

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

November 24, 1999

IN RE:	)	
	)	
APPLICATION OF HICKORY STAR WATER	)	DOCKET NO. 99-00485
COMPANY, L.L.C. FOR A CERTIFICATE OF	)	
PUBLIC CONVENIENCE AND NECESSITY FOR A	)	
REGULATED WATER AND SEWER COMPANY	)	
OPERATING IN UNION COUNTY, TENNESSEE	)	

**ORDER GRANTING CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY**

On September 28, 1999, this matter came before the Tennessee Regulatory Authority ("Authority") upon the Application of Hickory Star Water Company, L.L.C. (the "Company" or "Hickory Star") for a Certificate of Public Convenience and Necessity ("CCN") to distribute water and collect wastewater in a service area located in Union County, Tennessee. The Application was made pursuant to Tenn. Code Ann. § 65-4-201.

LEGAL STANDARD FOR GRANTING CCN

Hickory Star's Application was considered in light of the criteria for granting a certificate of public convenience and necessity as set forth in Tenn. Code Ann. § 65-4-201 *et. seq.* applicable statutes. Tenn. Code Ann. § 65-4-201 provides, in pertinent part:

(a) 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 authority, 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,

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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 . . .

INTERVENORS

Public notice of the hearing in this matter was made by the Authority's Executive Secretary on September 14, 1999, pursuant to Tenn. Code Ann. § 65-4-204. Requisite and timely notice was sent to the City of Maynardville, Counsel for the City of Maynardville and to interested parties. No interested parties sought intervention in this proceeding. The hearing took place at the offices of the Authority, 460 James Robertson Parkway, Nashville, Tennessee during a regularly scheduled Authority Conference on September 28, 1999. Based upon the Application and the record in this matter, the Directors of the Authority made the following findings and conclusions:

I. APPLICANT'S QUALIFICATIONS

1. Hickory Star Water Company, L.L.C. is a limited liability company organized and qualified to do business within the State of Tennessee.
2. The complete street address of Hickory Star's principal office is 1356 Hickory Star Road, Maynardville, Tennessee, 37808. The sole member and owner of Hickory Star Water Company L.L.C. is Hickory Star, L.L.C. a Delaware limited liability company which is authorized to transact business in the State of Tennessee.
3. The Company has the requisite technical and managerial qualifications necessary to provide water distribution and wastewater collection services within the State.

4. The Company has entered into a water servicing agreement with the City of Maynardville to provide water to its customers. The Company will use its septic system to handle wastewater collection and in the future will provide service via a private sewer system.

5. The Company has the necessary capital and financial qualifications to provide the services it proposes to offer and to successfully operate within the State of Tennessee.

6. The Company has represented that it will comply with the Authority's policies, rules and orders.

II. PROPOSED SERVICES

1. Hickory Star intends to provide water distribution and wastewater collection in the service area in Union County, Tennessee. Hickory Star's service area consists of approximately 50 residential customers and the Hickory Star Marina and Campground.

2. Hickory Star intends to provide water distribution and wastewater collection in an area not currently serviced by the City of Maynardville. Hickory Star intends to provide these services in accordance with state law.

III. PUBLIC CONVENIENCE AND NECESSITY

Upon review of the Application in this matter, the Authority finds that approval of Hickory Star's application would benefit the present and future public convenience by providing improved water service and wastewater collection to its residential customers and to the Hickory Star Marina and Campground. Additionally, Hickory Star will provide these services to customers not currently serviced by the City of Maynardville and will bring the current water supply at Hickory Star Marina into compliance with the Tennessee Safe Drinking Water Act and pursuant to Tenn. Code Ann. § 68-221-701 *et seq.*

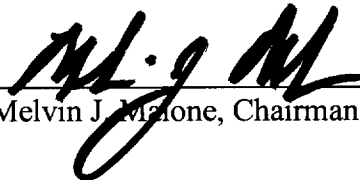
IT IS THEREFORE ORDERED THAT:

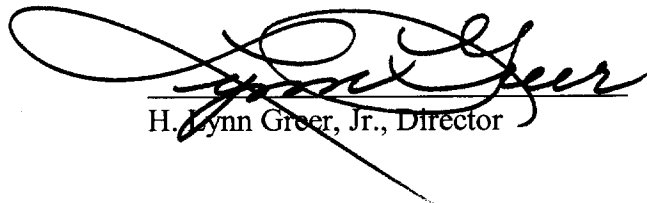
1. Hickory Star's Application for a Certificate of Public Convenience and Necessity is approved.

2. The terms of this Order shall be constructed subject to Tenn. Code Ann. § 65-4-201 and other applicable Tennessee laws and shall not be construed to contravene any statutory rights of any municipality or utility district.

3. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from the date of this Order.

4. Any party aggrieved with the Authority's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary