

CAPTION SHEET

USE MANAGEMENT SYSTEM

1. REPORT DATE: 00/00/00	:	
2. BUREAU: FUS	:	
3. SECTION(S):	:	
5. APPROVED BY:	:	4. PUBLIC MEETING DATE:
DIRECTOR:	:	00/00/00
SUPERVISOR:	:	
6. PERSON IN CHARGE:	:	7. DATE FILED: 07/16/07
8. DOCKET NO: R-00072523	:	9. EFFECTIVE DATE: 01/01/08

PARTY/COMPLAINANT: PUC

RESPONDENT/APPLICANT: TOTAL ENVIRONMENTAL SOLUTIONS

COMP/APP COUNTY: UTILITY CODE: 230084

ALLEGATION OR SUBJECT

TOTAL ENVIRONMENTAL SOLUTIONS, INC.-BEECH MOUNTAIN LAKES SEWER DIVISION FILED SUPPLEMENT NO. 4 TO TARIFF WASTEWATER PA PUC NUMBER 3 TO BECOME EFFECTIVE JANUARY 1, 2008. TOTAL AMOUNT OF INCREASE: \$56,580 OR 17%. TOTAL NUMBER OF CUSTOMERS: 943. AREA SERVED; FOSTER, BUTLER, AND DENNISON TOWNSHIPS, LUZERNE COUNTY, PENNSYLVANIA.

DOCUMENT
FOLDER

DOCKETED
JUL 19 2007

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 Mckeon &
 Sniscak LLP
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June 16, 2007

ORIGINAL

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – Filing Room (2 North)
P.O. Box 3265
Harrisburg, PA 17105-3265

2007 JUL 16 PM 4:08
SECRETARY'S OFFICE

R-00072523

RE: Total Environmental Solutions, Inc. – Beech Mountain Lakes Sewer Division;
Supplement No. 3 to Tariff Wastewater – Pa. P.U.C. No. 3

Dear Mr. McNulty:

Total Environmental Solutions, Inc. – Beech Mountain Lakes Sewer Division (“TESI”), Supplement No. 3 to Tariff Wastewater – Pa. P.U.C. No. 3, in Paragraph 11.3, contains a treatment charge that is a pass-through of expenses billed to it by the Butler Township Wastewater Division (“Township”). Each residential and commercial customer is billed monthly for each Equivalent Dwelling Unit (“EDU”) as calculated by the Township. The current EDU charge is ninety dollars (\$90) per quarter, or thirty dollars (\$30) per month.

That section of the tariff also requires TESI to file with the Public Utility Commission official notification of any change to the treatment charge rate as approved by the Township.

Please be advised that TESI received a letter from the Township, dated May 15, 2007, informing TESI that the Butler Township Supervisors, on behalf of the Butler Township Wastewater Division, recently voted to increase the sewer transmission and treatment rate from ninety (\$90) per EDU per quarter to one hundred five dollars (\$105) per EDU per quarter. The notice gives TESI one hundred and eighty days advance notice of the rate increase, which will take effect on January 1, 2008.

MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

92

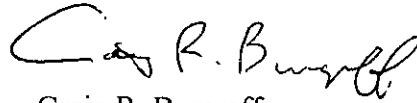
James J. McNulty, Secretary

July 16, 2007

Page 2

If you have any questions, please feel free to contact me.

Respectfully,



Craig R. Burgraff

Counsel for Total Environmental Solutions, Inc.

CRB/bks

ORIGINAL

R-00072523

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

**RATES, RULES AND REGULATIONS
GOVERNING THE FURNISHING OF SEWER SERVICE
IN PORTIONS OF
FOSTER TOWNSHIP, BUTLER TOWNSHIP
AND DENNISON TOWNSHIP
COUNTY OF LUZERNE, PENNSYLVANIA**

**DOCUMENT
FOLDER**

DOCKETED
JUL 19 2007

SECRETARY'S OFFICE

2007 JUL 16 PM 4:09

ISSUED: July 16, 2007

EFFECTIVE: January 1, 2008

BY: William Schoening, Chief Executive Officer

**THIS TARIFF MAKES INCREASES IN EXISTING RATES.
SEE PAGE TWO**

CHANGES MADE BY THIS TARIFF

Supplement No. 4 provides for an increase in the treatment charges pursuant to an increase in rates from the Butler Township Wastewater Division.

11. Schedule of Rates and Charges for Service

- 11.1 Residential Usage Service shall be billed \$8.37 per month, in addition to the treatment charge, for each residential customer that receives usage service.
- 11.2 Commercial Usage Service shall be billed as follows:
- A monthly charge of \$21.42, per equivalent dwelling unit as calculated by Butler Township Wastewater Division. (C)
- 11.3 Treatment Charge shall be billed each Residential and Commercial usage customer monthly for each Equivalent Dwelling Unit (EDU) as calculated by Butler Township Wastewater Division for the cost of sewage treatment by Butler Township Wastewater Division. The treatment charge shall be revised upward or downward, upon sixty (60) days notice to the Commission, based upon the per EDU charge billed by Butler Township Wastewater Division. The Company will file with the Commission official notification of any change to the treatment charge rate as approved by Butler Township Wastewater Division. The current EDU charge is \$105.00 per quarter, or \$35.00 per month. (C)(I)
- 11.4 Availability Service shall be billed at the rate of \$6.38 per month for each lot that has a sewer main installed and available to serve the lot; however, contiguous lots with the same owner shall be considered one customer.
- 11.5 Late Payment Charge of 1.5% of the overdue bill shall be applied to any bill not paid by the due date.
- 11.6 Service Call. The Company shall charge \$25.00 per each inspection the Customer has requested for a service call and when the Company, after inspection, determines that the service call is attributed to the Customer or the Customer's facilities.

July 16, 2007

Notice of Proposed Rate Changes

To Our Customers:

Total Environmental Solutions, Inc., - Beech Mountain Lakes Sewer Division is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase your sewer rates for service rendered as of January 1, 2008. This notice describes the company's limited general rate increase request, the PUC's role, and what actions you can take.

Total Environmental Solutions, Inc. has requested a limited general rate increase of \$56,580 per year. This increase in the Company's treatment surcharge is solely related to the cost of purchased wastewater treatment services provided by the Butler Township Wastewater Division. If the Company's entire request is approved, the monthly bill related to only the cost of wastewater treatment for a residential customer would increase from \$30.00 to \$35.00 per month or by approximately 17%.

The monthly bill for a commercial customer would increase from \$30.00 to \$35.00 per month or by approximately 17%.

The Company's treatment surcharge is billed each residential and commercial usage customer on a monthly basis for each Equivalent Dwelling Unit (EDU) as calculated and assigned by the Butler Township Wastewater Division. Total Environmental Solutions, Inc. will not financially benefit from this requested increase and has no control over the size or the amount of the Butler Township Wastewater Division's enacted increase in charges for wastewater treatment. The monthly bill for an availability customer will not change as a result of Butler Township Wastewater Division's increased charges for wastewater treatment.

