

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF)	DOCKET NO. 15-00049
OLD HICKORY WATER, LLC)	
TO POST ALTERNATIVE FINANCIAL)	
SECURITY)	

PETITION FOR APPROVAL OF ALTERNATIVE FINANCIAL SECURITY

Old Hickory Water, LLC ("Old Hickory"), petitions the Tennessee Regulatory Authority ("Authority"), pursuant to Rule 1220-4-13.07 (5) to accept a bond of \$25,000 as sufficient financial security to comply with the requirements of Rule 1220-4-13.07.

1. TRA Rule 1220-4-13.07 (2)(a) requires a bond in the amount of one hundred percent (100%) of the amount of gross revenue reported on the most recent UD20. According to the most recent UD20 report filed at the TRA by Old Hickory, the Utility's annual revenue for 2014 was \$86,338 (which includes water and wastewater), wastewater revenue being \$9,563 (amount of wastewater revenue from 2014 Annual Report filed at the Authority).

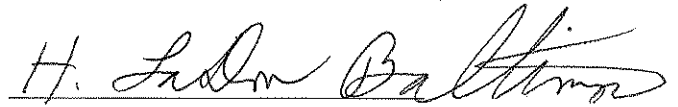
2. Old Hickory has the requisite financial stability to operate the utility, as demonstrated in its Annual Report filed at the TRA for 2014. Old Hickory has been operating the utility since acquisition in 2011 without any financial problems. Since acquisition, customers of both the water and wastewater systems have been served continuously and without rate increases. Motions were previously filed by Old Hickory and approved by the Authority in Docket Nos. 12-00039 and 14-00091 for Alternative Security of a bond in the amount of \$25,000, which exceeded the amount of wastewater revenues. The Authority is assured of financial security for the wastewater system with the \$25,000 bond and the financial stability of Old Hickory.

3. The Direct Testimony of John Parton in support of this petition is attached.
4. The \$25,000 bond filed by Old Hickory is ample security to cover the wastewater revenue.

WHEREFORE, Old Hickory Water, LLC respectfully requests the Authority to:

1. Approve the present \$25,000 bond as alternative financial security; and
2. Grant any other relief as the Authority may deem just and proper.

Respectfully submitted this 28th day of April, 2015,

A handwritten signature in black ink, reading "H. LaDon Baltimore". The signature is fluid and cursive, with the first name "H." being small and the last name "Baltimore" being larger and more prominent.

H. LaDon Baltimore
Farris Bobango, PLC
618 Church Street, Suite 300
Nashville, TN 37219
Telephone: 615.726.1200
Facsimile: 615.726.1776
dbaltimore@farris-law.com
Counsel to Old Hickory Water, LLC

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF
OLD HICKORY WATER, LLC
TO POST ALTERNATIVE FINANCIAL
SECURITY**

)
)
)
)
)
)

DOCKET NO.

**DIRECT TESTIMONY OF JOHN PARTON ON BEHALF OF
OLD HICKORY WATER, LLC**

Q. PLEASE STATE YOUR NAME FOR THE RECORD.

A. My name is John Parton.

Q. WHAT IS YOUR POSITION WITH THE PETITIONER, OLD HICKORY WATER, LLC?

A. I am an owner and active member.

Q. WOULD YOU BRIEFLY DESCRIBE YOUR DUTIES WITH OLD HICKORY WATER, LLC?

A. I am part of the management team. I assist and delegate in maintenance. In addition, I oversee financial decisions and daily financial operations

Q. ARE YOU FAMILIAR WITH THE CONTENT OF THE PETITION?

A. I am.

Q. TO THE BEST OF YOUR KNOWLEDGE, INFORMATION AND BELIEF, ARE ALL STATEMENTS IN THE PETITION CORRECT AND TRUE?

A. Yes, they are.

Q. PLEASE DESCRIBE THE PETITIONER.

A. Old Hickory Water, LLC ("Company" or "Petitioner") is incorporated under the laws of the State of Tennessee. It is owned by myself, David Parton, and Dean Knuckles.

The Company was formed to purchase all of the interest in Hickory Star Water Company, LLC (and other assets including the resort and marina) from its previous owner, Hickory Star, LLC, which is no longer an active company. After the purchase, the Tennessee Regulatory Authority granted approval of a Certificate of Public Convenience and Necessity (CCN) to provide water and wastewater utility services in Docket No.

12-00039. Since the grant of such CCN, the Petitioner has provided water and wastewater utility.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to provide information in support of the petition of the Company for approval to post alternative financial security.

Q. HAS THE AUTHORITY GRANTED PETITIONER ALTERNATIVE FINANCIAL SECURITY PREVIOUSLY?

A. Yes. The Authority, in Docket Nos. 12-00039 and 14-00091, approved as alternative security a bond in the amount of \$25,000.00, which exceeded the amount of wastewater revenue.

Q. WHAT OLD HICKORY WATER'S ANNUAL REVENUE FOR 2014?

A. As stated in Old Hickory Water's most recent UD20 report filed at the T.R.A., the Petitioner's annual revenue for 2014 was \$86,338.00 (which includes water and wastewater). The amount wastewater revenue was \$9,563.00 as stated in the 2014 Annual Report filed at the Authority.

Q. IN YOUR OPINION, DOES OLD HICKORY WATER HAVE THE REQUISITE FINANCIAL STABILITY TO OFFER UTILITIES?

A. Yes. Financial stability is demonstrated in our annual report filed at the T.R.A. for 2014.

Q. PLEASE EXPLAIN.

A. Old Hickory Water has been operating the utility since acquisition in 2011 without any financial problems. Since acquisition, customers of both the water and wastewater systems have been served continuously and without rate increases. The Authority is assured of financial security for the wastewater system with the \$25,000.00 bond and the

financial stability of Old Hickory Water. The \$25,000.00 bond filed by Old Hickory Water is ample security to cover the wastewater revenues, which at \$9,563.00 is less than the bond.

Q. DO YOU HAVE ADDITIONAL INFORMATION TO SUPPORT YOUR PETITION?

A. Old Hickory Water purchases its supply of water from the City of Maynardville and resells it to the customers of Old Hickory Water. This greatly reduces the expenses needed to operate a water and wastewater facility. It also assures that there will be a steady supply of water. This is another example of why alternative financial security is valid.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

IN RE:

PETITION OF

OLD HICKORY WATER, LLC

TO POST ALTERNATIVE FINANCIAL

SECURITY

)
)
)
)
)
)

DOCKET NO.

AFFIDAVIT

The affiant, after first being duly sworn according to law, deposes and states as follows:


I, the undersigned, John Parton, attest and certify that I prepared and reviewed the Pre-Filed Testimony and that the contents thereof are true to the best of my knowledge, information and belief.

FURTHER AFFIANT SAITH NOT.


John Parton

STATE OF Kentucky)
COUNTY OF Bell)

Sworn to and subscribed before me this the 20th day of April, 2015.


Notary Public

My commission expires: 8/15/15