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February 8, 2007

filed electronically in docket office on 02/07/07

Chairman Sara Kyle
Attn: Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Electronically Filed: February 8, 2007

RE: Hickory Star Water Company
Docket No. 06-00176
Matter: TRA Rate Application; Docket No. ~~04-00044~~ 06-00176

Dear Chairman Kyle:

Enclosed for filing are five (5) copies of the Tariff filed with the Utilities Division as per the compliance audit and decision of the Directors at their December 4, 2006 Conference.

Sincerely,



H. LaDon Baltimore
Attorney for Hickory Star Water Company

HLB/chm

cc: William N. Geary, Jr. President

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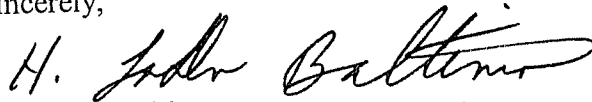
Ms. Darlene Stanley, Chief
Utilities District
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Hickory Star Water Company *06-00176*
Matter: TRA Rate Application; Docket No. ~~04-00044~~

Dear Ms. Stanley:

Attached are the original and three (3) copies of the Tariff of my client, Hickory Star Water Company. The Tariff is the result of the compliance audit by your division, discussion with my clients and decision by the Directors at their Conference on December 4, 2006 in docket number 06-00176.

Sincerely,


H. LaDon Baltimore
Attorney for Hickory Star Water Company

HLB/chm

Enclosures

cc: William N. Geary, Jr. President

HICKORY STAR
WATER COMPANY, L. L. C.
6171 West Century Blvd.
Suite 100
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310-258-9000

TARIFF

TRA Tariff No. 1
First Revised Title Page
Cancels Original Title Page

ISSUED: January 1, 2007
By: William W. Geary, Jr., President

EFFECTIVE: February 1, 2007

TARIFF
OF
HICKORY STAR WATER COMPANY, L.L.C.
CONSISTING OF
RATES, TERMS, AND CONDITIONS
FOR
WATER AND WASTEWATER SERVICES
APPLYING TO SERVICE AREA IN
UNION COUNTY, TENNESSEE

NO MODIFICATION OF THESE SCHEDULES SHALL BE
MADE EXCEPT FOR THE PURPOSE OF CANCELING OR
SUPERSEDING PREVIOUSLY ISSUED SCHEDULES

HICKORY STAR
WATER COMPANY, L. L. C.

TARIFF

TRA Tariff No. 1
1st Revised -i-

ISSUED: January 1, 2007
By: William W. Geary, Jr., President

EFFECTIVE: February 1, 2007

CHECK SHEET

The pages of this tariff are effective as of the date shown at the top of the respective pages. Original and revised pages as shown named below comprise all changes from the original tariff and are currently effective as of the date shown on the top of this page.

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-i-	1st Revised
-ii-	1st Revised
-iii-	1st Revised
1	1st Revised
2	1st Revised
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5	1st Revised
6	1st Revised
7	1st Revised
8	1st Revised
9	1st Revised
10	1st Revised
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12	1st Revised
13	1st Revised

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RULES AND REGULATIONS

1. DEFINITIONS.

The following terms, wherever used in the tariff, shall be defined as set forth below:

Applicant: shall mean any person, firm, corporation, association or governmental unit making a request for water or sewer service.

Availability of Water: shall mean that water of adequate quantity, quality and pressure is available at all times in a water main located within a distance that the Authority deems reasonable, whether or not water is actually taken from the system by the subscriber, and whether or not a service outlet is located inside the boundary of the property served.

Availability of Sewer: shall mean that sewer service is available at all times through a sewer main located within a distance that the Authority deems reasonable, whether or not sewage is actually collected from the subscriber's property by the utility, and whether or not a service outlet is located inside the boundary of the property served.

Commercial Customer: shall mean a customer who uses a property for commercial or public purposes.

Authority: shall mean Tennessee Regulatory Authority.

Authority Rule: shall mean any rule or regulation duly adopted by the Authority and applicable to water and sewer utilities under Authority jurisdiction.

Contributor: shall mean a person who requests a main extension and agrees to the terms of a water or sewer main extension agreement.

