

G. Everett Sinor, Jr.
Attorney at Law

March 11, 2016

Ms. Sharla Dillon
Dockets and Records Manager
Tennessee Regulatory Authority
Andrew Jackson Building
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

RE: Filing of Responses to Discovery Requests & Letter

DELIVERY BY UNITED STATES FIRST CLASS MAILS AND ELECTRONIC MAIL

Dear Ms. Dillon:

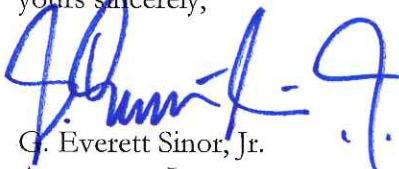
Please find enclosed herewith an original and four (4) copies of the following:

1. The Response of Laurel Hills Water System in Receivership to the Consumer Advocate and Protection Division of the Attorney General and Reporter's Office First Discovery Request, for filing in Docket No. 16-00012;
2. The Response of Laurel Hills Water System in Receivership to the Consumer Advocate and Protection Division of the Attorney General and Reporter's Office Second Discovery Request, for filing in Docket No. 16-00012; and,
3. A letter from Robert E. Moore, Jr., Chief Operations Officer of Receivership Management, Inc., the Court Appointed Receiver for Laurel Hills Water System in Receivership, for filing in Docket Nos. 12-00077 and 15-00118.

Should you have any questions, please do not hesitate to contact me.

Thanking you for your consideration of this matter, I am,

yours sincerely,



G. Everett Sinor, Jr.
Attorney at Law

Enclosure

cc: Shiva K. Bozarth, Esq.
Donald Scholes, Esq. and Benjamin Gastel, Esq.
Melanie Davis, Esq.
Vance Broemel, Esq.
Roger York, Esq.

BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

IN RE:

PETITION OF LAUREL HILLS WATER
SYSTEM IN RECEIVERSHIP FOR
APPROVAL OF ADJUSTMENT OF ITS
RATES AND CHARGES

)
)
) Docket No. 16-00012
)
)
)

RESPONSE OF LAUREL HILLS WATER SYSTEM IN RECEIVERSHIP TO
THE CONSUMER ADVOCATE AND PROTECTION DIVISION OF THE ATTORNEY
GENERAL & REPORTER'S OFFICE SECOND DISCOVERY REQUEST

COMES NOW, the petitioner, Laurel Hills Water System in Receivership, and provides this response to the Consumer Advocate and Protection Division of the Attorney General and Reporter's Office Second Discovery Request. In response to said request, Laurel Hills Water System in Receivership would respond as follows:

DISCOVERY RESPONSES

1. Please state whether there is any provision in the *Order Appointing Receiver* that empowers the Receiver to petition the TRA or other appropriate tribunal for an increase in rates to recover "Receivership fees and costs," as defined in the *Order Appointing Receiver*. If so, cite that provision.

RESPONSE: The *Order Appointing Receiver* provides that "[t]he Receiver is empowered to petition the appropriate regulatory authority or tribunal to address changes in the rates charged for Laurel Hills' water system's services." *Order Appointing Receiver*, ¶ 13, p. 6. The *Order Appointing Receiver* further provides that the Receiver "conserve and administer [water system properties] under the general supervision of the Court. *Id.*, ¶ 3, p.2. The *Order Appointing Receiver* further provides that the Receiver "shall have all

powers of the directors, officers and managers ...". *Id.*, ¶ 13, p.5. The *Order Appointing Receiver* further provides that the Receiver "shall have full power to ... deal with the property and business of Laurel Hills' water system." *Id.*, ¶ 13, p.6. The *Order Appointing Receiver* further provides that "[i]n addition, the Receiver shall have any other powers given by state law." *Id.*, ¶ 13, p.6.

2. State whether, prior to the filing of the *Petition for Emergency Relief*, the TRA Party Staff discussed with the Receiver whether Receivership fees and costs should be, or could be, included in customer rates. If so, provide a narrative of those discussions, including an account of who first proposed the inclusion of Receivership fees and costs in proposed rates and the basis for that inclusion.

RESPONSE: There were general discussions between TRA Party Staff and the Receiver regarding Receivership fees and costs, and whether such fees and costs should be or could be included in customer rates. The earliest such discussion occurred immediately after the Tennessee Regulatory Authority's November 23, 2015 meeting. Another such discussion occurred between TRA Party Staff and counsel for the Receiver, Mr. Sinor, on January 14, 2016. There have also been telephone calls by and between Mr. Moore and Mr. Sinor, and TRA Party Staff, regarding such fees and costs. Each of these discussions was general in nature, touching on a range of topics relating to the Laurel Hills water system, not just Receivership fees and costs. TRA Party Staff has indicated to Messrs. Moore and Sinor in these discussions, and first proposed in those discussions, that it believes that Receivership costs and fees should be included in the rates paid by Laurel Hills water system customers. TRA Party Staff has indicated that there are no monies set aside by the Tennessee Regulatory Authority for a receivership estate of a regulated water system that is unable to pay Receivership fees and costs; however, there has been no lengthy, thorough

discussion with TRA Party Staff concerning any basis, legal or otherwise, for an inclusion of Receivership fees and costs in Laurel Hills water system customer rates.

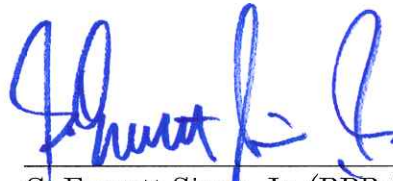
DATED: March 11, 2016.

Respectfully submitted,

Laurel Hills Water System in Receivership

By: 

Robert E. Moore, Jr. (BPR #013600)
Chief Operations Officer
Receivership Management Inc.
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615.373.4336 (Facsimile)
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*Court Appointed Receiver for
Laurel Hills Water System*



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Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing Response to the Consumer Advocate's Second Discovery Request has been served upon the parties hereto and the other persons listed below, at:

Shiva K. Bozarth, Esq.
Chief of Compliance
Counsel for Tennessee Regulatory Authority
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243


Donald Scholes, Esq.
Benjamin Gastel, Esq.
Branstetter, Stranch & Jennings
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Consumer Advocate and Protection Division
Tennessee Attorney General and Reporter
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Nashville, Tennessee 37202

Roger York, Esq.
York & Bilbrey
456 North Main Street, Suite 201
Crossville, Tennessee 38555

via the United States Mails, postage prepaid, this 11th day of March, 2016.


G. Everett Sisor, Jr.