

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

IN RE:)	
)	
PETITION OF TENNESSEE)	DOCKET NO. 18-00037
WASTEWATER SYSTEMS, INC., FOR)	
APPROVAL OF A SPECIAL CONTRACT)	

DIRECT TESTIMONY OF CHARLES HYATT

Q. What is your name and occupation?

A. I am Charles Hyatt, president of Tennessee Wastewater Systems, Inc. ("TWS").

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to attest to the accuracy of the facts stated in the Petition and to provide additional information concerning TWS' request.

Q. Please summarize the petition?

A. TWSI is requesting the Commission to approve a developer agreement between TWS and ABS Properties, LLC. ABS is developing a commercial gas station and convenience store in Williamson County. The property falls within TWS' Milcrofton service territory. ABS has requested TWS provide service to the property and we have agreed to do so. Because this is a commercial development project, there is not much land available on which to construct an onsite system to serve the gas station and convenience store. However, its location is very close to our Clovercroft Treatment Facility which serves the Chardonay subdivision. There is capacity available at the facility and all we need to do to provide service to the property is run a line from the gas station property to the subdivision.

To run this line, though, we must bore under a CSX railroad line. CSX has granted TWS permission to do so, but as part of the terms of the CSX agreement, TWS must maintain a five-million-dollar general liability insurance policy. TWS' present policy is for two million dollars. TWS does not believe its customer base should underwrite this expense and has asked ABS to pay the difference on an ongoing basis. They have agreed to do so with their agreement stating ABS will cover "an amount equal to the difference between TWS' current insurance premium and the premium required to provide this \$5 million in coverage". The difference in cost for the premium is currently \$1400.00 and ABS will be responsible for paying any increases in the cost difference in the future.

Q. Are there other options available to provide service to this property other than tying into the Clovercroft Treatment Facility?

A. No. The property does not have enough land available to build a stand-alone facility, nor is a stand-alone facility feasible for a customer only generating around 600 gallons per day of wastewater flow.

Q. Is TWSI selling to ABS the capacity at the Clovercroft Treatment Facility?

A. No. The capacity at the Clovercroft Treatment Facility is owned by Adenus Solutions Group, LLC, who has verified that capacity is available in the system.

Q. In the event the gas station goes out of business, who is responsible for paying the difference in the cost of the insurance premium?

A. The responsibility lies with the owner of the property. In the event the gas station closes, as long as the property owner wants to ensure there is sewer service available they will need to pay the annual difference in the cost of the premium. If that payment stops, TWSI has the right to terminate the connection along with the easement with CSX.

Q. Are there any other material changes to this developer agreement?

A. No. This is in large part, our standard developer agreement that all developers sign for the provision of wastewater services. The agreement has been slightly modified to reflect the specific requirements of this deal, but other than the inclusion of the CSX Insurance Premium Pass Through (Paragraph 2b) and the removal of some typical language regarding items that do not apply here, it is our standard agreement with which the Commission is already familiar.

Q. Does this complete your testimony?

A. Yes.

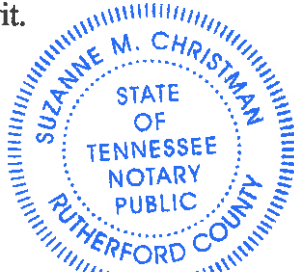
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My name is Charles Hyatt and the attached is direct testimony and is true and correct to the best of my knowledge.

C. R. Hyatt
Charles Hyatt

County of Rutherford)
State of Tennessee)

On this 29th day of MARCH, 2018, personally appeared before me, the above-named Charles Hyatt known to me personally who was duly sworn and on oath executed the above Affidavit.



Suzanne M. Christman
Notary

My commission expires: 12/1/2020