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January 20, 2026

VIA ELECTRONIC FILING

Electronically Filed in TPUC Docket Room
on January 20, 2026 at 1:28 p.m.

Hon. David Jones, Chairman
c/o Ectory Lawless, Docket Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
TPUC.DocketRoom@tn.gov

RE: *Application of Two Rivers Utility, LLC for a Certificate of Public Convenience and Necessity, TPUC Docket No. 25-00073*

Dear Chairman Jones:

Attached for filing please find *Two Rivers Utility, LLC's Pre-Filed Rebuttal Testimony of Craig Chrestman*, in the above-captioned matter

As required, copies will follow. Should you have any questions concerning this filing or require additional information, please do not hesitate to contact me.

Very truly yours,

BUTLER SNOW LLP



Melvin J. Malone

clw

Attachments

cc: Craig Chrestman, Two Rivers Utility
Joey Wimberley, Two Rivers Utility
Karen H. Stachowski, Esq., Consumer Advocate

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**PRE-FILED REBUTTAL TESTIMONY
OF CRAIG CHRESTMAN**

TWO RIVERS UTILITY, LLC

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Craig Chrestman. My business address is 673 West Main Street, Adamsville,
3 Tennessee 38310.

4 **Q. DID YOU SUBMIT PRE-FILED DIRECT TESTIMONY IN THIS MATTER?**

5 A. Yes. I submitted Pre-filed Direct Testimony in TPUC Docket No. 25-00073 in support of
6 the Application of Two Rivers Utility, LLC for a Certificate of Public Convenience and
7 Necessity to provide wastewater service to Canterbury Manor, a proposed subdivision in
8 Fayette County (the “Application”).

9 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

10 A. The purpose of my Rebuttal Testimony is to respond to the Pre-filed Testimony of Clark
11 D. Kaml, which was submitted on behalf of the Consumer Advocate Division of the Office
12 of the Tennessee Attorney General (“Consumer Advocate” or “CAD”).

13 **Q. WHAT ARE MR. KAML’S RECOMMENDATIONS SET FORTH IN HIS PRE-**
14 **FILED TESTIMONY?**

15 A. Mr. Kaml proposed the following two (2) recommendations:

16 “1. Clarify that a performance bond is for an amount equal to or greater than
17 the cost of the system as provided in contracts between the builder,
18 developer and/or utility, applies to the entire system, not just any two
19 parties such as the builder and the contractor.

20
21 2. That Renaissance Development S-Corp obtain a performance bond in
22 the amount of the full project cost.”¹
23

¹ *Pre-filed Testimony of CAD Witness Clark D. Kaml*, 3:7-14, TPUC Docket No. 25-00073 (Dec. 12, 2025) (hereinafter “*Kaml*”).

1 **Q. WHAT IS YOUR RESPONSE TO MR. KAML’S TESTIMONY WITH RESPECT**
2 **TO THE DEVELOPER’S PERFORMANCE BOND?**

3 A. The CAD has correctly noted that Exhibit 8 of the Application provides that the estimated
4 construction cost for the entire system was approximately \$320,000. As was noted in our
5 responses to the CAD’s discovery requests, however, the developer has already installed
6 the components of the wastewater collection system (i.e., the sewer lines that run from each
7 house), and those components will become the property of Two Rivers Utility, LLC (“Two
8 Rivers”) after the approval of the CCN. The submitted developer’s performance bond
9 covers the installation of the remainder of the wastewater system for the contracted price
10 of \$162,815.00, which includes the tanks, pumps, and disposal field. The cost to complete
11 the wastewater system and have it approved by the Tennessee Department of Environment
12 and Conservation (“TDEC”) is \$162,815.00.²

13 **Q. IN THE EVENT THE REMAINDER OF THE SYSTEM IS NOT COMPLETED AS**
14 **CONTEMPLATED, IS THE DEVELOPER’S PERFORMANCE BOND**
15 **SUFFICIENT TO ENSURE THAT THE SYSTEM IS COMPLETED?**

16 A. Yes. The cost to install the remainder of the wastewater system is \$162,815.00, and the
17 developer’s performance bond is for \$162,815.00. On page 7 of his Pre-filed Testimony,
18 Mr. Kaml compares the performance bond amount of \$162, 815.00 to the \$250,000
19 amount. The costs to complete the actual wastewater system is indeed \$162,815.00. The
20 balance of the \$250,000, \$87,185, reflects the amount added by the developer for
21 landscaping aesthetics only. The added costs for landscaping aesthetics are not a part of the
22 costs of completing the actual wastewater system.³

² *Two Rivers’ Responses to CAD’s DR 1-14*, TPUC Docket No. 25-00073 (Nov. 4, 2025).

