
BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN RE:

**PETITION OF TENNESSEE
WASTEWATER SYSTEMS, INC.,
FOR APPROVAL OF LOANS**

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DOCKET NO. 16-00100

DIRECT TESTIMONY OF CHARLES HYATT

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 explain the purpose and necessity of the loans and promissory note that are the subject of this petition.

Q: Are you familiar with the petition that has been filed in this matter?

A: Yes.

Q: Would you summarize the petition?

A: TWSI asks the Authority to approve a loan in the amount of \$80,821.96 from Wilson Bank and Trust. The loan is for the purchase of two pick-up trucks.

Q: Why are the trucks necessary?

A: The trucks are replacing older ones in our fleet which are currently used by facility operators. The trucks are used for transportation to and from the facilities, maintenance calls, and line locates. The trucks are used every day in the ordinary course of our business and are considered by us to be reasonable business expenditures.

Q: What kind of security is being used for this loan?

A: The trucks themselves are the collateral. There are no personal guarantees from any of the owners of TWSI or affiliates.

Q: What impact will these loans have on customer rates?

A: In the short term, there will be no impact on customer rates. We are not petitioning the Authority for an increase in rates, just the approval of these financing arrangements. We do anticipate filing a rate case at some point in the future at which time all the utility's expenses will be considered as we seek to determine a fair and reasonable rate structure. However, at this time we do not have a timeframe in mind in which we plan to file that case.

Q: How do these financing arrangements address any public interest concerns?

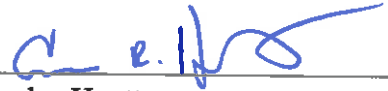
A: The financing arrangements are consistent with the public interest and will not impair the ability of TWSI to perform services to the customer. The public interest does not include just the rate the customers are asked to pay, the public also has an interest in the proper operation, management, and maintenance of their wastewater systems by the utility. These loans allow TWSI to continue to provide the highest level of service to its customers and remain responsive to their needs.

Q: Does this complete your testimony?

A: Yes

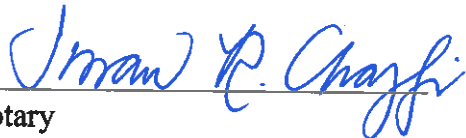
AFFIDAVIT

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 21st day of July, 2016, personally appeared before me, the above-named Charles Hyatt known to me personally who was duly sworn and on oath executed the above Affidavit.


Notary

My commission expires: 02/20/2018

