

STATE OF TENNESSEE

Office of the Attorney General



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Jeff Riden  
General Counsel  
Tennessee Wastewater Systems, Inc.  
851 Aviation Parkway  
Smyrna, TN 37169  
[Jeff.Riden@Adenus.com](mailto:Jeff.Riden@Adenus.com)

Re: Tennessee Public Utility Commission, Docket No. 21-00026,  
*PETITION OF TENNESSEE WASTEWATER SYSTEMS, INC., TO AMEND ITS  
CERTIFICATE OF CONVENIENCE AND NECESSITY*

Dear Mr. Riden:

The Consumer Advocate recently reviewed your Petition in the above-referenced docket. As part of our review for intervention, we examined the Petition's compliance with the minimum requirements for an amendment to a Certificate of Convenience and Necessity (CCN) under TPUC Rule 1220-04-13-.17.

In our review of the Petition, we either could not locate or need clarification on several of the filing requirements. Our observations are set out in Attachment A to this letter. We would appreciate you addressing these items. The Consumer Advocate thanks the Petitioner for its time and attention to this correspondence. If you have questions regarding this request, please contact me at (615) 741-2370.

Respectfully,

A handwritten signature in blue ink that reads "Karen H. Stachowski".

Karen H. Stachowski  
Assistant Attorney General

cc: Patsy Fulton, TPUC  
Docket File

**ATTACHMENT A**

**Rule 1220-04-13-.17(2)(a) General Information**

1. *Rule 1220-04-13-.17(2)(a)4.* The Consumer Advocate is aware of two previously identified affiliates of TWSI: (1) Adenus Capacity, LLC and Adenus Solutions Group, LLC, which are still active corporations in Tennessee. Provide an updated organizational chart showing all affiliate relationships. During a discussion with the Consumer Advocate, TWSI explained that it had inadvertently did not file a second page to the organizational chart. It will do so soon.
2. *Rule 1220-04-13-.17(2)(a)7.* Although Tennessee Wastewater provided a map in its Petition, it does not include all the required information such as the number of acres for the development and information in the following subparts of the rule:
  - Subpart (i). The location of the wastewater system (i.e. treatment plant, pre-application facilities, collection infrastructure, building(s) for equipment, drip fields, disposal fields and/or wetland cells. However, Mr. Risdén has informed the Consumer Advocate that the wastewater facilities map will be created once the soils are defined and a new map will be provided to the Commission.
  - Subpart (ii). Although a map of the development is provided, it does not show the roads and streets surrounding the development.
  - Subpart (iii). Although a map of the development is provided, development's street names on the map are not legible, so it is not possible to identify any names of access roads.
  - Subpart (iv). During a discussion with the Consumer Advocate, TWSI explained that there are lot numbers on all lots being served by the utility. However, the lot numbers are difficult to read in the PDF due to resolution.
  - Subpart (v). During a discussion with the Consumer Advocate, TWSI explained that there are also lot numbers on all lots not being served by the utility. However, the lot numbers are difficult to read in the PDF due to resolution. Further, TWSI explained that the lots not being served by the utility are on septic tank systems.

TWSI committed to filing revised maps once the soils studies are completed and the utility has time to analyze the information.

3. *Rule 1220-04-13-.17(2)(a)8.* In its Petition, Tennessee Wastewater describes that they will be using the STEP/STEG system. Mr. Risdén has stated that TWSI is working on the TDEC permit application and a copy will be provided to the Commission. Mr. Risdén will need to confirm that the design capacity of the system will be adequate to serve the proposed lots in the development. He will also need to confirm that the type of system and design capacity matches the TDEC permit and application.
4. *Rule 1220-04-13-.17(2)(a)9.* Tennessee Wastewater states that it will take 180 days to complete. During a discussion with the Consumer Advocate, TWSI explained that it does not yet have a commencement date since no agreement has been signed with the developer. Both the developer and TWSI are awaiting the soils studies to be completed to determine

the scope of work for the agreement. However, TWSI committed to providing a copy of the agreement to the Commission and Consumer Advocate once it is signed. TWSI also committed to providing to the Commission and the Consumer Advocate the commencement date once it is determined.

5. *Rule 1220-04-13-.17(2)(a)11.* There is no title or email address provided for the developer or builder that has requested TWSI provide service. During a discussion with the Consumer Advocate, TWSI committed to providing this information to the Commission and the Consumer Advocate.

