

BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

In Re:

PETITION OF LAUREL HILLS
CONDOMINIUMS PROPERTY
OWNERS ASSOCIATION
FOR A CERTIFICATE OF PUBLIC
CONVEYANCE AND NECESSITY.

Docket No. 12-00030

REVISED SECOND DISCOVERY REQUEST OF GARY HAISER; JOHN MOORE;
GERALD NUGENT; ROY PERRY; JOHN PETERS; JOEL MATCHAK; ROBERT
ADKINS; JOE GARNER; TERRY COPE; ROBERT SCHWARTZ; ONUS
WILLIAMS; GENE MANERS; MICHAEL KRABOUSANOS; WENDELL BLAIR;
LUKE DUNN; DAVID BREG; KENT LATHAM; CORTEZ INVESTMENT GROUP,
INC.; JIMMY DOUGLAS; THOMAS BAUER; DONALD SANDLIN; JUDY SCALES
PATTERSON; ISAAC GAMBLE; RENEE TODD; RICHARD KNAPP; JOHN
CHAMBERS; JOHN P. PETERS REVOCABLE TRUST; AND CUMBERLAND
POINT CONDOMINIUM OWNERS ASSOCIATION TO LAUREL HILLS
CONDOMINIUMS PROPERTY OWNERS ASSOCIATION

To: Laurel Hills Condominiums Property Owners Association
c/o Donald L. Scholes, Esq
Branstetter, Stranch & Jennings, PLLC
227 Second Avenue North
Fourth Floor
Nashville, TN 37201-1631

This discovery request is hereby served on Laurel Hills Condominiums Property
Owners Association, ("Laurel Hills" or "Company"), pursuant to Rules 26, 33, 34 and
36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. and Reg. 1220-1-2-
11. We request that full and complete responses be provided pursuant to the
Tennessee Rules of Civil Procedure. The responses are to be produced at the office of

Melanie Davis, Kizer and Black Attorneys, PLLC, 329 Cates Street, Maryville, Tennessee 37801, on or before 4:00 p.m.(EDT). November 20, 2012.

PRELIMINARY MATTERS AND DEFINITIONS

See Consumer Advocate Discovery Request

REVISED SECOND DISCOVERY REQUEST

1. Gary Haiser, et al ("Customers") specifically incorporates each and every Data Request filed by the TRA on August 28, 2012 in this Docket as if fully stated herein. The Customers expressly reserve the right to seek supplemental responses and/or file a motion to compel if the Customers determine that any responses to the Data Request are inadequate or incomplete.

RESPONSE:

2. Gary Haiser, et al ("Customers") specifically incorporates each and every Discovery Request filed by the Consumer Advocate on September 14, 2012 in this Docket as if fully stated herein. The Customers expressly reserve the right to seek supplemental responses and/or file a motion to compel if the Customers determine that any responses to the Discovery Request are inadequate or incomplete.

RESPONSE:

3. Gary Haiser, et al ("Customers") specifically incorporates each and every Discovery Request filed by the TRA Staff on September 18, 2012 in this Docket as if fully stated herein. The Customers expressly reserve the right to seek supplemental responses and/or file a motion to compel if the Customers determine that any responses to the Discovery Request are inadequate or incomplete.

RESPONSE:

4. Reference Laurel Hills response to the TRA Staff Data Request dated September 26, 2012, Response #1; explain the statement that every customer of Laurel Hills is a member of the RMCC, specifically with respect to "Pre-1972" property owners who may also be Laurel Hills customers.

RESPONSE:

5. Reference Laurel Hills response to the TRA Staff Data Request dated September 26, 2012, Response #2; identify what three properties John Peters is currently responsible for water service and why he is currently being billed for only two properties.

RESPONSE:

6. Reference Laurel Hills response to the TRA Staff Data Request dated September 26, 2012, Response #2; define the term "abandonment", define the 15 customers that have "abandoned" water service and the effective date the "abandonment" was noted, for each identify if and when (date) that a disconnection request was received, and explain why the 15 customers continue to be billed for water service.

RESPONSE:

7. Reference Laurel Hills response to the TRA Staff Data Request dated September 26, 2012, Response #2; Provide copies of all rebuffed requests sent to customers requesting updated addresses and/or other customer information and

provide copies of all letters received from customers requesting that their account information be updated or changed.

RESPONSE:

8. Reference Laurel Hills response to the TRA Staff Data Request dated September 26, 2012, Response #5; identify any approval by any authority (state, federal or other) approving Laurel Hills rate increase from \$25.00 to the \$86.40 for all customers prior to the rate increase being implemented in June 2011 and, if no approval was received, explain why this rate increase should be legally recognized.