³ *See Two Rivers’ Responses to CAD’s DR 1-14(d) and (e)*, TPUC Docket No. 25-00073 (Nov. 4, 2025).

1 **Q. CAN YOU RESPOND TO MR. KAML’S TESTIMONY REGARDING THE**
2 **UNDERLYING PURPOSE OF THE PERFORMANCE BOND?**

3 A. Yes. Mr. Kaml states that “The purpose of the [performance bond] rule is to ensure that the
4 utility and its ratepayers are protected, and a complete system will be constructed and
5 operational.”⁴ The submitted developer’s performance bond ensures that Two Rivers and
6 its customers are protected and that a complete system will be constructed and operational.

7 TPUC Rule 1220-04-13-.17(2)(e)(11) provides that the applicant must submit a
8 performance bond from the developer or builder of the wastewater system “to ensure
9 construction of the wastewater system.” The submitted developer’s performance bond does
10 just that.

11 **Q. CAN YOU RESPOND TO MR. KAML’S STATEMENT REGARDING TDEC**
12 **REQUIREMENTS?**

13 A. Yes. Mr. Kaml states that “there is no evidence in the record that the construction, so far,
14 meets the requirements of the engineering plans and permit from [TDEC].”⁵ TPUC Rule
15 1220-04-13-.17(2)(d)(5) provides as follows:

16 “A certification from a design engineer that the wastewater system
17 was constructed in accordance with the TDEC-approved
18 construction plans and specifications. The certification shall be filed
19 in the docket file prior to providing service.”

20 We will file this required certification prior to providing service. Additionally, please see
21 **Collective Exhibit 33**, attached hereto, which includes the construction plans and as-built
22 drawings of the wastewater collection system. It is my understanding from the developer

⁴ *Kaml* 9:2-3 (emphasis omitted).

⁵ *Kaml* 9:4-6.

1 that this gravity system was successfully tested according to the Town of Arlington's sewer
2 specifications.

3 **Q. IN THE EVENT THE COMMISSION REQUIRES A REVISED DEVELOPER'S**
4 **PERFORMANCE BOND WILL TWO RIVERS COMPLY WITH SUCH A**
5 **REQUIREMENT?**

6 A. The submitted developer's performance bond satisfies and respects the underlying purpose
7 of the Commission's rules, as the customers are protected. To the extent that the
8 Commission determines that it does not, the particular circumstances presented support a
9 one-time waiver of the rule. In the event the Commission requires a revised developer's
10 performance bond, we will comply with the Commission's directive.

11 **Q. MR. KAML MAINTAINS THAT TWO RIVERS HAS NOT PROVIDED**
12 **INFORMATION SUPPORTING THE COSTS OF THE SYSTEM. DO YOU WISH**
13 **TO RESPOND TO THIS?**

14 A. Yes. As acknowledged by Mr. Kaml, Two Rivers has previously submitted information
15 supporting the \$162,815.00 costs of the installation of the tanks, pumps, and disposal field
16 for the wastewater system. Two Rivers has submitted **CONFIDENTIAL** Exhibit 30, which
17 is the contract between the developer and Crown Construction and Development, LLC.
18 The estimate in **CONFIDENTIAL** Exhibit 30 includes "Sewer (with stubs)" at
19 \$115,446.00 and "8' Sewer – Manholes & Labor" at \$39,000.00, for a total for the
20 wastewater collection system (i.e., the sewer lines that run from each house) of
21 \$154,446.00, which corresponds with Two Rivers' Responses to CAD DR 1-14(e).
22 Combined, the \$154,446.00 and the \$162,815.00 (\$317,261.00) represent the total costs
23 for the wastewater system.

1 **Q. DO YOU HAVE ANY RESPONSE TO MR. KAML’S COMMENTS REGARDING**
2 **TWO RIVERS’ FINANCIAL CAPABILITIES?**⁶

3 A. Yes. I believe Two Rivers has met the Tennessee Public Utility Commission’s (“TPUC” or
4 “Commission”) financial capabilities requirement. As required in TPUC Rule 1220-04-13-
5 .17(1), Two Rivers has demonstrated that “it possesses sufficient managerial, financial, and
6 technical capabilities to provide the wastewater services for which it has applied.”