To find out your customer class or how the requested increase may affect your water bill, contact Total Environmental Solutions, Inc. at 1-866-344-8374 or 570-636-0570. The rates requested by the company may be found in Supplement No. 4 to Tariff-Wastewater Pa. P.U.C. No. 3. You may examine the material filed with the PUC which explains the increase and the reasons for it. A copy of this material is kept at Total Environmental Solutions, Inc. offices.

The State agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or hold hearings on the request. The company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the company and shown above.

There are three ways to challenge a company's request to change its rates:

1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before January 1, 2008. If no formal complaints are filed, the Commission may grant all, some, or none of the request without holding a hearing before a judge.
2. You can send us a letter telling why you object to the requested rate increase. Sometimes there is information in these letters that makes us aware of problems with the company's service or management. This information can be helpful when we investigate the rate request.

Send your letter or request for a formal complaint to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the company's rate increase request and if there is a large number of customers interested in the case. At these hearings you have the opportunity to present your views in person to the PUC judge hearing the case and the company representatives. All testimony given "under oath" become part of the official rate case record. These hearings are held in the service areas of the company.

Total Environmental Solutions, Inc.

NEWS RELEASE

Drums, PA – On July 16, 2007, Total Environmental Solutions, Inc., – Beech Mountain Lakes Sewer Division, will file for a limited general rate increase of \$56,580. This increase in the Company's treatment surcharge is solely related to the cost of purchased wastewater treatment services provided by the Butler Township Wastewater Division. The monthly bill related to only the cost of wastewater treatment for a residential customer would increase from \$30 to \$35 per month, or by approximately 17%. The monthly bill for an availability customer will not change as a result of the Butler Township Wastewater Division's increased charges for wastewater treatment. Customers may contact the company at 1-866-344-8374 or 570-636-0570 to get further information on the proposed increase.

2007 JUL 16 PM 4: 09
SECRET
FOR OFFICIAL USE ONLY

R-00072523

TOTAL ENVIRONMENTAL SOLUTIONS, INC.
Beech Mountain Lakes Sewer Division

Supporting Data
For
Supplement No. 4 to
Tariff Wastewater - Pa. P.U.C. No. 3
Docket No. R- _____

SECRETARY'S OFFICE

2007 JUL 16 PM 4:09

A LIMITED GENERAL RATE INCREASE

By

Gary D. Shambaugh
Principal & Director

Scott D. Fogelsanger
Principal

AUS CONSULTANTS
275 Grandview Avenue, Suite 100
Camp Hill, PA 17011

Phone: 717.763.9890
Fax: 717.763.9931
Email: gshambaugh@ausinc.com

DOCUMENT
FOLDER

DOCKETED
JUL 19 2007



GARY D. SHAMBAUGH
Principal & Director

AUS CONSULTANTS

275 Grandview Avenue, Suite 100
Camp Hill, PA 17011
717.763.9890 • Tel
717.763.9931 • Fax
gshambaugh@ausinc.com

July 9, 2007

Mr. William W. Schoening, CEO
TOTAL ENVIRONMENTAL SOLUTIONS, INC.
1824 Ryder Drive
Baton Rouge, LA 70808

Re: Beech Mountain Lakes Sewer Division

Dear Mr. Schoening:

In accordance with your instructions, AUS Consultants has prepared the following report containing responses to Tariff Regulations of the Pennsylvania Public Utility Commission related to the proposed Supplement No. 4 to Tariff Wastewater – Pa. P.U.C. No. 3 of the Company's Beech Mountain Lakes sewer operations, to be issued July 16, 2007.

Supplement No.4 to Tariff Wastewater – Pa. P.U.C. No. 3 increases the existing wastewater treatment surcharge from \$30.00 per month per Equivalent Dwelling Unit (EDU) to \$35.00 per month per EDU or by 17%. The Supporting Data for the operating revenues and expenses related to the wastewater treatment surcharge were obtained from the operating books and records of the Company. The adjustments to the operating revenues and expenses related to the Butler Township Wastewater Division's charges as of December 31, 2006 were made to annualize the effect of the Division's rate increase.

It is necessary for the Company to request a limited general rate increase since the percentage increase is above the level allowed in a pass through filing under Commission regulations. AUS Consultants has provided under separate cover all the necessary customer notification documents as required by the Commission regulations.

The proposed increase in the annual wastewater treatment surcharge will produce an additional \$56,580; however the increase in the surcharge rate to TESI's customers will not provide any additional return relative to the Beech Mountain Lakes sewer operations.

July 9, 2007
Page 2

The above conclusions are supported by the detailed calculations, supporting data and written agreements as contained in this report.

Respectfully Submitted,
AUS Consultants



By: Gary D. Shambaugh



TOTAL ENVIRONMENTAL SOLUTIONS, INC.

Beech Mountain Lakes Sewer Division

Table of Contents

Answers to 52 Pa Code § 53.52
of the Commission's Tariff Regulations

A LIMITED GENERAL RATE INCREASE

	<u>Page No.</u>
SECTION 1	
b(1) Statement of Reasons for the Rate Increase	1-1
b(2) Wastewater Treatment Surcharge Revenue for the Twelve Months Ended December 31, 2006	1-3
b(3) Calculation of the Number of Customers Served at December 31, 2006	1-4
b(4) Statement of the Wastewater Treatment Surcharge Revenue for the Twelve Months Ended December 31, 2006 Under Existing and Proposed Wastewater Treatment Surcharge Rates	1-5
b(5) Calculation of the Number of Customers Served at December 31, 2006 Whose Bill Will Be Decreased Under the Proposed Tariff Supplement No. 4	1-6
SECTION 2	
Attachment No. 1 – Annualization of Wastewater Treatment Costs at Present Rates	2-1
Attachment No. 2 – Calculation of the Wastewater Treatment Costs at Proposed Rates	2-2
Attachment No. 3 – Butler Township Wastewater Division Letter Dated May 15, 2007	2-3

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

Beech Mountain Lakes Sewer Division

Table of Contents

Answers to 52 Pa Code § 53.52
of the Commission's Tariff Regulations

A LIMITED GENERAL RATE INCREASE

	<u>Page No.</u>
SECTION 2 (con't)	
Attachment No. 4 – Butler Township Wastewater Division Letter Dated June 27, 2007	2-4
SECTION 3	
Agreement between Butler Township Authority and Total Environmental Solutions, Inc. dated December 7, 2000	3-1
Agreement between Butler Township and Four Seasons Sewer Company, Inc. dated December 19, 1995 regarding the treatment of wastewater from the Beech Mountain Lakes Subdivision	3-6

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

Beech Mountain Lakes Sewer Division

Information to Accompany
Supplement No. 4 to
Tariff Wastewater – Pa. P.U.C. No. 3

PURSUANT TO 52 PA CODE § 53.52 OF THE
COMMISSION'S TARIFF REGULATIONS

SECRETARY'S BUREAU
2007 JUL 16 PM 4:20

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

Beech Mountain Lakes Sewer Division

Statement of Reasons for the Proposed Rate Increase Answer to 52 Pa. Code § 53.52 b(1)

Total Environmental Solutions, Inc. – Beech Mountain Lakes Sewer Division provides wastewater collection for customers residing in the Beech Mountain Lakes Resort that encompasses portions of Foster, Butler, and Dennison Townships, Luzerne County, Pennsylvania. The wastewater generated in the subdivision is treated by Butler Township Wastewater Division, the successor to the Butler Township Authority, by an agreement dated December 19, 1995. (Refer to Section 3, page 3-6 of this report) This agreement was assigned to Total Environmental Solutions, Inc. by a subsequent agreement between the parties dated December 7, 2000. (Section 3, page 3-1)

The previous owners of the sewer system purchased 250,000 gallons per day of reserve treatment capacity in the Butler Township Authority St. Johns treatment plant.

