

KING'S CHAPEL CAPACITY

Providing Superior Wastewater Service to Tennessee

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T.R.A. DOCKET ROOM

May 30, 2007

Via Hand Delivery

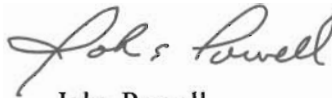
Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

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

Dear Chairman Kyle:

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)	DOCKET NO. 06-00061
PROPOSED WASTEWATER)	
REGULATIONS)	

REQUEST TO CONTINUE EXEMPTION

Pursuant to T.C.A. Section 65-4-201(e) and the 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 continue to exempt it from providing additional financial security and instead find that the financial security already in place and required by the local government authority is adequate to fulfill the requirements of the TRA's rules.

Through the TRA Order in this docket, issued on December 7, 2006, KCC was granted an exemption from providing the additional financial security required by TRA Rule, Chapter 1220-4-13-.07. In part, this Order reads as follows:

The Petition of King's Chapel Capacity, LLC for an exemption from the provision of the TRA Rules 1220-4-13 which mandate the submission of financial security, insofar as the Petition requests a finding by the Authority that the security submitted by the Company to Williamson County, Tennessee, fulfills the requirements of TRA Rule 1220-4- 13-.07, is granted.

KCC now requests the TRA extend this exemption for another twelve (12) months as allowed by the provisions of TRA Rule 1220-4- 13-.07(6) which reads as follows:

Financial securities required by any local government may be counted by the Authority in fulfilling this financial security obligation. The public wastewater utility shall file with the Authority by May 1 of each year evidence of any financial security required by any local government and a written request that the Authority count the security toward fulfilling the requirements of this Chapter.

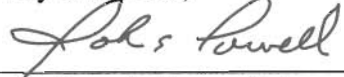
KCC states that it was unaware of its obligation to formally file for exemption from financial security on an annual basis by May 1st as required the TRA's Wastewater Rules. KCC apologizes for the delay in its filing and pledges that future filings to continue exemption from the TRA's financial security requirements will be made on a timely basis.

In further support of its Request to Continue Exemption, the Company has attached a copy of its bonds that are presently in force and required by the Williamson County Government.

WHEREFORE, the Company prays:

1. That Notice be issued and a timely hearing be set regarding this Request to Continue Exemption prior to the termination of KCC's present exemption from providing additional financial security as required by TRA Rule, Chapter 1220-4-13-.07;
2. That the Authority approve KCC's requested exemption from providing further financial security, and find the security already in place and required by the Williamson County Government is sufficient to fulfill the requirements of TRA Rule, Chapter 1220-4-13-.07.

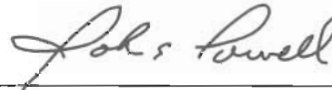
Respectfully submitted,

By: 
John Powell, General Manager
Kings Chapel Capacity

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of May 2007, 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:

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

A handwritten signature in cursive script, appearing to read "John Powell", is written above a horizontal line.

John Powell
General Manager



LETTER OF CREDIT NUMBER F850007

DUCANCE DATE: APRIL 23, 2007

APPLICANT:

KING'S CHAPEL CAPACITY, LLC
1415 PLYMOUTH DRIVE
BRENTWOOD, TN 37027

BENEFICIARY:

WILLIAMSON COUNTY PLANNING
COMMISSION
1320 WEST MAIN STREET, SUITE 400
FRANKLIN, TN 37064

FOR USD **998,748.00**

THREE HUNDRED NINETY EIGHT THOUSAND SEVEN HUNDRED FORTY EIGHT
00.100 U.S. DOLLARS

DATE OF EXPIRATION: OCTOBER 01, 2008

PLACE OF EXPIRATION: AT OUR COUNTERS

WE HEREBY ESTABLISH OUR IRREVOCABLE LETTER OF CREDIT NO. F850007
IN YOUR FAVOR FOR ACCOUNT OF THE ABOVE-REFERENCED APPLICANT
AVAILABLE BY YOUR DRAFTS DRAWN ON US PAYABLE AT SIGHT FOR ANY SUM
OF MONEY NOT TO EXCEED A TOTAL OF THE AMOUNT REFERENCED ABOVE
WHEN ACCOMPANIED BY THIS LETTER OF CREDIT AND THE FOLLOWING
DOCUMENT:

BENEFICIARY'S DATED CERTIFICATE PURPORTINGLY SIGNED
BY ONE OF ITS OFFICIALS STATING:
"THE ACCOUNTEE (KING'S CHAPEL COMMUNITY ASSOCIATION,
INC.), KING'S CHAPEL CAPACITY, LLC HAS DEFAULTED UNDER
THE AGREEMENT COVERING WASTEWATER TREATMENT AND DISPOSAL
SYSTEM BETWEEN THE ACCOUNTEE (KING'S CHAPEL COMMUNITY
ASSOCIATION, INC., KING'S CHAPEL CAPACITY, LLC) AND THE
PLANNING COMMISSION, AND THE AMOUNT OF THE DAMAGE IS THE
AMOUNT OF THE ACCOMPANYING DRAFT."

PARTIAL DRAWINGS ARE PERMITTED.

