

# KINGS CHAPEL CAPACITY

Providing Superior Wastewater Service to Tennessee

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November 8, 2013

**Via Electronic**

Hon. James M. Allison, Chairman  
c/o Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

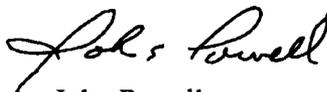
**Re: Petition of Kings Chapel Capacity for Exemption from Financial Security as  
Required by the TRA's Wastewater Regulations -- Request to Continue Exemption  
Docket 13-00141**

Dear Chairman Allison:

Kings Chapel Capacity files the attached **initial response** to the TRA Party Staff's data request of November 8, 2013.

Please contact me if you have any questions.

Sincerely,



John Powell

Enclosure

Cc: William H. Novak

PO Box34, Arrington, TN 37014  
Phone: 615-395-0001 Fax: 615-370-3095

# KINGS CHAPEL CAPACITY

Providing Superior Wastewater Service to Tennessee

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November 8, 2013

Mr. Shiva Bozarth  
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 13-00141**

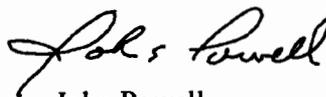
Dear Mr. Bozarth:

Kings Chapel Capacity (KCC) has received your data request of November 8, 2013 in this docket requesting a response within five business days. Because of other commitments, KCC will be unable to assemble all of the data that you have requested within the time frame that you have provided.

Since a hearing officer has not yet been assigned to this docket, KCC would request a delay until such time that a procedural schedule and protective order can be agreed upon.

Please contact me if you have any questions.

Sincerely,



John Powell

Cc: William H. Novak

PO Box34, Arrington, TN 37014  
Phone: 615-395-0001 Fax: 615-370-3095

# TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**VIA FACSIMILE AND U.S. MAIL, RETURN RECEIPT REQUESTED**

May 20, 2011

John Powell, Owner  
King's Chapel Capacity, LLC  
1413 Plymouth Drive  
Brentwood, TN 37207

Re: Financial Security for King's Chapel Capacity, LLC

Dear Mr. Powell:

According to the Utilities Division, King's Chapel Capacity, LLC ("King's Chapel" or "Company") currently does not have in place financial security as required by the Tennessee Regulatory Authority ("TRA") Rules for wastewater utilities. The TRA last granted an alternative financial security for King's Chapel in Docket No. 08-00069 through June 30, 2009, pursuant to TRA Rule 1220-4-13-.07(6). In that docket, the Authority determined that the bond required by Williamson County would count toward fulfilling King's Chapel's security requirement. In addition, King's Chapel was permitted to file a tariff to pass through the cost of the bond to customers at the rate of \$18.60 per month. That alternative security was approved through June 30, 2009. King's Chapel did not file a request to extend or provide other alternative security by May 1, 2009, thereby rendering the Company out of compliance for the reporting period May 2009 through April 2010. The Company also did not file a tariff on or before July 1, 2009 to true-up the Williamson County bond pass-through charge for the previous year pursuant to TRA Rule 1220-4-13-.07(7).

TRA Rule 1220-4-13-.07(2)(a) sets forth the financial security requirement as follows:

On or before July 1 of each year, public wastewater utilities holding a CCN and providing service shall file proof with the Authority of a security in the amount of one hundred percent (100%) of the gross annual revenue in the most recent Authority Form UD20 or \$20,000, whichever is greater.

Also, as to alternative financial security, TRA Rule 1220-4-13-.07(5) provides:

If the public wastewater utility proposes to post financial security other than the type permitted above, it must file with the Authority by May 1 of each year a petition requesting acceptance of the security....The public wastewater utility shall comply with Rule 1220-4-13.07(2) until the alternative financial security is approved by the Authority.

Telephone (615) 741-2904, Toll-Free 1-800-342-8359, Facsimile (615) 741-5015  
[www.state.tn.us/tra](http://www.state.tn.us/tra)



John Powell, Owner  
May 20, 2011  
Page 2

Notwithstanding the pendency of pleading Docket No. 10-00207, in which your responses to TRA data requests have remained outstanding for several months, the TRA Rules require that a request for consideration of alternative financial security be made on an annual basis and that each such request be filed "with the Authority by May 1 of each year." No such request for the coming year (July 1, 2011-June 30, 2012) has been filed. In light of the issues raised by the attorney for Williamson County in her letter of November 5, 2010, a copy of which is attached, please advise the TRA whether King's Chapel intends to seek an exemption from providing financial security.

Due to circumstances surrounding Williamson County's bond requirement, it appears that the bond can no longer be used as a substitute for the financial security required in TRA Rule 1220-4-13-.07(2). If King's Chapel is seeking an exemption, such request must address the concerns raised by Williamson County and explain how the financial security provided to Williamson County meets the requirements of the TRA insofar as that security is for the "continued operation of the public wastewater utility." King's Chapel is requested to provide a request for financial security together with said explanation no later than June 6, 2011. If a request is not forthcoming, proof of the required financial security must be received by this Authority no later than close of business on July 1, 2011 to avoid this matter being brought before the Directors at the next regularly scheduled Authority Conference.

