



BRADLEY ARANT  
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July 12, 2010

filed electronically in docket office on 07/12/10

Ms. Sharla Dillon, Docket Manager  
Tennessee Regulatory Authority  
460 James Robertson Pkwy.  
Nashville, TN 37243

Re: In Re: Petition Of Tennessee Wastewater Systems To Post Alternative Financial  
Security  
Docket No. 10-00086

Dear Sharla:

Please file this letter in the above-captioned docket.

Respectfully submitted,

**BRADLEY ARANT BOULT CUMMINGS LLP**

By:   
Henry Walker

HW/dnr  
Enclosure



...an Assurex Global Partner

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NeaceLukens.com

July 9, 2010

Mr. Charles Hyatt  
Tennessee Wastewater Systems, Inc.  
849 Aviation Parkway  
Smyrna, Tennessee 37167

**RE: Utility Bond**

Mr. Hyatt:

As we discussed, surety carriers are becoming increasingly tight on their capacity and underwriting requirements. Much of this is due to the increased losses they are incurring from the current economic conditions. We have contacted all of our commercial bonding carriers including, but not limited to, The Travelers, The Hartford, Westfield, North American Specialty, Houston Casualty and Great American. Most of these carriers are unwilling to consider the \$1,000,000 Tennessee Utility Bond you requested. There is one that will consider it but the terms and conditions are certainly unfavorable.

- 1) Complete *audited* Financial Statement with net worth of at least \$500,000;
- 2) Signed Indemnification by both the membership of the LLC, the owners personally and their spouses;
- 3) Cash Collateral in the amount of 50% of the bond face amount (\$500,000).

If you have any questions, please feel free to contact me at (615)301-2512 or you may email me at [david.patterson@neacelukens.com](mailto:david.patterson@neacelukens.com).

Sincerely,

David Patterson  
Partner

DP/lis