RESPONSE:

9. Reference Laurel Hills response to the TRA Staff Data Request dated September 26, 2012, Response #5; explain why Laurel Hills continued to invoice customers at the \$86.40 monthly rate from June 2011 to July 2012 for those customers who are Plaintiffs in Cumberland County Chancery Court Case 2012-CH-513.

RESPONSE:

10. Reference Laurel Hills response to the TRA Staff Data Request dated September 26, 2012, Response #6; noting that Robert Adkins is a full time resident in close proximity to the referenced office, identify who occupied this location on what dates and hours from the time period September 15-30, 2012.

RESPONSE:

11. Reference the Laurel Hills Response to the Consumer Advocate Division's Data Request dated September 18, 2012, Response #12; provide a description of the major discussions and negotiations surrounding the purchase of the water system (including, but not limited to determination of price, negotiation of the terms of sale, negotiation of the revocable lease and terms of the promissory note); for each provide the date if known, a synopsis of the discussion or negotiation and the person (not entity) representing Laurel Hills and Moy Toy, LLC.

RESPONSE:

12. Reference the Laurel Hills Petition for a CCN, dated April 10, 2012, paragraph #3; if Laurel Hills did not operate the water system until its purchase on May 1, 2011 and Moy Toy, LLC decided not to operate the water system after their purchase on September 28, 2010, who was responsible for the water system and its continuous operation between September 28, 2010 and May 1, 2011?

RESPONSE:

13. Reference the Laurel Hills Petition for a CCN, dated April 10, 2012, paragraph #3; who authorized and executed payments for water, electric and repairs of the system between September 28, 2010 and May 1, 2011?

RESPONSE:

14. Reference the Laurel Hills Response to the Consumer Advocate Division's Data Request dated September 18, 2012, Response #15; define the member's names, addresses and contact information for the individuals at the

Tennessee Association of Utility Districts (TAUD) which Laurel Hills consulted with to determine the valuation method described in Response #15.

RESPONSE:

15. Reference the Laurel Hills Response to the Consumer Advocate Division's Data Request dated September 18, 2012, Response #15; what individual(s) contacted TAUD and at the time were they representing Laurel Hills, Moy Toy, LLC or both entities?

RESPONSE:

16. Reference the Laurel Hills Response to the Consumer Advocate Division's Data Request dated September 18, 2012, Response #16; provide all records discussed in Response #16 whether whole or partial, regardless of condition.

RESPONSE:

17. Reference Article V and Article VI of the 1972 Renegade Resort Covenants and Restrictions (and later versions), explain where said document gives the "developer" the authority or ability to sell (transfer legal control) of the water system to any other person or entity other than the RMCC?

RESPONSE:

18. Reference the Laurel Hills Response to the Consumer Advocate Division's Data Request dated September 18, 2012, Response #24; identify when (date) the verbal contract between Laurel Hills and Darrell McQueen was made,

when (date) the invoice of Darrell McQueen was initially submitted to Laurel Hills for payment and when and who approved this invoice.

RESPONSE:

19. Reference the Laurel Hills Response to the Consumer Advocate Division's Data Request dated September 18, 2012, Response #24; provide a listing of the specific professional consulting and supervision tasks performed by Darrell McQueen during the performance period including a detailed description of the work, hours and dates.

RESPONSE:

20. Reference the Laurel Hills Response to the Consumer Advocate Division's Data Request dated September 18, 2012, Response #25; to add specificity to the original question, explain why Laurel Hills is entitled to inject any legal expenses not directly attributable to the organization of the water system, or TRA application process, more specifically those legal expenses exhausted on promoting and/or defending its efforts to admittedly operate an unauthorized and unregulated water system.

RESPONSE:

21. Reference the Laurel Hills Response to the Consumer Advocate Division's Data Request dated September 18, 2012, Data Response #7 (2012 Meeting Minutes), dated January 17, 2012 state that Michael McClung will approach VEC (electric company) to discuss cutting off electricity for water operations and the Customers in Cumberland County Chancery Court Case 2012-CH-513 aver that

Michael McClung did abandon the water system on January 19, 2012 by placing a work order for VEC to cut electric power to the Mullinix Pump Station; explain Michael McClung's actions during the period 17-20 January, 2012 with respect to abandoning the water system by eliminating electric power to its only pumps. Specifically did Michael McClung authorize a VEC work order on January 19, 2012 to stop electric service to the Mullinix Pump Station?

RESPONSE:

22. Reference the Laurel Hills Response to the Consumer Advocate Division's Data Request dated September 18, 2012, Data Response 20 (Renegade Resources, LLC); Noting that this Data Response fails to list the duties performed by each employee and those specific hours attributable to water operations (example, why would any charges from January 1, 2011 to April 30, 2011 be valid), a straight 50% allocation to water operations is false; provide a detailed listing of dates, hours and tasks performed by employees directly attributable to water operations.