Customer: shall mean a person, firm, corporation, association or governmental unit furnished water or sewer service by the utility.

Customer's Service Line: shall mean the connecting facilities extending from the utility's curb stop and curb box at the property line to a point of water consumption or sewer

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collection. This line is installed and maintained at the cost and expense of the customer.

Discontinuance of Service: shall mean the disconnection of water or sewer service at the customer's request.

Main: shall mean the water or sewer pipe owned, operated or maintained by the utility which is used for the purpose of transmission or distribution of water, or collection or transmission of sewage, but does not include the "utility service line" or the "customer service line". The main is usually located in a public highway, street, alley, or private right-of-way.

Person: shall mean any individual, corporation, partnership, cooperative, or association.

Premise: shall mean (1) a single structure owned or leased by a customer as one residence or place of business; or (2) a combination of structures owned or leased by a customer, which is located on a single site, and such customer constructs, operates and maintains on the site a secondary distribution system. Such site may be composed of one parcel or connecting or adjacent parcels of land, not separated by public streets or highways; or (3) each unit or a multiple-unit building wherein each unit is under separate ownership or lease; or (4) each unit or multiple-unit building wherein the customer's service line for each unit is connected to a separate utility service line; or (5) a building owned or leased by a customer, having two or more apartments, residences, offices, or suites of offices; or (6) a trailer park, area or site in which space is rented, leased or used for the parking and occupancy of trailers, mobile homes or recreational vehicles.

Property: shall mean a single lot or subdivided parcel of land including improvements thereon, to which water or sewer service is provided or to which water or sewer service is available to be provided upon request.

Residential Customer: shall mean a customer who uses a property for present or future residential purposes.

Subscriber: shall mean a person, firm, corporation or governmental unit who is a nonuser of the water or sewer service provided by the utility, but water or sewer service is available to the property of such person, firm, corporation or governmental unit.

Tap Fee: shall mean a non-recurring, non-refundable charge related to the cost of installing the utility's service line from the main to the customer's premises.

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Tariff: shall mean the entire body of effective rates, charges, rules and regulations, as set forth herein.

Termination: shall mean the disconnection of water or sewer service not at the customer's request.

Utility: shall mean Hickory Star Water Company, L.L.C. who owns and operates the facilities used in connection with distributing water to, and collecting sewage from, the public, for compensation within Union County, State of Tennessee.

Utility's Service Line: shall mean the connecting facilities between the utility's distribution main and the customer's service line, generally consisting of a valve or corporation stop at the main, piping water therefrom to the street curb line, or piping sewage from the street curb line thereto, terminating in a curb stop and curb box.

2. FILING, POSTING AND EFFECT.

2.1 Tariff of the Utility: A copy of this tariff comprising the Rates, Rules and Regulations governing the provision of water and sewer services by the utility is on file with the Authority and is posted and available for inspection at the utility's office. These rates, rules and regulations are part of the contract with every customer, and every customer, by taking water and/or sewer service, agrees to be bound hereby.

2.2 Authority Rules and Regulations: The utility, in its operations, shall conform with all applicable rules and regulations promulgated from time to time by the Tennessee Regulatory Authority.

2.3 Change in Rates, Rules or Regulations: No schedule of rates, rules or regulations shall be changed or put into effect until the proposed change has been approved by the Authority, unless the change is exempt from such approval by statute or other provisions of law.

3. APPLICATION PROCEDURE FOR SERVICE, CHANGE IN CUSTOMER OR SERVICE.

3.1 Apply for New Service: Before new water or sewer service is provided by the utility, a prospective customer shall contact the utility & request service be provided. Service will be provided if the applicant is in compliance with the utility's rules and regulations as set forth in this tariff.

3.2 Contract for Utility Service: The customer's application, if accepted by the utility, and these Rules and Regulations constitute the contract between the customer and the

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utility; and each customer, by the taking of utility service, agrees to be bound thereby.

3.3 Information to Customers: The utility, when accepting application for water or sewer service, will give full information to the applicant concerning type of service to be rendered and rates which will be applicable.

3.4 Customer's Duty to Notify Utility of Change in Service: It shall be the obligation of each customer to provide the utility seven days' notice of changes in service. The notice should include discontinuation of service, change in billing address or change in type of service. If service is to be disconnected, then upon receipt of such notice the utility shall submit to the customer a final bill for services rendered.