Total Environmental Solutions, Inc. was notified by letter (Section 2, Attachment 3) dated May 15, 2007 of Butler Township's intent to increase the existing Equivalent Dwelling Unit (EDU) of \$90.00 per quarter to \$105.00 or by 17%. The Company recovers this cost through a wastewater treatment surcharge as set forth in their existing tariff on page 21, Section 11, paragraph 3. The Butler Township Wastewater Division determines and calculates the EDU assessment for each customer. The monthly rate for treatment is rendered by Butler Township Wastewater Division on a per EDU basis. The

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

Beech Mountain Lakes Sewer Division

Statement of Reasons for the Proposed Rate Increase Answer to 52 Pa. Code § 53.52 b(1)

proposed EDU rate will be billed by the Wastewater Division on January 1, 2008 for service rendered after January 1, 2008. The Butler Township Wastewater Division is not regulated by the Commission. The Township's Wastewater Division bills in arrears for monthly service based upon the actual number of EDU's served during the month.

A limited general rate increase is requested by the Company since the Commission regulations do not allow an increase of this magnitude to be processed as an "abbreviated" or "pass through" filing. The Company has no control of the Division's operations, finances, or rates. As a result of this increase and current Commission regulations, the Company cannot recover the cost of this filing at this time. Therefore, the Company would request that the Commission expedite this filing, which will hopefully limit the overall cost of this filing. The Company also requests the Commission's approval that all costs associated with this filing to be deferred to the Company's balance sheet for recovery through customer's rates at the time of the Company's next general rate filing.

The Company is requesting that the rate increase be approved for service rendered on or after January 1, 2008. Proposed Supplement No. 4 to Tariff Wastewater – PA. P.U.C. No. 3 is being provided as a separate document to the Supporting Data.

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

Beech Mountain Lakes Sewer Division

Wastewater Treatment Surcharge for the Twelve Months
Ended December 31, 2006

Answer to Pa Code § 53.52 b(2)

A Limited General Rate Increase Request

<u>Customer Classification</u>	<u>Per Books Year Ended 12/31/2006</u>
Wastewater Treatment Surcharge (2)	\$330,215 (1) =====

Notes:

- 1) Refer to Attachment No. 1
- 2) Incorporates all previously Commission approved tariff rates.

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

Beech Mountain Lakes Sewer Division

Number of Customers Served at December 31, 2006

Answer to Pa. Code § 53.52 b(3)

A Limited General Rate Increase Request

<u>Customer Classification</u>	Total EDU's	Pro Forma EDU's
Sewer Usage Customers	929 (1)	943
	-----	-----
Total EDU's Charged	929	943
	=====	=====

Notes:

1) As determined by Butler Township Wastewater Division.

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

Beech Mountain Lakes Sewer Division

Statement of Wastewater Treatment Surcharge for the Twelve Months Ended December 31, 2006
Per Books and on a Going-Level Basis

Answer to 52 Pa. Code § 53.52 b(4) - Sheet No. 1a

A Limited General Rate Increase Request

<u>Operating Revenues</u>	<u>Schedule Number</u>	<u>Per Books 12-31-06</u>	<u>Going-Level Adjustments</u>	<u>Going-Level at Present Rates</u>	<u>Revenue at Proposed Rates</u>	
					<u>Adjustment</u>	<u>Amount</u>
Wastewater Treatment Surcharge	(b)2	\$330,215	\$9,265	\$339,480	\$56,580	\$396,060
		=====	=====	=====	=====	=====

Going-Level Adjustments:

- 1) Adjustment to reflect the applicable wastewater treatment surcharge based upon the annualized level of EDU's for test year ended December 31, 2006.
(Refer to Attachment No. 1) \$9,265
=====

- 2) Adjustment to reflect the applicable wastewater treatment charge at proposed rates.
(Refer to Attachment No. 2) \$56,580
=====

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

Beech Mountain Lakes Sewer Division

Calculation of the Number of Customers Served at December 31, 2006
Whose Bills Will Be Decreased Under the Proposed Tariff

Answer to 52 Pa. Code § 53.52 b(5)

A Limited General Rate Increase Request

Proposed Supplement No. 4 to Tariff Wastewater Pa. P.U.C. No. 3 will not decrease rates by any classifications of service. No customers will have decreased bills for similar service or use under the proposed rates.

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

Beech Mountain Lakes Sewer Division

Annualization of Purchased Wastewater Treatment Costs
at Proposed Rates Effective January 1, 2008

Wastewater Treatment Costs at Present Rates (Going-Level):

<u>Current</u> <u>EDU'S</u>	<u>Annual</u> <u>Rate</u>	<u>Annual</u> <u>Fees</u>
943	\$360.00	\$339,480
Total Annualized Treatment Costs at Present Rates		----- \$339,480 =====

Wastewater Treatment Costs at Proposed Rates:

<u>Current</u> <u>EDU'S</u>	<u>Annual</u> <u>Rate</u>	<u>Annual</u> <u>Fees</u>
943	\$420.00	\$396,060
Going-Level Adjustment at Present Rates		----- \$56,580 =====

Percentage Increase 17.00%

2007 JUL 16 PM 4:20
SECURITY & CONTROL

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

Beech Mountain Lakes Sewer Division

Annualized of Purchased Wastewater Treatment Costs
at Present Rates (1/1/06 to 12/31/06)

Wastewater Treatment Costs Per Books:

<u>Month</u>	<u>EDU'S</u>	<u>Monthly Rate</u>	<u>Amount Paid (1)</u>	<u>Annualized Fees</u>	<u>Going-Level Adjustments</u>
2006					
January	902	\$30.00	\$27,060.00	\$27,060	
February	905	30.00	27,120.00	27,150	
March	917	30.00	29,095.00	27,510	
April	924	30.00	27,721.00	27,720	
May	925	30.00	27,725.00	27,750	
June	928	30.00	27,805.00	27,840	
July	928	30.00	27,840.00	27,840	
August	919	30.00	24,952.00	27,570	
September	921	30.00	27,624.00	27,630	
October	924	30.00	27,710.00	27,720	
November	924	30.00	27,720.00	27,720	
December	929	30.00	27,843.12	27,870	
Total			----- \$330,215.12 =====	----- \$331,380 =====	\$1,165

Annualized Wastewater Treatment Costs at Present Rates:

<u>Current EDU'S</u>	<u>Annual Rate</u>	<u>Annualized Fees</u>
943	\$360.00	\$339,480

Going-Level Adjustment at Present Rates \$8,100

Total Going-Level Adjustment at Present Rates -----
\$9,265
=====

1) Invoiced amount from Butler Township prorated each month for customer additions in the current billing period.

