIBUTION OF CASH AND TANGIBLE PROPERTY STATEMENT 14

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	EXPENSE/ DEDUCTION PER TAX RETURN
CHARITABLE CONTRIBUTIONS	350.		0.	350.
TOTAL	350.		0.	350.

SCHEDULE M-3 BAD DEBT EXPENSE STATEMENT 15

DESCRIPTION	EXPENSE PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	DEDUCTION PER TAX RETURN
BAD DEBT	2,909.		0.	2,909.
TOTAL	2,909.		0.	2,909.

SCHEDULE M-3 OTHER EXPENSE/DEDUCTION ITEMS WITH NO DIFFERENCES STATEMENT 16

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	EXPENSE/ DEDUCTION PER TAX RETURN
BANK FEES	51,042.	51,042.
BILLING/COLLECTING FEES	960.	960.
DEED REGISTRATION	1,000.	1,000.
DUES & SUBSCRIPTIONS	3,779.	3,779.
EASEMENT COSTS	87.	87.
EMPLOYEE BENEFIT PROGRAMS	1,404.	1,404.
FRANCHISE FEES	2,464.	2,464.
INSURANCE	22,819.	22,819.
LICENSES AND PERMITS	57,237.	57,237.
MATERIALS & SUPPLIES	135,559.	135,559.
MISCELLANEOUS	965.	965.
OFFICE SUPPLIES	434.	434.
OTHER CONTRACTUAL SERVICES	666,732.	666,732.
PAYROLL TAXES	19,090.	19,090.
POSTAGE	3,845.	3,845.
PROFESSIONAL FEES	121,175.	121,175.

TENNESSEE WASTEWATER SYSTEMS, INC.

-*8202

PROPERTY TAXES	42,683.	42,683.
PURCHASE WASTEWATER TREATMENT	104,304.	104,304.
PURCHASED POWER-UTILITIES	121,303.	121,303.
REGULATORY COMMISSION EXPENSE	6,788.	6,788.
RENTS	50,554.	50,554.
REPAIRS	103.	103.
SALARIES AND WAGES	239,588.	239,588.
SMALL EQUIPMENT	2,500.	2,500.
SOFTWARE LICENSES	9,400.	9,400.
TELEPHONE	3,742.	3,742.
TRANSPORTATION EXPENSES	23,796.	23,796.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	1,693,353.	1,693,353.

FORM 8916-A

OTHER INTEREST EXPENSE

STATEMENT 17

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST EXPENSE FROM TRADE OR BUSINESS	192.	0.	0.	192.
TOTAL TO PART III, LINE 4	192.	0.	0.	192.

Form **3115**(Rev. December 2008)
Department of the Treasury
Internal Revenue Service**Application for Change in Accounting Method**

OMB No. 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions)

TENNESSEE WASTEWATER SYSTEMS, INC

Identification number (see instructions)

62-1548202

Principal business activity code number (see instructions)

221300

Number, street, and room or suite no. If a P.O. box, see the instructions.

851 AVIATION PARKWAY

Tax year of change begins (MM/DD/YYYY)

1/1/2014

Tax year of change ends (MM/DD/YYYY)

12/31/2014

City or town, state, and ZIP code

SMYRNA, TN 37167

Name of contact person (see instructions)

MIKE HALLUM, CPA

Name of applicant(s) (if different than filer) and identification number(s) (see instructions)

Contact person's telephone number

615-893-6686If the applicant is a member of a consolidated group, check this box ☐If Form 2848, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box ☒**Check the box to indicate the type of applicant.**☐ Individual☒ Corporation☐ Controlled foreign corporation
(Sec. 957)☐ 10/50 corporation (Sec. 904(d)(2)(E))☐ Qualified personal service
corporation (Sec. 448(d)(2))☐ Exempt organization. Enter Code section ▶☐ Cooperative (Sec. 1381)☐ Partnership☐ S corporation☐ Insurance co. (Sec. 816(a))☐ Insurance co. (Sec. 831)☐ Other (specify) ▶**Check the appropriate box to indicate the type of accounting method change being requested. (see instructions)**☐ Depreciation or Amortization☐ Financial Products and/or Financial Activities of
Financial Institutions☐ Other (specify) ▶**Caution.** To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.

