

April 2, 2026

Michelle Mairs
Director of Audit and Compliance
Utilities Division
Tennessee Public Utility Commission
Andrew Jackson State Office Bldg
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Electronically Filed in TPUC Docket
Room on April 3, 2026 at 10:49 a.m.

VIA EMAIL: tpuc.docketroom@tn.gov

Re: Docket No. 26-00016 – Petition of Tennessee Wastewater Systems, Inc., for Approval of a New Franchise Agreement with the Town of Coopertown, Robertson County, Tennessee

Dear Ms. Mairs,

This letter is in response to your request for additional information related to the petition filed in the above referenced docket.

1. Given that the prior franchise agreement between Tennessee Wastewater Systems, Inc. (“TWSI”) and the Town of Coopertown (“Town” or “Coopertown”) expired in November 2025, could you confirm the franchise fee rate currently being applied to customers?

Response:

The original franchise agreement provided for a twenty-five (25) year term with an automatic renewal for an additional twenty-five (25) year term unless either party provided notice of termination. No such notice was given. Because regulatory approvals are required for the amended agreement currently pending, TWSI and the Town agreed to continue operating under the existing terms until those approvals are obtained. Accordingly, the franchise fee of three percent (3%) continues to be applied to Coopertown customers.

2. Was the *Franchise Agreement for the Construction, Operation, Management, and Maintenance of Wastewater System* (“Franchise Agreement”) attached to TWSI’s Petition as Exhibit A and filed on February 27, 2026, entered into as the result of negotiations between TWSI and Coopertown? If so, please describe the negotiation process between TWSI and Coopertown.

Response:

Yes. The Franchise Agreement attached as Exhibit A was negotiated at arm’s length between representatives of TWSI and the Town of Coopertown, including staff and legal counsel for both parties.

3. Does Coopertown currently have the resources to provide wastewater services? Are there other utility providers in the area capable of providing wastewater service to Coopertown?

Response:

Based on the Town's representations in Paragraph 2 of the Franchise Ordinance, Coopertown does not currently have the resources necessary to provide wastewater service. TWSI is not aware of any other utility provider capable of providing wastewater service within the Town.

4. In his testimony, Mr. Bellar states "[t]he newer ordinance increase[s] the franchise fee to ten percent (10%), imposed detailed, operational, and financial, and compliance obligations. Please explain the "detailed, operational, and financial, and compliance obligations" imposed on TWSI under the *Franchise Agreement*. Are these new responsibilities for TWSI?

Response:

The Franchise Agreement requires TWSI to (1) provide reports to the Town regarding operational issues or regulatory non-compliance affecting treatment facilities and (2) provide monthly accounting of franchise fees collected.

The remaining provisions primarily acknowledge TWSI's obligation to comply with applicable rules and regulations of the Tennessee Public Utility Commission ("TPUC") and the Tennessee Department of Environment and Conservation ("TDEC"), which are consistent with TWSI's existing regulatory obligations.

5. Mr. Bellar states Coopertown had financial reasons for increasing the franchise fee from 3% to 10%. Please explain TWSI's understanding of those financial reasons.

Response:

TWSI does not have direct knowledge of the Town's reasons for increasing the franchise fee. The ten percent (10%) fee was proposed by the Town. TWSI collects the fee from customers and remits the full amount to the Town and retains no portion of the fee.

6. How will customers be billed for the franchise fee, and how will the franchise fee designated on customers' bills?

Response:

The franchise fee will continue to be billed as it has during the current franchise period. The fee is included in TWSI's tariff and appears as a separate line item on customers' monthly bills. An updated tariff sheet reflecting the revised fee is attached.

7. Does TWSI plan to provide notice to the public regarding the change in rates?

Response:

Public notice of the proposed franchise agreement and fee increase occurred through the Town's public meeting process before the Coopertown Board of Mayor and Aldermen. TWSI will comply with any additional notice requirements applicable under TPUC rules.

8. Does the *Franchise Agreement* properly conserve the public interest?

Response:

Yes. The Franchise Agreement conserves the public interest by ensuring the continued and uninterrupted provision of wastewater services within the Town of Coopertown and enabling the Town to meet current and future wastewater service needs associated with residential and economic development.

Please let me know if you have any further questions.

Regards,



Jeff Riden
General Counsel