

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:)
)
PETITION OF TENNESSEE) **DOCKET NO. 14-00047**
WASTEWATER SYSTEMS, INC. TO)
POST ALTERNATIVE FINANCIAL)
SECURITY)

**PETITION OF TENNESSEE WASTEWATER SYSTEMS, INC.
TO POST ALTERNATIVE FINANCIAL SECURITY**

Tennessee Wastewater Systems, Inc. ("TWSI") petitions the Tennessee Regulatory Authority ("TRA"), pursuant to Rule 1220-4-13-.07(5), to accept a bond of \$1,248,882 as sufficient financial security to comply with the requirements of Rule 1220-4-13-.07.

According to the most recent UD20 report filed at the TRA by TWSI, the utility's annual revenue for 2013 was \$1,596,397. The bond on file at the TRA covers 78% of this amount.¹ Because of the large number of independent systems operated by TWSI, the size of the bond is more than adequate to cover any operational problems that might arise. As the TRA found in Docket 11-00187,

"TWSI operates a number of isolated, self-contained treatment facilities in various locations around the state. Thus, it is not necessary to have funds available to operate all of TWSI's 'systems,' since all of the separate facilities would not be expected to lose operation at the same time. . . . Given the nature of TWSI's entire operation, as described above, the bond is well designed to fulfill this [financial security] requirement."

¹ The same bond covered 80% of TWSI's annual revenue in 2012 and was found by the TRA to provide sufficient financial security to meet the requirements of Rule 1220-4-13-.07. See Docket 13-00148.

Furthermore, at the time this rule was adopted, TWSI and other similar utilities were much smaller than they are today. It is no longer reasonable to require a wastewater utility the size of TWSI to obtain a bond equal to 100% of its annual revenue.

The original bond, which was filed in Docket 11-00187, remains in the possession of the Authority. It has been renewed for 2014.² Although the language of the bond differs slightly from the TRA's prescribed bond form, the TRA has found these deviations "immaterial." *Id.*, at 2.

Therefore, TWSI asks that the Authority approve this alternative form of financial security in accordance with TRA Rule 1220-4-13-.07(5).

Respectfully submitted,

BRADLEY ARANT BOULT CUMMINGS LLP

By: 

Henry Walker (No. 000272)
1600 Division Street, Suite 700
P.O. Box 340025
Nashville, Tennessee 37203
(615) 252-2363

Attorneys for Tennessee Wastewater Systems, Inc.

² The notice of annual renewal is sent to the TRA, not to TWSI.