The taxpayer must attach all applicable supplemental statements requested throughout this form.

Part I Information For Automatic Change Request

- 1 Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions.

Yes No

▶ (a) Change No. 184,186,192 (b) Other ☐ Description ▶

- 2 Do any of the scope limitations described in section 4.02 of Rev. Proc. 2008-62 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation.

Yes No

Note. Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).**Part II Information For All Requests**

Yes No

- 3 Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)? If "Yes," the applicant is not eligible to make the change under automatic change request procedures.

Yes No

- 4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If "No," go to line 5.

Yes No

- b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?

Yes No

Signature (see instructions)

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

Filer

Preparer (other than filer/applicant)



Signature and date

3-12-15



Name and title (print or type)

President



Signature of individual preparing the application and date

MIKE HALLUM, CPA

Name of individual preparing the application (print or type)

DEMPSEY VANTREASE & FOLLIS PLLC

Name of firm preparing the application

Part II Information For All Requests (continued)

Yes No

4c	Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see Instructions)?		
d	Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see Instructions)? If "Yes," attach the consent statement from the director.		
e	Is the request to change the method of accounting being filed under the 90-day or 120-day window period? If "Yes," check the box for the applicable window period and attach the required statement (see Instructions). <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day: Date examination ended ▶ _____		
f	If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination. Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		
g	Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?		
5a	Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, telephone number, and the tax year(s) before Appeals and/or a Federal court. Name ▶ N/A Telephone number ▶ _____ Tax year(s) ▶ _____		✓
b	Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?		✓
c	Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see Instructions)? If "Yes," attach an explanation.		✓
6	If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.		
7	If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? If "Yes," the applicant is not eligible to make the change.		✓
8a	Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see Instructions)?		✓
b	If "Yes," attach an explanation.		
9a	Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)?		✓
b	If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent.		
c	If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation.		
10a	Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice?		✓
b	If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s).		
11	Is the applicant requesting to change its overall method of accounting? If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of this form.		✓
	Present method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		
	Proposed method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		

Part II Information For All Requests (continued)

- | | Yes | No |
|---|-----|----|
| 12 If the applicant is either (i) not changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following: | | |
| a The item(s) being changed. | | |
| b The applicant's present method for the item(s) being changed. | | |
| c The applicant's proposed method for the item(s) being changed. | | |
| d The applicant's present overall method of accounting (cash, accrual, or hybrid). | | |
| 13 Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application. | | |
| 14 Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions. If "No," attach an explanation. | | |
| 15a Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? | | |
| b If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application. | | |
| 16 Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response? | | |
| 17 If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change. | | |

1st preceding year ended: mo.	N/A	yr.	2nd preceding year ended: mo.	N/A	yr.	3rd preceding year ended: mo.	N/A	yr.
\$			\$			\$		

Part III Information For Advance Consent Request

- | | Yes | No |
|--|-----|----|
| 18 Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures. | | |
| 19 Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists. | | |
| 20 Attach a copy of all documents related to the proposed change (see instructions). | | |
| 21 Attach a statement of the applicant's reasons for the proposed change. | | |
| 22 If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? If "No," attach an explanation. | | |
| 23a Enter the amount of user fee attached to this application (see instructions). ▶ \$ | | |
| b If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions). | | |

Part IV Section 481(a) Adjustment

- | | Yes | No |
|---|-----|----|
| 24 Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment? If "Yes," do not complete lines 25, 26, and 27 below. | | |
| 25 Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ▶ \$ 0.00 Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant. | | |

Part IV Section 481(a) Adjustment (continued)		Yes	No
26	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?		
27	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties?		✓
If "Yes," attach an explanation.			

Schedule A—Change in Overall Method of Accounting (If Schedule A applies, Part I below must be completed.)**Part I Change in Overall Method (see instructions)**

- 1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.
- | | Amount |
|--|--------|
| a Income accrued but not received (such as accounts receivable) | \$ |
| b Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method | |
| c Expenses accrued but not paid (such as accounts payable) | |
| d Prepaid expenses previously deducted | |
| e Supplies on hand previously deducted and/or not previously reported | |
| f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II | |
| g Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ▶ | |
| h Net section 481(a) adjustment (Combine lines 1a–1g.) Indicate whether the adjustment is an increase (+) or decrease (–) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25. | \$ |
- 2 Is the applicant also requesting the recurring item exception under section 461(h)(3)? ☐ Yes ☐ No
- 3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.

