

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TN

IN RE:

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

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DOCKET NO. 17-00042

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 promissory note that is 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 \$100,386.04 from Wilson Bank and Trust. The loan is for the purchase of two Kubota loaders.

Q: Why are the loaders necessary?

A: The loaders are necessary for maintenance and repair of collection lines and drip fields. TWSI currently uses loaders furnished by an affiliated Adenus company. Due to age and maintenance issues, the Adenus loaders need to be replaced. Further, the purchase of these loaders by TWSI is in furtherance of the utility's commitment to streamline operations by bringing its system activities in-house and less dependent on its affiliated companies.

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

A: The loaders 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 near term, there will be no impact on customer rates. It is not the purpose of this Petition to seek any adjustment to our rates, only the approval of this financing arrangement.

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

A: The financing arrangements are consistent with the public interest and will enhance the ability of TWSI to perform services which benefit 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, maintenance, and repair of their wastewater systems by the utility. This loan allows 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 15 day of May, 2017, 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

