

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

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| IN RE: |) | |
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| PETITION OF OLD HICKORY WATER, LLC TO POST ALTERNATIVE FINANCIAL SECURITY |) | DOCKET NO. 17-00066 |
| |) | |

PETITION FOR APPROVAL OF ALTERNATIVE FINANCIAL SECURITY

Old Hickory Water, LLC ("Old Hickory"), petitions the Tennessee Public Utility Commission ("Commission"), pursuant to Rule 1220-4-13.07 (5) to accept a bond of \$25,000 as sufficient financial security to comply with the requirements of Rule 1220-4-13.07.

1. Commission Rule 1220-4-13.07 (2)(a) requires a bond in the amount of one hundred percent (100%) of the amount of gross revenue reported on the most recent UD20. According to the most recent UD20 report filed at the Commission by Old Hickory, the Utility's annual revenue for 2016 was \$71,120 (which includes water and wastewater), wastewater revenue being \$2,252 (amount of wastewater revenue from 2016 Annual Report filed at the Commission).

2. Old Hickory has the requisite financial stability to operate the utility, as demonstrated in its Annual Report filed at the Commission for 2016. Old Hickory has been operating the utility since acquisition in 2011 without any financial problems. Since acquisition, customers of both the water and wastewater systems have been served continuously and without rate increases. Motions were previously filed by Old Hickory and approved by the Commission in Docket Nos. 12-00039, 14-00091, 15-00049 and 16-00077 for Alternative Security of a bond in the amount of \$25,000, which is more than 100% of wastewater revenue. The Commission is assured of

financial security for the wastewater system with the \$25,000 bond and the financial stability of Old Hickory.

3. The Direct Testimony of Justin Noah in support of this petition is attached.
4. The \$25,000 bond filed by Old Hickory is ample security to cover the wastewater revenue.

WHEREFORE, Old Hickory Water, LLC respectfully requests the Commission to:

1. Approve the present \$25,000 bond as alternative financial security; and
2. Grant any other relief as the Commission may deem just and proper.

Respectfully submitted this 5th day of July 2017,



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**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF
OLD HICKORY WATER, LLC
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DOCKET NO.

**DIRECT TESTIMONY OF JUSTIN NOAH ON BEHALF OF
OLD HICKORY WATER, LLC**

Q. PLEASE STATE YOUR NAME FOR THE RECORD.

A. My name is Justin Noah.

Q. WHAT IS YOUR POSITION WITH THE PETITIONER, OLD HICKORY WATER, LLC?

A. General Manager.

Q. WOULD YOU BRIEFLY DESCRIBE YOUR DUTIES WITH OLD HICKORY WATER, LLC?

A. I am part of the management team. I assist and delegate in maintenance. In addition, I oversee financial decisions and daily financial operations.

Q. ARE YOU FAMILIAR WITH THE CONTENT OF THE PETITION?

A. I am.

Q. TO THE BEST OF YOUR KNOWLEDGE, INFORMATION AND BELIEF, ARE ALL STATEMENTS IN THE PETITION CORRECT AND TRUE?

A. Yes, they are.

Q. PLEASE DESCRIBE THE PETITIONER.

A. Old Hickory Water, LLC ("Company" or "Petitioner") is incorporated under the laws of the State of Tennessee. It is owned by John Parton, David Parton, and Dean Knuckles. The Company was formed to purchase all of the interest in Hickory Star Water Company, LLC (and other assets including the resort and marina) from its previous owner, Hickory Star, LLC, which is no longer an active company. After the purchase, the Commission granted approval of a Certificate of Public Convenience and Necessity (CCN) to provide water and wastewater utility services in Docket No. 12-00039. Since the grant of such CCN, the Petitioner has provided water and wastewater utility.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to provide information in support of the petition of the Company for approval to post alternative financial security.

Q. HAS THE COMMISSION GRANTED PETITIONER ALTERNATIVE FINANCIAL SECURITY PREVIOUSLY?

A. Yes. The Commission, in Docket Nos. 12-00039, 14-00091, 15-00049 and 16-00077, approved as alternative security a bond in the amount of \$25,000.00, which exceeded the amount of wastewater revenue.

Q. WHAT WAS OLD HICKORY WATER'S ANNUAL REVENUE FOR 2016?

A. As stated in Old Hickory Water's most recent UD20 report filed at the Commission, the Petitioner's annual revenue for 2016 was \$71,120.00 (which includes water and wastewater). The amount wastewater revenue was \$2,252.00 as stated in the 2016 Annual Report filed at the Commission.

Q. IN YOUR OPINION, DOES OLD HICKORY WATER HAVE THE REQUISITE FINANCIAL STABILITY TO OFFER UTILITIES?

A. Yes. Financial stability is demonstrated in our annual report filed at the T.R.A. for 2016.

Q. PLEASE EXPLAIN.

A. Old Hickory Water has been operating the utility since acquisition in 2011 without any financial problems. Since acquisition, customers of both the water and wastewater systems have been served continuously and without rate increases. The Commission is assured of financial security for the wastewater system with the \$25,000.00 bond and the financial stability of Old Hickory Water. The \$25,000.00 bond filed by Old Hickory Water is ample security to cover the wastewater revenues. In fact, the bond is more than

100% of wastewater revenue.

Q. DO YOU HAVE ADDITIONAL INFORMATION TO SUPPORT YOUR PETITION?

A. Old Hickory Water purchases its supply of water from the City of Maynardville and resells it to the customers of Old Hickory Water. This greatly reduces the expenses needed to operate a water and wastewater facility. It also assures that there will be a steady supply of water. This is another example of why alternative financial security is valid.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

AFFIDAVIT

The affiant, after first being duly sworn according to law, deposes and states as follows:

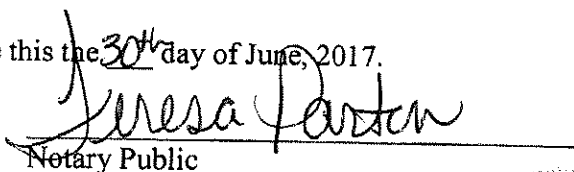
I, the undersigned, Justin Noah, attest and certify that I prepared and reviewed the Pre-Filed Testimony and that the contents thereof are true to the best of my knowledge, information and belief.

FURTHER AFFIANT SAITH NOT.


Justin Noah

Kentucky
STATE OF TENNESSEE)
COUNTY OF UNION)
Bell

Sworn to and subscribed before me this the 30th day of June, 2017.


Notary Public

My commission expires: 08/15/2019