Part II Change to the Cash Method For Advance Consent Request (see instructions)

Applicants requesting a change to the cash method must attach the following information:

- 1 A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
- 2 An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

Schedule B—Change to the Deferral Method for Advance Payments (see instructions)

- 1 If the applicant is requesting to change to the Deferral Method for advance payments described in section 5.02 of Rev. Proc. 2004-34, 2004-1 C.B. 991, attach the following information:
 - a A statement explaining how the advance payments meet the definition in section 4.01 of Rev. Proc. 2004-34.
 - b If the applicant is filing under the automatic change procedures of Rev. Proc. 2008-52, the information required by section 8.02(3)(a)–(c) of Rev. Proc. 2004-34.
 - c If the applicant is filing under the advance consent provisions of Rev. Proc. 97-27, the information required by section 8.03(2)(a)–(f) of Rev. Proc. 2004-34.
- 2 If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(i), attach the following.
 - a A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1).
 - b A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3).
 - c A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(i).
 - d A statement explaining whether the inventoriable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.

Schedule C—Changes Within the LIFO Inventory Method (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all Forms 970, Application To Use LIFO Inventory Method, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
 - a Valuing inventory (e.g., unit method or dollar-value method).
 - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc.).
 - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
 - d Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method).
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970.

Part II Change in Pooling Inventories

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
 - a A description of the types of products produced by the applicant. If possible, attach a brochure.
 - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
 - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces.
 - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
 - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
 - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
 - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

Schedule D—Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets (see instructions)**Part I Change in Reporting Income From Long-Term Contracts (Also complete Part III on pages 7 and 8.)**

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
- 2a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)? ☐ Yes ☐ No
- b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)? ☐ Yes ☐ No
If line 2b is "No," attach an explanation.
- c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)? ☐ Yes ☐ No
- d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)? ☐ Yes ☐ No
If line 2d is "Yes," attach an explanation of what cost comparison the applicant will use to determine a contract's completion factor.
If line 2d is "No," attach an explanation of what method the applicant is using and the authority for its use.
- 3a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)? ☐ Yes ☐ No
- b If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
- c Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods.
- 4 To determine a contract's completion factor using the percentage-of-completion method:
- a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)? ☐ Yes ☐ No
- b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))? ☐ Yes ☐ No
- 5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

Part II Change in Valuing Inventories Including Cost Allocation Changes (Also complete Part III on pages 7 and 8.)

- 1 Attach a description of the inventory goods being changed.
- 2 Attach a description of the inventory goods (if any) NOT being changed.
- 3a Is the applicant subject to section 263A? If "No," go to line 4a ☐ Yes ☐ No
- b Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)? ☐ Yes ☐ No
If "No," attach a detailed explanation.
- 4a Check the appropriate boxes below.
- | | Inventory Being Changed | | Inventory Not Being Changed |
|------------------------------------|-------------------------|-----------------|-----------------------------|
| | Present method | Proposed method | Present method |
| Identification methods: | | | |
| Specific identification | | | |
| FIFO | | | |
| LIFO | | | |
| Other (attach explanation) | | | |
| Valuation methods: | | | |
| Cost | | | |
| Cost or market, whichever is lower | | | |
| Retail cost | | | |
| Retail, lower of cost or market | | | |
| Other (attach explanation) | | | |
- b Enter the value at the end of the tax year preceding the year of change
- 5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).
- a Copies of Form(s) 970 filed to adopt or expand the use of the method.
- b Only for applicants requesting advance consent. A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
- c Only for applicants requesting an automatic change. The statement required by section 22.01(5) of the Appendix of Rev. Proc. 2008-52 (or its successor).

Part III Method of Cost Allocation (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions)).