May 22 2007 7:23AM TESI



LAW OFFICES OF
GEORGE R. HLUDZIK, ESQ.
67 WEST BUTLER DRIVE
DRUMS, PENNSYLVANIA 18222-2308
570/788-2121
FAX: 570/788-3036

May 15, 2007

Mr. Brian Rivet, President
Total Environmental Solutions, Inc.
P.O. Box 14056
Baton Rouge, Louisiana 70808

RE: **Butler Township Wastewater Division
Increase in Sewer Rates**

Dear Mr. Rivet:

I am writing to inform you that the Butler Township Supervisors, on behalf of the Butler Township Wastewater Division, recently voted to increase the sewer transmission and treatment rates. The sewer rates for the Butler Township Wastewater Division have been increased from ninety (\$90.00) dollars per EDU per quarter to one hundred and five (\$105.00) dollars per EDU per quarter.

As I am sure you are aware, the agreement between the Butler Township Authority, predecessor in interest to the Butler Township Wastewater Division, and TESI provides that you will be provided with one hundred eighty (180) days advance notice of any sewer rate increases. Therefore, please be advised that commencing January 1, 2008, you will be billed for the first quarter of 2008, and subsequent quarters at the amount of one hundred five (\$105.00) dollars per EDU per quarter.

I trust that you understand the necessity for this rate increase and that it is necessary to fund improvements that the Township has been making to its sewer collection and treatment facilities.

Sincerely,

George R. Hludzik

MAY 22 2007

TE... .., PA
GRH/dm
cc: Butler Township Wastewater Division

June 27, 2007

Mr. Brian Rivet, President
Total Environmental Solutions, Inc.
P.O. Box 14056
Baton Rouge, Louisiana 70808

**RE: Butler Township Wastewater Division
Increase in Sewer Rates**

Dear Mr. Rivet:

Recently on May 15, 2007, I wrote to Total Environmental Solutions, Inc. indicating that the Butler Township Wastewater Division has increased its rates from ninety (\$90.00) dollars per EDU per quarter to one hundred and five (\$105.00) dollars per EDU per quarter. I recently have been informed by your office that TESI is billed monthly, and therefore you would request a clarification.

Since you are billed monthly, and not quarterly, their rates set forth in my previous correspondence were quarterly. The monthly rate, therefore would be increased from thirty (\$30.00) dollars per EDU per month to thirty-five (\$35.00) dollars per EDU per month. This new rate will commence for your billing purposes on January 1, 2008. The increase to thirty-five (\$35.00) dollars a month should be reflected in your first bill received in 2008, that being the end of January or beginning of February, 2008.

Should you require anything further in this regard, please feel free to contact me.

Sincerely,

George R. Hludzik

GRH/dm

cc: Butler Township Wastewater Division
Betsi - via e-mail

AGREEMENT AND ASSIGNMENT

THIS AGREEMENT AND ASSIGNMENT made this 7TH day of DECEMBER, 2000 by and between BUTLER TOWNSHIP AUTHORITY, a body politic and corporate organized and existing under the Pennsylvania Municipality Authorities Act of 1945, as amended, with a principal office and place of business at P. O. Box 150, 761 St. Johns Road, St. Johns, Pennsylvania 18247, hereinafter at times referred to as "Authority", and TOTAL ENVIRONMENTAL SOLUTIONS, INC., a Louisiana corporation, authorized to do business in the Commonwealth of Pennsylvania and issued a Certificate of Public Convenience by the Pennsylvania Public Utility Commission, with its principal office and place of business at P. O. Box 4037, Houma, Louisiana 70361, hereinafter at times referred to as "TEST".

WHEREAS, Authority is the holder and permittee of Sewerage Permit #4081406 ("the Permit") issued to it on October 27, 1981 by the Commonwealth of Pennsylvania, Department of Environmental Resources, now Commonwealth of Pennsylvania, Department of Environmental Protection, and which permit pertains to the sanitary sewerage facilities in the Lake of the Four Seasons, now Beech Mountain Lakes, development in Butler Township, Luzerne County, Pennsylvania, and a copy of said permit along with a copy of a letter of said Department to Authority transmitting said permit to Authority are attached hereto as "Exhibit A" and made a part hereof;

WHEREAS, Authority has no record of why it became the permittee of said permit because, among other things, it never owned or controlled any of the sanitary sewerage facilities in the Lake of the Four Seasons, now Beech Mountain Lakes, development;

WHEREAS, the present owner and party in control of all the sanitary sewerage facilities in the Lake of the Four Seasons, now Beech Mountain Lakes, development is Four Seasons Sewer Company, Inc. ("the Company");

WHEREAS, the Company is a wholly owned subsidiary of Eastern Utilities, Inc. ("Eastern"), which is a sister company of Johnson Properties, Inc.;

WHEREAS, Johnson Properties, Inc. is a Mississippi corporation which owns approximately 60 subsidiaries, which in turn own and operate approximately 200 regulated water and sewer systems in the states of Louisiana, Mississippi, North Carolina, Pennsylvania, South Carolina and Tennessee, including the sanitary sewerage facilities of the Company;

WHEREAS, all of the above-described systems, including the Company, are the subject of an action in bankruptcy in the United States Bankruptcy Court, Middle District of Louisiana. In Re: Johnson Properties Inc., Case No. 99-10437;

WHEREAS, the Bankruptcy Court concurrently appointed Martin A. Schott as receiver and trustee ("Trustee") of Johnson Properties, Inc., its assets, and all its subsidiary corporations;

WHEREAS, Trustee filed a Plan and an Amended Plan of Reorganization ("the Plan"), which in relevant part provides for the sale of all of the assets of Johnson Properties, Inc. and its corporate subsidiaries;

WHEREAS, Trustee conducted an auction, after which he announced that all of the assets of Johnson Properties, Inc. would be sold to TESI, which Trustee had determined to be the Qualified Purchaser;

WHEREAS, the Bankruptcy Court confirmed the Plan on or about September 15, 2000, including the sale of the Company to TESI; and

WHEREAS, the sale of the assets of the Company shall close no later than December 31, 2000; and

WHEREAS, TESI and Authority desire the transfer of the Permit from Authority to TESI pursuant to the covenants and promises of this Agreement and Assignment.

