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September 20, 2012

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and

FIRST CLASS MAIL

Sharla Dillon, Clerk  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

In Re: Petition of Laurel Hills Condominiums Property Owners Association for  
a Certificate of Public Conveyance and Necessity  
Docket No. 12-00030

Dear Ms. Dillon:

Please find attached hereto our Motion for Extension of Time to File Discovery Requests by Gary Haiser, et al, to Laurel Hills along with First Discovery Request of Gary Haiser, et al, to Laurel Hills Condominiums Property Owners Association for consideration in the above-styled matter.

Should you have any questions, please give me a call at the direct dial number above.

September 20, 2012

With kindest regards, I am

Very truly yours,

Melanie E. Davis

MED:ps

Enclosures

cc: David Foster, Chief-Utilities Division  
Jean Stone, General Counsel  
John J. Baroni, Esq.  
Donald L. Scholes, Esq.  
Benjamin A. Gastel, Esq.  
Gary Haiser, et al

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

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FIRST 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

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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). September 27, 2012.

### **PRELIMINARY MATTERS AND DEFINITIONS**

See Consumer Advocate Discovery Request

### **FIRST 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. Provide a copy of IRS Form 1024, Application For Recognition Under Section 501(a) and IRS letter accepting Laurel Hills as a nonprofit organization.

**RESPONSE:**

4. State the current corporate status of Laurel Hills (nonprofit, for profit, LLC, etc.) and explain why the Tennessee Annual Corporation Report filed on June 16, 2011 states Laurel Hills is not for profit, public benefit corporation but laurel Hills file IRS form 1120 (for profit) Corporate tax return in 2011. State why Laurel Hills did not file the required IRS form 1120H return.

**RESPONSE:**

5. Reference the Laurel Hills Response to the Staff data Request, Response #1, \$400,000.00 Promissory Note, explain and differentiate between paragraph one of the note that indicates it is a demand note and paragraph two which indicates it is a term note.

**RESPONSE:**

6. Reference the Laurel Hills Response to the Staff data Request, Response #1, \$400,000.00 Promissory Note, explain what security Laurel Hills provided in exchange for the Promissory Note from Moy Toy, LLC. Provide copies of any documents showing a security interest.

**RESPONSE:**

7. Reference the Laurel Hills Response to the Staff data Request, Response #1, \$400,000.00 Promissory Note, explain how Moy Toy, LLC posted and accounted for the \$4000,000.00 transaction in their ledger.

**RESPONSE:**

8. Reference the Laurel Hills Response to the Staff data Request, Response #1, \$400,000.00 Promissory Note, provide a copy of Moy Toy, LLC's 2011 Federal Tax return to reflect proper asset reporting.

**RESPONSE:**

9. Reference the Laurel Hills Response to the Staff data Request, Response #1, \$400,000.00 Promissory Note, provide a copy of the note and any deed of trust or other securing document.

**RESPONSE:**

10. Reference the Laurel Hills Response to the Staff data Request, Response #1, \$400,000.00 Promissory Note, state whether the \$6420.00 paid in 2012 to Moy Toy, LLC was for installments? How many installments? Why weren't the remaining required installment payments made? Is Laurel Hills now in default with respect to the note?

**RESPONSE:**

11. Further to the discovery request #22 filed by the Consumer Advocate on September 14, provide copies of the coverage description pages for policies 03088215, 03083096, and any other policies not listed in Laurel Hills Response to the Staff data Request, Response #1.

**RESPONSE:**

12. In reference to Laurel Hills Response to the Staff data Request, Response #1, VEC Summary and reference the electronic copies of the 2011 and

2012 profit and loss detail, utilities account, explain why the electric amounts for the Mullinix Drive station match the VEC Summary for 2012 but exceed the VEC Summary for 2011.

**RESPONSE:**

13. In reference to Laurel Hills Response to the Staff data Request, Response #1, Pittsburgh Tank Estimate, state whether they will still provide an annual maintenance plan that finances the repair costs over time as they offer in their original estimate dated December 12, 2005 (2006 TDEC Inspection Report attachment) and if so, state the annualized cost.