Section A—Allocation and Capitalization Methods

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

Section B—Direct and Indirect Costs Required To Be Allocated

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

	Present method	Proposed method
1 Direct material		
2 Direct labor		
3 Indirect labor		
4 Officers' compensation (not including selling activities)		
5 Pension and other related costs		
6 Employee benefits		
7 Indirect materials and supplies		
8 Purchasing costs		
9 Handling, processing, assembly, and repackaging costs		
10 Offsite storage and warehousing costs		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle		
12 Depletion		
13 Rent		
14 Taxes other than state, local, and foreign income taxes		
15 Insurance		
16 Utilities		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity		
18 Engineering and design costs (not including section 174 research and experimental expenses)		
19 Rework labor, scrap, and spoilage		
20 Tools and equipment		
21 Quality control and inspection		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant		
23 Licensing and franchise costs		
24 Capitalizable service costs (including mixed service costs)		
25 Administrative costs (not including any costs of selling or any return on capital)		
26 Research and experimental expenses attributable to long-term contracts		
27 Interest		
28 Other costs (Attach a list of these costs.)		

Part III Method of Cost Allocation (see instructions) (continued)**Section C—Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs.)

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses		
2 Research and experimental expenses not included in Section B, line 26		
3 Bidding expenses not included in Section B, line 22		
4 General and administrative costs not included in Section B		
5 Income taxes		
6 Cost of strikes		
7 Warranty and product liability costs		
8 Section 179 costs		
9 On-site storage		
10 Depreciation, amortization, and cost recovery allowance not included in Section B, line 11		
11 Other costs (Attach a list of these costs.)		

Schedule E—Change in Depreciation or Amortization (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants *must* provide this information for each item or class of property for which a change is requested.

Note. See the *List of Automatic Accounting Method Changes* in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400L, 1400L, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? ☐ Yes ☐ No
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? ☐ Yes ☐ No
If "Yes," enter the applicable section ▶ _____
- 3 Has a depreciation, amortization, or expense election been made for the property (e.g., the election under sections 168(f)(1), 179, or 179C)? ☐ Yes ☐ No
If "Yes," state the election made ▶ _____
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
- b If the property is residential rental property, did the applicant live in the property before renting it? . . . ☐ Yes ☐ No
- c Is the property public utility property? ☐ Yes ☐ No
- 5 To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods:
 - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
 - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
 - c The facts to support the asset class for the proposed method.
 - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
 - e The useful life, recovery period, or amortization period of the property.
 - f The applicable convention of the property.
 - g A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.

FORM 3115, APPLICATION FOR CHANGE IN ACCOUNTING METHOD, AUTOMATIC METHODS # 184, 186, and 192.

#184: DEDUCTING REPAIRS AND MAINTENANCE COSTS TO CAPITALIZING IMPROVEMENTS AND UNIT OF PROPERTY

#186: CHANGE TO DEDUCTING NON-INCIDENTAL MATERIAL AND SUPPLIES TO WHEN USED OR CONSUMED

#192: CHANGE TO CAPITALIZING ACQUISITION OR PRODUCTION COSTS AND, IF DEPRECIABLE, TO DEPRECIATING SUCH PROPERTY UNDER SECTION 167 OR SECTION 168

This 3115, Application for Change in Accounting Method, is filed to change to the automatic accounting methods # 184, 186, and #192. Method # 184 is filed to deduct Repair and Maintenance Costs, to Capitalizing Amounts Paid or Incurred for Improvements to Tangible Property, to adopt the Routine Maintenance Safe Harbor, and/or to Change the Method of Identifying the Unit of Property. #186 is filed to adopt the Non-Incidental Material and Supplies rules. #192 is filed to adopt the Amounts paid to acquire or produce tangible property.

As required by Rev. Proc. 2014-16, we are including the following method change(s) description(s) and regulation citation(s):

Subject Matter or Issue	Citation to Regulation Section	Automatic Method #
Repairs and maintenance	1.162-4(a)	184
Capital expenditures in general	1.263(a)-1(a)	184
Amounts paid to improve tangible property		
<i>Definitions</i>	1.263(a)-3(b)	184
<i>Requirement to capitalize amounts paid</i>	1.263(a)-3(d)	184
<i>Unit of property (buildings, land improvements, tangible personal property)</i>	1.263(a)-3(e)	184
<i>Leasehold Improvements</i>	1.263(a)-3(f)	184
<i>Special rules for determining improvement costs, certain costs incurred during an improvement, in general</i>	1.263(a)-3(g)(1)	184
<i>Safe harbor for routine maintenance on property</i> <i>Routine maintenance for buildings</i>	1.263(a)-3(i)	184
<i>Capitalization of betterments</i>	1.263(a)-3(j)	184

