

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

March 18, 2026

IN RE:

**APPLICATION OF TWO RIVERS UTILITY, LLC
FOR A CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

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**DOCKET NO.
25-00073**

**ORDER APPROVING APPLICATION OF TWO RIVERS UTILITY, LLC FOR A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

This matter came before Chairman David F. Jones, Vice Chairman John Hie, Commissioner Herbert H. Hilliard, Commissioner Kenneth C. Hill, and Commissioner David Crowell of the Tennessee Public Utility Commission (the “Commission” or “TPUC”), the voting panel assigned to this docket, during a regularly scheduled Commission Conference held on February 17, 2026. The panel convened to consider the *Application of Two Rivers Utility, LLC for a Certificate of Public Convenience and Necessity* (“*Application*”) filed by Two Rivers Utility, LLC (“Two Rivers” or “Company” or “Utility”), on September 4, 2025.¹

I. BACKGROUND AND APPLICATION

Two Rivers is a Tennessee limited liability company with its principal business office at 673 West Main Street, Adamsville, Tennessee 38310. Two Rivers is owned and operated by Mr. Craig Chrestman and Mr. Joey Wimberley, both of whom have extensive experience in operating, installing, and maintaining onsite wastewater systems in Tennessee. They have over 50 years of combined experience and are licensed to install septic systems in compliance with Tennessee regulations.²

¹ *Application* (September 4, 2025).

² *Id.* at 3.

Two Rivers filed its *Application* for the issuance of a Certificate of Public Convenience and Necessity (“CCN”) with the Commission on September 4, 2025. The Company is requesting a CCN to serve Phase 3 of the Canterbury Manor Subdivision (“Development”).³ The Development is located in an unincorporated area of Fayette County, Tennessee, that is south of Highway 64 and west of Highway 196. It will consist of 23 lots on 31.55 acres.⁴ No other utility provides wastewater service to the Development, and the Development is not located within the designated service territory of any other utility providing similar services.⁵

Two Rivers provided the Direct Testimony of Craig Chrestman with its *Application*.⁶ Mr. Chrestman testified that he shares co-ownership of Two Rivers with Joey Wimberly and that each holds a 50% interest in the Company. Mr. Chrestman explained that he holds the positions of Secretary and Treasurer, Mr. Wimberly holds the position of President. Both are responsible for the day-to-day operations and maintenance of Two Rivers.⁷

Mr. Chrestman further testified that he has been involved in the wastewater system business for nearly 30 years. He stated that he is a licensed soil scientist, has conducted soil mapping across Middle and West Tennessee, and has extensive technical expertise in installing onsite wastewater systems and advising developers on the type and size of wastewater systems for specific properties, including large and decentralized systems. He testified that he and Mr. Wimberly are licensed to install every type of system allowed in Tennessee and are thoroughly familiar with the requirements and processes of the Tennessee Department of Environment and Conservation (“TDEC”) as they relate to septic design, installation, and approval.⁸ Mr. Chrestman describes the system to serve the Development as consisting of a septic tank effluent pump, a collection system, and the LPP subsurface

³ *Id.* at 1, 3.

⁴ *Id.* at 3.

⁵ *Id.* at 4.

⁶ *Id.* at Ex. 6 Craig Chrestman, Pre-Filed Direct Testimony (September 4, 2025) (“Ex. 6”).

⁷ *Id.* at Ex. 6, p. 1.

⁸ *Id.* at Ex. 6, p. 3.

sewage disposal system. The design capacity of the system is .0069 MGD, and the system will serve 23 homes.⁹

Renaissance Development S-Corp, Inc. (“Developer”), is the developer of Phase 3 of the Canterbury Manor Subdivision.¹⁰ The Developer will deed the wastewater system and the land it is located on to Two Rivers.¹¹ With its *Application*, the Company filed the draft of the state operating permit issued by TDEC for the treatment facility to serve the Development.¹² The Company identified Alexander Construction, LLC, as the designated contractor to complete construction of the wastewater system for the Development.¹³ The Company provided a copy of Alexander Construction, LLC’s contractor’s license.¹⁴

Before obtaining a performance bond, certain components of the wastewater collection system were installed. Therefore, the Developer obtained a performance bond payable to Two Rivers for the amount needed to complete the installation of the wastewater collection system.¹⁵ Two Rivers provided evidence of components of the wastewater collection system that had already been installed and stated that such components will become the property of Two Rivers upon approval of the CCN.¹⁶ In addition, the Company provided evidence of the cost of the assets to be recorded on its books, including the value of the already installed components and those yet to be constructed.¹⁷

The Consumer Advocate asserted that the performance bond obtained does not provide the correct amount of coverage.¹⁸ Clark Kaml testified that the existing performance bond is for an

⁹ *Id.* at Ex. 6, p. 5.

¹⁰ *Id.* at 3.

