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filed electronically in docket office on 08/30/11

August 30, 2011

Chairman, Tennessee Regulatory Authority  
c/o Sharla Dillon, Dockets and Records Manager  
460 James Robertson Parkway  
Nashville, Tennessee 37243

RE: Docket No. 11-00138; Amended Joint Petition for Change of Control of Hickory  
Star Water Company, LLC

Dear Chairman:

Enclosed for filing are the original and four (4) copies of the above-referenced amended joint petition which was previously filed electronically.

The original joint petition erroneously listed Hickory Star, LLC ("HS") and Hickory Star Water Company, LLC ("HSWC") as petitioners. HS no longer owns or controls HSW and, to the best of my knowledge, is no longer an active entity. HSWC has no assets and is no longer an active entity.

Other than the corrections on the first page of the original petition and my contact information, the amended and original petitions are identical, including the exhibits. Therefore, the exhibits have not been re-submitted with the amended joint petition.

Please also note my changes of law office address, phone number and e-mail address.

Sincerely,



H. LaDon Baltimore  
Attorney for Petitioners

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE

IN RE:	)	
	)	
JOINT PETITION OF HICKORY	)	
STAR, LLC; HICKORY STAR	)	
WATER COMPANY, LLC;	)	DOCKET NO.11-00138
HICKORY STAR RESORT AND	)	
MARINA, LLC; AND OLD HICKORY	)	
WATER, LLC FOR APPROVAL OF	)	
CHANGE OF CONTROL	)	

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AMENDED JOINT PETITION

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Hickory Star Resort & Marina, LLC (“HSRM”) and Old Hickory Water, LLC (“OHW”), by and through their counsel pursuant to Tenn. Code Ann. § 65-4-112 and § 65-4-113 and the Rules of the Tennessee Regulatory Authority (“Authority”), respectfully request that the Authority approve their petition for a transfer of certain water and sewer utility systems and the accompanying authority to provide water and sewer utility services from Hickory Star Water Company, LLC (“HSWC”) to OHW. Due to a foreclosure of another asset of Hickory Star, LLC (“HS”), former parent company of HSWC, HS assigned certain assets, including its membership certificate in HSWC to a bank which in turn sold these assets, including HSWC, to HSRM which transferred its interest in HSWC to OHW. Due to the nature of the transactions, as explained herein, petitioners respectfully request an expedited hearing.

As an immediate consequence of the transaction OHW will continue to provide service to customers of HSWC pursuant to its Tennessee Regulatory Authority certification under the same rates, terms and conditions. Accordingly, this transaction will have no effect on the rates, terms and conditions of service of the customers of HSWC.

In support of this petition, petitioners provide the following information:

## **1. DESCRIPTION OF THE PETITIONERS**

HSWC is incorporated under the laws of the State of Delaware and was authorized to do business in the State of Tennessee by the Secretary of State on August 4, 1998. HSWC is a public utility pursuant to the laws of the State of Tennessee and its public utility operations are subject to the jurisdiction of the Authority. HSWC was granted its original Certificate of Convenience and Necessity by the Authority on November 24, 1999 in Docket No. 99-00485. HSWC's principal place of business was 6151 W. Century Blvd., Suite 307, Los Angeles, CA 90045. This address is undeliverable.

HS was the sole owner of HSWC. HS's principal address was 6151 W. Century Blvd., Suite 307, Los Angeles, California 90045. This address is undeliverable.

While the Tennessee Secretary of State lists both as active, no annual reports have been filed since June 3, 2010 for HSWC and since March 31, 2010 for HS for which the Secretary of State issued a Notice of Determination on June 2, 2011. Filing information for HSWC and HS from the Secretary of State web-site are attached as **Exhibit A**.

Prior to the formation of HSWC, the area, including Hickory Star Marina and Campground, was served by a spring near Norris Lake. HSWC was formed at the request of the Division of Water Supply of the State of Tennessee because of a concern over groundwater intrusion into the spring. There was also concern that the spring will not service the increased number of customers in the area. HSWC currently serves approximately 118 customers. The original water lines in the service were old and the Division of Water Supply of the State of Tennessee ordered HSWC to install new water lines which it did.

HSWC purchases water from Maynardville and resells such water to the customers of Hickory Star Marina and Campground. The Authority approved HSWC's existing rates and charges to its customers by Order dated July 22, 2010 in Docket No. 10-00029.

HSRM is incorporated under the laws of the State of Tennessee. Its principal address is 110 Coal Drive, P.O. Box 159, Middlesboro, Kentucky 40965.

OHW is incorporated under the laws of the State of Tennessee. Its principal address is 110 Coal Drive, P.O. Box 159, Middlesboro, Kentucky 40965. Articles of Organization for HSMR and OHW are attached as **Exhibit B**.

