

IN THE TENNESSEE REGULATORY AUTHORITY  
AT NASHVILLE, TENNESSEE

IN RE:	)	
	)	
PETITION OF TENNESSEE	)	DOCKET NO. 15-00051
WASTEWATER SYSTEMS, INC. TO	)	
POST ALTERNATIVE FINANCIAL	)	
SECURITY	)	

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**DIRECT TESTIMONY OF CHARLES HYATT**

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Q. What is your name and occupation?

A. I am Charles Hyatt, president of Tennessee Wastewater Systems, Inc. ("TWSI"). I have been president of TWSI since 2007.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to attest to the accuracy of the facts stated in the Petition to Post Alternative Financial Security filed April 29, 2015.

Q. Would you summarize the Petition?

A. TWSI is asking the Authority 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. The bond has been renewed for another year. We therefore ask that the TRA approve our Petition.

Q. Does this complete your testimony?

A. Yes.

AFFIDAVIT

My name is Charles Hyatt, and the attached is direct testimony and is true and correct to the best of my knowledge.

COUNTY OF Rutherford  
STATE OF Tennessee

Charles Hyatt  
Charles Hyatt

On this the 11 day of June, 2015, personally appeared before me, the above-named Charles Hyatt known to me personally or made known to me by satisfactory proof who was duly sworn and on oath executed the above Affidavit.

Susan R. Chaffin  
Notary Public

My Commission Expires:

02/20/2018