4. CUSTOMER'S DEPOSITS.

4.1 Utility's Right to Require Deposit: The utility may require a cash deposit as a condition of new water or sewer service. Such deposit shall not exceed an amount equal to two (2) times the actual monthly bill for the service requested. The utility may also require payment of any prior outstanding account, if due and owing to utility, as a condition of new water or sewer service.

4.2 Utility's Duty to Maintain Deposit: A deposit received by the utility shall be recorded and maintained in accordance with the Tennessee Code. This includes keeping the following deposit records: (a) the name of the customer making the deposit, (b) the account number, (c) the amount of the deposit and the date of receipt, and (d) a record of each transaction concerning the deposit.

4.3 Utility's Duty to Refund Deposit upon Discontinuance of Service: Upon final discontinuance of service, the utility may apply the deposits to any amount due from the customer for service. Deposits will be retained by the utility as long as required to insure payment of bills. Any balance due the customer shall be promptly refunded.

4.4 Unclaimed Deposits: A record of each unclaimed deposit will be maintained for at least three years, during which time the utility will make a reasonable effort to return the deposit.

5. EXTENSION OF MAINS.

5.1 Service Extension: The service extension policy of the utility shall apply in those instances where the service in questions is not readily available from a point on the existing system without a system extension and/or where the

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quantities are beyond the system's capacity at the point where the service is requested.

5.2 Main Extensions - Less Than 35 Feet: The utility will extend its main for any person making a written application two (2) months in advance of the extension for water or sewer service to be provided less than thirty-five (35) feet beyond the utility's existing facilities. The prospective customer shall clearly state the type of water or sewer service desired and must provide the necessary rights of way for the laying of any water or sewer lines across lands of an intervening landowner or across any existing road, street or highway. The utility will estimate or cause to be estimated the cost of providing the service requested at the point indicated in order to evaluate properly the factors influencing the extension of such service. The prospective customer will be responsible for paying the costs of providing water or sewer service to his property. Such payments are due and payable in advance of the extension of mains or the provision of service facilities. The payment is to be collected only once as the customer's participation in the original installation of extended water or sewer distribution or collection facilities.

5.3 Main Extensions - 35 Feet or More: The utility will extend its mains for any person making a written application one (1) year or more in advance of the extension for utility service to be provided to thirty-five (35) feet or more beyond the utility's existing facilities and to five or more properties within the utility's existing service territory, provided that the extensions will be made only after receipt of a deposit in an amount to be determined by the utility from the applicant to cover the cost of the main extension. In determining the length and necessity for any extension, the terminal point of such extension shall be at the point in the curb line which is of equal distance to the side property lines of the last property for which the extension is requested. As a condition to making a main extension described in this Section 5.3, the utility may, at its sole election, require an agreement entitled "Main Extension Agreement" to be signed by the utility and the applicant with the following terms:

- A. The contributor agrees to prepare and submit to the utility engineering plans meeting the utility's engineering specifications for the proposed water and/or sewer main extension, including associated water and/or sewer facilities that may be required in order to provide water and/or sewer service.
- B. The utility contracts and agrees to lay the water main(s) (and associated facilities, if any) for the contributor as shown in the contributor's engineering plans, as approved by the utility.

HICKORY STAR
WATER COMPANY, L. L. C.

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C. It is expressly understood and agreed that if the utility is delayed or prevented from installing the water and/or sewer facilities set forth in the contributor's engineering plans because of the utility's inability to secure pipe or other construction materials, or for any other causes beyond the utility's control, such non-performance shall be excused; provided, however, if such non-performance shall extend for a period of one (1) year or more beyond the scheduled time of completion, the contributor will have the right to cancel and terminate the main extension agreement on thirty (30) days' written notice to the utility. If the contributor elects to terminate the main extension agreement, then the utility shall refund all money not expended, less the sum for any work or payments made prior to the notice of termination. The contributor's right to cancel and terminate shall not be invoked if the utility has received the construction materials and the contributor has made the deposit as hereinafter required, in which event the utility shall have the obligation to prosecute the work diligently to its completion.

