

BEFORE THE TENNESSEE REGULATORY AUTHORITY

2016 MAY -6 PM 1:17

IN RE:

SHOW CAUSE PROCEEDING AGAINST
CONDO VILLAS OF GATLINBURG
ASSOCIATION, INC. FOR VIOLATIONS OF
THE STATUTES AND RULES REGULATING
WATER UTILITIES

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T.R.A. DOCKET ROOM
DOCKET NO. 15-00125

PETITION

Comes now the Tennessee Regulatory Authority ("TRA" or "Authority") Compliance Division acting as a Party ("Party Staff") and requests that the Hearing Officer appointed by the Directors on January 11, 2016 issue an Order requiring that Condo Villas Of Gatlinburg Association, Inc. ("Respondent" or "Condo Villas") appear and show cause before the Authority why it should not be found liable for violations of the statutes and rules promulgated by the Authority to regulate water utilities. The Compliance Division gives notice that at the hearing before the Authority it will request that the Directors impose the maximum civil penalty allowed by law and require Respondent to refund any and all money received by Respondent illegally.

ALLEGATIONS OF FACT

1. According to the TRA Records, the Statement of Gross Earnings and Computation of Inspection Fee (UD-20) together with the applicable fees due have not been received from Respondent since March 27, 2012.
2. The Compliance Division has made several requests via certified mail requesting payment of inspection fees, plus a penalty of 10% or a fraction thereof, for payments not received on or before April 1 of each year.
3. The Compliance Division sent notice via certified mail on June 2, 2015, advising the Respondent that the TRA's records show the 2014 Statement of Gross Earnings and

Computation of Inspection Fee (UD-20), together with the applicable fee due by April 1, 2015, have not been received; therefore, a penalty of 10% per month or a fraction thereof will be assessed from April 1, 2015, through the date the payment is received.

4. On September 22, 2015, the Compliance Division sent another notification via certified mail stating that unless the 2014 Statement of Gross Earnings together with the payment of the inspection fee plus the appropriate penalty, is received by October 15, 2015, the Compliance Division will request a show cause hearing for the purpose of imposing civil penalties against Respondent.

5. Respondent, as yet, has not filed the required 2012, 2013, 2014 and 2015 Statement of Gross Earnings and Computation of Inspection Fee together with the applicable fees due plus the assessed penalty of 10% per month for payments received after April 1.

6. Furthermore, the TRA has made several requests dating back to 2011 requesting annual reports as required by TRA rules. The annual reports are due on or before April 1 of each year. To date, the TRA has not received reports for the years ending 2011, 2012, 2013, 2014 and 2015.

CAUSES OF ACTION

7. Tenn. Code Ann. §65-4-301(a)(1) provides:

every public utility doing business in this state and subject to the control and jurisdiction of the authority to which this chapter applies, shall pay to the state on or before April 1 of each year, a fee for the inspection, control and supervision of the business, service and rates of such public utility.

The facts alleged in paragraphs 1 through 5 constitute violations of this provision.

8. Tenn. Code Ann. §65-4-303(c)(1) provides:

the fee fixed and assessed against and to be paid by each public utility shall be due and payable on or before April 1, 2010, and each April 1 thereafter and be based on the previous calendar year's gross receipts from intrastate operations.

The facts alleged in paragraphs 1 through 5 constitute violations of this provision.

9. Tenn. Code Ann. §65-4-306 provides:

the inspection, control, and supervision fees provided for in this part shall become due and payable on April 1 of each year.

The facts alleged in paragraphs 1 through 5 constitute violations of this provision.

10. Tenn. Code Ann. §65-4-308 provides:

any such public utility in default shall be liable for a penalty of ten percent (10%) per month or fraction thereof, on the amount of the fee, which may be recovered by suit of the state for every month it remains in default.

The facts alleged in paragraphs 1 through 5 constitute violations of this provision.

11. Tenn. Code Ann. §65-4-305 provides:

annually, every such public utility doing business in this state shall file with the authority a statement under oath, setting forth accurately the amount of its gross receipts from all sources for the preceding calendar year. Any such public utility failing to file such statement as required, commits a Class C misdemeanor for each day of such failure to comply.

The facts alleged in paragraph 6 constitute violations of this provision.

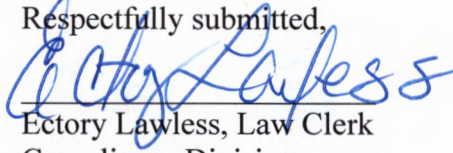
12. Tenn. Comp. R. & Regs. 1220-4-13-.04(1)(d) requires each public wastewater utility to file a completed “Annual Report “with the Authority on or before April 1 of each year.

The facts alleged in paragraph 6 constitute violations of this requirement.

PRAYER FOR RELIEF

13. The Compliance Division requests that the Hearing Officer open a Show Cause Proceeding against Respondent and issue a Scheduling Order that requires the parties to quickly complete any discovery and set this matter for hearing as soon as practical.

Respectfully submitted,



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