

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

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T.R.A. DOCKET RO

IN RE:

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

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DOCKET NO. 15-00049

**AMENDED AND CORRECTED
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 and to correct the previous pre-filed testimony which had an incorrect total for wastewater revenue. The correct total is \$19,571.

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 \$19,571.00 as stated in the 2014 Annual Report filed at the Authority. The total \$9,563 in the previous pre-filed testimony was incorrect. That total was is residential revenue only. Commercial wastewater revenue of \$10, 008 was inadvertently omitted.

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.

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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 Amended nPre-Filed Testimony and that the contents thereof are true to the best of my knowledge, information and belief.

FURTHER AFFIANT SAITH NOT.

John Parton
John Parton

STATE OF Kentucky
COUNTY OF Bell

Sworn to and subscribed before me this the 11th day of June, 2015.

Jeana Parton
Notary Public

My commission expires: 8/15/15