

KINGS CHAPEL CAPACITY

Providing Superior Wastewater Service to Tennessee

May 12, 2008

Via Hand Delivery

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

**Re: Petition of Kings Chapel Capacity for Exemption from Financial Security as
Required by the TRA's Wastewater Regulations -- Request to Continue Exemption
Docket 08-00069 – NOTICE OF BOND REDUCTION**

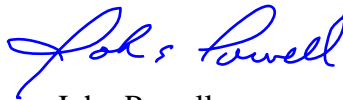
Dear Chairman Roberson:

On May 8th, the Williamson County Planning Commission ("WCPC") voted to reduce the bonding and subsequent Letter of Credit requirements for Kings Chapel Capacity ("KCC or the Company") from \$1,780,248 to \$260,400. As a result KCC will soon be making a separate tariff filing with the TRA to accurately reflect its bonding surcharge to our customers. Attached are copies of the WCPC Bond Action Forms for your records.

Although the new bonds and underlying Letters of Credit required by WCPC have been reduced, they are still in excess of the amounts that would be required by the TRA. As a result, KCC restates its request to continue exemption from financial security as required by the TRA's wastewater regulations.

Please contact me if you have any questions.

Respectfully submitted,



John Powell
President

Enclosures

Cc: William H. Novak

**Kings Chapel Capacity
Williamson County Bonding Requirement
May 8, 2008**

Type of Bond	LOC #	Previous Amount	New Amount	Length	
Performance Bond for Sewer Collection System - Section 2C	F851168	\$41,000	\$27,375	6 Months	
Performance Bond for Sewer Collection System - Section 2B	F850459	32,000	21,775	90 Days	
Performance Bond for Sewer Collection System - Section 2A	P004121	57,500	11,500	15 Months	
Performance Bond for Sewer Collection & Treatment System	F850007	998,748	199,750	2 Years	A/
Performance Bond for Backup Wastewater Treatment System	F850008	651,000	0		
Total Bonding Requirement		\$1,780,248	\$260,400		

A/ Collection Bond of \$48,108 plus Treatment Bond of \$151,642.

**WILLIAMSON COUNTY**

Planning Commission
1320 West Main St., Suite 400
Franklin, Tennessee 37064
615-790-5725
FAX 615-591-8531
www.williamson-tn.org

PLANNING COMMISSION BOND ACTION FORM

May 9, 2008

Ashby Communities
John Powell
1413 Plymouth Drive
Brentwood TN 37027

RE: Planning Commission Meeting of May 8, 2008

Subdivision/Project: Kings Chapel, Section 2C
Type of Bond: Performance Bond for Sewer Collection System
Amount: \$41,000
Letter of Credit No.: F851168
Expiration Date: 10/22/2008

At referenced meeting the Williamson County Planning Commission voted to:

- ☐ Release referenced Bond.
☐ Extend referenced bond in its present amount for a period of:
☐ Six months
☐ One year
☐ Other:

- ☒ Reduce and extend referenced bond to:
Type: Performance Amount: \$27,375
For a period of:
☒ Six months
☐ One year
☐ Other:

ACTION REQUIRED:

- ☐ Provide new surety prior to referenced expiration date. Per Section 4.1.2.c. of the Subdivision Regulations, surety not renewed or extended within fourteen (14) days of its expiration date is assumed to be in default and could be "called" in its full amount.
- ☒ Other: Additionally, the applicant must provide notice of the amendment of this bond by certified, return-receipt mail to the Tennessee Regulatory Authority. Proof of receipt of this notice must be provided to the Planning Director prior to surrender of the current letter of credit or cash deposit if replaced or prior to approval of amendments thereto.

Copy: Sun Trust Bank
Attn: Nancy Ware
5205 Maryland Way, Ste 100
Brentwood TN 37027



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PLANNING COMMISSION BOND ACTION FORM

May 9, 2008

Ashby Communities
John Powell
1413 Plymouth Drive
Brentwood TN 37027

RE: Planning Commission Meeting of May 8, 2008

Subdivision/Project: Kings Chapel, Section 2B
Type of Bond: Performance Bond for Sewer Collection System
Amount: \$32,500
Letter of Credit No.: FB50459
Expiration Date: 6/29/2008

At referenced meeting the Williamson County Planning Commission voted to:

- ☐ Release referenced Bond.
☐ Extend referenced bond in its present amount for a period of:
☐ Six months
☐ One year
☐ Other:

- ☒ Reduce and extend referenced bond to:
Type: Performance Amount: \$21,775
For a period of:
☐ Six months
☐ One year
☒ Other: Ninety (90) days

ACTION REQUIRED:

- ☐ Provide new surety prior to referenced expiration date. Per Section 4.1.2.c. of the Subdivision Regulations, surety not renewed or extended within fourteen (14) days of its expiration date is assumed to be in default and could be "called" in its full amount.
- ☒ Other: Additionally, the applicant must provide notice of the amendment of this bond by certified, return-receipt mail to the Tennessee Regulatory Authority. Proof of receipt of this notice must be provided to the Planning Director prior to surrender of the current letter of credit or cash deposit if replaced or prior to approval of amendments thereto.

