

# TENNESSEE REGULATORY AUTHORITY



502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, Tennessee 37243

15-00126

## MEMORANDUM

To: Cumberland Point Condominium Property Owners Association

From: Shiva Bozarth, Chief of Compliance Division *SK*

Date: December 16, 2015

Re: Request to appoint a Hearing Officer to determine whether to initiate a show cause proceeding against Cumberland Point Condominium Property Owners Association for violations of the statutes and rules regulating water utilities.

### **Background:**

Tennessee Regulatory Authority Compliance Division ("Compliance Division") staff asserts that Cumberland Point Condominium Property Owners Association ("Cumberland Point") has violated the laws regulating wastewater utilities and that these violations may require the imposition of civil penalties.

Cumberland Point has operated a wastewater treatment system on Renegade Mountain in Crab Orchard, Tennessee for an as yet unknown period of time but for at least 3 years. This wastewater system services approximately 80 existing residential and commercial customers. Cumberland Point has operated the wastewater system for an as yet undetermined period of time without a certificate of convenience and public necessity issued by the Tennessee Regulatory Authority ("TRA" or the "Authority"). Cumberland Point's customers were charged a rate for wastewater service that was not authorized or approved by the TRA.

At this time the full extent of Cumberland Point's violations and what if any penalties will be necessary is unknown. However it appears without the discovery mechanisms of a Show Cause proceeding and the enforcement mechanisms of the Authority. The Compliance Division will be unable to identify and prosecute these violations

### **Recommendation:**

The Compliance Division respectfully requests that the Authority appoint a hearing officer to determine whether to initiate a Show Cause proceeding against Cumberland Point for failure to comply with various statutory and regulatory requirements of the law outlined above. The Compliance Division further requests that the hearing officer prepare this matter for hearing.