7 Many applicants before the Commission are new entrants. As required by the
8 Commission’s rules, Pro forma income statements for Two Rivers for the first three (3)
9 years of operations are attached to the Application as Exhibit 20. Two Rivers has also
10 submitted the required corporate surety bond in the form prescribed in TPUC Rule 1220-
11 04-13-.08, which is attached to the Application as Exhibit 10.

12 As demonstrated in the Application, including my Pre-filed Direct Testimony, the
13 owners of Two Rivers are established and accomplished business operators. The other
14 company that we own, TruFlo Services and Consulting LLC, is a successful and ongoing
15 business that demonstrates our financial capabilities. As set forth in the Application, Joey
16 Wimberley and I have extensive experience in operating, installing, and maintaining onsite
17 wastewater systems in Tennessee.⁷

18 **Q. DO YOU HAVE ANY ADDITIONAL RESPONSE TO MR. KAML’S COMMENTS**
19 **REGARDING TWO RIVERS’ FINANCIAL QUALIFICATIONS?**

20 A. Yes. On page 10 of his Pre-filed Testimony, Mr. Kaml states that “the Application does not
21 demonstrate that Two Rivers has financial qualifications to complete the project if the

⁶ *Id.* at pages 6 and 9-10.

⁷ *See Application*, TPUC Docket No. 25-00073; and *Two Rivers’ Responses to CAD’s DRI-10*, TPUC Docket No. 25-00073 (Nov. 4, 2025).

1 developer fails to complete and transfer the project.”⁸ The cost to install the remainder of
2 the wastewater system is \$162,815.00, and the developer’s performance bond is for
3 \$162,815.00. So, in the event the developer fails to complete the project, the developer’s
4 performance bond ensures that the project will be completed.

5 **Q. DO YOU BELIEVE TWO RIVERS HAS ADEQUATELY SATISFIED TPUC RULE**
6 **1220-04-.13-.17(2)(e) REGARDING FUNDING SOURCES?**

7 A. Yes.

8 **Q. IN THE UNLIKELY EVENT THAT THE COMMISSION REQUIRES THE**
9 **OWNERS OF TWO RIVERS TO SUBMIT INDIVIDUAL GUARANTEES IN**
10 **FAVOR OF TWO RIVERS, WOULD YOU AND JOEY WIMBERLEY DO SO?**

11 A. I think Two Rivers has already complied with the Commission’s requirement to
12 demonstrate that it possesses the requisite financial capabilities and thus no individual
13 guarantees are warranted. Yes, if the Commission requires Mr. Wimberley and I to submit
14 individual guarantees in favor of Two Rivers we would do so.

15 **Q. CAN YOU ADDRESS MR. KAML’S TESTIMONY WITH RESPECT TO THE**
16 **DEPRECIATION RATES?⁹**

17 A. I believe what we have previously provided for depreciation rates is appropriate. In the
18 event the Commission determines otherwise, our accountant will use the Tax Basis
19 Depreciation Rates consistent with the MACRS tables.

⁸ *Kaml* at 10.

⁹ *Id.* at 6:8-16.

1 **Q. DO YOU HAVE ANY COMMENT ON MR. KAML'S ASSERTION THAT THE**
2 **CONTRACT BETWEEN THE DEVELOPER AND ALEXANDER**
3 **CONSTRUCTION, LLC IS MERELY A BID ESTIMATE?**¹⁰

4 A. Yes. After a bid estimate is accepted and executed, it becomes the contract between the
5 parties. So, the submitted document, **CONFIDENTIAL** Exhibit 28, is the actual contract.

6 **Q. WOULD YOU LIKE TO ADDRESS MR. KAML'S STATEMENTS REGARDING**
7 **POTENTIAL CONFLICTS OF INTERESTS?**¹¹

8 A. Yes. I have already addressed the developer's performance bond, including a commitment
9 to have a revised developer's performance bond submitted if directed by the Commission
10 to do so. Since the submitted developer's performance bond completely covers the
11 remaining costs to install the remainder of the system, the underlying purposes of the
12 Commission's rule is respected and honored. As for Mr. Kaml's general potential conflict
13 of interest concerns, Two Rivers has previously committed to abide by all of the
14 Commission's rules, which include TPUC Rule 1220-04-13-.16 Transactions with
15 Affiliates.