## **2. DESIGNATED CONTACTS**

All correspondence and communications with respect to this petition should be sent to the following:

H. LaDon Baltimore  
Farris Mathews Bobango PLC  
618 Church Street, Suite 300  
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John Parton  
Parton Brothers Contracting, Inc.  
110 Coal Drive  
P.O. Box 159  
Middlesboro, KY 40965  
(606) 242-2003  
[bluejeanboys@gmail.com](mailto:bluejeanboys@gmail.com)

## **3. DESCRIPTION OF THE TRANSACTION**

HS was the sole owner (sole member) of HSWC, LLC and also sole owner of Hickory Star Marina and Campground. Due to financial difficulties, HS's bank, First Century Bank ("Bank"), Powell, Tennessee, foreclosed on Hickory Star Marina and Campground. As part of the financial arrangements resulting from such foreclosure, HS assigned its sole membership and all other rights in HSWC to Bank. HSRM and OHW were formed to purchase all of HS's interest in HSWC (and other assets including the resort and marina). Bank, in order to remove HSWC from its books in compliance with all state and federal laws and regulations, sold the assets of HS to HSRM. HSWC was sold to HSRM as an interim

and pro forma step for HSRM to transfer the assets of HSWC to OHW. Along with the other assets of HS, HSWC had to be sold at the time of the sale, January 24, 2010. The sale was necessary in order to continue the operation of Hickory Star Marina and Campground and to supply water to the residents who are customers of HSWC. It was necessary to find an owner with sufficient financial, technical, and managerial resources. The Bank had no choice when it sold HS but to sell all of HS's assets, including HSWC, as one package simultaneously. Although it would have been preferable to have been able to obtain Authority approval pre-sale, the circumstances did not allow for such pre-approval. The Bill of Sale from Bank is attached hereto as **CONFIDENTIAL EXHIBIT C**.

As a result of the transaction, HSWC will have its assets including its CCN, transferred to OHW. Pre- and post-transaction corporate structure charts are provided as **Exhibit D**.

HSRM and OHW are owned by John Parton, David Parton, and Dean Knuckles. They are the members of these LLCs.

John Parton and David Parton own and operate Parton Brothers Contracting, Inc. ("PBC"), Highway 441, Middlesboro, Kentucky 40965, which is a private company offering coal mining services. It was established in 1996, incorporated in Kentucky, and employs a staff of 32. The company owns two underground mines. Petitioners, as owners and operators of mines, are familiar with federal and state regulatory frameworks.

In the event the Authority determines its necessary to approve the interim transfer of the assets and certificate of HSWC to HSRM, then Petitioners request such approval.

Petitioners HSRM and OHW have the requisite financial stability to operate HSWC. Since these petitioners are newly formed companies, financial statements are not available. However, financial statements are available for PBC and Mr. Knuckles and his related

entities, including Knuckles Enterprises. Such financial information is being provided herewith as **CONFIDENTIAL EXHIBIT E** and marked Confidential and Privileged.

John Parton is a one-third (1/3) owner and active member.

David Parton is a one-third (1/3) owner and active member.

Dean Knuckles is a one-third (1/3) owner and onsite manager.

The Partons and Mr. Knuckles have sufficient managerial and technical experience to manage HSWC. Their years of experience in the contracting business, trucking, coal hauling and mine construction will be of benefit to managing OHW. Their profiles are attached as **EXHIBIT F**.

John and David Parton and Dean Knuckles all reside within close geographic proximity to HSWC and will be able to devote onsite management. Their resources for equipment include equipment owned by PBC and Dean Knuckles Enterprises, Inc. which will be available for any operation, maintenance and repair necessary to the equipment and water lines and sewer lines of OHW.

The surety bond for HSW is in effect until September 11, 2011. OHW is in the process of obtaining a surety bond prior to that date and will furnish such bond when it is obtained.

Petitioner OHW will submit to the Authority all annual reports and other filings in a timely fashion.

#### **4. PUBLIC INTEREST**

Joint petitioners submit that the transaction described herein will serve the public interest and will enhance the rural community served by OHW. Under new ownership, the water and sewer utility will gain access to the additional resources and operational expertise of petitioners HSRM and OHW. Approval of this petition is also in the public interest due to the past precarious financial condition of HSWC. It is also in the public interest in that the

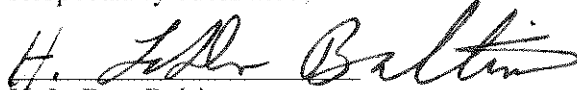
Bank is not qualified to run a utility company. With approval of the change of control and authority to provide utility services, OHW customers will receive reliable water and sewage services.

The rates, terms and conditions of services provided by HSWC to its customers will not change as a result of the transaction. The transaction will be seamless and transparent to customers and OHW will continue to provide water and sewer services to the former customers of HSWC without interruption and without change in rates, terms or conditions. Future changes in those rates, terms and conditions, if any, will be undertaken pursuant to the applicable notice and tariff requirements.

WHEREFORE, joint petitioners respectfully request the Authority to:

1. Set an expedited hearing;
2. Approve the transfer of certain assets and authority from Hickory Star Water Company, LLC to Old Hickory Water, LLC; and
3. Grant any other relief as the Authority may deem just and proper.

Respectfully submitted,



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*Counsel to Petitioners*