

# TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

August 27, 2012

H. LaDon Baltimore  
Farris Mathews Bobango PLC  
618 Church Street, Suite 300  
Nashville, TN 37219

RE: Docket No. 12-00039, *Petition of Old Hickory Water, LLC for a Certificate of Convenience and Necessity.*

Dear Mr. Baltimore:

In order for the Authority to further evaluate your petition and for this matter move along as quickly as possible, it is requested that you provide complete responses to the attached list of questions.

This information should be provided no later than 2:00 p.m. Friday, September 7, 2012, and should reference Docket Number 12-00039 on the response. In accordance with Authority rules submit either (1) thirteen written copies of your response or (2) four written copies and an electronic version. Should you have any questions or need clarification of this request, please contact me Patsy Fulton (615) 741-2904, extension 193.

Sincerely,

David Foster  
Chief, Utilities Division

Attachment

C: Docket File  
John Parton

1. We received the application for filing the Articles of Organization; however, we request that a completed, signed and notarized copy be provided.
2. Provide a copy of the Secretary of State Certification for Old Hickory Water, LLC.
3. The Petition states that 118 customers are currently being served. How many of these customers are commercial and how many are residential? Are any customers affiliate companies? If so, provide the name of all affiliate companies being billed by Old Hickory Water, LLC.
4. Provide financial statements for Old Hickory Water, LLC for year-end December 31, 2011 and interim financial statements for the 6-months ended June 30, 2012. Include a balance sheet, income statement (showing all expenses and expense allocations) and a statement of cash flows.
5. Provide a corrected surety bond or bank letter of credit in accordance with TRA Rule 1220-4-13-.07.
6. Regarding the transfer of SOP #07073:

Has an application to transfer the wastewater system from Hickory Star to Old Hickory Water, LLC been submitted to TDEC? If the answer is yes, please file the application in this Docket. If not, please submit the transfer application to TDEC and file a copy with the Authority. In the alternative, provide a copy of the completed TDEC transfer in the correct name.
7. In John Parton's pre-filed testimony, he states that funding will be provided by its members. Please provide an affidavit by all three members stating their commitment to funding the system as necessary.
8. Provide copies of easements that Old Hickory Water, LLC has obtained for the wastewater system, water system and lines relevant to both.
9. What is the total design capacity (gallons of flow) of the wastewater system?
10. How much capacity is currently being used by the wastewater system?
11. Contact information was provided for John Parton in the Petition. Provide the address and telephone numbers of the other two members of Old Hickory Water, LLC.
12. Provide copies of the bank statements from all financial institutions for Old Hickory Water, LLC from December 2011 through May 2012.

13. Describe the technical role that Mr. Michael F. Payne provides for Old Hickory Water, LLC. Is he a full time or contract employee? If he is a contract employee, provide a copy of the contract between Mr. Payne and Old Hickory Water, LLC. How many years has he been employed/contracted by Hickory Star?
14. Please clarify the statement made in the previous Data Response #1 (Exhibit H to the Petition) that there are no employees of Old Hickory Water, LLC., and that all the duties for the water company will be performed by employees of Hickory Star. Explain how these employees are compensated and whether their salaries and/or wages are allocated between the marina and the utility (include the basis for all allocations).
15. How many full time/part time employees does Old Hickory Water, LLC have? How many employees did Old Hickory retain from Hickory Star?
16. Old Hickory Water, LLC filed a UD20 Statement of Gross Earnings and Computation of Inspection Fee on April 3, 2012 as successor to Hickory Star Water Company, LLC; however, Old Hickory Water, LLC has not filed its required 2011 Annual Report. Provide the Annual Report for Old Hickory Water, LLC (assets purchased in January 2011) for the year-ended December 31, 2011.
17. Does Old Hickory Water, LLC process its own billing or is it outsourced? If the billing is outsourced, provide the name of the provider and a copy of the contract between Old Hickory Water, LLC and the provider. Identify who handles all other accounting matters of Old Hickory Water, LLC?
18. Provide a copy of a current Old Hickory Water, LLC customer bill (water & sewer).
19. Where are collections from customer billings deposited? Provide copies of bank statements from December 2011 thru June 2012 showing the revenues deposited from water and wastewater billings.
20. Data Response #7 states that Old Hickory Water, LLC does not own any land. Clarify what the Property Tax (Real Estate) was paid on that appears on the Income Statement (month-end February 29, 2012) provided with the Petition as Exhibit C.
21. Are the terms, conditions and rates for the provision of water from the City of Maynardville identical to those in place when the utility was owned by Hickory Star Water, LLC? If no contract currently exists between Old Hickory Water and the City, provide documentation of the rates currently being charged by the City. What is the notification period required if the City decides to increase its rates?

22. If Hickory Star Resort and Marina, LLC is providing employees/labor hours for Old Hickory, LLC, please provide the contracted rates that the Marina will charge Old Hickory, LLC and any other items that need to be under contract that are not.
23. The previous response to Data Request # 18 states that Hickory Star pays the bills for the campground, hotel, restaurant, etc. Please give the formal name billed, account number, etc. for each location as requested in # 18. Are sewer hook-ups at each houseboat/campground location or is there a central pump house? Is each individual location billed separately or is there one bill to an affiliate of Old Hickory Water, LLC?