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PLANNING COMMISSION BOND ACTION FORM

May 9, 2008

Ashby Communities
John Powell
1413 Plymouth Drive
Brentwood TN 37027

RE: Planning Commission Meeting of May 8, 2008

Subdivision/Project: Kings Chapel, Section 2A
Type of Bond: Performance Bond for Sewer Collection System
Amount: \$67,500
Letter of Credit No.: P004121
Expiration Date: 08/04/2008

At referenced meeting the Williamson County Planning Commission voted to:

- ☐ Release referenced Bond.
☐ Extend referenced bond in its present amount for a period of:
☐ Six months
☐ One year
☐ Other:
☒ Reduce and extend referenced bond to:
Type: Maintenance Amount: \$11,500
For a period of:
☐ Six months
☐ One year
☒ Other: Fifteen (15) months

ACTION REQUIRED:

- ☐ Provide new surety prior to referenced expiration date. Per Section 4.1.2.c. of the Subdivision Regulations, surety not renewed or extended within fourteen (14) days of its expiration date is assumed to be in default and could be "called" in its full amount.
☒ Other: Additionally, the applicant must provide notice of the amendment of this bond by certified, return-receipt mail to the Tennessee Regulatory Authority. Proof of receipt of this notice must be provided to the Planning Director prior to surrender of the current letter of credit or cash deposit if replaced or prior to approval of amendments thereto.

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PLANNING COMMISSION BOND ACTION FORM

May 9, 2008

Ashby Communities
 John Powell
 1413 Plymouth Drive
 Brentwood TN 37027

RE: Planning Commission Meeting of May 8, 2008

Subdivision/Project: Kings Chapel, Section 1
 Type of Bond: Performance Bond for Sewer Collection & Treatment System
 Amount: \$998,748
 Letter of Credit No.: F850007
 Expiration Date: 10/01/2008

At referenced meeting the Williamson County Planning Commission voted to:

- ☐ Release referenced Bond.
☐ Extend referenced bond in its present amount for a period of:
 ☐ Six months
 ☐ One year
 ☐ Other:

☒ Reduce and extend referenced bond to:

Type: **Maintenance** Amount: **\$48,108 (Collection) & \$151,642 (Treatment)**
 For a period of:
 ☐ Six months
 ☐ One year
 ☒ Other: **Two (2) years**

ACTION REQUIRED:

- ☐ Provide new surety prior to referenced expiration date. Per Section 4.1.2.c. of the Subdivision Regulations, surety not renewed or extended within fourteen (14) days of its expiration date is assumed to be in default and could be "called" in its full amount.
- ☒ Other: **Provide separate bonds for the collection and for the treatment system. Additionally, the applicant must provide notice of the amendment of this bond by certified, return-receipt mail to the Tennessee Regulatory Authority. Proof of receipt of this notice must be provided to the Planning Director prior to surrender of the current letter of credit or cash deposit if replaced or prior to approval of amendments thereto.**

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PLANNING COMMISSION BOND ACTION FORM

May 9, 2008

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John Powell
1413 Plymouth Drive
Brentwood TN 37027

RE: Planning Commission Meeting of May 8, 2008

Subdivision/Project: Kings Chapel, Section 1
Type of Bond: Performance Bond for Backup Wastewater Treatment System
Amount: \$651,000
Letter of Credit No.: F850008
Expiration Date: 10/06/2008

At referenced meeting the Williamson County Planning Commission voted to:

- ☒ **Release referenced Bond.**
☐ Extend referenced bond in its present amount for a period of:
 ☐ Six months
 ☐ One year
 ☐ Other:
☐ Reduce and extend referenced bond to:
 Type: Amount:
 For a period of:
 ☐ Six months
 ☐ One year
 ☐ Other:

ACTION REQUIRED:

- ☐ Provide new surety prior to referenced expiration date. Per Section 4.1.2.c. of the Subdivision Regulations, surety not renewed or extended within fourteen (14) days of its expiration date is assumed to be in default and could be "called" in its full amount.
- ☒ **Other: Additionally, the applicant must provide notice of the amendment of this bond by certified, return-receipt mail to the Tennessee Regulatory Authority. Proof of receipt of this notice must be provided to the Planning Director prior to surrender of the current letter of credit or cash deposit.**

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