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April 25, 2016

Chairman Herbert Hilliard  
c/o Sharla Dillon  
Tennessee Regulatory Authority  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243

DOCKET NO.

16-00045

RE: Petition of Tennessee Wastewater Systems, Inc. to Post Alternative Financial Security

Dear Chairman Hilliard:

Enclosed for filing are the original and four (4) copies of Tennessee Wastewater System, Inc.'s Petition for Approval to Post Alternative Financial Security as well as the \$25 filing fee.

Tennessee Wastewater Systems, Inc. respectfully requests the Authority to approve this Petition.

Sincerely,

  
Jeff Risdien  
General Counsel

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TN**

**April 25, 2016**

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**IN RE:**

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**PETITION OF TENNESSEE**

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**WASTEWATER SYSTEMS, INC.,**

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**DOCKET NO. \_\_\_\_\_**

**TO POST ALTERNATIVE FINANCIAL**

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**SECURITY**

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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 Tennessee Regulatory Authority ("Authority"), pursuant to Rule 1220-4-13-.07(5), to reaffirm the Authority's Order issued in Docket 15-00051 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 \$1,722,323. The bond covers 73% of the utility's annual revenue. At the time the financing security requirement 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. As the Authority found in Docket 15-00051,

"Because TWSI operates a number of isolated, self-contained treatment facilities in various locations around the state, it is not necessary to have funds available to operate all of TWSI's

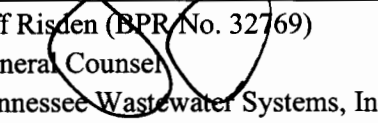
systems since all of the separate facilities would not be expected to lose operation at the same time”.

The original bond was filed in Docket 11-00187 and remains in the possession of the Authority. Although the bond language differs slightly from the TRA’s prescribed bond form, the TRA has found these deviations “immaterial”. Docket 11-00187 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,

By: \_\_\_\_\_

  
Jeff Riden (BPR No. 32769)  
General Counsel  
Tennessee Wastewater Systems, Inc.  
851 Aviation Parkway  
Smyrna, TN 37169  
615-220-7171  
jeff.riden@adenus.com

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TN**

**April 25, 2016**

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**IN RE:**

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**PETITION OF TENNESSEE**

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**WASTEWATER SYSTEMS, INC.,**

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**DOCKET NO. \_\_\_\_\_**

**TO POST ALTERNATIVE FINANCIAL**

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**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").

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 25, 2016.

Q. Would you summarize the Petition?

A. TWSI is asking the Authority to reaffirm the Authority's Order issued in Docket 15-00051 where it agreed to accepted 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 \$1,722,323. The bond covers 73% of the utility's annual revenue. At the time the 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. 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.

The bond affirmed in Docket 15-00051 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.



Charles Hyatt

County of Rutherford           )  
State of Tennessee           )

On this 25th day of April, 2016, 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.



Notary

My commission expires: 02/20/2018

