

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

June 15, 2009

IN RE:)	
)	
PETITION OF HC SEWAGE TREATMENT, LLC)	DOCKET NO.
FOR APPROVAL OF ADJUSTMENT OF ITS RATES)	08-00126
AND CHARGES)	

ORDER DISMISSING PETITION AND CLOSING DOCKET

This matter is before the Hearing Officer of the Tennessee Regulatory Authority (“TRA” or the “Authority”) to determine the status of these proceedings and assess whether there is any need for this docket to remain open.

BACKGROUND

On July 18, 2008, HC Sewage Treatment, LLC (“HC Sewage”) filed with the TRA its *Petition of HC Sewage Treatment, LLC for Approval of Adjustment of its Rates and Charges (“Rate Petition”)*. On September 25, 2008, HC Sewage filed a letter dated September 23, 2008 advising the Authority that due to financial insolvency, HC Sewage would discontinue operation of its wastewater plant in Hampton, Tennessee, on October 10, 2008. The letter further requested that the Authority take action pursuant to TRA Rule 1220-4-13-.11. As a result of this letter, the Authority opened Docket No. 08-00183, *In re Request of HC Sewage Treatment, LLC for Authority Action Pursuant to Letter Dated September 23, 2008*.

On October 7, 2008, the Authority issued an Order in Docket No. 08-00183 requiring HC Sewage and First Bank & Trust Company to appear before the Authority at a public hearing and show cause why the TRA should not make a claim against the financial security procured by HC

Sewage pursuant to the TRA wastewater rules.¹ During the October 13, 2008 show cause hearing, the voting panel assigned to Docket No. 08-00183 voted unanimously to require First Bank & Trust Company to release the \$20,000 secured by HC Sewage's Letter of Credit and to make such funds payable to the Tennessee Regulatory Authority.² A certified copy of the Authority's Order requiring release of the funds was submitted to First Bank & Trust Company on October 31, 2008, and the funds were disbursed to the TRA as ordered.

Greenville Oil and Petroleum, Inc. ("Greenville Oil"), one of the customers of HC Sewage,³ with the knowledge of the Authority and cooperation of HC Sewage, assumed the day-to-day operations of the wastewater facility on or about October 10, 2008. On December 5, 2008, Greenville Oil filed a *Petition to Transfer Certificate of Public Convenience and Necessity of HC Sewage Treatment, LLC to Greenville Oil and Petroleum, Inc. ("CCN Transfer Petition")* in Docket No. 08-00222.⁴ Following several months of negotiations, the parties informed the Authority that an agreement had been reached concerning the conveyance of the wastewater facility and associated assets of HC Sewage. A public hearing on the *CCN Transfer Petition* was held on April 14, 2009. During the hearing, the Hearing Officer appointed to render a determination on the merits of the docket granted the *CCN Transfer Petition* contingent upon

¹ See *In re Request of HC Sewage Treatment, LLC for Authority Action Pursuant to Letter dated September 23, 2008*, Docket No. 08-00183, *Order Requiring HC Sewage Treatment, LLC and First Bank & Trust Company to Appear and Show Cause Why the Tennessee Regulatory Authority Should Not Make a Claim Against HC Sewage Treatment, LLC's Financial Security* (October 7, 2008).

² See *In re Request of HC Sewage Treatment, LLC for Authority Action Pursuant to Letter dated September 23, 2008*, Docket No. 08-00183, *Order Requiring First Bank & Trust Company to Release Funds Secured by HC Sewage Treatment, LLC's Letter of Credit* (October 29, 2008).

³ At the time of these proceedings, HC Sewage's customers included Greenville Oil's BP gas station and a Pizza Plus restaurant. A McDonald's Restaurant leases space inside the BP station and therefore, effectively, three businesses relied upon HC Sewage's wastewater utility services.

⁴ Subsequently, the Authority granted the request of Greenville Oil and Petroleum, Inc. to substitute Greenville Sewage, LLC (herein after referred to as "Greenville") as the petitioner in Docket No. 08-00222.

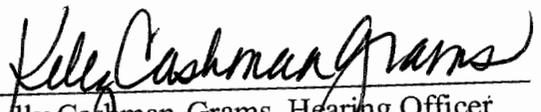
certain conditions.⁵ Thereafter, an *Initial Order Granting Transfer of Authority*⁶ was issued on May 27, 2009.

FINDINGS AND CONCLUSIONS

Since the filing of the *Rate Petition* in this docket, HC Sewage has relinquished its authority to provide wastewater services in Tennessee and conveyed its wastewater facility to Greeneville. Greeneville's request for approval of the transfer of authority to operate the wastewater facility has been granted and all contingencies related to the approval have been satisfied. Additionally, the time period in which to bring a motion for reconsideration or appeal has passed. Therefore, all premises considered, the *Rate Petition* is moot and should be dismissed.

IT IS THEREFORE ORDERED THAT:

The *Petition of HC Sewage Treatment, LLC for Approval of Adjustment of its Rates and Charges* is hereby dismissed as moot and the docket is closed.


Kelly Cashman-Grams, Hearing Officer

⁵ The conditions required to be satisfied included: the Hearing Officer's timely receipt of a properly executed witness certification and notary public affidavit; filing of a notice of consummation of the closing of the *Asset Purchase Agreement* executed between the parties; and the filing of a copy of the official Tennessee Department of Environment and Conservation State Operating Permit with the Authority.

⁶ See *In re: Petition for Approval to Transfer HC Sewage Treatment LLC's Authority to Provide Wastewater Utility Services to Greeneville Oil and Petroleum, Inc.*, Docket No. 08-00222, *Initial Order Granting Transfer of Authority* (May 27, 2009).