

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF TENNESSEE)	
WASTEWATER SYSTEMS, INC., TO)	DOCKET NO.
AMEND ITS CERTIFICATE OF)	
CONVENIENCE AND NECESSITY)	

DIRECT TESTIMONY OF FRED PICKNEY

Q1. What is your name and business address?

A. I am Fred Pickney. My business address is 849 Aviation Parkway, Smyrna TN, 37167.

Q2. By whom are you employed and in what capacity?

A. I am employed by Tennessee Wastewater, Inc. as Vice President of Business Development.

Q3: What are your responsibilities in that position?

A: I work with people who are interested in obtaining sewer service, either for individual homes or for entire subdivisions. I work closely with land developers and engineers to provide wastewater solutions for their projects.

Q4. Please describe your educational background?

A. I earned a Bachelor's degree in Business Administration with a major in Logistics from the University of Tennessee in 2010 and a Juris Doctorate from the University of Tennessee College of Law in 2013.

Q5. Please describe TWSI's service territory.

A. In 1994 the Public Service Commission (predecessor to the TPUC) granted TWSI (then called On-Site Systems, Inc.) its initial CCN. Since that time, TWSI has been granted over 100 CCNs and provides wastewater service to over 3000 customers in 23 Tennessee counties.

Q6. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to describe the proposed development and the ability of TWSI to properly operate and maintain the wastewater treatment and collection system for Lighthouse Point subdivision.

Q7. Please describe the proposed Lighthouse Pointe Subdivision.

- A. The Lighthouse Pointe subdivision consists of one existing home and five empty lots in Grainger County. The subdivision was developed in 2003/2004. The developer purchased land in an adjoining subdivision to use as drip field for the sewer system serving Lighthouse Pointe, but issues and litigation arose resulting in the disconnection of the sewer system serving Lighthouse Pointe. The home and lot owners now want to establish sewer service for their development. The location of Lighthouse Pointe is shown on Exhibit A and is located approximately 2 miles from Grainger's Landing Condominiums and 9 miles from German Creek Marina and Resort where TWSI has existing CCNs.

Q8. What type of wastewater collection and treatment system is proposed for Lighthouse Pointe?

- A. The collection system will be a septic tank effluent pump (STEP) system, with a septic tank and pump at each home. The tanks discharge to collection lines that will convey the wastewater to the central treatment system which will be a Recirculating Media Filter type system. The treated effluent will be disinfected, and land applied through drip irrigation. This type of system is in the majority of systems owned and operated by TWSI.

Q9. What is the current status of Lighthouse Pointe?

- A. There presently exists one completed house which is primarily used as a seasonal vacation home and five empty lots. There are no plans to do anything with the lots until after sewer is available at which time owners may choose to build a house or sell the lot.

Q10. What is the status of permitting and approvals with the Tennessee Department of Environment and Conservation?

- A. A State Operating Permit (SOP) has been applied for. A copy of which is attached to the Petition as Exhibit D.

Q11. Does TWSI have the managerial and technical ability to operate and maintain the treatment system for Lighthouse Pointe?

- A. Yes. The treatment and collection system proposed for use at Lighthouse Pointe is similar to the majority of systems owned and operated by TWSI. TWSI already has system operators and maintenance personnel who serve our other systems in Grainger County. It would not be a problem to add another system, especially given the small number of homes that will eventually be hooked onto the system.

In addition to the operations and maintenance personnel, TWSI will continually monitor the system through remote telemetry and the HAWKMS system. HAWKMS gives the operators the ability to remotely monitor and control their plants. Utilizing this technology not only allows TWSI to operate and maintain sites more efficiently, but also less

expensively as it cuts down on the need for additional personnel, equipment, and allows the utility to optimize energy consumption based on plant conditions. Including TWSI owned systems, there are over 300 wastewater facilities using this technology.

Q12. How will the construction of the proposed collection and treatment system for Lighthouse Pointe be managed and funded?

- A. The collection system will be the responsibility of the Lighthouse Pointe Homeowners' Association ("HOA") to fund and construct. The treatment system will be funded by the HOA through contribution in aid of construction to the utility. TWSI will be deeded ownership of the system once construction is complete and the system is approved and accepted by the utility.

Q13. What rates and charges will be used for Lighthouse Pointe?

- A. TWSI will apply the Tier 1 Residential Rate to this development. Currently that rate is \$44.42. The tariff sheet is Exhibit J of the Petition.

Q14. Does TWSI have the financial resources to provide service to Lighthouse Pointe?

- A. Yes. TWSI currently has in place a \$300,000 bond approved by the Commission. Further, the utility has over 3000 customers in Tennessee which makes adding a new territory less of a financial burden to the company. The Company is also able to offset operational and maintenance costs through the annual access fees paid to TWSI by owners of empty lots. Further, a copy of TWSI's 2016 Annual Report and a 5-year projection have been included as Exhibits "E" and "F".

Q15. Will TWSI abide by the orders and rules of the Commission?

- A. Yes.

Q16. Does this complete your testimony?

- A. Yes.

AFFIDAVIT

My name is Fred Pickney and the attached direct testimony is true and correct to the best of my knowledge.

Fred Pickney
Fred Pickney

County of Rutherford)
State of Tennessee)

On this 18th day of December 2017, personally appeared before me, Suzanne Christmas, a notary public, the above-named Fred Pickney known to me personally who was duly sworn and on oath executed the above Affidavit.



Suzanne M. Christmas
Notary

My commission expires: 12/1/2020