WITNESSETH:

NOW THEREFORE, in consideration of the following covenants and promises, all the parties hereto intending to be legally bound thereby, it is agreed as follows:

1. TESI will obtain from Trustee title for all the assets of the Company, including all sanitary sewerage facilities in the Lake of the Four Seasons, now Beech Mountain Lakes, development in Butler Township, Luzerne County, Pennsylvania within ninety (90) days of the date hereof and TESI agrees that upon closing on the sale of the assets it will be the proper party to hold and to be issued the Permit.
2. Authority in consideration of One and 00/100 dollar (\$1.00) to it paid by TESI, the receipt whereof by Authority is hereby acknowledged, hereby agrees to transfer the Permit to TESI and TESI hereby agrees to receive the same.
3. The parties hereto shall cooperate in said transfer of the Permit by Authority to TESI and the approval of the same or issuance of a new permit for said sanitary sewerage facilities in the Lake of the Four Seasons, now Beech Mountain Lakes, development by the Pennsylvania Department of Environmental Protection and any other entities whose approval for the same may be needed; however, any and all costs pertinent to said transfer and approvals shall be paid by TESI.

4. TESI shall observe and be obligated to the Agreement made December 19, 1995 between Authority and the Company, the same as the Company, and which Agreement was recorded on January 4, 1996 in Deed Book Vol. 2550 at page 782 in the Office of the Recorder of Deeds in and for Luzerne County, Pennsylvania. A copy of said Agreement is attached hereto as "Exhibit B" and made a part hereof.

5. TESI hereby releases and shall indemnify and hold harmless Authority of and from any and all claims, demands, actions, causes of action, accounts and reckonings of TESI and/or anyone else against Authority for or on account of the transfer of the Permit from Authority to TESI.

6. This Agreement and Assignment shall enure to the benefit of and shall be legally binding on the parties hereto, their successors and assigns.

7. The Authority has adopted this Agreement by Resolution adopted and dated November 28, 2000, a copy of which is attached hereto as "Exhibit C" and made a part hereof.

8. This Agreement and Assignment is contingent and shall become effective only upon grant of all necessary regulatory approvals.

IN WITNESS WHEREOF, Authority and TESI have caused this Agreement and Assignment to be executed by their respective officers and Authority has obtained the joinder in this Agreement by its governing body by ordinance/resolution, and all of which is accompanied by the respective corporate seals hereunto affixed, the day and year first above written.

Attest:


John T. Finnegan
John T. Finnegan, Secretary

Corporate Seal:

BUTLER TOWNSHIP AUTHORITY

By: Peter D. Gross
Peter D. Gross, Vice Chairman

Attest:

Corporate Seal:

TOTAL ENVIRONMENTAL SOLUTIONS,
INC.

By: Paul Maeder
Paul Maeder, General Manager/Secretary

DECEMBER
FILED FOR RECORD
1996
AUTHORITY

AGREEMENT

THIS AGREEMENT Made this 19th day of December ,
1995 by and between BUTLER TOWNSHIP AUTHORITY, a body politic
and corporate organized and existing under the Municipality
Authorities Act of 1945, as amended, of the Commonwealth
of Pennsylvania, with a principal office and place of business
at P.O. Box 150, St. Johns, Butler Township, Luzerne County,
Pennsylvania 18247, hereinafter at times referred to as
"Authority", and FOUR SEASONS SEWER COMPANY, INC., a Pennsylvania
corporation, with a principal office and place of business
at 4876 Treasure Lake, Dubois, Clearfield County, Pennsylvania
15801-9180, hereinafter at times referred to as "Four Seasons
Sewer".

WHEREAS, Four Seasons Sewer has recently acquired
and constructed certain infrastructure improvements, including
but not limited to certain sanitary sewer collection and
transmission lines and facilities, in and through part
of the Beech Mountain Lakes resort or development, hereinafter
at times referred to as "Beech Mountain", situate on and
about the easterly side of Route 309 and extending generally
eastwardly therefrom in Butler Township, Dennison Township
and Foster Township, Luzerne County, Pennsylvania, containing
2197.32 acres of land, more or less, and a copy of the
precise description of the same is attached hereto as
"Exhibit A" and made a part hereof and entitled "BEECH
MOUNTAIN LAKES RESORT", such also being the Pennsylvania
Public Utility Commission approved service area for Four
Seasons Sewer;

WHEREAS, Four Seasons Sewer owns and shall continue to own all said infrastructure improvements and may in the future construct additional sanitary sewer collection and transmission lines and facilities therein Beech Mountain;

WHEREAS, Four Seasons Sewer is desirous of collecting and transmitting all sanitary sewage which will be generated therein Beech Mountain by and through its said present and future sanitary sewer collection and transmission lines and facilities to and then through the sanitary sewerage system of Authority to a sanitary sewage treatment plant of Authority for treatment and disposal thereof, thereat and thereby which Authority is desirous of having done pursuant to the covenants and promises hereof;

WHEREAS, Four Seasons Sewer has the right and authority to enter into this Agreement and to perform all the covenants and promises of Four Seasons Sewer hereunder;

WHEREAS, Authority and Inmid Corporation, a Pennsylvania corporation, by their October 19, 1976 Agreement by and between them provided for the treatment by Authority of sanitary sewage generated within Beech Mountain, and Inmid Corporation was succeeded by Beech Mountain Lakes Corporation which sold, transferred and conveyed the sanitary sewer collection and transmission lines and facilities therein Beech Mountain to Four Seasons Sewer, and a copy of said October 19, 1976 Agreement is attached hereto as "Exhibit B" and made a part hereof; and

WHEREAS, the Property Identification Numbers for said 2197.32 acres of land, more or less, encompassing Beech

Mountain are P9 Blk A L1A, P9 Blk B L4 and P9 Blk ^C L3A.

WITNESSETH:

NOW THEREFORE, in consideration of the following covenants and promises, the parties hereto intending to be legally bound thereby, it is agreed as follows:

1. Four Seasons Sewer hereby represents and warrants to Authority all that aforesaid and upon which representation and warranty Authority relies in entering into this Agreement.

2. All and only all sanitary sewage which shall be generated on and within Beech Mountain shall be transmitted by Four Seasons Sewer by and through its said present and future sanitary sewer collection and transmission lines and facilities of Four Seasons Sewer to one such line which shall connect or tap-on to a sanitary sewer collection and transmission line of Authority, as designated by Authority, for transmission of the same by Authority through the sanitary sewerage system of Authority to one (1) or more of Authority's sanitary sewage treatment plants for Authority to treat and dispose of the same thereat and thereby, and which Authority shall so treat and dispose of, and the charges of Authority therefor shall be paid by Four Seasons Sewer to Authority as hereinafter stated provided Authority at the time or times of such transmission or transmissions has the capacity to accept and treat the same. At no time shall Four Seasons Sewer or anyone else construct, nor shall Four Seasons Sewer ever allow anyone else to construct, insofar as it has the authority not to so allow, any on-

lot sanitary sewage disposal system on any part of or within Beech Mountain without the express prior written consent of Authority.