¹¹ *Id.* at 4; *Two Rivers Utility, LLC’s Response to Consumer Advocate’s First Set of Discovery Requests*, p. 9 (November 4, 2025).

¹² *Application*, Ex. 14 Draft State Operating Permit.

¹³ *Two Rivers Utility, LLC’s Response to Consumer Advocate’s Second Set of Discovery Requests*, p. 5 (December 3, 2025).

¹⁴ *Id.* at Ex. 29 License of Alexander Construction.

¹⁵ *Two Rivers Utility, LLC’s Response to Consumer Advocate’s First Set of Discovery Requests*, p. 9 (November 4, 2025).

¹⁶ *Two Rivers Utility, LLC Responses to Commission Data Request Dated January 8, 2026*, p. 3 (January 16, 2026).

¹⁷ *Id.*

¹⁸ Clark D. Kaml, Pre-Filed Direct Testimony, p. 9 (December 12, 2025).

amount that covers only a part of the cost of the total wastewater system, rather than the amount required under Commission Rules, “an amount equal to or greater than the cost of the system.”¹⁹ Except for the issue regarding the amount of the performance bond, the Consumer Advocate agreed that the Company has satisfied the requirements for approval of its *Application*.²⁰

II. STANDARD FOR COMMISSION APPROVAL

No public utility is permitted to begin construction or operation of a new utility facility or service without first obtaining a CCN from the Commission as set forth in Tenn. Code Ann. § 65-4-201(a), which reads:

No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the commission, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate

Additionally, in order to obtain a CCN to provide wastewater service, Commission Rule 1220-4-13-.17(1) requires that a public wastewater utility satisfy the following requirements:

Any public wastewater utility requesting a Certificate of Public Convenience and Necessity (“CCN”) in accordance with Tenn. Code Ann. §§ 65-4-201, et seq., shall file an application that complies with Rule 1220-01-01-.03 and this rule. Each applicant shall demonstrate to the Commission that it possesses sufficient managerial, financial, and technical capabilities to provide the wastewater services for which it has applied. Each application shall demonstrate that there exists a public need for wastewater service and include the required financial security consistent with Tenn. Code Ann. § 65-4-201, and these rules.

¹⁹ *Id.*

²⁰ *Joint Agreed Motion to Submit Case to Commission for Hearing of the Merits on the Record (“Paper” Hearing)*, p. 2 (January 29, 2026).

Commission Rule 1220-4-13-.17(2)(e) requires public wastewater utilities to include evidence with its CCN application that it possesses sufficient financial capability. Evidence of sufficient financial capability includes:

11. Demonstrat[ing] that the applicant has acquired a performance bond from the developer or builder of the wastewater system made payable to the Utility to ensure construction of the wastewater system. The performance bond **should** be for an amount equal to or greater than the cost of the system as provided in contracts between builder, developer and/or utility.²¹

III. THE HEARING

The hearing in this matter was held before the panel during the regularly scheduled Commission Conference on February 17, 2026, as noticed by the Commission on February 6, 2026.

Participating in the hearing were:

Two Rivers Utility, LLC – Melvin Malone, Esq., Butler Snow LLP, 1320 Adams Street, Suite 1400, Nashville, Tennessee 37208; and Craig Chrestman, Secretary and Treasurer, Two Rivers Utility, LLC, 673 West Main Street, Adamsville, Tennessee 38310.

Consumer Advocate – Karen Stachowski, Esq., and Clark D. Kaml, Financial Analyst, Office of the Attorney General and Reporter, Post Office Box 20207, Nashville, Tennessee, 37202-0207.

During the hearing, Mr. Chrestman ratified and summarized his Pre-Filed Testimony and was subject to questioning by the panel. Members of the public were given an opportunity to offer comments, but no one sought recognition to do so.

IV. FINDINGS AND CONCLUSIONS

In its *Application*, Two Rivers asked the Commission for a CCN in accordance with Tenn. Code Ann. § 65-4-201(a) and Commission Rule 1220-4-13-.17 to provide service to Phase 3 of the Canterbury Manor Subdivision in Fayette County, Tennessee. Based on a review and consideration

²¹ Tenn. Comp. R. & Regs. 1220-4-13-.17(2)(e)(11) (emphasis added).

of the pleadings, pre-filed testimony, and the entire administrative record, the panel made the following findings and conclusions:

The panel found that Two Rivers has demonstrated that it possesses the requisite managerial, financial, and technical capabilities to provide wastewater services to Phase 3 of the Canterbury Manor Subdivision and that a public need exists for such services, as required under Tenn. Code Ann. § 65-4-201(a) and Commission Rule 1220-4-13-.17. With regard to the performance bond, the panel determined that the performance bond acquired by Two Rivers from the Developer is in an amount sufficient to ensure construction of the wastewater system in compliance with Commission Rule 1220-04-13-.17(2)(e)(11).