**RESPONSE:**

14. In reference to Laurel Hills Response to the Staff data Request, Response #1, Frontier Invoice, provide additional pages detailing breakdown of standard monthly charges.

**RESPONSE:**

15. In reference to Laurel Hills Response to the Staff data Request, Response #1, confirm that the July 31, 2012 email from Johnny Walker indicates placing the water tower back into service is voluntary and is a recommendation and not a requirement.

**RESPONSE:**

16. In reference to Laurel Hills initial Petition for a CCN, paragraph 9 (only source of income), and noting that the water system is an asset of Laurel Hills

Condominiums Property Owners Association, explain why the annual \$1300 maintenance fee for each timeshare week is not considered income to operate the water system.

**RESPONSE:**

17. In reference to the \$11,282.50 fine/penalty expense to the State of Tennessee, and noting that the water system is an asset of Laurel Hills Condominiums Property Owners Association, and that this type of expense was foreseen at the time of purchase, explain why this one-time mismanagement cost should be applicable to any future rate determinations for water service.

**RESPONSE:**

18. Identify the total number of timeshare weeks managed by Laurel Hills Condominiums Property Owners Association and the total revenue that would be realized by Laurel Hills Condominiums Property Owners Association if a 100% collection rate was realized.

**RESPONSE:**

19. Identify the annual maintenance fee charged for each timeshare week for the last five years (2008-2012) and provide any calculations, figures and work product as to how the annual fee was developed and justified.

**RESPONSE:**



20. In reference to the 2011 and 2012 General Ledger of Laurel Hills Condominiums Property Owners Association, explain the extremely low rate of annual maintenance fee collections.

**RESPONSE:**

21. Identify all timeshare weeks held by Renegade Mountain Timeshares, LLC and for each week held, the outstanding balance of annual maintenance fees owed to Laurel Hills Condominiums Property Owners Association for 2011 and 2012.

**RESPONSE:**

22. Identify the occupancy rate for each of the seven timeshare units (how many weeks per year is the actual unit occupied) for 2011 and 2012.

**RESPONSE:**

23. Reference the December 30, 2011 letter sent with the customers January invoices, provide the minutes from the Laurel Hills emergency BOD meeting held on December 22, 2011.

**RESPONSE:**

24. Given the requirement to maintain a customer complaint log and given that the email address [laurelhillscondoass@gmail.com](mailto:laurelhillscondoass@gmail.com) is the only published method of contact for the water system, provide copies of all emails received from customers and Laurel Hills corresponding response for 2011 and 2012 that reference questions or complaints.

**RESPONSE:**

25. Given the requirement to maintain a customer complaint log, provide a copy of all written correspondence received from customers in 2011 and 2012 that denote questions, complaints or concerns about the water service.

**RESPONSE:**

26. In reference to Michael McClung's Pre-filed Testimony dated September 6, 2012, Page 12 and given the water system's current infrastructure, identify the known, estimated or projected capacity of the water system (how many potential connections can it serve now) and explain why the figure of 135 connections should be used to determine any future rate structure.

**RESPONSE:**

27. Explain why the \$1000 claimed for the installation of each valve and valve box should not be reduced by the amount equal to the reconnect fee, since Laurel Hills will eventually realize a reconnect fee for that property.

**RESPONSE:**

28. Provide bank statements for Laurel Hills Condominiums Property Owners Association from January to June 2011.

**RESPONSE:**

29. Provide all documents, notes, or a synopsis of conversations between Joseph Wucher, J.L. Wucher Company, LLC or any other known party and Moy Toy,

LLC, or any other known party, regarding the sale of the water system and any efforts to relieve or indemnify Joseph Wucher, J.L. Wucher Company, LLC or any other known party from any legal proceedings initiated by the State of Tennessee.

**RESPONSE:**

30. Reference the Laurel Hills Response to the Staff data Request, Response #1, \$400,000.00 Promissory Note, explain the method and categories of depreciation that will be used to depreciate the water system, specifically the basis valued calculated, useful life and the amount of Goodwill depreciation determined.

**RESPONSE:**

31. In reference to the electronic copies provided of the profit and loss detail of laurel Hills for 2011 and 2012, provide receipts, detail and explanations of the following:

- Monthly totals listed for accounting provided by Landsford and Stephens are the total cost of monthly accounting or the pro rata share applied to water operations? If prorated, what is the percentage of proration?