16 **Q. DO YOU HAVE ANY OTHER COMMENTS IN RELATION TO MR. KAML'S**
17 **TESTIMONY AND RECOMMENDATIONS?**

18 A. Yes. I believe Two Rivers has met the requirements of the Commission's rules and state
19 law and that the approval of the Application would serve the public interest. Further, as
20 outlined in the Application and in my rebuttal testimony, I believe the Commission should
21 reject both of Mr. Kaml's recommendations.

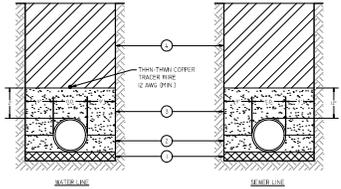
¹⁰ *Id.* at 8:12-16.
¹¹ *Id.* at 10-11.

1 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

2 A. Yes, it does.

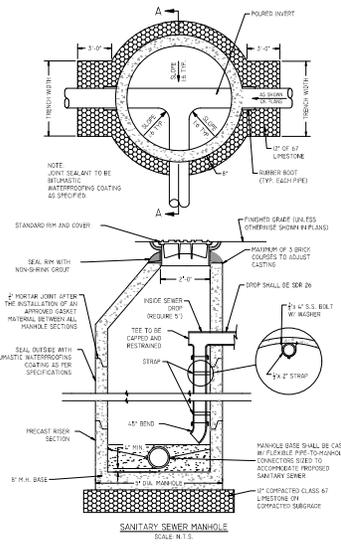
COLLECTIVE EXHIBIT 33

Construction Plans and As-Built Drawings

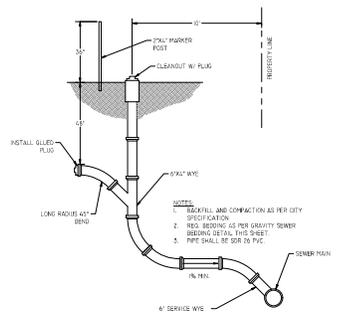


1. BEDDING: 1\"/>
- 2. HAIR-CRACK CLEAN SAND WORKED AROUND PIPE AND COMPACTED TO SPRINGLINE OF PIPE. COMPACT TO 90% STANDARD PROCTOR.
- 3. INITIAL BACKFILL: 12\"/>
- 4. FINAL BACKFILL: SUIABLE NATIVE MATERIAL, PLACED & COMPACTED IN 12\"/>

PVC BEDDING & BACKFILLING
SCALE: N.T.S.



SANITARY SEWER MANHOLE
SCALE: N.T.S.



SEWER SERVICE
SCALE: N.T.S.

NOTE: BENCHMARK (T.B.M.)
COTTON PICKER SPRING SET IN THE PAVEMENT OF WESTBURY LANE, 23' EAST OF THE WEST
END OF BRISTOL PARKWAY, 6.5' SOUTH OF THE NORTH EDGE OF PAVEMENT.
ELEV. 340.12' (NAVD '88 DATUM)

FEMA NOTE:
ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S FLOOD INSURANCE RATE
MAP (FIRM), THE SHADEN PART OF THE PROPERTY IS LOCATED IN ZONE 'X'. 'X' INDICATES NOT A
SPECIAL FLOOD HAZARD ZONE FOR FLOOD INSURANCE RATE MAP. MAP NO. 15060C020C,
COMMUNITY PANEL NO. 41032 020 C, EFFECTIVE DATE: NOVEMBER 05, 2008.



REVISION		
ITEM NO.	DESCRIPTION OF CHANGE	APPROVAL DATE



DIVISION OF ENGINEERING
SEWER DETAILS
FAYETTE COUNTY, TN

SURVY: OLLAR SURVIVING DATE: 1/22/2023 PROJECT NO. RDS 24002
 DESIGN BY: J. BURNETTE, P.E. DATE: 02/28/2024 BOOK:
 DRAWN BY: T. PERKINS DATE: 02/28/2024 SCALE: N.T.S.
 CHECKED BY: _____
 COUNTY ENGINEER DATE: _____

CANTERBURY MANOR PHASE 3
OWNER: RENAISSANCE DEVELOPMENT S-CORP
ENGINEER: RENAISSANCE DESIGN STUDIO, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

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Consumer Advocate Division
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This the 20th day of January 2026.



Melvin Malone