

# KING'S CHAPEL CAPACITY

Providing Superior Wastewater Service to Tennessee

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March 15, 2006

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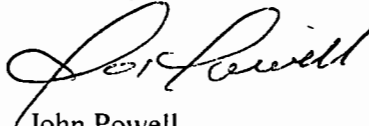
Ron Jones, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

**Re: Petition of King's Chapel Capacity for Exemption from Financial Security as required by the TRA's Proposed Wastewater Regulations. Docket 06-00061.**

Dear Chairman Jones:

At the request of the TRA's General Counsel, King's Chapel Capacity is resubmitting its original petition in this docket.

Sincerely,



John Powell  
General Manager

Enclosures

Cc: William H. Novak

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**IN RE:**

**PETITION OF KING'S CHAPEL CAPACITY )  
FOR EXEMPTION FROM FINANCIAL )  
SECURITY AS REQUIRED BY THE TRA'S )  
PROPOSED WASTEWATER )  
REGULATIONS )**

**DOCKET NO. 06-00061**

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**PETITION**

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Pursuant to T.C.A. Section 65-4-201(e) and the Proposed Rules of the Tennessee Regulatory Authority ("TRA" or "Authority") Chapter 1220-4-13, King's Chapel Capacity ("KCC" or the "Company") respectfully requests that the TRA exempt it from providing additional financial security and instead find that the financial security already in place and required by the local government authority are adequate to fulfill the requirements of the TRA's rules.

The full name and address of the principal place of business of the Company are:

King's Chapel Capacity  
1413 Plymouth Drive  
Brentwood, TN 37027

All correspondence and communication with respect to this Petition should be sent to the following:

John Powell  
King's Chapel Capacity  
1413 Plymouth Drive  
Brentwood, TN 37027  
Telephone: 615-370-4432  
Facsimile: 615-370-3095

William H. Novak  
WHN Consulting  
19 Morning Arbor Place  
The Woodlands, TX 77381  
Telephone: 713-298-1760  
Facsimile: 615-301-3962

On September 7, 2005, KCC was granted a Certificate of Convenience & Necessity ("CCN") by the TRA in Docket 04-00335. On October 27, 2005, in Tariff Filing 2005-0845, KCC's proposed tariff was allowed to go into effect.

One component of KCC's approved tariff included the recovery of the bonding cost required by the Williamson County government.<sup>1</sup> The current bonding cost included in KCC's existing rates is \$1,649,748.<sup>2</sup> The documents and cost relating to the requirements of KCC's bond from the Williamson County government have already been provided to the TRA in Docket 04-00335.

KCC now formally requests that the bonds required by the Williamson County government and already included in KCC's tariff be considered as fulfilling the TRA's financial security obligation in both its proposed interim and permanent rules as described in Chapter 1220-4-13-.07(6). In further support of its Petition, the Company has attached the prefiled testimony of John Powell to this Petition.

WHEREFORE, the Company prays:

1. That Notice be issued and a timely hearing be set regarding this Petition prior to the implementation of the TRA's proposed interim and permanent rules;

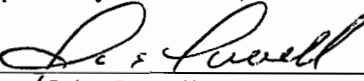
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<sup>1</sup> See KCC Tariff, TRA #2, Sheet #6.

<sup>2</sup> See KCC Tariff, TRA #3, Sheet #2.

2. That the Authority approve KCC's requested exemption from providing further financial security.

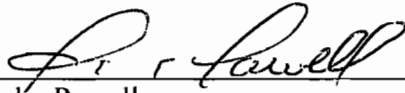
Respectfully submitted,

By:   
\_\_\_\_\_  
John Powell  
General Manager

**CERTIFICATE OF SERVICE**

I hereby certify that on this 15<sup>th</sup> day of March 2006, a true and correct copy of the foregoing Petition was served on the persons below by placing same in the U.S. mail, postage pre-paid:

Russell Perkins  
Consumer Advocate and Protection Division  
Office of the Attorney General  
P.O. Box 20207  
Nashville, Tennessee 37202

  
\_\_\_\_\_  
John Powell  
General Manager

1    **Q.     Would you state your name for the record, please?**

2    A.     My name is John Powell.

3    **Q.     By whom are you employed, Mr. Powell, and what is your position?**

4    A.     I am a Partner and the General Manager of King's Chapel Capacity, L.L.C.

5           ("KCC").

6    **Q.     How long have you been employed by King's Chapel Capacity, L.L.C.?**

7    A.     Since its inception in 2004.

8    **Q.     When did KCC receive its Certificate of Convenience & Necessity ("CCN")**

9           **from the Tennessee Regulatory Authority?**

10   A.     KCC was granted its CCN by the TRA on September 7, 2005 in docket 04-00335.

11           On October 27, 2005, in Tariff Filing 2005-0845, KCC received notice from the

12           TRA that its tariff was allowed to go into effect.

13   **Q.     Does KCC's existing tariff contain a provision for bonding cost?**

14   A.     Yes. The Williamson County government currently requires a bond in order for

15           KCC to operate. On TRA #2, Sheet #6 of KCC's Tariff, the bonding requirement

16           is presented. Also, on TRA #3, Sheet #2 of KCC's Tariff, a calculation of the

17           existing bonding cost per customer is made.

18   **Q.     Mr. Powell, what is the amount of KCC's bond required for Williamson**

19           **County government and the related cost per customer per month?**

20   A.     As shown on TRA #3, Sheet #2 of KCC's Tariff, the amount of the bond is

21           \$1,649,748. The monthly charge per customer relating to this bond is \$6.31. In

22           addition, KCC's tariff is designed in such a way that any over-recovered or under-

23           recovered bond costs are passed on to the customer the following year.

24   **Q.     Mr. Powell, would anything be gained for the customer by obtaining another**

25           **bond as required by the TRA's proposed interim and permanent rules for**

26           **wastewater utilities?**

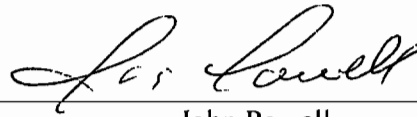
1 A. No. It would result in a redundant expense that the customer would have to pay  
2 for without receiving any incremental value. Instead, we would ask that the TRA  
3 consider KCC's existing bond with the Williamson County government as  
4 fulfilling the financial security obligations of the TRA's proposed interim and  
5 permanent wastewater rules.

6 **Q. Does this conclude your testimony?**

7 A. Yes, it does.

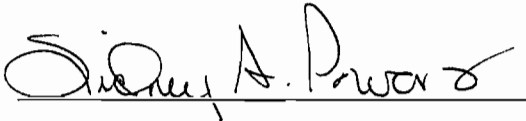
## AFFIDAVIT OF JOHN POWELL

John Powell, being duly sworn, deposes and says that he is the same John Powell referred to in the attached pre-filed testimony on behalf of King's Chapel Capacity before the Tennessee Regulatory Authority; that he has read such testimony and is familiar with its contents; and that the contents of that testimony are true, correct, accurate and complete to the best of his knowledge, information and belief.



John Powell

Subscribed and sworn to me before this 15<sup>th</sup> day of March 2006.



My commission expires: March 10, 2007