**RESPONSE:**

- Monthly totals listed for annual corporate report fee, bank fees and bank checks are the total cost realized or the pro rata share applied to water operations? If prorated, what is the percentage of proration?

**RESPONSE:**

- Monthly totals listed for pest control are the costs associated with the "free" timeshare unit or for the entire timeshare complex? If prorated, what is the percentage of proration?

**RESPONSE:**

- Detail and receipts for the \$97.68 and \$1517.19 checks written to Darrell McQueen.

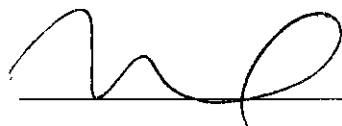
**RESPONSE:**

- Detail, receipt and explanation of services (\$3387.50) paid for tank repairs.

**RESPONSE:**

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

By Counsel:



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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 **FIRST 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

John J. Baroni, Esq  
Consumer Advocate Division  
Office of the Attorney General  
P.O. Box 20207  
425 5<sup>th</sup> Avenue North, 2<sup>nd</sup> Floor  
Nashville, TN 37243-0500

Donald L. Scholes, Esq  
Branstetter, Stranch and Jennings, PLLC  
227 Second Avenue North, 4<sup>th</sup> Floor  
Nashville, TN 37201-1631

Benjamin A. Gastel, Esq  
Branstetter, Stranch and Jennings, PLLC  
227 Second Avenue North, 4<sup>th</sup> Floor  
Nashville, TN 37201-1631

by mailing a true and accurate copy via U.S. Mail, postage prepaid, this the 20<sup>th</sup> day of September, 2012

Kizer & Black Attorneys, PLLC:



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Melanie E. Davis

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

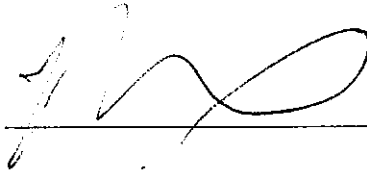
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MOTION FOR EXTENSION OF TIME TO FILE DISCOVERY REQUESTS  
BY GARY HAISER, ET AL, TO LAUREL HILLS

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Comes now the Intervenor, Gary Haiser, et al, by and through counsel, and moves this body for a continuance allowing it to file its discovery requests to Laurel Hills Condominium Property Owners Association. Intervenor's counsel dealt with the hospitalization of her seven year old daughter beginning on the evening of September 10, 2012, at Children's Hospital in Knoxville, Tennessee, for a staph infection with a resulting surgery. As a result, counsel was out of work that week in taking care of her daughter and is just now able to get these filed. She would ask for additional time to file these discovery requests outside the time limits of the Scheduling Order and agrees to give additional time for a response.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read 'ME', is 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 **MOTION FOR EXTENSION OF TIME TO FILE DISCOVERY REQUESTS BY GARY HAISER, ET AL, TO LAUREL HILLS** has been served upon the following:

David Foster, Chief-Utilities Division  
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460 James Robertson Parkway  
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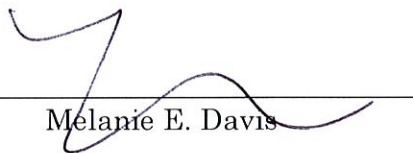
John J. Baroni, Esq  
Consumer Advocate Division  
Office of the Attorney General  
P.O. Box 20207  
425 5<sup>th</sup> Avenue North, 2<sup>nd</sup> Floor  
Nashville, TN 37243-0500

Donald L. Scholes, Esq  
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227 Second Avenue North, 4<sup>th</sup> Floor  
Nashville, TN 37201-1631

Benjamin A. Gastel, Esq  
Branstetter, Stranch and Jennings, PLLC  
227 Second Avenue North, 4<sup>th</sup> Floor  
Nashville, TN 37201-1631

by mailing a true and accurate copy via U.S. Mail, postage prepaid, this the 20<sup>th</sup> day of September, 2012

Kizer & Black Attorneys, PLLC:

  
\_\_\_\_\_  
Melanie E. Davis