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NASHVILLE, TENNESSEE
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IN RE:)
)
PETITION OF LAUREL HILLS WATER SYSTEM) DOCKET NO. 16-00012
IN RECEIVERSHIP FOR APPROVAL OF)
ADJUSTMENTS OF IT RATES AND CHARGES)
)

PETITION TO INTERVENE

Comes now Tennessee Regulatory Authority (“TRA” or “Authority”) Staff acting as a Party (“Party Staff”) appointed in Docket Nos. 12-00030 and 12-00077 to respectfully request permission to intervene in this matter. In support of this Petition to Intervene (“Petition”) Party Staff would show as follows:

Procedural History

1. On April 10, 2012, Laurel Hills Condominiums Property Owners Association (“Laurel Hills”) filed a Petition for a Certificate of Public Convenience and Necessity (“CCN”) to operate a water system on Renegade Mountain in Cumberland County, Tennessee.¹
2. On May 1, 2012, a group of Laurel Hills’ customers (“Consumers”) filed a petition to intervene in the CCN case.²
3. On June 28, 2012, the Consumer Advocate and Protection Division of the Office of the Attorney General (“Advocate”) filed a petition to intervene in the CCN case.³

¹ *Petition of Laurel Hills Condominiums Property Owners Association for a Certificate of Public Convenience and Necessity*, Docket No. 12-00030, (April 10, 2012).

² *Petition of Gary Haiser; et al. to Intervene in Docket 12-00030*, Docket 12-00030, (May 1, 2012).

³ *Petition to Intervene*, Docket 12-00030, (June 28, 2012).

4. On February 13, 2013, the Authority held a hearing on Laurel Hills' CCN petition.
5. On March 15, 2013, the Consumers filed a post-hearing brief requesting that the water system be placed into receivership due to Laurel Hills' inability to operate the water system.⁴
6. On March 15, 2013, the Advocate filed a post-hearing brief requesting that laurel Hills be forced to divest itself of the water system through action in court.⁵
7. On April 18, 2013, after a full hearing the Authority issued an Order Denying Certificate of Public Convenience and Necessity and Requiring Divestiture of Water System ("April 18th Order") denying Laurel Hills' petition for a CCN and ordered that Laurel Hills divest itself of the water system.⁶
8. Party Staff entered an agreement with Laurel Hills to place the water system into receivership.
9. This Settlement Agreement was approved by the Authority on September 25, 2015.⁷
10. On October 26, 2015, the Chancery Court of Cumberland County issued an Order Appointing Receiver (Receivership Order").⁸ The Receivership Order clearly envisions that the Receiver will be paid out of the funds of the water system and only if the costs of the receivership exceed the costs of the funds of the water system will the TRA be taxed with costs.⁹ The Receiver was also empowered to request changes in rates.¹⁰ Absolutely nothing in the receivership order precludes the receiver from requesting that its costs be

⁴ *Customer Intervener's Brief/Closing Argument*, p. 14, Docket No. 12-00030, (March 15, 2013).

⁵ *Post-Hearing Brief of the Consumer Advocate*, p. 74, Docket No. 12-00030, (March 15, 2013).

⁶ *Order Denying Certificate of Public Convenience and Necessity and Requiring Divestiture of the Water System*, (April 18, 2013).

⁷ *Order Approving Petition to Adopt Settlement Agreement and Release, as Amended by the First Addendum*, p. 7, Docket no. 12-00077, (September 25, 2015).

⁸ *Order Appointing Receiver*, Cumberland County Chancery Court, Docket No. 2012-CH-560, (October 26, 2015).

⁹ *Id.* at paragraph 10.

¹⁰ *Id.* at paragraph 13.

- included in the customers' rates in fact it is clearly anticipated by the Receivership Order.
11. Counsel for Party Staff has communicated on many occasions with the Consumers as well as the Advocate that the Authority could not bear the costs of the receivership and that such costs would be passed on to the Consumers through rates.¹¹
 12. Party Staff requests this intervention in order to ensure that the Authority is aware that the Consumers as well as the Advocate were aware that the appointment of a receivership would increase costs to the Consumers through higher rates.
 13. Party Staff's Petition is also a request that Party Staff be instructed to request that the Authority be released from its obligation to pay the receiver's fees pursuant to the Receivership Order if rates are not increased to allow recovery of receivership fees.¹²

Wherefore, Party Staff respectfully requests permission to intervene in this matter.

Respectfully Submitted,



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¹¹ Counsel for Party Staff wants to be clear that Ms. Merrick who is representing Advocate in this Docket was not present at any of these conversations and in fact may not have been employed by the Attorney General's Office when many of them occurred.

¹² *Order Appointing Receiver*, paragraph 11 Cumberland County Chancery Court, Docket No. 2012-CH-560, (October 26, 2015).