

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION

Nashville, Tennessee

May 31, 1996

**IN RE: THE APPLICATION OF SHILOH FALLS UTILITIES,
INC. FOR A CERTIFICATE OF CONVENIENCE AND
NECESSITY.**

Docket No.: 95-03948

INITIAL ORDER

This matter is before the Tennessee Public Service Commission upon the application of Shiloh Falls Utilities, Inc. for a certificate of convenience and necessity as set forth in the above caption.

The matter was heard May 24, 1996, in Pickwick Landing State Park, Tennessee, before Ralph B. Christian, II, Administrative Judge, at which time the following appearance was entered:

APPEARANCES:

J. GILBERT PARRISH, JR., Attorney at Law, 605 Court Street,
Suite 1, Savannah, Tennessee 383872, appearing on behalf of the
Applicant.

Attached is a Settlement Agreement negotiated by and between the Consumer Advocate and the Applicant. Applicant introduced the agreement into evidence at the hearing. Shiloh Falls Utilities, Inc. avers through its attorney that it understands the agreement and is satisfied with its provisions.

Judicial Notice was taken of the Commission's file. Attached from the file is a Service Area Map of Shiloh Falls Utilities, Inc. graphically setting forth the area Applicant is authorized to serve under the certificate of convenience and necessity. A legal description of the four tracts that constitute Applicant's service area has been placed in the Commission's official file.

It should be noted that the Consumer Advocate Division did not intervene and consequently is without standing in this matter. However, Applicant did not object and negotiated the Agreement in good faith. Therefore, the Administrative Judge accepted the Settlement Agreement. Acceptance of the Consumer Advocate's actions herein should not be considered as precedent and are not binding in future matters. The Consumer Advocate should intervene in all matters it seeks to influence.

WHEREFORE, having considered the evidence of record, and the statutory criteria, the Administrative Judge finds that the application is in the public interest and should be **granted**.

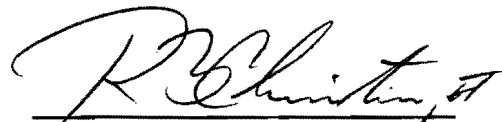
IT IS THEREFORE ORDERED:

1. That the Settlement Agreement between Shiloh Falls Utilities, Inc. and the Consumer Advocate is hereby accepted.
2. That the application of Shiloh Falls Utilities, Inc. for a Certificate of Convenience and Necessity be and the same is hereby **granted**.

3. That Shiloh Falls Utilities, Inc. may commence service under its Certificate of Convenience and Necessity following the date the Commission's final order is issued and upon the filing of proper tariffs for the service to be offered and such other information required by the Public Service Commission.

4. That any party aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Tennessee Public Service Commission within ten (10) days from and after the date of this Order.

5. That any party aggrieved by the Commission's decision in this matter may file a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.



RALPH B. CHRISTIAN, II
ADMINISTRATIVE JUDGE

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION AT
NASHVILLE, TENNESSEE

IN RE: APPLICATION OF SHILOH FALLS)
UTILITIES, INC. FOR A CERTIFICATE) DOCKET NO. 95-03948
OF CONVENIENCE AND NECESSITY)

SETTLEMENT AGREEMENT

This matter is before the Commission upon the Petition of Shiloh Falls Utilities, Inc. (Shiloh or Company) for a certificate of convenience and necessity to provide sewer service. The Consumer Advocate Division and the Company have entered into negotiations regarding the matter and hereby stipulate and agree that:

1. The rate per 1,000 gallons will be \$3.71.
2. The monthly minimum bill will be \$8.90.
3. The tap fee will be \$850 and all tap fees will be recorded as revenues by the Company.
4. Based upon the above rates, Schedule 1 contains the agreed upon revenues and expenses which will provide the Company with a target operating ratio of approximately 86%.
5. The Company will book a credit of \$193,881 (half of the gross plant in service) to Other Paid in Capital in a specifically designated sub-account, Contributed Capital, in accordance with USOA. The offsetting debit will be made to owner's equity. The Contributed Capital account will be recognized as a reduction to rate base in any future proceedings.

