

TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

February 28, 2013

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. Tuesday, March 12, 2013, 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. Regarding water supply from the City of Maynardville, Company response to Staff data request #14 (see Exhibit H to Petition) stated that there is no contract between Old Hickory and the City, but in response to Staff data request #21 provided on November 15, 2012, you state that the City is required to provide 60 days notification if rates are to be increased.

Is Old Hickory currently receiving water under the terms and conditions of the previous contract between Hickory Star Water and the City? If so, please provide a copy of that contract.

If the old contract is no longer in force, what obligation does the City of Maynardville have to provide water on a continuous basis to Old Hickory? What will govern Old Hickory's responsibility to provide water to residential customers in the area, as outlined in Exhibits to the previous contract?

2. The response to Staff data request #16 (see Exhibit H to Petition), was "the Company is in the process of obtaining this information." Please provide your response to this question. Questions #15 & #16 have been reproduced below for your convenience:

(#15) Provide the number of customers for each class of customers (residential, overnight rental or commercial) being served in the campgrounds, marina, restaurant, hotel, condos and RV Park. **Response: Commercial-Hickory Star has 41 meters. Residential has 89 meters.**

(#16) The City of Maynardville Water Contract signed in 1999 provided in its Exhibits A-G that Hickory Star would provide water to:

- Hickory Star Park Subdivisions 1 (52 lots plus a "proposed playground"), 2 (85 lots) and 3(23 lots)
- Hickory Star Subdivision (16 lots)
- Property No. 04-056-041.00
- Property No. 04-048-003.00 (66.28 acres)
- Property conveyed to Hometown Hickory Star, LLC

Complete the following information for the above areas:

	<u>Description of Area</u>	<u>No. lots serviced</u>	<u>Residential/Campground/Commercial</u>
Hickory Star Park	1		
Hickory Star Park	2		
Hickory Star Park	3		
Hickory Star Subdivision			

Property No. 04-056-041.00

Property No. 04-048-003.00 (66.28 acres)

Property conveyed to Hometown Hickory Star, LLC

Please complete above information on a separate sheet, allowing for more room to be descriptive. Match the description of these properties to the service areas listed in Question #15. **Response: Company is in the process of obtaining this information.**

3. Provide an itemization of the \$29,150 (dates, payee(s) and amounts) in Management Fees that were included on the Income Statement (Year Ended 12/31/2011).
4. Provide an itemization of the \$913.49 (dates, payee(s) and amounts) in Management Fees included on the Income Statement (Six Months Ended June 30, 2012).
5. Provide Financial Statements for Old Hickory Water (Income Statement, Balance Sheet, and Cash Flow Statement) for Year Ended December 31, 2012.
6. Staff data request #17 (see Exhibit H to Petition) requested a current map of the Company's service areas, showing which areas currently receive water service and which areas receive wastewater service, along with any potential growth areas. The Company submitted maps prepared in 1997 in its Supplement Response, filed November 20, 2012. Are these the most current maps available? Do these maps include all areas currently served by Old Hickory?
7. The Company's response to Staff data request question #13, filed on November 15, 2012, states that Mr. Michael Payne performs bacterial tests and monthly reports. Who is responsible for the day to day operation of the system and response to emergency situations and customer issues/complaints? Is Mr. Payne on call for emergencies? Does any member of Hickory Star staff hold a water/wastewater certificate?
8. You state that Hickory Star employees also perform work for Old Hickory (see response to Staff data request question #14, filed on November 15, 2012). Provide the Company's methodology for allocating costs from Hickory Star to Old Hickory.
9. Old Hickory's bank statement for month end 12/31/2011 had a beginning balance of \$29,367.88 and an ending balance of \$1,248.26, with check number 1046 written for \$29,150. Please provide a copy of the invoice(s) and/or back-up documentation supporting this check amount.
10. Provide a copy of a customer bill rendered from Old Hickory Water, LLC (Hickory Star) to a residential water customer and a wastewater customer from the July, 2012 billing.

11. Provide a list of all customer complaints that have been received since January 1, 2012 for both the water system and wastewater system. Identify by date, customer, cause for complaint and action taken.
12. The Company submitted a bond for Old Hickory, LLC in the amount of \$25,000. TRA Rule 1220-4-13-.07(2)(a) requires a security in the amount of \$20,000 or one hundred percent (100%) of the amount of gross annual revenue reported on the most recent UD20. Please submit a new bond in the amount of \$84,355 or file a petition with the Authority for approval of an alternative amount pursuant to TRA Rule 1220-4-13-.07(5).
13. TRA Rule 1220-4-1-.11 requires all regulated utilities to keep their books and records in accordance with the Uniform System of Accounts. Please provide a copy of the Company's Chart of Accounts.
14. To date we have not received the Company's 2011 Annual Report, which was due on April 1, 2012. Please provide.