COMPANY OR ENTITY NAME: Tennessee Wastewater Systems, LLC
FEDERAL EIN: 62-1548202, **TAX YEAR:** 2014

<i>Capitalization of restorations</i>	<i>1.263(a)-3(k)</i>	184
<i>Capitalization of amounts to adapt property to a new or different use</i>	<i>1.263(a)-3(l)</i>	184
<i>Capitalization of amounts to adapt property to a new or different use, buildings</i>	<i>1.263(a)-3(l)(2)</i>	184
Non-incidental material and supplies	<i>1.162-3(a)(1)</i>	186
Material and supplies definition	<i>1.162-3(c)</i>	186
Amounts paid to acquire or produce tangible property:		
<i>Requirement to capitalize</i>	<i>1.263(a)-2(d)</i>	192
<i>Defense or perfection of title to property</i>	<i>1.263(a)-2(e)</i>	192
<i>Transaction costs</i>	<i>1.263(a)-2(f)</i>	192
<i>Treatment of capital expenditures</i>	<i>1.263(a)-2(g)</i>	192

We have attached a complete and signed Power of Attorney, IRS Form 2848, covering this Change in Accounting Method Request.

Request to Fax Documents:

In accordance with the requirements of Rev. Proc. 2015-1, Section 9.04(3), please fax any requests for additional information to our taxpayer's representative Mike Hallum, CPA at: 615-893-8047.

Part II, Question 9b: Description of each of the requested changes filed:

Pending Changes in Accounting Method Requests for the taxpayer's related parties: None

Part II, Question 12: If the applicant is either (i) not changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following:

- a. **The Item(s) being changed:** The taxpayer is changing its methods of accounting for:
 1. Definition of, determining, and expensing non-incidental materials and supplies
 2. Determining and expensing of repairs and maintenance costs for its expenditures paid or incurred for tangible property to the rules outlined in §1.162-4. Taxpayer's

prior accounting method followed superseded Treasury guidance that generally concluded that those amounts paid or incurred for tangible property required capitalization under §263(a).

3. Capital expenditures in general
 4. Determining the amount paid to acquire or produce tangible property
 5. Determining the amount to be capitalized as an improvement to tangible property
 - a. The costing criteria of 1.263(a)-3(g) for improvement related to direct and indirect costs.
 - b. The betterment criteria of 1.263(a)-3(j) for improvements to tangible property.
 - c. The restoration criteria of 1.263(a)-3(k) for improvements to tangible property.
 - d. The adaption criteria of 1.263(a)-3(l) for improvements to tangible property.
 6. Safe harbor for routine maintenance of 1.263(a)-3(i). The taxpayer has not been employing this method and seeks to add this method.
 7. Unit of property criteria for its building(s) and land improvements under 1.263(a)-3(e)
- b. The applicant's present method for the item(s) being changed.**
1. Definition of, determining, and expensing non-incidental materials and supplies:
Taxpayer currently expenses non-incidental material and supplies and proposes to change that accounting to deferring non-incidental material and supplies until used or consumed.
 2. Determining and expensing of repairs and maintenance. Taxpayer does not have a 481(a) adjustment for this item included in this 3115 application. (also see number 5 below)
 3. Capital expenditures in general (see number 5 below)
 4. Determining the amount paid to acquire or produce tangible property (see number 5 below)
 5. Determining the amount to be capitalized as an improvement to tangible property
For these four above methods, the taxpayer currently accounts for amounts paid or incurred for tangible property as either items requiring capitalization under 263(a) or as amounts for repair and maintenance costs. The difference between the current and proposed method is that under the current method the taxpayer had been capitalizing items that now, under the guidance of §1.162-4 and/or 1.263(a)-3 will result in more items being deducted as §162 ordinary and necessary business deductions as a repair and maintenance cost. While the taxpayer has included the method changes described in items 3, 4, and 5 above, as a method change under Question 12a, it is not aware that their current accounting methods are contrary to the 1.263(a)-2 or -3 regulations. Taxpayer, therefore, does not have an IRC 481(a) adjustments related to those methods.
 6. Safe harbor for routine maintenance. Taxpayer does not currently employ this method and proposes to utilize this method.
 7. Unit of Property: The taxpayer has not been employing any defined unit of property criteria;
- c. The applicant's proposed method for the item(s) being changed.**