D. The utility shall own the water and/or sewer facilities installed by the utility pursuant to the contributor's engineering plans.

E. The main extension agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

F. At any time when the utility determines that the contributor's payment of the estimated cost of the main extension is insufficient to pay for the actual cost of main extension, the contributor shall be required to provide the utility an additional payment to cover the actual cost.

6. SERVICE CONNECTIONS.

6.1 Tap Fee Requirements: A tap fee will be required of each customer (residential or commercial business), builder or subdivider in the amount of \$850 plus tax per each new water or sewer connection; provided that if the connection is for both water and sewer services, then only one (1) tap fee of \$850 will be payable. The tap fee must be paid in advance of any installation or construction work. The tap fee shall only be collected once for a given location.

6.2 Utility Shall Establish All Connections to Its Lines: The utility shall furnish and install, for the purpose of connecting its distribution system to the customer's premises, the service pipe from its main to and including the curb stop at or adjacent to the customer's property line. The utility's

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service line shall be the property of the utility and be accessible to and under the control of the utility at all times.

6.3 Customer Shall Establish Connection: The customer shall be responsible for furnishing and laying the necessary service pipe from the property line to the desired location(s) of consumption or collection, as the case may be. In addition, the customer shall keep the service line in good repair at the customer's expense.

6.4 Utility Shall Inspect All Installations of Customer's Service Line: The customer shall notify the utility of the installation of the customer's service line and the utility shall inspect the installation prior to its enclosure. In the installation of a service pipe, the customer shall leave the trench open and pipe uncovered until it is inspected by the utility and shown to be at proper depth, free from any tree or other interference, irregularity or defect. The customer shall not make any change to or rebuild such service line without prior notice to the utility.

6.5 Location: Customer's service lines shall be laid consistent with sound engineering practices and in conformance with all governmental regulations and ordinances.

6.6 Customer Responsibility: All leaks in customer's service lines from the curb to, and in and upon, the customer's premises shall be promptly repaired by the customer at the customer's cost. It is the responsibility of the customer to take every precaution to insure against the disruption of water or sewer service being furnished. Particular care must be taken to safeguard the service pipe from fracture or other physical damage so as to prevent the entrance of foreign matter or materials into the water or sewer system. Prompt notice of any difficulty experienced in the utilization of water or sewer service is imperative in order that prompt attention may be given so as to alleviate conditions detrimental to health and sanitation considerations.

6.7 Repair of Customer's Service Line: The maintenance and repair of the customer's service line is the responsibility of the customer. Emergency repairs to the customer's service line shall be done by the owner's agent or by the utility upon request. The utility shall render a bill for such service at the prevailing local rates based upon labor and materials and payment therefor shall be made by the customer within thirty (30) days. On the customer's failure to make necessary repairs within a reasonable time, the utility may disconnect water or sewer service to the property to prevent a public health hazard.

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6.8 Access to Property: The utility shall have access at all reasonable hours to connections and other equipment and property of the utility located on the customer's premises for purposes of installing, maintaining, operating, removing and/or replacing such connections, equipment and property.

7. BILLING AND PAYMENT.

7.1 Time of Rendering Bills: All bills shall be rendered monthly and shall be due and payable upon receipt. Customers are billed either (i) as actual users of the water or sewer system, or (ii) as subscribers with water or sewer service available for use. The monthly charges for users and subscribers of each service are set forth in the Rate Schedule attached hereto. In addition, state sales tax of 9.25%, or at such other percentages established by the taxing authorities, shall be billed on a monthly basis.

7.2 Responsibility for Correct Customer Billing: It is the responsibility of the customer to notify the utility of the need for service or any change in service. The utility likewise has the responsibility to its customers to regularly monitor the service area in order to advise potential customers of the utility's existence and the services provided.

7.3 Failure to Receive Bill: Failure to receive a bill will not exempt the customer from payment. The customer shall be responsible to notify the utility within fifteen (15) days of the end of a billing period if no bill has been received, and the utility shall send a new bill to the customer upon such notice.

7.4 Payment by Check: The utility, at its option for good cause, may refuse to accept a check tendered as payment on a customer's account and require payment in cash.