#### **Rule 1220-04-13-.17(2)(b) Property Rights and Public Need**

1. *Rule 1220-04-13-.17(2)(b)3.* The Consumer Advocate could not locate any contracts or agreements between the builder(s) of the treatment and/or collections system, the utility, and the property and/or subdivision developer with specified terms. The utility has stated that it knows that this is missing and will file the contract once the SOP application is completed.

#### **Rule 1220-04-13-.17(2)(c) Sufficient Managerial Ability**

1. *Rule 1220-04-13-.17(2)(c)1.* Although TWSI provided biographies of its officers and/or key wastewater utility staff, the Consumer Advocate could not locate the following:
  - a. Jeramy Stewart. A copy of Mr. Stewart's Grade 1 Collection Systems and Biological & Natural System licenses. During discussions with the Consumer Advocate, TWSI committed to filing this information soon.
  - b. Matthew Nicks. Although, Mr. Nicks lists his contractor's license in his biography, he plays no role in the construction of the system; therefore, a copy of his individual contractor's license is not provided.
  - c. Marshall Fall. During discussions, TWSI informed the Consumer Advocate that Marshall Fall is no longer with TWSI, and it will update its officer information to removed Mr. Fall.

#### **Rule 1220-04-13-.17(2)(d) Sufficient Technical Ability**

1. *Rule 1220-04-13-.17(2)(d)4.* Although TWSI did not address this in its Petition, the Consumer Advocate recognizes that TWSI must provide monthly reports to the Commission regarding complaints, notices of violation or administrative action filed with or issued by a regulatory agency with TPUC Docket No. 15-00025.

#### **Rule 1220-04-13-.17(2)(e) Sufficient Financial Ability**

1. *Rule 1220-04-13-.17(2)(e)1.* The Consumer Advocate could not locate an Income Statement or Statement of Cash Flow in the Petition. During a discussion with the

Consumer Advocate, TWSI committed to providing this information to the Commission and the Consumer Advocate.

2. *Rule 1220-04-13-.17(2)(e)2.* The Consumer Advocate could not locate Income Statements for three years. During discussion, TWSI stated that this rule only applies to the new system and not to the Company itself and a projection for the new system has been provided in with the petition consistent with previous CCN filings by the company under this rule.
3. *Rule 1220-04-13-.17(2)(e)6.* TWSI stated that the collection system and land costs are unknown at this time. Does the Company have an estimate of when this information will be available and confirm that when the information is available it will be filed in this docket? During a discussion with the Consumer Advocate, TWSI explained that it typically will not have this information until TWSI closes on the system. TWSI committed to providing this information to the Commission and Consumer Advocate when the information becomes available.
4. *Rule 1220-04-13-.17(2)(e)8.* Although TWSI stated that it will apply current rates to the new development, the Consumer Advocate could not locate a copy of the current tariff. During a discussion with the Consumer Advocate, TWSI committed to providing, to the Commission and the Consumer Advocate, a copy of the specific tariff page containing the rates for this community.
5. *Rule 1220-04-13-.17(2)(e)11.* The Consumer Advocate could not locate documentation that demonstrates that Tennessee Wastewater has acquired a performance bond from the developer. During a discussion with the Consumer Advocate, TWSI explained that the developer has committed to acquiring a performance bond. TWSI committed to providing a copy of the performance bond to the Commission and the Consumer Advocate.

#### **Rule 1220-04-13-.17(2)(f) Sworn Pre-filed Testimony**

1. *Rule 1220-04-13-.17(2)(f)1.* The Consumer Advocate could not locate evidence that a public need exists for wastewater services in the proposed service area within the testimony of TWSI's expert. TWSI explained that the evidence of the public need is provided in Exhibit 12 of the Petition.
2. *Rule 1220-04-13-.17(2)(f)5.* The Consumer Advocate could not locate a statement by Tennessee Wastewater that it is aware of the requirement to complete construction of the system within three years of the Commission's approval of a CCN, which is set out in Rule 1220-04-12-.09(7). During discussions with the Consumer Advocate, TWSI explained that although it doesn't mention this rule specifically, that Mr. Nicks does state that TWSI will follow all of TPUC rules.
3. *Rule 1220-04-13-.17(2)(f)6.* The Consumer Advocate and TWSI discussed the rule's requirement for a signed affidavit stating that "all information submitted concerning the wastewater CCN application is true and correct to the best of the witness' knowledge and belief." Mr. Nicks will file supplemental testimony incorporating the information contained in the company's petition into his testimony and attesting to the same.