

# TENNESSEE REGULATORY AUTHORITY



502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, Tennessee 37243

January 4, 2017

Benjamin A. Gastel, BPR (#28699)  
Branstetter, Stranch & Jennings, PLLC  
The Freedom Center  
223 Rosa L. Parks Avenue, Suite 200  
Nashville, Tennessee 37203

RE: Docket No. 17-00014 –Petition of Integra Water Tennessee, LLC to Obtain a CCN to provide wastewater service to the Casey Cove Subdivision in a portion of DeKalb County, Tennessee.

Dear Mr. Gastel:

In order to assist the Authority in its investigation of the above-captioned matter, it is requested that responses be provided to the questions contained in the attached data request.

Pursuant to TRA Rule 1220-1-1-.03(4), submit either an electronic response along with an original and four (4) written copies or an original written response and thirteen (13) copies. Also, please note that the requisite number of written copies of all requested information must be provided to the Docket Manager and electronic responses, if filed, must be in .pdf format. Any excel spreadsheets must be submitted electronically with formulas.

It is requested that all information be provided no later than 2 PM, Thursday, January 18, 2017, and that Docket No. 17-00014 be referenced on the response. Should you have questions regarding the attached request, please contact Patsy Fulton at (615) 770-6887.

Sincerely,

A handwritten signature in black ink, appearing to read "D. M. Foster".

David Foster  
Chief, Utilities Division

C: Michael Myers  
Sean McMillan

Attachment (1)

1. Please explain whether the Developer intends to sell the 31 lots or whether the Developer plans to build houses on the 31 lots and then sell them. The build-out schedule provided indicated that all houses will be built within two years and produce maximum revenue within three years. What security does the Utility have to insure that it receives its projected maximum recurring revenue by the third year of the build-out?
2. Please explain the status of the Development at the present time, including:
  1. How many of the 31 lots have been sold?
  2. How many lots are included in the preliminary plat?
  3. Has the Developer recorded a preliminary plat for Casey Cove? If so, please provide a copy of the plat or an electronic link to be able to view the approved preliminary plat as submitted to the planning commission in DeKalb County.
  4. The TDEC application filed with the Petition states that Casey Cove will be a subdivision of 31 three-four bedroom homes; however, the response to CAPD's DR #2-15 and #1-36 indicates a condo development of 5 condos will be part of the 31 homes. Please provide a summary of the types of homes, condos, rental cabins, etc. that will be in the development.
3. Has Integra TN obtained a bond from the Developer to insure build-out of the system to completion? If not, does Integra intend to fund the build-out of the system if the Developer does not complete construction of the wastewater treatment and collection system?
4. Has the Developer provided a letter of credit or bond to the Planning Commission to insure complete build-out of the subdivision? If so, please provide a copy of said letter of credit or bond. If the security instrument has not been provided, please explain when the Developer plans on supplying the security.
5. Based on the Company Responses in the *Petitioner's Responses to Second Discovery Request of the Consumer Protection and Advocate Division*, that Envirolink is no longer willing to support Integra TN, does that also make the contract between the Utility and Envirolink null and void?
6. Please provide clarification of the statement on page 1 of the *Pre-Filed Direct Testimony of Michael J. Myers* wherein Mr. Myers testifies that "Integra Water Tennessee, LLC's affiliated companies own and operate other water and wastewater utility systems in North Carolina and Alabama under the names Envirolink and Old North State Water Company in North Carolina.....". Does this mean that Integra Water Tennessee,

LLC's affiliated companies own Envirolink? Which of the affiliated companies of Integra Water Tennessee, LLC own Envirolink?

7. Please list the Company's affiliate's names, as provided as the response in #5 of the *First Discovery Response of the Consumer Protection and Advocate Division*, and identify by company the number of residential wastewater customers and the number of commercial wastewater customers.
8. Number 6 of the CAPD Response states that the contracts with all affiliates were provided in previous correspondence. Please identify where the contracts were filed in the TPUC docket.
9. How many wastewater customers were disconnected for non-payment in North Carolina in 2015, 2016 and 2017?
10. How many wastewater customers were disconnected for non-payment in Alabama in 2015, 2016 and 2017? Did the Company also cut off water service for these customers? If not, please explain why,
11. The Response for #15 to CAPD Response states that Envirolink has experience with over 30 different wastewater plants ranging from lagoon to reclaimed wastewater systems. Please explain the type of experience that Envirolink has with these systems. Please provide the wastewater treatment plant name and location and provide how long Envirolink has been the vendor.
12. What provisions (if any) are being made for funding plant replacement or enhancements, if the need arises?
13. Does the customer have to provide any component of the wastewater system? If so, please explain. Does the Utility bear all costs of installation, maintenance, etc. of the wastewater system?
14. The Income Statement provides that there will be \$3,600 in maintenance the first year. Please detail how this number was calculated?
15. Please state your position regarding the assessment of an access fee to the developer on lots prior to houses being built, and assessing an access fee to lot owners prior to obtaining sewer service.
16. Please state how Integra will ensure that the developer connects all 31 customers to the wastewater system.
17. Please identify the Managing Members of "*Old North State Water Company, LLC*"?

18. Please provide a copy of the signed negotiated *Support Services Agreement* between Integra Water, LLC and Integra Water, Tennessee LLC? An unsigned copy was provided as a response to CAPD #1-6.
19. The previous responses filed in this Docket on October 23, 2017 stated that “Envirolink is unwilling to conduct business with Integra Water Tennessee at this time. As such, Integra Water Tennessee will have to provide the services provided by Envirolink third party or allocated cost. The impact is that the cost of service will be significantly higher.” Please provide the latest projected five (5) year build-outs for the Balance Sheet, Income Statement and Statement of Cash-Flows including any revised expenses.
20. Please provide an update of the total expenses to be included in calculating the Monthly Operating Fee.
21. The TDEC Application provided with the Petition states that there will be a subdivision of 31 (3-4) bedroom homes; however, in responses to the CAPD, Integra indicated that there would be one condo development of 4-5 condos. Will these condos be for overnight rental?
22. A bond was received for Integra Water Tennessee, LLC; however, the Power of Attorney for the Surety Agent was not attached. Please provide. In addition, in the next to the last sentence of the text in the bond the word thirty, followed by (60) days was used for notice of cancellation. Please have the bond corrected, changing the word thirty to sixty.