

KINGS CHAPEL CAPACITY

Providing Superior Wastewater Service to Tennessee

November 21, 2013

Via Electronic

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

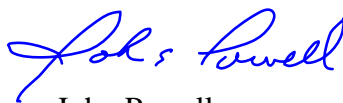
**Re: Petition of Kings Chapel Capacity for Exemption from Financial Security as
Required by the TRA's Wastewater Regulations -- Request to Continue Exemption
Docket 13-00141**

Dear Chairman Allison:

Kings Chapel Capacity files the attached **second initial response** to the TRA Party Staff's letter of November 15, 2013.

Please contact me if you have any questions.

Sincerely,



John Powell

Enclosure

Cc: William H. Novak

KINGS CHAPEL CAPACITY

Providing Superior Wastewater Service to Tennessee

November 21, 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:

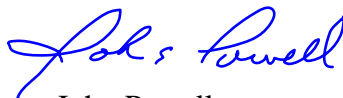
Kings Chapel Capacity (KCC) has received your letter of November 15, 2013 as a follow-up to your data request of November 8, 2013. KCC is providing this **second initial response** as a partial answer to your data request.

As you can see from the attached response, KCC has a number of objections to many of the questions posed in your data request. In addition, some of these questions will require disclosure of specific customer information that KCC is unwilling to provide until a protective order can be agreed upon. KCC continues to believe that the fastest way to remedy these issues would be to present them before a hearing officer as we mentioned in our **initial response** to you on November 8, 2013.

Although your letter of November 15, 2013 states that "this is not a contested case and the appointment of a hearing officer and a procedural schedule are unnecessary" the fact that the TRA General Counsel has designated yourself and other individuals as a party in this docket appears to indicate otherwise.

Thank you for your patience while these matters are worked out. Please contact me if you have any questions.

Sincerely,



John Powell

PO Box 34, Arrington, TN 37014
Phone: 615-395-0001 Fax: 615-370-3095

**RESPONSE OF KINGS CHAPEL CAPACITY
TO TRA PARTY STAFF DATA REQUEST OF NOVEMBER 8, 2013
DOCKET 13-00141**

1. In Kings Chapel Capacity's ("Kings Chapel") Request to Continue Exemption you state you are requesting that the Authority "continue to exempt" King's Chapel "from providing additional financial security and instead find that the financial security already in place and required by the local government authority is adequate to fulfill the requirements of the TRA's rules."¹ Based upon the letters attached hereto as Exhibits 1 & 2 please explain how you can categorize this petition as a continuance of previous requests.

RESPONSE:

In TRA Docket 06-00061, KCC was originally granted an exemption from providing additional financial security. The Order in this docket reads in part as follows:

"The Petition of Kings Chapel Capacity, LLC for an exemption from the Provision of the TRA Rules 1220-4-13 which mandate the submission of financial security, insofar as the Petition requests a finding by the Authority that the security submitted by the Company to Williamson County, Tennessee, fulfills the requirements of TRA Rule 1220-4-13-.07 is granted." (Emphasis added.)

KCC was subsequently granted further exemptions from financial security by the TRA in Dockets 07-00151 and 08-00069. A request for exemption was filed in 10-00207, but never acted upon by the TRA. KCC's current petition in this docket requests the TRA to continue to exempt it from the burden of additional financial security as allowed by TRA Rule 1220-4-13-.07.

2. Please review the letter from Kristi Dunlap Earwood attached hereto as Exhibit 3 and explain why in your opinion bonds utilized to fulfill King's Chapel obligations to the TRA.

RESPONSE:

KCC objects to this question because as written, the question makes no sense and KCC is unable to determine the true intent of this request.

3. Who is the beneficiary of the bonds required by the Williamson County Planning Commission.

RESPONSE:

KCC objects to this question because it is outside the scope of this docket. The scope of this docket is contained within the Petition of KCC and it relates to KCC's request to the TRA to continue to exempt it from providing additional financial security in accordance with TRA Rule 1220-4-13-.07.

¹ Request to Continue Exemption, Docket No. 13-00141.

**RESPONSE OF KINGS CHAPEL CAPACITY
TO TRA PARTY STAFF DATA REQUEST OF NOVEMBER 8, 2013
DOCKET 13-00141**

- 4. Provide copies of all bonds required by the Williamson County Planning Commission.**

RESPONSE:

See Attachment-1 to this data request.

- 5. Provide the executed promissory note related to the financing transaction approved by the TRA in Docket No. 08-00181.**

RESPONSE:

KCC objects to this question because it is outside the scope of this docket. The scope of this docket is contained within the Petition of KCC and it relates to KCC's request to the TRA to continue to exempt it from providing additional financial security in accordance with TRA Rule 1220-4-13-.07.