3. Four Seasons Sewer hereby represents and warrants to Authority that all of said present and future sanitary sewer collection and transmission lines and facilities are and shall be owned and controlled by Four Seasons Sewer or its authorized successor as hereinafter mentioned and upon which representation and warranty Authority relies in entering into this Agreement, and Four Seasons Sewer shall continue to own, operate, repair, reconstruct and maintain the same and shall promptly repair and/or reconstruct and construct additions to all or any parts of the same whenever necessary, and, further, Four Seasons Sewer shall operate, repair, reconstruct and maintain all or any parts of the same at its own cost and expense and in full compliance with any and all present and future resolutions, rules, regulations and directives of Authority, including but not limited to resolutions, rules, regulations and/or directives prohibiting the introduction of certain effluents or substances and/or storm water infiltration into said sanitary sewer collection and transmission lines and facilities of Four Seasons Sewer and resolutions, rules, regulations and/or directives assessing costs for any and all future repair, reconstruction, construction, expansion and/or other improvements of and to the sanitary sewerage system of Authority inclusive of its sanitary sewage treatment plants.

4. At any and all times Authority by its

representatives, agents, employees and/or designees shall have the right to inspect, including but not limited to the right to test, observe, monitor, measure, sample and read, any and all said present and future sanitary sewer collection and transmission lines and facilities and effluent thereof of Four Seasons Sewer and any and all present and future sanitary sewerage facilities and effluent thereof of and water meters pertinent to any and all generators of sanitary sewage within Beech Mountain and to enter upon any and all parts of the same and the premises of any and all said generators and of Beech Mountain, upon reasonable notice by Authority, to do such in any way, manner and form, whether by excavating, opening up and dye testing the same and/or otherwise. No connection or tap-on shall be made to any of said sanitary sewer collection and transmission lines and facilities within Beech Mountain without a permit having been first acquired by Four Seasons Sewer for the tapping party from Authority and without an inspection fee therefor, equivalent to the tapping fee and inspection fee then required for like generators, being first paid by Four Seasons Sewer, and any such tap-on shall not be used and shall not be covered over unless and until inspected and approved by Authority through its proper representatives, agents, employees and/or designees.

5. Four Seasons Sewer and each and every generator of sanitary sewage within Beech Mountain, its heirs, successors and assigns, shall be subject to all the present and future resolutions, rules, regulations and directives of Authority, including but not limited to those imposing tap-on fees

and charges, collection, transmission, user and treatment fees and charges and other fees and charges and measures enforcing payment of the same, the same as if such generator were tapped on directly to a sanitary sewer collection and transmission line owned by Authority. Each and every generator of sanitary sewage within Beech Mountain shall obtain its water from a central water supply with the amount of water consumption of that generator being metered by one or more accurate water meters. Four Seasons Sewer shall be responsible for or shall make suitable arrangements with any and all third party central water suppliers for the installation, upkeep and maintenance of said water meters, shall provide Authority with periodic readings but no less than quarterly readings of the same and shall maintain an individual billing account or statement with Authority for each generator of sanitary sewage within Beech Mountain, and any and all said generators of sanitary sewage within Beech Mountain shall be charged on an individual basis the same as any other customers of Authority, but Authority's billing for the same shall be by a bulk and/or other billing for the same directed to and made against Four Seasons Sewer or any said successor public utility or proper authority which shall be fully responsible and liable for payment of the same and for collection of payments therefor from each and every such generator of sanitary sewage within Beech Mountain. Authority shall give Four Seasons Sewer or any said successor public utility or proper authority at least one hundred eighty (180) days notice

of its proposed change of any of its fees and charges hereunder.

6. A. Upon default in payment hereunder by Four Seasons Sewer without the same being cured within thirty (30) days after notice of the same is given by Authority to Four Seasons Sewer, Four Seasons Sewer shall and does hereby empower any attorney of any court of record within the United States or elsewhere to appear for Four Seasons Sewer and after one or more declarations filed confess judgment against Four Seasons Sewer and in favor of Authority as of any term for any and all sums of money then owing by Four Seasons Sewer to Authority with costs of suit and an attorney's commission of ten percent (10%) for collection and release of all errors and without stay of execution and inquisition, and extension upon any levy on real estate is hereby waived and consideration agreed to and the exemption of personal property from levy and sale on any execution hereon is also hereby expressly waived, and no benefit of exemption shall be claimed under and by virtue of any exemption law now in force or which may be hereafter enacted. Judgment hereunder may be confessed one or more times at any time or times by the filing of a copy of this paragraph 6 with any and all such confessions of judgment, and such right shall not be exhausted by any such confession or confessions.

B. Four Seasons Sewer acknowledges and agrees that under the above provisions Authority may enter judgment by confession against Four Seasons Sewer without Four Seasons Sewer's prior knowledge or consent and that

in the event such judgment is entered Four Seasons Sewer will be unable to challenge the same except by proceeding to open or strike the judgment and that such a proceeding will require payment of attorney's fees and costs by Four Seasons Sewer. Being fully aware of its rights to prior notice and a prior hearing or other prior judicial proceeding on the validity of any judgment or other claims that may be asserted against it by Authority hereunder and of its rights to raise any defense, setoff, counterclaim or other claim it may have and before judgment is entered, Four Seasons Sewer hereby freely, knowingly and intelligently waives these rights and expressly agrees and consents to Authority's entering judgment against it by confession pursuant to the terms thereof.

C. Four Seasons Sewer also acknowledges and agrees that under the above provisions Authority may, after entry of judgment and without a prior notice and a prior hearing or other prior judicial proceeding, foreclose upon, attach, levy or otherwise seize and garnish property, bank accounts and other assets of Four Seasons Sewer in full or partial payment of the judgment and that a judgment entered against Four Seasons Sewer will constitute a lien upon any real property of Four Seasons Sewer located in the county in which judgment is entered. Being fully aware of its rights after judgment is entered (including the right to move to open or strike the judgment) Four Seasons Sewer hereby freely, knowingly and intelligently waives these rights and expressly agrees and consents to Authority's

taking such actions as may be permitted under the applicable state and federal laws without prior notice to Four Seasons Sewer. Four Seasons Sewer hereby represents, warrants and certifies to Authority that Four Seasons Sewer's annual income exceeds Ten thousand and 00/100 dollars (\$10,000.00).

7. Four Seasons Sewer shall at all times keep in effect a bond with it and Riviera Utilities, Inc., a Pennsylvania corporation, with a principal office and place of business at P.O. Box 14056, Baton Rouge, Louisiana 70898, or any other financially responsible party in place of Riviera Utilities, Inc., as obligors therein payable to Authority as obligee therein in an amount of no less than Two hundred thousand and 00/100 dollars (\$200,000.00) to be paid to Authority upon any default hereunder without such default being cured within thirty (30) days after notice of such default is given by Authority to Four Seasons Sewer and upon demand by Authority for payment thereunder. Said bond shall be forthwith delivered by Four Seasons Sewer to Authority.

8. In the event of any default hereunder by Four Seasons Sewer without such default being cured within thirty (30) days after notice of the same is given by Authority to Four Seasons Sewer, Authority shall have the right to discontinue for the period of said default any and all sanitary sewerage services to be provided hereunder by it to Four Seasons Sewer, Beech Mountain, and/or any and all generators of sanitary sewage therein Beech Mountain. Four Seasons Sewer shall indemnify and hold harmless Authority

of, for and from any and all actions, lawsuits, claims, debts, demands, obligations, accounts and reckonings and fines and penalties of any and all third parties against Authority for or on account of any such discontinuance of sanitary sewerage service by Authority, including paying Authority the reasonable cost of a defense to the same when such becomes due and owing.