COMPANY OR ENTITY NAME: Tennessee Wastewater Systems, LLC
FEDERAL EIN: 62-1548202, TAX YEAR: 2014

The taxpayer proposes to use the guidance of §1.162-3 related to non-incidental material and supplies, §1.162-4 and other sections of the tangible property regulations to determine whether an expenditure should be written off as a repair and maintenance cost or under §1.263(a)-1, -2, and/or -3, be capitalized. The taxpayer will employ the routine maintenance safe harbor of 1.263(a)-3(i). For these and the other method changes also see 5 above, other than Unit of Property below under 1.263(a)-3(e) and 1.263(a)-3(f):

The taxpayer will separately account for each building as the building, its building structures and building systems, and flooring as one unit of property. Additionally, the taxpayer will account for its land improvements consisting of its parking lots, landscaping, and outside lighting as one unit of property, separate from the building unit of property.

The taxpayer will account for its leasehold improvements to the building suite located at 851 Aviation Parkway; Smyrna, TN, Tennessee, building structures and building systems, and flooring as one unit of property. Additionally, the taxpayer will account for its land improvements consisting of its parking lots, landscaping, and outside lighting as one unit of property, separate from the leasehold unit of property;

d. The applicant's present overall method of accounting (cash, accrual, or hybrid).
The taxpayer currently employs the cash method of accounting.

Part II, Question 13: The taxpayer is in the business of Wastewater Managment. The taxpayer's business code is 221300.

Part II, Question 14: No. The regulations for these sections filed under this application do not require these methods of accounting to be used for the taxpayer's books and records.

Question 25: Enter the 481(a) adjustment and a summary of the computation of it and explanation of the methodology used to determine it: N/A

Additional information: The taxpayer agrees to the terms and conditions of Rev. Proc. 2015-13 and 2015-14, that are necessary or required to effect the method change which is the subject matter of this application.

Power of Attorney
and Declaration of RepresentativeInformation about Form 2848 and its instructions is at www.irs.gov/form2848.

OMB No. 1545-0150

For IRS Use Only

Received by:

Name

Telephone

Function

Date

Power of Attorney

Caution: A separate Form 2848 must be completed for each taxpayer. Form 2848 will not be honored for any purpose other than representation before the IRS.

1 Taxpayer Information. Taxpayer must sign and date this form on page 2, line 7.

Taxpayer name and address

TENNESSEE WASTEWATER SYSTEMS, INC.
851 AVIATION PARKWAY
SMYRNA, TN 37167

Taxpayer identification number(s)

62-1548202

Daytime telephone number

Plan number (if applicable)

hereby appoints the following representative(s) as attorney(s)-in-fact:

2 Representative(s) must sign and date this form on page 2, Part II.

Name and address

MIKE HALLUM, CPA
630 SOUTH CHURCH STREET
MURFREESBORO, TN 37130Check if to be sent copies of notices and communications ☐

Name and address

CAF No. 8006-21621R

PTIN P00241489

Telephone No. 615-893-6666

Fax No. 615-893-8047

Check if new: Address ☐ Telephone No. ☐ Fax No. ☐

CAF No.

PTIN

Telephone No.

Fax No.

Check if new: Address ☐ Telephone No. ☐ Fax No. ☐Check if to be sent copies of notices and communications ☐

Name and address

CAF No.

PTIN

Telephone No.

Fax No.

Check if new: Address ☐ Telephone No. ☐ Fax No. ☐

(Note. IRS sends notices and communications to only two representatives.)

Name and address

CAF No.

PTIN

Telephone No.

Fax No.

Check if new: Address ☐ Telephone No. ☐ Fax No. ☐

(Note. IRS sends notices and communications to only two representatives.)

to represent the taxpayer before the Internal Revenue Service and perform the following acts:

3 Acts authorized (you are required to complete this line 3). With the exception of the acts described in line 5b, I authorize my representative(s) to receive and inspect my confidential tax information and to perform acts that I can perform with respect to the tax matters described below. For example, my representative(s) shall have the authority to sign any agreements, consents, or similar documents (see instructions for line 5a for authorizing a representative to sign a return).