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LETTER OF CREDIT NUMBER FB50007

PAGE NO. 2

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE
RENEWED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM
THE EXPIRATION DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS
THIRTY (30) DAYS PRIOR TO ANY EXPIRATION DATE WE SEND NOTICE TO
YOU BY REGISTERED MAIL OR OVERNIGHT COURIER THAT WE ELECT NOT TO
CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH ADDITIONAL
PERIOD.

ALL DRAFTS MUST REFERENCE THE NUMBER AND ISSUE DATE OF THIS
CREDIT.

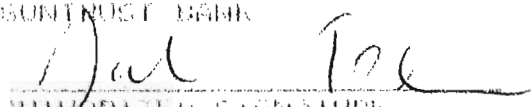
THIS LETTER OF CREDIT IS ISSUED SUBJECT TO THE INTERNATIONAL
STANDBY PRACTICES 1998 PUBLICATION 590.

WE HEREBY AGREE WITH YOU THAT ALL DRAFTS DRAWN IN COMPLIANCE WITH
THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON
PRESENTATION AND DELIVERY OF THE DOCUMENTS SPECIFIED ABOVE TO THE
BELOW ADDRESS ON OR BEFORE OCTOBER 01, 2008 OR ANY AUTOMATICALLY
EXTENDED DATE.

ALL DOCUMENTS ARE TO BE REMITTED TO:
SUNTRUST BANK
201 4TH AVENUE NORTH, 2ND FLOOR CORPORATE BUILDING
ATTN: LETTER OF CREDIT DEPT., SA-ATL-3706
NASHVILLE, TN 37219

PLEASE DIRECT ALL INQUIRIES TO:
PHONE: 800 951-7847 OPTION 3.

SINCERELY
SUNTRUST BANK


AUTHORIZED SIGNATURE
105



LETTER OF CREDIT NUMBER F850008

ISSUANCE DATE: APRIL 23, 2007

APPLICANT:
KING'S CHAPEL CAPACITY, LLC
1113 PLYMOUTH DRIVE
BENTWOOD, TN 37027

BENEFICIARY:
WILLIAMSON COUNTY PLANNING
COMMISSION
1120 WEST MAIN STREET, SUITE 400
FRANKLIN, TN 37064

FOR USD **651,000.00**
(SIX HUNDRED FIFTY ONE THOUSAND 00/100 U.S. DOLLARS)

DATE OF EXPIRATION: OCTOBER 06, 2008
PLACE OF EXPIRATION: AT OUR COUNTERS

WE HEREBY ESTABLISH OUR IRREVOCABLE LETTER OF CREDIT NO. F850008
IN YOUR FAVOR FOR ACCOUNT OF THE ABOVE-REFERENCED APPLICANT
AVAILABLE BY YOUR DRAFTS DRAWN ON US PAYABLE AT SIGHT FOR ANY SUM
OF MONEY NOT TO EXCEED A TOTAL OF THE AMOUNT REFERENCED ABOVE
WHEN ACCOMPANIED BY THIS LETTER OF CREDIT AND THE FOLLOWING
DOCUMENT:

BENEFICIARY'S DATED CERTIFICATE PURPORTEDLY SIGNED
BY ONE OF ITS OFFICIALS STATING:
"THE ACCOUNTEE (KING'S CHAPEL COMMUNITY ASSOCIATION,
INC.), KING'S CHAPEL CAPACITY, LLC HAS DEFAULTED UNDER
THAT AGREEMENT COVERING BACKUP WASTEWATER TREATMENT
AND DISPOSAL SYSTEM BETWEEN THE ACCOUNTEE (KING'S
CHAPEL COMMUNITY ASSOCIATION, INC.), KING'S CHAPEL
CAPACITY, LLC) AND THE PLANNING COMMISSION, AND THE AMOUNT
OF THE DAMAGE IS THE AMOUNT OF THE ACCOMPANYING DRAFT."

PARTIAL DRAWINGS ARE PERMITTED.

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LETTER OF CREDIT NUMBER FBS00008

PAGE NO. 2

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE EXPIRATION DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS THIRTY (30) DAYS PRIOR TO ANY EXPIRATION DATE WE SEND NOTICE TO YOU BY REGISTERED MAIL OR OVERNIGHT COURIER THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH ADDITIONAL PERIOD.

ALL DRAFTS MUST REFERENCE THE NUMBER AND ISSUE DATE OF THIS CREDIT.

THIS LETTER OF CREDIT IS ISSUED SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998 PUBLICATION 590.

WE HEREBY AGREE WITH YOU THAT ALL DRAFTS DRAWN IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION AND DELIVERY OF THE DOCUMENTS SPECIFIED ABOVE TO THE BELOW ADDRESS ON OR BEFORE OCTOBER 06, 2008 OR ANY AUTOMATICALLY EXTENDED DATE.

ALL DOCUMENTS ARE TO BE REMITTED TO:

SUNTRUST BANK

101 4TH AVENUE NORTH, 2000 FLOOR CORPORATE BANKING

6TH; LETTER OF CREDIT DEPT., SA-ATL-3706

MEMPHIS, TN 38219

PLEASE DIRECT ALL INQUIRIES TO:

PHONE: 800-951-7847 OPTION 3.

SINCERELY,

SUNTRUST BANK

A handwritten signature in dark ink, appearing to read "Dan Lee", is written over a horizontal line.

AUTHORIZED SIGNATURE

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