7.5 Adjustments of Bills - Customer Inadvertently Overcharged: If the utility has inadvertently overcharged a customer as a result of a misapplied schedule or any other human or machine error, the utility shall, at the customer's option, credit or refund the excess amount paid by the customer.

7.6 Adjustments of Bills - Customer Inadvertently Undercharged: If the utility has undercharged any customer as a result of a misapplied schedule or any human or machine error, the utility may recover the deficient amount within a period of six months.

7.7 Complaints: Complaints by customers concerning the charges, practices, facilities, or services of the utility shall be investigated promptly and thoroughly. When the Authority has notified the utility that a complaint has been

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received concerning a specific account, the utility shall refrain from terminating the service of that account until the Authority's investigation is completed and the results have been received by the utility.

8. TERMINATION OF SERVICE.

8.1 Grounds for Termination of Service: Service may be refused or discontinued only for the reasons listed below:

- (a) Without notice in the event of a condition determined by the utility to be hazardous.
- (b) Without notice in the event of customer use of equipment in such a manner as to adversely affect the utility's equipment or the utility's service to others.
- (c) Without notice when the utility has discovered clear and convincing evidence that by fraudulent means a customer has obtained unauthorized water or sewer service or has diverted such service for unauthorized use.
- (d) In the event of tampering with the equipment furnished and owned by the utility.
- (e) For violation of, or non-compliance with, the rules which the utility has filed with the Authority.
- (f) For failure of the customer to fulfill his contractual obligations for service and/or facilities subject to regulations by the Authority.
- (g) For failure of the customer to permit the utility reasonable access to its equipment.
- (h) For non-payment of a customer's bill provided that the utility has made a reasonable attempt to collect and has given the customer written notice to make settlement on his account or have his service denied. Service shall not be terminated for non-payment of a customer's bill until the account has been past due for a minimum of thirty (30) consecutive days.
- (i) For failure of the customer to furnish such service equipment, permits, certificates, and/or rights-of-way, as shall have been specified by the utility as a condition to obtaining service, or in the event such equipment or permissions are withdrawn or terminated.

8.2 Written Notice of Termination: Before service is terminated, the customer shall be permitted at least seven days, following mailing of written termination notice, in which to cure

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the default or eliminate the condition for which the service is being terminated.

8.3 Dispute Procedures: When a prospective customer is refused service based on one of the "Grounds for Termination of Service" set forth in Section 8.1 above, the utility shall notify such customer promptly of the reason for the refusal to serve and of his right to appeal the utility's decision to the Authority.

8.4 Disconnection/Reconnection: In all cases of termination of service, where the cause for termination has been corrected, and all rules of the utility on file with the Authority have been complied with, the utility shall promptly restore service to the customer. When service has been terminated, the utility shall charge \$50.00 for disconnection. At the time service is restored, the utility shall charge \$50.00 for reconnection.

9. DISCONTINUANCE OF SERVICE.

9.1 Customer's Discontinuance of Service: Any customer desiring service to be discontinued shall give a written notice to the utility. Until the utility receives such notice, the customer may be held responsible for all services rendered. Upon request by the customer for disconnection, service will be terminated. The utility shall charge \$50.00 for restoring the service if at a later date reconnection is requested by the customer.

10. UTILITY'S WATER SERVICE.

10.1 Quality of Water: The utility shall strive to furnish water that is wholesome, potable, free from objectionable odors and taste and in no way harmful or dangerous to health.

10.2 Interruption of Service: The utility shall make all reasonable efforts to prevent interruption of water service and, when such interruption occurs, shall endeavor to re-establish service with the shortest possible delay consistent with the safety of its consumers and the general public. Whenever the utility finds it necessary to schedule an interruption to its water service, it shall make all reasonable efforts to notify all customers to be affected by the interruption. Whenever possible, scheduled interruptions will be made at a time that will not cause unreasonable inconvenience to customers. In cases of service interruptions, the utility shall not be liable for any damage or inconvenience suffered by the customer, nor for any claim against it at any time for lessening

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of supply, inadequate pressure, poor quality of water or any cause beyond its control.