9. Authority shall be excused from any and all of its covenants and promises hereunder in the event it is not able to fulfill the same due to circumstances beyond its control, including but not limited to Authority's not having capacity for any sanitary sewage which will be generated within Beech Mountain whereupon Authority shall not be required to receive and treat the same and regardless of anything stated herein to the contrary.

10. In the event Authority at any time hereafter is required to make any rate, tariff or other filings with any governmental entity and/or to engage in any administrative or judicial proceeding with a third party because of anything herein, Four Seasons Sewer shall pay for all costs incurred by Authority for the same when such become due and payable.

11. This Agreement is the entire agreement between the parties hereto concerning the subject matter hereof except for said October 19, 1976 Agreement between Inmid Corporation and Authority, and Four Seasons Sewer is hereby substituted in place of Beech Mountain Lakes Corporation therein, and Beech Mountain Lakes Corporation shall accordingly have no further obligations thereunder; however, anything

herein contrary to or in conflict with said October 19, 1976 Agreement shall supersede and nullify that in said October 19, 1976 Agreement. This Agreement may be altered, changed or otherwise amended only in writing executed by the parties hereto.

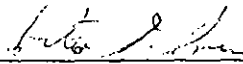
12. Either party hereto shall give any and all notices hereunder to the other party hereto in writing mailed by ordinary and certified mail, return receipt requested to the other party at its above stated address or at any other address of the other party notice in writing of such by such mail has been given previously by the other party to the notifying party.

13. Four Seasons Sewer shall have no right to transfer its ownership and control of its present and future sanitary sewer collection and transmission lines and facilities therein Beech Mountain except to transfer all of such ownership and control to a public utility company or a proper governmental entity which then as its successor hereunder shall be subject to all the covenants and promises hereof, the same as Four Seasons Sewer.

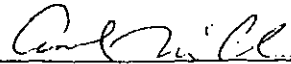
14. This Agreement shall be legally binding upon and shall enure to the benefit of the parties hereto, their successors and assigns, and shall be enforceable in law and in equity.

IN WITNESS WHEREOF, the parties hereto have executed and sealed this Agreement the date first above written.

Attest:


Peter D. Gross
Secretary

BUTLER TOWNSHIP AUTHORITY


By: Carl Miller
Chairman

Corporate Seal:

-11-

(3-16)

Attest:

Thelma Brown
Thelma Brown, Secretary

FOUR SEASONS SEWER COMPANY,
INC.

By: Montell T. Watkins
Montell T. Watkins, President

Corporate Seal:



I hereby certify that the precise residence and complete post office address of the aforementioned Butler Township Authority is P.O. Box 150, St. Johns, Pennsylvania 18247.

Pasco L. Schiavo

Pasco L. Schiavo, Esquire
Attorney for Butler
Township Authority
306 Northeastern Building
8 West Broad Street
Hazleton, Pennsylvania
18201-6486
(717) 454-3583

Hawke
 McKeon &
 Sniscak LLP
ATTORNEYS AT LAW

William T. Hawke
Kevin J. McKeon
Thomas J. Sniscak
Lillian Smith Harris
Scott T. Wyland
Todd S. Stewart
Craig R. Burgraff

Steven D. Snyder
Janet L. Miller
Steven K. Haas
William E. Lehman
Rikardo J. Hull
Katherine E. Lovette
Amy A. Whitney

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

DOCUMENT
FOLDER

July 16, 2007

ORIGINAL

SECRETARY'S BUREAU

2007 JUL 16 PM 4:09

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – Filing Room (2 North)
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Total Environmental Solutions, Inc. – Beech Mountain Lakes Sewer
Division; Docket No. R - 00072523

Dear Secretary McNulty:

Enclosed for filing with the Public Utility Commission, on behalf of Total Environmental Solutions, Inc. – Beech Mountain Lakes Sewer Division Company (“TESI”), are the original and eight (8) copies of the following:

- Supplement No. 4 to Tariff Wastewater – Pa. P.U.C. No. 3; and
- Supporting information pursuant to 52 Pa. Code § 53.52, including the customer Notice of Proposed Rule Changes and Press Release.

This is a limited general rate increase request filing seeking to pass through on a dollar for dollar basis an increase in treatment charges to TESI from the Butler Township Wastewater Division (the successor in interest to the Butler Township Authority). TESI will not receive any additional return on the revenue requested by the rate increase. Section 11.3 of Tariff Wastewater – Pa. P.U.C. No. 3 provides that the treatment charge to customers is billed monthly for each Equivalent Dwelling Unit (“EDU”) as calculated by Butler Township Authority, now Butler Township Wastewater Division, for the cost of sewage treatment by the Township. That tariff provision also states that the treatment charge shall be revised upward or downward, upon sixty (60) days notice to the Commission, based upon the per EDU charge billed by Butler Township.

DOCKETED
JUL 19 2007

MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

91

James J. McNulty, Secretary
July 16, 2007
Page 2

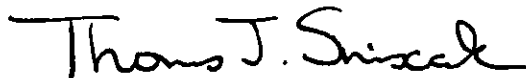
TESI, on May 22, 2007, received notice from the Butler Township Wastewater Division that the sewer rates for the Division have been increased from ninety dollars (\$90) per EDU per quarter to one hundred and five dollars (\$105) per EDU per quarter. Since the agreement between the Butler Township Authority, predecessor in interest to the Butler Township Wastewater Division, and TESI provides for one hundred and eighty (180) days advance notice to TESI, the increased sewer treatment rates will be effective for the quarter commencing on January 1, 2008.

The rates contained in Supplement No. 4, therefore, are scheduled to become effective January 1, 2008.

The affidavits pertaining to service of Notice of the Increase and distribution of the news release will be filed subsequently.

A copy of the enclosed has been served consisted with the attached Certificate of Service. If you have any questions, please feel free to contact me.

Respectfully,



Thomas J. Sniscak
Craig R. Burgraff

Counsel for Total Environmental Solutions, Inc.

CRB/bks
Enclosures
cc: Per Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of §1.54 (relating to service by a party).

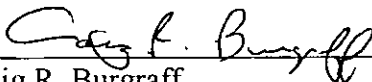
SERVICE VIA HAND DELIVERY:

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Office of Small Business Advocate
Suite 1102 Commerce Building
300 North Second Street
Harrisburg, PA 17101

Cheryl Walker Davis, Esquire
Office of Special Assistants
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

2007 JUL 16 PM 4:09
SECRETARY'S OFFICE



Craig R. Burgraff

Dated this 16th day of July, 2007.



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

R-00072523

July 27, 2007

Thomas J. Sniscak, Esq.
Craig R. Burgraff, Esq.
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101

DOCUMENT
FOLDER

Re: TESI – Beech Mountain Lakes Sewer Division
Docket No. R-00072523

Dear Attorneys Sniscak and Burgraff:

In order for us to complete our analysis of TESI's rate increase request, the Water/Wastewater Industry Group requires answers to the enclosed data requests.

