

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

April 19, 2018

IN RE:

PETITION OF TENNESSEE WASTEWATER
SYSTEMS, INC. FOR APPROVAL OF
FINANCING ARRANGEMENT

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DOCKET NO. 18-00029

ORDER APPROVING FINANCING ARRANGEMENT

This matter came before Vice Chairman Robin L. Morrison, Commissioner Herbert H. Hilliard and Commissioner Keith Jordan of the Tennessee Public Utility Commission (the “Commission” or “TPUC”), the voting panel assigned to this docket, during the regularly scheduled Commission Conference held on April 9, 2018, for hearing and consideration of the *Petition of Tennessee Wastewater Systems, Inc. for Approval of Financing Arrangement* (“Petition”) filed on March 23, 2018 by Tennessee Wastewater Systems, Inc. (“Petitioner,” “TWSI” or “Company”) requesting approval to participate in certain financing arrangements.

RELEVANT BACKGROUND

TWSI is a public utility that provides wastewater services in Tennessee and is subject to the regulatory jurisdiction of the TPUC. On March 23, 2018, TWSI filed the *Petition* requesting approval of its proposed financing arrangements for the purchase of equipment. Specifically, TWSI has negotiated a loan with Wilson Bank and Trust for \$42,485.49 for the purchase of a truck. According to TWSI, the truck is necessary for system operators to perform operational and maintenance duties.¹

¹ *Petition of Tennessee Wastewater Systems, Inc. for Approval of Financing Arrangement*, p. 1 (March 23, 2018).

Along with its *Petition*, TWSI filed pre-filed testimony of Charles Hyatt, President of TWSI. In his pre-filed testimony, Mr. Hyatt testified, “[t]he truck is replacing an older one in our fleet which is currently used by facility operators.”² Mr. Hyatt also stated that the truck will serve as the collateral for the loan and the loan will have no impact on customer rates. Further, Mr. Hyatt testified that the financing arrangement is consistent with the public interest in that it promotes the proper operation, maintenance and management of the wastewater systems.³ No party requested to intervene in this case.

STANDARD FOR COMMISSION APPROVAL

Commission approval is required for these financing programs pursuant to Tenn. Code Ann. § 65-4-109, which 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 commission for such proposed issue. It shall be the duty of the commission 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 commission.

THE APRIL 9, 2018 HEARING

A Hearing in this matter was held before the voting panel of Commissioners during the regularly scheduled Commission Conference on April 9, 2018, as noticed by the Commission on March 28, 2018. Appearing for the Company were Charles Hyatt, President of TWSI and Jeff Riden, General Counsel of TWSI. During the Hearing, Mr. Hyatt ratified, then summarized his pre-filed testimony, correcting the amount of the loan in his testimony, which had been typed incorrectly, and was subject to questioning before the panel and by TPUC staff. Members of the public were given an opportunity to offer comments, but no one sought recognition to do so.

² Charles Hyatt, *Pre-Filed Direct Testimony*, p. 2 (March 23, 2018).

³ *Id.*

FINDINGS AND CONCLUSIONS

The Commission's review of financing programs or transactions focuses on whether such financing programs or transactions are in accordance with applicable law and their purpose is in the public interest.

During the Commission Conference held on April 9, 2018, the panel voted unanimously to approve the *Petition* and made the following findings:

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

IT IS THEREFORE ORDERED THAT:

1. The *Petition* filed by Tennessee Wastewater Systems, Inc. on March 23, 2018 is approved.
2. Tennessee Wastewater Systems, Inc. is authorized to enter into the proposed financing transaction as described in the *Petition of Tennessee Wastewater Systems, Inc. for Approval of Financing Arrangement* and discussed herein.
3. The authorization and approval of these financing programs given hereby shall not be used by any 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

Public Utility Commission, the State of Tennessee, or any political subdivision thereof.

5. Any person who is aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within fifteen days from the date of this Order.

6. Any person who is aggrieved by the Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty days from the date of this Order.

Vice Chairman Robin L. Morrison, Commissioner Herbert H. Hilliard and Commissioner Keith Jordan concur.

ATTEST:



Earl R. Taylor, Executive Director