

KINGS CHAPEL CAPACITY

Providing Superior Wastewater Service to Tennessee

May 1, 2008

Via Hand Delivery

Eddie Roberson, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

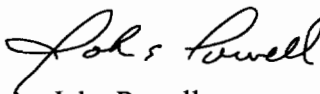
RECEIVED
2008 MAY - 1 AM 10:54
T.R.A. DOCKET ROOM

**Re: Petition of Kings Chapel Capacity for Exemption from Financial Security as
Required by the TRA's Wastewater Regulations -- Request to Continue Exemption
Docket ~~07-00151~~ 08-00069**

Dear Chairman Roberson:

Kings Chapel Capacity files the attached Petition for Exemption from Financial Security as required by the TRA's wastewater regulations. Please contact me if you have any questions.

Sincerely,



John Powell

Enclosures

Cc: William H. Novak

1413 Plymouth Drive, Brentwood, TN 37027
Phone: 615-395-0001 Fax: 615-370-3095

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN RE:

| | | |
|--|---|----------------------------|
| PETITION OF KINGS CHAPEL CAPACITY |) | |
| FOR EXEMPTION FROM FINANCIAL |) | |
| SECURITY AS REQUIRED BY THE |) | DOCKET NO. 07-00151 |
| TENNESSEE REGULATORY AUTHORITY'S |) | |
| 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, Kings 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 Docket 06-00061, issued on December 7, 2006, KCC was originally granted an exemption from providing the additional financial security required by TRA Rule, Chapter 1220-4-13-.07.¹ 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:

¹ KCC was subsequently granted a further exemption from financial security by the TRA in an order dated September 13, 2007 in Docket 07-00151.

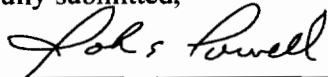
Financial securities required by any local government may be counted by the Authority in fulfilling this financial security obligation. The public wastewater utility shall file with the Authority by May 1 of each year evidence of any financial security required by any local government and a written request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

KCC now requests that the TRA grant its Request to Continue Exemption for another year. 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, Owner
Kings Chapel Capacity

KINGS CHAPEL CAPACITY, LLC**Summary of Williamson County Letters of Credit Presently in Effect
April 30, 2008**

| <u>Bank</u> | <u>ID</u> | <u>Amount</u> | <u>Issuance Date</u> | <u>Expiration Date</u> |
|-------------|--------------|---------------------------|--------------------------|----------------------------|
| SunTrust | F850008 | \$651,000 | 4/23/2007 | 10/6/2008 |
| SunTrust | F850007 | 998,748 | 4/23/2007 | 10/1/2008 |
| | Total | <u>\$1,649,748</u> | | |

See attached for details related to each letter of credit.



COPY
4/30/08 DS

LETTER OF CREDIT NUMBER F850008

ISSUANCE DATE: APRIL 23, 2007

APPLICANT:
KING'S CHAPEL CAPACITY, LLC
1413 PLYMOUTH DRIVE
BRENTWOOD, TN 37027

BENEFICIARY:
WILLIAMSON COUNTY PLANNING
COMMISSION
1320 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 ACCOUNTTEE (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 ACCOUNTTEE (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.

CONTINUED ON NEXT PAGE.

**COPY**

4/30/08 125

LETTER OF CREDIT NUMBER FBS0008

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
201 4TH AVENUE NORTH, 2ND FLOOR CORPORATE BANKING
ATTN: LETTER OF CREDIT DEPT., GA-ATL-3706
NASHVILLE, TN 37219

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

SINCERELY,
SUNTRUST BANK

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

AUTHORIZED SIGNATURE

105

Dale Toethill
Assistant Vice President



COPY
4/30/08 DS

LETTER OF CREDIT NUMBER F850007

ISSUANCE DATE: APRIL 23, 2007

APPLICANT:
KING'S CHAPEL CAPACITY, LLC
1413 PLYMOUTH DRIVE
BRENTWOOD, TN 37027

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

FOR USD 998,748.00
(NINE 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 PURPORTEDLY SIGNED
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SYSTEM BETWEEN THE ACCOUNTEE (KING'S CHAPEL COMMUNITY
ASSOCIATION, INC., KING'S CHAPEL CAPACITY, LLC) AND THE
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AMOUNT OF THE ACCOMPANYING DRAFT."

PARTIAL DRAWINGS ARE PERMITTED.

CONTINUED ON NEXT PAGE



4/30/08 DS

LETTER OF CREDIT NUMBER FB50007

PAGE NO. 12

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.

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ATTN: LETTER OF CREDIT DEPT., GA-ATL-3706
NASHVILLE, TN 37219

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

SINCERELY,
SUNTRUST BANK


AUTHORIZED SIGNATURE

105

Dale Toothill
Assistant Vice President