

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

**IN RE:**

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

**DOCKET NO. 15-00051**

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

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Tennessee Wastewater Systems, Inc. ("TWSI") petitions the Authority, pursuant to Rule 1220-4-13-.07(5), to reaffirm the Authority's Order issued in Docket 11-00187 agreeing to accept a bond of \$1,248,882 as sufficient financial security to comply with the Authority's rules.

According to the most recent UD20 Authority Form filed by TWSI, the utility's reported annual revenue is \$1,647,942. The bond covers 76% of the utility's annual revenue. 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 requirement [of TRA Rule 1220-4-13-.01(2)]."

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 was filed in Docket 11-00187 and remains in the possession of the Authority. Although the language of the bond differs slightly from the TRA's prescribed bond form, the TRA has found these deviations "immaterial." Order, at 2. The bond has been renewed for another year.

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

Respectfully submitted,

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