An early and expeditious conclusion of your request is dependent upon full and responsive answers to the enclosed data requests, which should be received by this office no later than ten working days from the date of this letter.

Answers to these data requests need not be typed but restate each data request and its corresponding number before answering. Internal and informal worksheets, as long as they are legible, will suffice. It is requested that three copies of the data requests be provided to:

Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P O Box 3265
Harrisburg, PA 17105-3265
Attention: Ralph Wax (717)787-3836
Bureau of Fixed Utility Services
Water/Wastewater Industry Group

Your answers should be verified per 52 Pa. Code § 1.36. If any problems should arise that prevent a full response within ten working days or any clarification of these data requests is required, please contact the above staff person. Thank you for your cooperation.

Sincerely,

H. Edwin Rodrock, Supervisor
Bureau of Fixed Utility Services
Water/Wastewater Industry Group

HER:rew
Enclosure

**Bureau of Fixed Utility Services
Water/Wastewater Industry Group
TESI – Beech Mountain Lakes Sewer Division
Limited General Rate Increase
Docket No. R-00072523
Data Requests**

Note: Restate the data request prior to providing a response and include the name of the person providing the response.

Rate Increase

- RI-1 a) On Page 2-2, of the subject filing, there is a column labeled “Amount Paid (1)”. In this column there are monthly totals for the months of March and August 2006 which appear unusual. Provide the reason.
b) Indicate whether any of the totals in the column include finance charges. If yes, indicate whether any finance charges were paid.
- RI-2 Indicate whether the treatment surcharge is billed in advance to the customers. If yes, provide the rationale.
- RI-3 On Page 1-1, of the filing, it is indicated that 250,000 gpd in reserve capacity was purchased.
a) Provide the current level of usage.
b) Indicate whether there is an active program to locate sources of inflow and infiltration.
c) If yes, provide a list of the most recent repairs.
- RI-4 Provide the account balance between the payments to the Authority and the surcharge collections from the customers at December 31, 2006.

Hawke
 Mckeon &
 Sniscak LLP
ATTORNEYS AT LAW

RECEIVED

07 AUG -9 PM 3:21

FIXED UTILITIES SERVICES

William T. Hawke
Kevin J. McKeon
Thomas J. Sniscak
Lillian Smith Harris
Scott T. Wyland
Todd S. Stewart
Craig R. Burgraff

Steven D. Snyder
Janet L. Miller
Steven K. Haas
William E. Lehman
Rikardo J. Hull
Katherine E. Lovette
Amy A. Whitney

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

August 7, 2007

BY HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Filing Room - Second Floor
Commonwealth Keystone Building
PO Box 3265
Harrisburg, PA 17105-3265

**DOCUMENT
FOLDER**

2007 AUG -7 P11 4:05
SECRETARY'S BUREAU

ATTN: Ralph Wax
Bureau of Fixed Utility Services
Water/Wastewater Industry Group

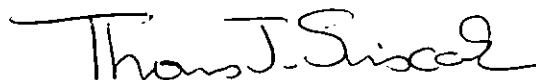
Re: TESI – Beech Mountain Lakes Sewer Division; Docket No. R-00072523;
RESPONSE TO DATA REQUESTS RI-1 to RI-4

Dear Mr. Wax:

Enclosed for filing please find three (3) copies of the above-referenced data requests.

If you have any questions, please advise.

Very truly yours,



Thomas J. Sniscak

TJS/das
Enclosures

KJR

cc: Ralph Wax, BFUS
William Schoening
Gary D. Shambaugh
Craig R. Burgraff, Esquire

MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

14

**Bureau of Fixed Utility Services
 Water/Wastewater Industry Group
 TESI - Beech Mountain Lakes Sewer Division
 Limited General Rate Increase
 Docket No. R-00072523
 Data Requests**

RI-1 a) On Page 2-2, of the subject filing, there is a column labeled "Amount Paid (1)". In this column there are monthly totals for the months of March and August 2006 which appear unusual. Provide the reason.
 b) Indicate whether any of the totals in the column include finance charges. If yes, indicate whether any finance charges were paid.

Response: a) March 2006 EDU count was increased by \$1,945 for new EDU's based upon the start dates for each connection.
 b) The August 2006 billing decrease results from the removal of fifteen (15) connections at the camp ground and an adjustment for a prior billing error as follows:

	<u>EDU's</u>
July 2006 EDU's	928
Deduct:	
Camp ground	<u>15</u>
August 2006 EDU's	913
Monthly EDU Rate	<u>\$30</u>
Subtotal	\$27,570
New Connections	262
Adjustment	<u>(2,700)</u>
August 2006 Billing	\$24,952

RECEIVED
 07 AUG - 8 PM 3: 21
 BUREAU OF
 FIXED UTILITY SERVICES

2007 AUG - 7 PM 4: 05
 SECRETARY'S OFFICE
 BUREAU OF
 FIXED UTILITY SERVICES

Responsible Party: Gary D. Shambaugh

**Bureau of Fixed Utility Services
Water/Wastewater Industry Group
TESI - Beech Mountain Lakes Sewer Division
Limited General Rate Increase
Docket No. R-00072523
Data Requests**

RI-2 Indicate whether the treatment surcharge is billed in advance to the customers. If yes, provide the rationale.

Response All charges for service rendered are billed in arrears.

Responsible Party: Gary D. Shambaugh

**Bureau of Fixed Utility Services
Water/Wastewater Industry Group
TESI - Beech Mountain Lakes Sewer Division
Limited General Rate Increase
Docket No. R-00072523
Data Requests**

- RI-3 On Page 1-1, of the filing, it is indicated that 250,000 gpd in reserve capacity was purchased.
- a) Provide the current level of usage.
 - b) Indicate whether there is an active program to locate sources of inflow and infiltration.
 - c) If yes, provide a list of the most recent repairs.

Response: a) Bills are rendered based upon the number of equivalent dwelling units (“EDU”) as determined by Butler Township Waste Water Department. The reserve capacity was designed and is sufficient to serve the existing customers and the anticipated customer growth in that area developed service area.

Current customers contribute average daily wastewater flows at or less than 100,000 gallons per day.

- b) There is no infiltration or inflow associated with the pressure sewer system.
- c) Repairs are made to the collection system as required.

Responsible Party: Gary D. Shambaugh

**Bureau of Fixed Utility Services
Water/Wastewater Industry Group
TESI - Beech Mountain Lakes Sewer Division
Limited General Rate Increase
Docket No. R-00072523
Data Requests**

RI-4 Provide the account balance between the payments to the Authority and the surcharge collections from the customers at December 31, 2006.

Response: Butler Township Waste Water Division invoiced \$330,215.12 for service rendered for the twelve months ended December 31, 2006. The Company collected \$329,516.47, or \$698.65 less than invoiced, from the customers for the same period.

Responsible Party: Gary D. Shambaugh