RESPONSE:

23. Reference Laurel Hills response to the TRA Staff Data Request dated September 7, 2012, Response #9; explain why Laurel Hills submitted a detailed estimate from Pittsburgh Tank and Tower on July 18, 2012 to the TRA (TRA Response #1) when Laurel Hills already contracted and paid 10% of the total cost to begin repairs on June 9, 2011 to Preferred Tank and Tower (Laurel Hills Response to Customer Interveners First Request dated September 27, 2012).

RESPONSE:

24. Reference Laurel Hills response to the TRA Staff Data Request dated September 7, 2012, Response #10; since this response (and many previous responses) states that beginning in November 2011, many customers simply stopping paying their water bills altogether, define what “many” means and explain why the Laurel Hills 2011 General Ledger (Response #4 attachment) indicates approximately \$7623.60 of water revenue was received in November 2011 by Laurel Hills.

RESPONSE:

25. Reference Laurel Hills response to the TRA Staff Data Request dated September 7, 2012, Response #17: in this response (and many others) Laurel Hills states that it is unfair for the timeshare members to subsidize the water system. Given the information supplied by Laurel Hills of a zero percent occupancy rate of the timeshares (Response 22), an increase in the timeshare maintenance fees from \$300 to \$1650 in a two year period (Response 19), its inability to collect but \$14,300 of \$130,000 in total maintenance fees for 2011 (Response 4, 2011 General Ledger), the receipt of \$47,023 in 2011 water revenue (Response 4, 2011 General Ledger) and allocating approximately 50% of all “common” expenses to water customers (Michael McClung’s Pre-filed Testimony), explain how and why the water system is not actually subsidizing the failing Laurel Hills timeshare operations.

RESPONSE:

26. Reference Laurel Hills response to the TRA Staff Data Request dated September 7, 2012, Response #4: in reference to the bank statement electronic banking (EB) debit and credit transactions , identify who are the owners of accounts

0110550054, 0082593213, 0110550038, and any other accounts, and there relationship to Laurel Hills.

RESPONSE:

27. Reference Laurel Hills response to the TRA Staff Data Request dated September 7, 2012, Response #4: in reference to the 2011 General Ledger (Response 4) showing a credit entry of \$33.07 to close out a former checking account, identify this account and the owner and provide all bank statements and copies of checks from September 2010 through its closure.

RESPONSE:

28. In reference to Laurel Hills Response to the Customers First Data Request, Response #23; since the response states that minutes of the December 22, 2011 meeting were not kept, please provide a statement from Michael McClung, Phillip Guettler and Darren Guettler as to where the meeting was held, who attended the meeting, what subjects were covered and discussed, the actual resolutions derived and approved and the final vote for each.

RESPONSE:

29. In reference to Laurel Hills Response to the Customers First Data Request, Response #6 (Revocable License): paragraphs 3 and 6 of the referenced document state that Laurel Hills must receive written permission from Moy Toy, LLC prior to performing many repairs and improvements, including the installation of shutoff valves. Submit all approval requests sent and approved by Moy Toy, LLC for, but not limited to, the installation of all valves, valve boxes and repairs to

customer Nugent's and Perry's water connections. If not dated, identify the date each document was submitted and approved (signed); provide a copy of the Conveyance Agreement and any attachments referenced in paragraph 4, and what person (not entity) negotiated the Conveyance Agreement for Moy Toy, LLC and for Laurel Hills.

RESPONSE:

Gary Haiser, John Moore, Gerald Nugent
and others as listed above.

By Counsel:

A handwritten signature in black ink, appearing to be 'ME', written over a horizontal line.

MELANIE E. DAVIS,
Tennessee Bar No. 017947
Kizer & Black Attorneys, PLLC
329 Cates Street
Maryville, Tennessee 37801
Telephone: (865) 980-1625

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and exact copy of the foregoing of **REVISED SECOND REQUEST FOR DISCOVERY BY GARY HAISER; JOHN MOORE; GERALD NUGENT, ET AL TO LAUREL HILLS** has been served upon the following:

David Foster, Chief-Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Jean Stone, General Counsel
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Shiva Bozarth, General Counsel
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

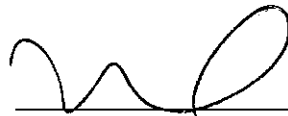
John J. Baroni, Esq
Consumer Advocate Division
Office of the Attorney General
P.O. Box 20207
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Nashville, TN 37243-0500

Donald L. Scholes, Esq
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Benjamin A. Gastel, Esq
Branstetter, Stranch and Jennings, PLLC
227 Second Avenue North, 4th Floor
Nashville, TN 37201-1631

by mailing a true and accurate copy via U.S. Mail, postage prepaid, this the 12th day of November, 2012.

Kizer & Black Attorneys, PLLC



Melanie E. Davis