There are, however, certain documents that must be filed with the Commission but cannot be finalized or are otherwise not available until after a CCN is granted. Therefore, the panel voted unanimously to approve Two Rivers' *Application* conditioned upon the Company filing the following documents in this docket: (1) the deed and/or easements for all the land and ownership rights to the wastewater system within 15 days of being issued and before the first customer is connected to the wastewater system as set forth in contracts submitted by Two Rivers with the Commission; (2) a copy of the State Operating Permit issued by the Tennessee Department of Environment and Conservation within 15 days of issuance; (3) a copy of the as-built plans with signed certification by Two Rivers indicating the wastewater system has been inspected and is approved to begin operation; and (4) a copy of the signed plat, once the area of development is approved by the City and/or County government within 15 days of being issued and before the first customer is connected to the wastewater system.

The panel also conditioned the approval of the CCN on: (1) Two Rivers' agreement that the Utility shall comply with all Commission Rules, including the requirement to adhere to the Uniform System of Accounts methodology of accounting; (2) that Utility Plant Assets conveyed to the Utility

shall be accounted for as Contributions in Aid of Construction in accordance with the Uniform System of Accounts; and (3) that depreciation expenses calculated for regulatory accounting shall be calculated on a non-accelerated, straight-line basis consistent with the USOA method of accounting.

In addition, Two Rivers requested to collect \$10.86 per month from each customer as escrowed funds and to assess a \$2,500 tap fee for each new customer upon their connection to the system. The Company requested that \$2,000 of each tap fee be apportioned to the escrow account and \$500 of each fee be recognized as revenue. The panel approved the creation of an escrow account and the collection of the requested escrow monies, including the tap fee. The escrow collections shall be subject to and administered in accordance with Commission Rule 1220-04-13-.07 pertaining to escrow accounts.

The panel also directed Two Rivers to file a report in this docket demonstrating its compliance with the previously mentioned requirements before providing wastewater to Phase 3 of the Canterbury Manor Subdivision. In the event the compliance report is not filed, the panel instructed the Company to file a report on the status of wastewater service to Phase 3 of the Canterbury Manor Subdivision, along with its compliance with the requirements of this Order, within six months from the date of this Order, and every six months thereafter until the installation is complete.

IT IS THEREFORE ORDERED THAT:

1. The *Application of Two Rivers Utility, LLC for a Certificate of Public Convenience and Necessity*, filed on September 4, 2025, is approved conditioned upon Two Rivers Utility, LLC, filing the following in this docket:

a. The deed and/or easements for all the land and ownership rights to the wastewater system within 15 days of being issued and before the first customer is connected to the wastewater system as set forth in contracts submitted by Two Rivers Utility, LLC, with the Commission;

- b. A final copy of the State Operating Permit issued by the Tennessee Department of Environment and Conservation within 15 days of issuance;
- c. A copy of the as-built plans with signed certification by Two Rivers Utility, LLC, indicating the entire wastewater system has been inspected and is approved to begin operation;
- d. A copy of the signed plat, once the area of development is approved by the City and/or County government within 15 days of being issued and before the first customer is connected to the wastewater system;

2. Two Rivers Utility, LLC, shall comply with all Commission Rules, including the requirement to adhere to the Uniform System of Accounts methodology of accounting. Utility Plant Assets conveyed to Two Rivers Utility, LLC, shall be accounted for as Contributions in Aid of Construction in accordance with the Uniform System of Accounts, and depreciation expenses calculated for regulatory accounting shall be calculated on a non-accelerated, straight-line basis consistent with the USOA method of accounting.

3. Two Rivers Utility, LLC, shall collect \$10.86 per month from each customer and assess a \$2,500 tap fee for each new customer as they are connected to the system. The \$10.86 collected each month, plus \$2,000 of each tap fee, shall be deposited in an escrow account. \$500 of each tap fee shall be considered revenue. The escrow account shall be subject to and administered in accordance with Commission Rule 1220-04-13-.07.

4. Two Rivers Utility, LLC, shall file a report in this docket demonstrating its compliance with the aforementioned requirements before providing wastewater service to Phase 3 of the Canterbury Manor Subdivision. If the compliance report is not filed, Two Rivers Utility, LLC, shall file a report within six months of this Order and every six months thereafter until the installation is

complete, providing updates on the status of wastewater service to Phase 3 of the Canterbury Manor Subdivision and the status of its compliance with each of the aforementioned requirements.

5. Any person aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within 15 days from the date of this Order.

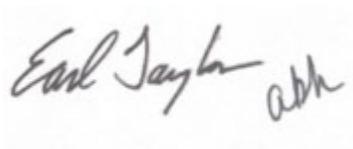
6. Any person aggrieved by the Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within 60 days from the date of this Order.

FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:

**Chairman David F. Jones,
Vice Chairman John Hie,
Commissioner Herbert H. Hilliard,
Commissioner Kenneth C. Hill, and
Commissioner David Crowell concurred.**

None dissented.

ATTEST:



Earl R. Taylor, Executive Director