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March 19, 2015

**VIA: HAND DELIVERY**

Hon. Herbert H. Hilliard, Chairman  
c/o Sharla Dillon  
Tennessee Regulatory Authority  
502 Deaderick Street, 4th Floor  
Nashville, TN 37243

**RE: PETITION OF KINGS CHAPEL CAPACITY, LLC FOR APPROVAL OF A  
LEGAL & REGULATORY EXPENSE RECOVERY RIDER  
TRA Docket No. 1500037**

Dear Chairman Hilliard:

Pursuant to Tenn. Code Ann. § 65-5-103, *et seq.*, enclosed please find an electronic version of the *Petition of Kings Chapel Capacity, LLC for Approval of a Legal & Regulatory Expense Recovery Rider* (the "*Petition*"), along with sworn testimony and exhibits.<sup>1</sup> Accompanying the electronic version are an original and four (4) hard copies of the *Petition* and supporting documentation.

We have also enclosed a check in the amount of \$25.00 for the required filing fee. An extra copy of this cover letter is also enclosed to be file-stamped for our records. Should you have any questions concerning this filing, or require additional information, please do not hesitate to let me know.

Sincerely,



Michele McGill  
*Attorney for Kings Chapel Capacity, LLC*

Enclosures

Cc: Cynthia Kinser, Deputy Attorney General, Consumer Advocate and Protection Division

<sup>1</sup> For administrative convenience, two (2) CDs of the *Petition*, and supporting documentation are enclosed.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**PETITION OF KINGS CHAPEL CAPACITY, )  
LLC FOR APPROVAL OF A LEGAL & )  
REGULATORY EXPENSE RECOVERY )  
RIDER )**

**DOCKET NO.** 1500037

**PETITION**

Pursuant to Tennessee Code Annotated § 65-5-103 and Tennessee Regulatory Authority (“TRA” or “Authority”) Rule 1220-4-1-04, Kings Chapel Capacity, LLC (“KCC” or “the Company”) a Tennessee limited liability company authorized to conduct public utility business in the State of Tennessee, hereby files with the Authority this Petition and accompanying tariff and requests approval of the same, as permitted by TRA Rule 1220-4-1-1.04, as soon as practical, but in any event within one hundred and twenty (120) days from the date of the filing of this Petition. In support of this Petition, KCC states as follows:

**Description of Kings Chapel Capacity**

1. KCC is a public utility as defined in Tenn. Code Ann. § 65-4-101 and is subject to the regulation of the TRA. The Company was granted its original Certificate of Convenience and Necessity (“CCN”) to provide wastewater service in Williamson County. Currently KCC serves approximately 100 residential customers in Williamson County.
2. KCC’s principal place of business in Tennessee is located at 9539 Mullens Road, Arrington, Tennessee 37014.
3. All correspondence and communication with respect to this Petition should be addressed to the following:

John Powell  
President & General Manager  
Kings Chapel Capacity, LLC  
9539 Mullens Road  
Arrington, TN 37014  
[john-powell@comcast.net](mailto:john-powell@comcast.net)

Michele McGill  
BARNEY, BOYLAN & MCGILL, PLLC  
109 Holiday Court, Suite B-5  
Franklin, TN 37067  
[michele@bbmclaw.com](mailto:michele@bbmclaw.com)  
(615) 948-9005

**Request for and Description of a Legal & Regulatory Expense Recovery Rider**

4. Tennessee Governor Bill Haslam signed House Bill 191, now Tenn. Code Ann. § 65-5-103, into law on April 19 2013. Among other things, this legislation authorized the TRA to implement alternative regulatory methods to allow public utility rate reviews and cost recovery in lieu of a general rate case proceeding before the TRA. More specifically, under Tenn. Code Ann. § 65-5-103(d)(5), a public utility may request and the TRA may authorize a mechanism to recover the operational expenses, capital costs or both related to programs that are in the public interest.<sup>1</sup>
5. As will be demonstrated by the supporting testimony accompanying this Petition, KCC's proposed Legal & Regulatory Expense Recovery Rider ("L&RERR") clearly falls within the alternative regulatory methods now permitted pursuant to Tenn. Code Ann. § 65-5-103. Because of its small size (approximately 100 customers) KCC has never operated profitably. As a result, the owners of KCC have been required to subsidize the operating costs of the utility until such time as a sustainable customer body can be established. However, KCC is currently defending itself against the TRA Party Staff regarding alleged violations of wastewater rules in TRA Docket 14-00007. As the Authority well knows, the costs of defending a legal action such as this are likely to be substantial. At present, KCC has no ability on its own to fund the legal and regulatory costs to defend itself against the TRA Party Staff. It is therefore imperative that a L&RERR be approved in order for the Company to provide uninterrupted service.

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<sup>1</sup> Moreover, Tenn. Code Ann. § 65-5-103(d)(7) provides that the Authority is empowered to adopt policies or procedures, that would permit a more timely review and revisions of the rates, tolls, fares, charges, schedules, classifications or rate structures of public utilities, and that would further streamline the regulatory process and reduce the cost and time associated with the ratemaking processes of §§65-5-101 and 65-5-109.

6. Consistent with Tenn. Code Ann. § 65-5-103, KCC is proposing the L&RERR to mitigate the above outlined problem which will aid the Company's goal of funding its legal and regulatory costs. In addition, the L&RERR acknowledges and embraces the oversight and safeguards set forth in Tenn. Code Ann. § 65-5-103.
7. In further support of its Petition, KCC has simultaneously filed the **Direct Testimony of John Powell** to provide a more detailed explanation and support for the Company's requested relief.
8. KCC has also filed simultaneously with this Petition an L&RERR tariff.
9. KCC submits that the proposed alternative regulatory mechanism set forth herein, and supported by the attached testimony, is consistent with Tenn. Code Ann. § 65-5-103 and serves the public interest. Therefore, KCC's L&RERR tariff should be approved.

**WHEREFORE**, KCC respectfully requests:

1. That the Authority approve this Petition and issue an order pursuant to Tenn. Code Ann. § 65-5-103 *et. seq.*;
2. That the Authority approve the proposed Legal & Regulatory Expense Recovery Rider as submitted herein;
3. That the Authority approve KCC's tariff, as submitted herein, implementing the alternative regulatory method as soon as practical, as permitted in TRA Rule 1220-4-1-.04, but in any event within one hundred and twenty (120) days of the date of the filing of this Petition; and
4. That the Authority grant such other and/or further relief as may be warranted.

This the 19<sup>th</sup> day of March, 2015.

Respectfully submitted:

By: Michele McGill  
Michele McGill

MILITANA, BARNEY, BOYLAN & MCGILL  
An Association of Attorneys  
109 Holiday Court, Suite B-5  
Franklin, TN 37067  
Attorney for Kings Chapel Capacity, LLC

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**PETITION OF KINGS CHAPEL CAPACITY, )  
LLC FOR APPROVAL OF A LEGAL &  
REGULATORY EXPENSE RECOVERY )  
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)**

**DOCKET NO.** \_\_\_\_\_

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**AFFIDAVIT**

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I, John Powell, on behalf of Kings Chapel Capacity, LLC, hereby certify that the attached Direct Testimony represents my opinion in the above-referenced case and the opinion of Kings Chapel Capacity, LLC.

  
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**JOHN POWELL**

Sworn to and subscribed before me  
this 19<sup>th</sup> day of March, 2015.

  
\_\_\_\_\_  
NOTARY PUBLIC

My commission expires: 3/3/2019