Description of Matter (Income, Employment, Payroll, Excise, Estate, Gift, Whistleblower, Practitioner Discipline, PLR, FOIA, Civil Penalty, Sec. 5000A Shared Responsibility Payment, Sec. 4980H Shared Responsibility Payment, etc.) (see instructions)

Tax Form Number
(1040, 941, 720, etc.) (if applicable)Year(s) or Period(s) (if applicable)
(see instructions)

INCOME

1120

2014

CHANGE IN ACCOUNTING METHOD

3115

2014

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. Specific Use Not Recorded on CAF ☐

5a Additional acts authorized. In addition to the acts listed on line 3 above, I authorize my representative(s) to perform the following acts (see instructions for line 5a for more information):

☐ Authorize disclosure to third parties; ☐ Substitute or add representative(s); ☐ Sign a return;☐ Other acts authorized:

b Specific acts not authorized. My representative(s) is (are) not authorized to endorse or otherwise negotiate any check (including directing or accepting payment by any means, electronic or otherwise, into an account owned or controlled by the representative(s) or any firm or other entity with whom the representative(s) is (are) associated) issued by the government in respect of a federal tax liability. List any specific deletions to the acts otherwise authorized in this power of attorney (see instructions for line 5b): _____

8 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same matters and years or periods covered by this document.

If you do not want to revoke a prior power of attorney, check here ☐

YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

7 Signature of taxpayer. If a tax matter concerns a year in which a joint return was filed, each spouse must file a separate power of attorney even if they are appointing the same representative(s). If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

IF NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THIS POWER OF ATTORNEY TO THE TAXPAYER.

Charles R. Hunt 3-12-15 President
Signature Date Title (if applicable)
Charles R. Hunt **TENNESSEE WASTEWATER SYSTEMS, INC.**
Print Name Print name of taxpayer from line 1 if other than individual

Part II Declaration of Representative

Under penalties of perjury, by my signature below I declare that:

- I am not currently suspended or disbarred from practice before the Internal Revenue Service;
- I am subject to regulations contained in Circular 230 (31 CFR, Subtitle A, Part 10), as amended, governing practice before the Internal Revenue Service;
- I am authorized to represent the taxpayer identified in Part I for the matter(s) specified there; and
- I am one of the following:
 - a Attorney - a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b Certified Public Accountant - duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c Enrolled Agent - enrolled as an agent by the Internal Revenue Service per the requirements of Circular 230.
 - d Officer - a bona fide officer of the taxpayer organization.
 - e Full-Time Employee - a full-time employee of the taxpayer.
 - f Family Member - a member of the taxpayer's immediate family (for example, spouse, parent, child, grandparent, grandchild, step-parent, step-child, brother, or sister).
 - g Enrolled Actuary - enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
 - h Unenrolled Return Preparer - Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have prepared and signed the return. See Notice 2011-5 and *Special rules for registered tax return preparers and unenrolled return preparers* in the instructions (PTIN required for designation h).
 - i Registered Tax Return Preparer - registered as a tax return preparer under the requirements of section 10.4 of Circular 230. Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have prepared and signed the return. See Notice 2011-5 and *Special rules for registered tax return preparers and unenrolled return preparers* in the instructions (PTIN required for designation i).
 - k Student Attorney or CPA - receives permission to represent taxpayers before the IRS by virtue of his/her status as a law, business, or accounting student working in an LTC or STCP. See instructions for Part II for additional information and requirements.
 - l Enrolled Retirement Plan Agent - enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

IF THIS DECLARATION OF REPRESENTATIVE IS NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THE POWER OF ATTORNEY. REPRESENTATIVES MUST SIGN IN THE ORDER LISTED IN PART I, LINE 2. See the instructions for Part II.

Note. For designations d-l, enter your title, position, or relationship to the taxpayer in the "Licensing jurisdiction" column. See the instructions for Part II for more information.

Designation - Insert above letter (a-l)	Licensing jurisdiction (state) or other licensing authority (if applicable)	Bar, license, certification, registration, or enrollment number (if applicable). See instructions for Part II for more information.	Signature	Date
B	TENNESSEE	15378		03/06/15