

TENNESSEE PUBLIC UTILITY COMMISSION



Andrew Jackson State Office Bldg.
502 Deaderick Street, 4th Floor
Nashville, TN 37243-0001

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Room on August 25, 2023 at 10:09 a.m.

August 25, 2023

John Powell, President & General Manager
Superior Wastewater Systems, LLC
9539 Mullens Road
Arrington, TN 37014
Email: john-powell@comcast.net
Sent via email.

In Re: Docket No. 23-00051, *Petition of Superior Wastewater Systems, LLC for a Certificate of Convenience and Necessity to Amend its Existing Service Territory in Williamson County, Tennessee.*

Dear Mr. Powell:

To assist the Commission in its ongoing investigation into the above referenced docket, it is requested that responses be provided to the following:

1. Regarding Commission Rule 1220-04-13-.17(2)(d)(1): Commission Rules require a confirmation from TDEC that a complete SOP application has been received. Additionally, the rule requires that additional information such as a Design Development Report, Detailed Soil Investigation, and draft SOP permit(s) also be provided. Please provide a complete SOP application.
2. Regarding Commission Rule 1220-04-13-.17(2)(b)3: Commission Rules provide that “all contracts or agreements between the builder(s) of the treatment and/or collection system, the utility, and the property and/or subdivision developer that show entitlement or ownership to the land, system specifications, costs for the wastewater system, timeline for the system to be built, and rights to the system once it is completed be submitted. Documents presented by the applicant should be signed by all parties and bear marks or stamps, such as those provided by notaries or public officials, as necessary.” Please provide these documents.
3. Regarding Commission Rule 1220-04-13-.17(2)(d)(2): Exhibit 4.2 lists Mr. James Johnson as the contracted wastewater utility operator on record. Pursuant to the rule provide a copy of the employment contract.

4. Regarding Commission Rule 1220-04-13-.17(2)(e)(6&12): Commission Rules require that the applicant indicate whether the developer or the applicant will pay for the construction of the system. Please refer to Exhibit 5.6 filed with the Petition regarding the following:
- A. Service Lines to Main Collection Line: Please describe in detail the circumstances that will determine whether the customer, builder, developer or Superior Wastewater Systems, LLC (“Superior”) will pay for tanks and any pumps or apparatus including valve reducers. Also, identify the entity that will build these facilities. If customers pay for any facilities, how will such costs be determined and does the customer have the choice of selecting a construction company to build these facilities? Identify language within contracts between Superior, builders and/or developers or within any customer service agreement or tariff outlining the terms, conditions and/or requirements regarding the building of these facilities in order for customers to access the wastewater system (include rates and charges to be assessed to customers).
 - B. Main Collection Line: Please describe in detail the circumstances that will determine whether the customer, builder, developer or Superior will pay for construction of the main collection lines. Also, identify the entity that will build these facilities. If customers pay for any part of the main collection line or a proration of costs based on GPD as set forth in Exhibit 5.6 to the Petition, identify language within contracts between Superior, builders and/or developers or within any customer service agreement or tariff outlining the terms, conditions and/or requirements regarding the customers’ obligation to pay (include rates and charges). Also, will the main collection lines be turned over to the utility immediately after they are built? If not, please explain.
 - C. Please describe in detail the circumstances that will determine whether the builder, developer or Superior will pay for the construction of the treatment system. Also, identify the entity that will build these facilities. If customers pay for access to the treatment system or a proration of costs based on GPD as set forth in Exhibit 5.6 to the Petition, identify language within contracts between Superior, builders and/or developers or within any customer service agreement or tariff outlining the terms, conditions and/or requirements regarding the customers’ obligation to pay for access to the treatment system (include rates and charges). Also, will the treatment plant be turned over to the utility immediately after being built? If not, please explain.
 - D. Please describe in detail the circumstances that will determine whether the builder, developer or Superior will pay for the drip fields and drip construction. Also, identify the entity that will build these facilities. If customers pay for access to these facilities as set forth in Exhibit 5.6 to the Petition, identify language within contracts between Superior, builders and/or developers or within any customer service agreement or tariff outlining the terms, conditions and/or requirements regarding the customers’ obligation to pay for access to drip fields (include rates and charges). Also, will the drip fields be turned over to the utility immediately after they are built? If not, please explain.

- E. In reference to the facilities identified in questions 4 A-D above, will the builder/developer retain any rights to these facilities once the system is transferred to Superior? If so, please explain and identify contract language relating to the rights retained.
- F. In reference to the facilities identified in questions 4 A-D, above, will Superior Wastewater Systems, LLC, purchase or pay to construct any of these facilities? If so, please explain and provide cost estimates of Superior's purchase or construction of these facilities.
- G. If the facilities identified in 4 A-D above are transferred without cost to the utility free and clear of any rights retained by the developer/builder, state the rationale for Superior to collect fees for plant that has been contributed to Superior.
5. Regarding Commission Rule 1220-04-13-.17(2)(e)(8): The tariff proposed does not contain an escrow or bonding rate. Does Superior plan on assessing the current charges for escrow to residential customers? Also, does Superior plan to assess a commercial escrow rate? If so, how will this rate be determined.
6. Regarding the map provided with Exhibit 1.7: Will Superior serve property owners/developers within the blue and white colored parcels on the map if they request service from Superior after the initial build-out? If so, identify who will pay for any necessary facilities to serve these customers and how such costs will be recovered.
7. Regarding the pro-forma tariff provided with Exhibit 5.8: Discuss in general why the average cost and associated rates to serve residential customers in the proposed area are substantially higher than the existing rates recently approved for King's Chapel in Docket No. 22-00087. Also, please explain how King's Chapel will remain a going concern given the financial losses projected in Superior's ten year pro forma financial statements.
8. Within Superior's response to the Consumer Advocate dated August 7, 2023, the Company states in response to item five that "As this phase spans 3 to 4 years, new drip fields will be completed as the need arises that will provide an additional treatment capacity of \$87,500 gallons per day." Identify the source of funding for these new drip fields and the entity that will build the drip fields.

It is requested that all responses be provided no later than 2:00 p.m. on Thursday, September 7, 2023. Responses may be submitted electronically at tpuc.docketroom@tn.gov with one hard copy mailed to the Docket Manager at the Tennessee Public Utility Commission, 502 Deaderick Street, 4th Floor, Nashville, Tennessee 37243.

Please contact me at David.foster@tn.gov or by phone at (615) 770-6884 should you have questions or need clarification of any requested item. Thanks for your attention to this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "David N. Foster". The signature is written in a cursive, slightly slanted style.

David Foster, Director
Utilities Division

C: Via email:

cwelch@fairris-law.com

tcosby@fairris-law.com

Karen.Stachowski@ag.tn.gov

Docket File