Thank you for your cooperation regarding this matter. Should you have any questions, please do not hesitate to contact Patsy Fulton at (615) 741-2904, Ext. 193.

Very truly yours,



J. Richard Collier  
General Counsel

Enclosure

# TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

July 3, 2012

## VIA ELECTRONIC MAIL AND U.S. MAIL

John Powell, Owner  
King's Chapel Capacity, LLC  
1413 Plymouth Drive  
Brentwood, TN 37207

**Re: Financial Security for King's Chapel Capacity, LLC – Notice of Violation**

Dear Mr. Powell:

The records of the Tennessee Regulatory Authority ("TRA") indicate that King's Chapel Capacity, LLC ("King's Chapel" or "Company") currently does not have in place financial security as required by the TRA Rules for wastewater utilities. TRA Rule 1220-4-13-.07(2)(a) sets forth the financial security requirement as follows:

On or before July 1 of each year, public wastewater utilities holding a CCN and providing service shall file proof with the Authority of a security in the amount of one hundred percent (100%) of the gross annual revenue in the most recent Authority Form UD20 or \$20,000, whichever is greater.

Also, as to alternative financial security, TRA Rule 1220-4-13-.07(5) provides:

If the public wastewater utility proposes to post financial security other than the type permitted above, it must file with the Authority by May 1 of each year a petition requesting acceptance of the security....The public wastewater utility shall comply with Rule 1220-4-13.07(2) until the alternative financial security is approved by the Authority.

King's Chapel has not filed a proposal for alternative financial security, nor has it filed proof of financial security within the statutory deadline for *this year*. Therefore, you are advised that based upon this violation, King's Chapel may be subject to a penalty of \$50 per day of violation pursuant to Tenn. Code Ann. §65-4-120 beginning on July 3, 2012, as well as revocation of its Certificate of Public Convenience and Necessity, as determined by the Directors of the TRA. You will receive a notice requiring you to appear at the TRA to explain to the Directors your non-compliance regarding this and other prior matters at a later date.



If you have any questions, please do not hesitate to contact Jerry Kettles at (615) 741-2904, Ext. 153 or me at (615) 741-2904, Ext. 170.

Sincerely,

A handwritten signature in cursive script that reads "Jean A. Stone".

Jean A. Stone  
General Counsel

c: Jerry Kettles, Chief, Economic and Policy Division  
David Foster, Chief, Utilities Division

*Kristi Kuntap Earwood*  
Attorney at Law

2020 Fieldstone Parkway, Suite 900-93 Franklin, Tennessee 37069  
Telephone: (615) 283-4003 • Telecopier: (615) 538-9993 • [kristiearwoodlaw.com](http://kristiearwoodlaw.com)

RECEIVED

21 NOV 10 10:16

TRA DOCKET ROOM

November 5, 2010

**VIA UNITED STATES MAIL**

J. Richard Collier, Esq.  
General Counsel  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

**Re: Williamson County, Tennessee – Water and Wastewater Authority  
Docket No. 10-00207**

Dear Mr. Collier:

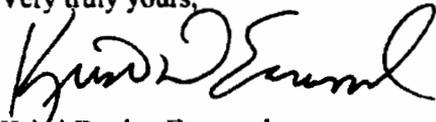
It has been brought to my attention that Kings Chapel Capacity has petitioned the Tennessee Regulatory Authority to be exempted from providing financial security to the TRA because of the bonding requirements of Williamson County. As you know from our past discussions, the bond required by Williamson County is for the installation of said system and a maintenance term for same. It is not intended for operation of the system in the event of financial or any other difficulties of the utility or operator of the system. Therefore, Williamson County is concerned about the potential loss of operational funds that would result if the request by Kings Chapel is granted.

I wanted to make Williamson County's concerns with this request known. Further, I would like to inquire about another potential ramification of Kings Chapel's request. Specifically, if the TRA permits the request, would the TRA still utilize its required bond for the systems operating in Williamson County, just as they would for systems operating elsewhere? If that is not the case, Williamson County must necessarily revisit its required bonding mechanism and the purpose of same.

Thank you, in advance, for your consideration of this information and your response to the inquiry above. I look forward to hearing from you.



Very truly yours,

A handwritten signature in black ink, appearing to read "Kristi Earwood". The signature is fluid and cursive, with the first name "Kristi" and last name "Earwood" clearly distinguishable.

**Kristi Dunlap Earwood**  
**Attorney for Planning and Environment**  
**Williamson County, Tennessee**

**xc: Honorable Rogers Anderson, Williamson County Mayor**  
**Mr. John Lackey, Chairman, Water and Wastewater Authority**  
**Mr. Joe Home, Community Development Director**  
**Mr. Mike Matteson, Planning Director**