- 6. Provide documentation of all payments made from Kings Chapel Capacity to Ashby for the promissory note approved in Docket No. 08-00181.**

RESPONSE:

KCC objects to this question because it is outside the scope of this docket. The scope of this docket is contained within the Petition of KCC and it relates to KCC's request to the TRA to continue to exempt it from providing additional financial security in accordance with TRA Rule 1220-4-13-.07.

- 7. The promissory note approved in Docket No. 08-00181 called for a balloon payment at the end of a five year term. Does Kings Chapel have sufficient funds on hand to make the balloon payment? If not, what sources of capital can Kings Chapel access to make the payment?**

RESPONSE:

KCC objects to this question because it is outside the scope of this docket. The scope of this docket is contained within the Petition of KCC and it relates to KCC's request to the TRA to continue to exempt it from providing additional financial security in accordance with TRA Rule 1220-4-13-.07.

**RESPONSE OF KINGS CHAPEL CAPACITY
TO TRA PARTY STAFF DATA REQUEST OF NOVEMBER 8, 2013
DOCKET 13-00141**

- 8. Provide copies of all letters of credit or other financial instruments secured by funds from the financing transaction approved in Docket No. 08-00181.**

RESPONSE:

KCC objects to this question because it is outside the scope of this docket. The scope of this docket is contained within the Petition of KCC and it relates to KCC's request to the TRA to continue to exempt it from providing additional financial security in accordance with TRA Rule 1220-4-13-.07.

- 9. Provide copies of all correspondence from the Williamson County Planning Commission received by Kings Chapel related to bonding requirements since January 2009.**

RESPONSE:

KCC has no correspondence from the Williamson County Planning Commission other than the Letter of Credits provided in response to Item #4.

- 10. List all companies that are affiliates of Kings Chapel. For the purpose of this question, affiliate is any company where an equity holder in Kings Chapel also has an equity stake, is a corporate officer or is an employee.**

RESPONSE:

KCC objects to this question because as written, the question makes no sense and KCC is unable to determine the true intent of this request.

- 11. Provide copies of all correspondence from the Williamson County Planning Commission received by any affiliate of Kings Chapel related to bonding requirements since January 2009.**

RESPONSE:

KCC has no correspondence from the Williamson County Planning Commission other than the Letter of Credits provided in response to Item #4.

- 12. Provide copies of all correspondence from the Williamson County Planning Commission received by any developer of a project that will connect to facilities owned or operated by Kings Chapel related to bonding requirements since January 2009.**

RESPONSE:

KCC has no correspondence from the Williamson County Planning Commission other than the Letter of Credits provided in response to Item #4.

**RESPONSE OF KINGS CHAPEL CAPACITY
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- 13. Provide by month from January 2010 to October 2013 the number of customers Kings Chapel provided service.**

RESPONSE:

See Attachment-2 to this data request.

- 14. Provide a sample of ten (10) customer bills for each month from January 2010 until October 2013.**

RESPONSE:

KCC objects to this request because it requires specific customer identifiable information that KCC is unwilling to provide until a protective order can be agreed to.

Fw: Wastewater LC's

From: **John Powell** (john-powell@comcast.net) This sender is in your [contact list](#).
Sent: Wed 11/20/13 4:25 PM
To: Hal Novak (halnovak@whnconsulting.com)

From: DebbieS@williamson-tn.org
Sent: Wednesday, November 20, 2013 11:47 AM
To: john-powell@comcast.net
Subject: Wastewater LC's

John

As discussed early, here is a list of the current Letters of Credit we are holding on King's Chapel. There is one additional section 4B that was approved at the November 2013 meeting that you are working on posting in the amount of \$67,500.

King's Chapel Section 3A - \$65,000 - Performance Collection System
King's Chapel, Section 4A - \$12,000 - Maintenance Collection System

Let me know if you need anything else.

Debbie Smith
Administrative Assistant
615-790-5809

Kings Chapel Capacity
Customer Counts - January 2010 - October 2013

Attachment 2

Month	Customers
Jan-10	59
Feb-10	60
Mar-10	61
Apr-10	61
May-10	61
Jun-10	62
Jul-10	64
Aug-10	65
Sep-10	66
Oct-10	66
Nov-10	67
Dec-10	68
Jan-11	69
Feb-11	65
Mar-11	66
Apr-11	67
May-11	66
Jun-11	70
Jul-11	68
Aug-11	67
Sep-11	69
Oct-11	69
Nov-11	71
Dec-11	71
Jan-12	72
Feb-12	71
Mar-12	70
Apr-12	70
May-12	70
Jun-12	70
Jul-12	72
Aug-12	71
Sep-12	71
Oct-12	70
Nov-12	71
Dec-12	78
Jan-13	81
Feb-13	82
Mar-13	83
Apr-13	85
May-13	83
Jun-13	84
Jul-13	86
Aug-13	86
Sep-13	87
Oct-13	87