6. The Company's books will be maintained in accordance with USOA.

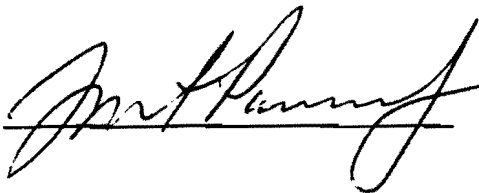
7. The parties agree to waive their right to file testimony and cross-examine witnesses at the scheduled hearing in this matter.

8. The parties agree to support this agreement before the Commission, and further agree that the settlement of any issue pursuant to this agreement shall not be cited as a precedent in any future proceedings before the Commission, except as specified herein. The agreement does not necessarily reflect the positions of the parties, and no party to the agreement waives the right to assert any position in any future proceedings.

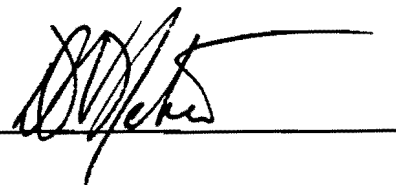
9. The agreement is the product of give and take negotiations, and no portion of the agreement shall be binding on the parties unless the Commission accepts and approves the entire agreement. If the Commission does not approve the agreement in full, the parties reserve the right to present witnesses or other evidence in this matter.

The foregoing is agreed to this 20th day of May, 1996.

Shiloh Falls Utilities, Inc.

By: 

Consumer Advocate Division

By: 

Shiloh Falls Utilities
Docket 95-03948
Income Statement
For the Attrition Year ending July 31, 1997

Schedule I

	<u>Average Usage</u>	<u>50% Min. Bill</u>	<u>Total</u>	
Revenues				
Residential	4,983 A/	2,350 B/	7,333	
Commercial	6,771		6,678	C/
Tap Fees	25,500		25,500	D/
Total Revenues			<u>39,511</u>	
Expenses				
Operation and Maintenance				
Labor			13,800	
Insurance			2,000	
Billing			1,200	
Telephone			720	
Postage			200	
Office Supplies			200	
Electricity			600	
Office Rental			1,800	
Depreciation			11,219	
PSC Fee			104	
Gross Receipts Tax			1,185	
Excise Tax			269	
Federal Income Tax			672	
Total Expenses			<u>33,969</u>	
Net Operating Income			<u>5,542</u>	
Operating Ratio (Expenses Divided by Revenues)			<u>85.97%</u>	

A/ Attrition period average of 23 customers using 160 gallons per day (gpd) at \$3.71 per 1,000 gallons.

B/ Attrition period average of 22 customers receiving a minimum bill of \$8.90 a month.

C/ One commercial customer using an average of 5000 gpd at \$3.71. per 1,000 gallons.

D/ Tap fees of \$850 * 30 new residential customers during attrition period.

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION
Nashville, Tennessee
MAY 31, 1996

IN RE: APPLICATION OF SHILOH FALLS UTILITIES INC.,
 FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY

DOCKET NO. 95-03948

ORDER

This matter is before the Tennessee Public Service Commission upon its own motion.

Having reviewed the Initial Order in the above captioned matter on May 31, 1996, the Commission, pursuant to T.C.A. Section 4-5-315(b), hereby notifies all parties that it will review all issues raised in the record of this proceeding before the Administrative Judge.

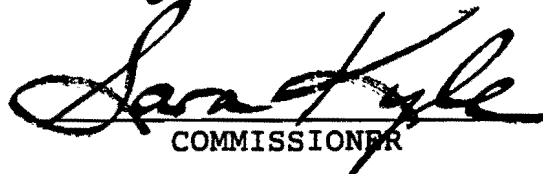
Any party may note an exception to the Initial Order by filing a brief with the Commission within zero days of the date of this order. Reply briefs may also be filed within zero days after filing exceptions. Any party may request oral argument on the issues raised in the briefs.

Requests for extensions of time within which to file briefs must be made in writing to the Executive Director of this Commission and accompanied by a proposed order to be signed by the Chairman of this Commission. The request must indicate that

copies of the request and proposed order have been served on all parties.

The Commission decision to review the Initial Order does not affect any party's right to petition the Administrative Judge to reconsider the Initial Order pursuant to T.C.A. 4-5-317. Should such a petition be filed, the time limits set forth in this Order for the submission for exceptions and replies will be suspended and will begin to run ab initio, from the date of the final order disposition of the petition to reconsider.


CHAIRMAN


COMMISSIONER


COMMISSIONER

ATTEST:



EXECUTIVE DIRECTOR