

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

November 14, 2016

IN RE:)	
)	
PETITION OF TENNESSEE WASTEWATER)	DOCKET NO. 16-00100
SYSTEMS, INC. FOR APPROVAL OF)	
FINANCING ARRANGEMENTS)	

ORDER APPROVING FINANCING ARRANGEMENTS

This matter came before Chairman David F. Jones, Director Herbert H. Hilliard and Director Kenneth C. Hill of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on October 10, 2016, for hearing and consideration of the *Petition for Approval of Financing Arrangements* (the “*Petition*”) filed on August 29, 2016, by Tennessee Wastewater Systems, Inc. (“Petitioner,” “TWSI” or “Company”). In its *Petition*, TWSI requests approval of financing arrangements related to the purchase of vehicles.

RELEVANT BACKGROUND

TWSI is a public utility that provides wastewater services in Tennessee and is subject to the regulatory jurisdiction of the TRA. On August 29, 2016, Petitioner filed the *Petition* requesting approval of financing arrangements related to the purchase of vehicles.¹ According to TWSI, the vehicles are replacing older vehicles used by the facility operators to perform operational and maintenance duties.² Specifically, TWSI has negotiated a loan with Wilson

¹ See *Petition*, p. 1 (August 29, 2016).

² Charles Hyatt, Pre-Filed Direct Testimony, pp.1-2 (August 26, 2016).

Bank and Trust for \$80,821.96 for the purchase of two pick-up trucks.³ TWSI notes that it is not requesting a rate increase in the instant proceeding but anticipates filing a case at some point in the future.⁴ Additionally, TWSI notes that the loans are being used for the purchase of vehicles to be used in the course of business.

The Hearing in this matter was held before the voting panel at the regularly scheduled Authority Conference held on October 10, 2016, as noticed by the Authority on September 30, 2016.

FINDINGS AND CONCLUSIONS

Tenn. Code Ann. § 65-4-109 provides:

No public utility shall issue any stocks, stock certificates, bonds debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the authority for such proposed issue. It shall be the duty of the authority after hearing to approve any such proposed issue maturing more than one (1) year from the date thereof upon being satisfied that the proposed issue, sale and delivery is to be made in accordance with law and the purpose of such be approved by the authority.

Following the conclusion of the hearing, the panel voted unanimously to approve the *Petition nunc pro tunc* and made the following findings:

1. The proposed financing transactions are subject to Authority approval pursuant to Tenn. Code Ann. § 65-4-109.
2. The proposed financing transactions are being made in accordance with laws enforceable by this agency.
3. The proposed financing transactions are in the public interest.
4. Approval of the *Petition* does not guarantee TWSI's recovery of expenses resulting from the transactions from its customers.

³ *Id.* at 1.

⁴ *Id.* at 2.

5. The Authority will determine in future rate proceedings whether the indebtedness related to the *Petition* was prudently incurred and whether it is just and reasonable to recover such costs through consumer rates.

IT IS THEREFORE ORDERED THAT:

1. Tennessee Wastewater Systems, Inc. is authorized to enter into the proposed transactions as described in the *Petition for Approval of Financing Arrangements* and discussed herein.

2. Tennessee Wastewaters Systems, Inc. shall maintain detailed information regarding the usage of the items purchased with indebtedness included in the *Petition*.

3. The authorization and approval given hereby shall not be used by any party, including but not limited to, any lending party, for the purpose of inferring an analysis or assessment of the risks involved.

4. This decision is not intended to create any liability on the part of the Tennessee Regulatory Authority, the State of Tennessee or any political subdivision thereof.

Chairman David F. Jones, Director Herbert H. Hilliard and Director Kenneth C. Hill concur.

ATTEST:



Earl R. Taylor, Executive Director