10.3 No Guaranty of Supply or Pressure: Nothing in these Rules, nor any contract or representation, verbal or written, of the utility or any of its employees shall be taken or construed in any manner to constitute a guaranty to furnish any specific pressure or specific quantity of water through any service connection, but the utility will at all times, and under all conditions, endeavor to maintain the efficiency of the service consistent with Authority regulations.

10.4 Resale: No person shall purchase water from the utility and resell the water without written consent of the utility.

10.5 Abnormally Large Quantities of Water: In cases where usage will result in the use of an abnormally large quantity of water, the customer shall request advance permission to take water in unusually large quantities, and approval will be given only if such quantities can be safely delivered through the utility's facilities and if other customers are not inconvenienced.

10.6 Utility Employees: Only the utility, through its authorized employees, has the authority to turn off water at any curb stop or to disconnect service.

11. WATER CONSERVATION PLAN.

11.1 Authority to Impose Conservation Measures: If the utility experiences a short term water supply shortage or other emergency condition, the utility may initially request voluntary general conservation of water uses. If voluntary measures are not successful, then the utility may impose mandatory conservation measures deemed necessary to reduce or eliminate nonessential uses of water. Water emergency conservation measures will continue in effect until terminated by the utility.

11.2 Curtailment of Nonessential Use: In the event of an actual or imminent short term water supply shortage or any other emergency condition affecting the adequacy of the supply of water to the domestic users of the utility's water system, the utility shall require any or all users to curtail or discontinue the use of water for nonessential purposes, and such curtailment or discontinuance shall remain in effect for the duration of such emergency.

The following water uses are declared nonessential, and any one or more of such nonessential uses may be prohibited during a water shortage:

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- (a) The use of hoses, sprinklers, or other means of watering grass, trees, plants or other vegetation.
- (b) The use of water for watering golf courses.
- (c) The use of water for washing automobiles or trailers.
- (d) The washing of streets, parking lots, office buildings, exteriors of homes, sidewalks or other outdoor surfaces.
- (e) The use of water for filling swimming pools.
- (f) The use of water to flush a sewer line or manhole.
- (g) The use of water for commercial farms and nurseries other than a bare minimum to preserve plants, crops and livestock.

11.3 Priorities and Procedures: The following priorities and procedures shall be established in the event water conservation measures are necessary:

- (a) Voluntary cooperation by the customers will initially be requested by the utility.
- (b) The utility shall notify the customers of the implementation of the Water Conservation Plan, at least one day prior to its effective date, by either mailing notices to all customers or by providing an announcement through the public media.
- (c) If voluntary cooperation does not achieve satisfactory results, mandatory compliance will be imposed.
- (d) These conservation measures shall be terminated at such time as the supply shortage is eliminated.

HICKORY STAR
WATER COMPANY, L. L. C.

TARIFF

TRA Tariff No. 1
First Revised Page No. 13
Cancels Original Page 13
EFFECTIVE: February 1, 2007

ISSUED: January 1, 2007
By: William W. Geary, Jr., President

12. RATES

WATER

Minimum 2,000 Gallons:	\$36.76 per month*
Next 8,000 Gallons:	\$6.83/1,000 Gallons per month*
Next 10,000 Gallons:	\$6.38/1,000 Gallons per month*
Next 30,000 Gallons:	\$5.70/1,000 Gallons per month*
All over 50,000 Gallons:	\$5.25/1,000 Gallons per month*

SEWER

Minimum 2,000 Gallons:	\$15.00 per month*
Next 8,000 Gallons:	\$6.83/1,000 Gallons per month*
Over 10,000 Gallons:	\$5.25/1,000 Gallons per month*

OTHER FEES

Tap Fee:	\$850.00 Per New Water or Sewer Connection**
Deposit:	\$50.00 Per Water or Sewer Meter Set***
Disconnection/Reconnection:	\$50.00 Per Water or Sewer Disconnection
Customer's Request or for Good Cause:	\$50.00 Per Water or Sewer Reconnection
Bills Due:	On Billing Date
Bills Past Due:	15 days after billing date
Billing Frequency:	Monthly

* Subject to 9.25% Sales Tax

** If connection is for both water and sewer services, only one tap fee of \$850.00 is payable.

*** If connection is for both water and sewer services, only one deposit of \$50.00 is payable.