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April 22, 2015

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ALSO ADMITTED IN GA

Ms. Sharla Dillon Docket Room Manager Tennessee Regulatory Authority 502 Deaderick Street, 4th Floor Nashville, TN 37243-

Re: Laurel Hills Condominiums Property Owners Association v. Tennessee

Regulatory Authority Docket No. 12-00077

Dear Sharla:

CECIL D. BRANSTETTER, SR., 1920-2014

R. JAN JENNINGS *

DONALD L. SCHOLES

JAMES G. STRANCH, III J. GERARD STRANCH, IV

JOE P. LENISKI, JR.

MIKE STEWART

MICHAEL J. WALL

I have enclosed an original and five copies of the RESPONDENT'S MOTION TO AMEND SCHEDULE TO PERMIT TIME TO EXPLORE ADDITIONAL DIVESTMENT OPTIONS.

This cover letter and the above referenced document are being filed by electronic mail this same date. Please return the additional copy of the above referenced document stamp filed to me.

Thank you for your assistance.

Sincerely yours,

BENJAMIN A. GASTEL

Enclosure

cc: Shiva Bozarth

Melanie Davis

Robert Schwerer

BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

In Re:

SHOW CAUSE PROCEEDING AGAINST LAUREL HILLS CONDOMINIUMS PROPERTY OWNERS ASSOCIATION FOR ALLEGED VIOLATIONS OF TENN. CODE ANN. 65⁻⁴201, 65⁻⁴301(A), 65-5-102, 65-4-101 AND/OR 65-4-103 AND 65-4-115

Docket No. 12-00077

RESPONDENT'S MOTION TO AMEND SCHEDULE TO PERMIT TIME TO EXPLORE ADDITIONAL DIVESTMENT OPTIONS

On February 25, 2015, the Hearing Officer entered the current scheduling order in this case setting this show cause proceeding for target date of the June 2015 Tennessee Regulatory Authority (the "TRA") conference. Respondent Laurel Hills Condominiums Property Owners' Association ("Laurel Hills") hereby files this Motion to Amend Schedule to Permit Time to Explore Additional Divestment Options.

As the TRA is well aware, Laurel Hills is under an order to divest its water utility system. Following the completion of the appeals process, Laurel Hills immediately turned to attempting to give the system to the Crab Orchard Utility District ("Crab Orchard"). These efforts appear to have been unsuccessful as Crab Orchard has not formally responded to Laurel Hills' last proposal, which essentially offered Crab Orchard the water utility system for free and included Laurel Hills offering to obtain significant water utility assets (including procuring of easements) to facilitate the transfer.

Given Crab Orchard's apparent refusal to take the water system, the opportunities for divestment became extremely limited. Despite Laurel Hills' efforts at selling the water system, no private buyer appears willing to purchase or take the water system.

Laurel Hills appears faced with only two limited options:

- 1. Convey the system to the Renegade Mountain Community Club (the home-owners association representing all property owners on the mountain, including all customers of the water system, the "RMCC");
- 2. Place the system into a receivership.¹

Laurel Hills understands that the RMCC transfer may be unacceptable to the TRA, but

Laurel Hills believes that such a transfer could become acceptable if the following conditions can
be put into place:

- RMCC appoints a subcommittee of the RMCC Board to oversee the water system;
 and
- 2. This subcommittee hires a manager with the technical and managerial expertise to operate the water system; and

Laurel Hills tentatively proposes that this subcommittee consist of two customers of the water system and one property owner but no one affiliated with Laurel Hills. Laurel Hills believes that it can find individuals willing to serve in this role, but this will take time. It will also take time for these individuals to locate and identify a potential manager for the system. Laurel Hills has already discussed this possibility with at least one potential subcommittee member.

Despite the time period, Laurel Hills reasonably believes that it can have a more formal proposal to submit to the TRA within the next month including: identifying potential subcommittee members and a list of potential managers of the water system.

¹ The owner of a development on the mountain has apparently also indicated interest in taking over the system, a possibility Laurel Hills is willing to consider if this is a bona fide offer.

Laurel Hills believes that its time will be better spent in the coming month to devote to putting this proposal together instead of continuing to devote resources to this show cause proceeding.

Accordingly, Laurel Hills proposes that the current Scheduling Order be amended as follows:

Due Date	Filing/Action
May 24, 2015	Deadline for Pre-Hearing Motions (if any)
July 1, 2015	Deadline for Responses to Pre-Hearing Motions (if any)
July 7, 2015	Pre-Hearing Conference
July 20, 2015	Hearing on the Merits (1:00 p.m. CST) (Target Date)

This matter has been before the TRA for quite some time. It appears little prejudice will occur if the matter is delayed another month, but in the meantime it would give Laurel Hills the necessary time to explore this last possible transfer option prior to embarking upon an expensive receivership. Accordingly, Laurel Hills respectfully requests that this Motion be granted and the above-schedule be entered. Counsel for Laurel Hills has conferred with counsel for the TRA who does not oppose this motion.

Respectfully submitted this 22nd day of April, 2015.

Benjamin A. Gastel, BPR #28699

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Nashville, Tennessee 37201

Tel: 615-254-8801 Fax: 615-255-5419

Attorney for Respondent

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing document has been served on the following by U. S. Mail, postage prepaid:

Shiva Bozarth, General Counsel, BPR #22685 Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505 Attorney for TRA Staff

Vance Broemel
Consumer Advocate Division
Office of Attorney General
P.O. Box 20207
425 5th Avenue North, 2nd Floor
Nashville, TN 37243-0500

Melanie Davis Kizer & Black Attorneys, PLLC 329 Cates Street Maryville, TN 37801

This the 22nd day of April, 2014.

Benjamin A. Gastel