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BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE
2017 APR 29 AM 10:27

PETITION OF KING'S CHAPEL
CAPACITY, LLC TO POST
ALTERNATIVE FINANCIAL SECURITY)
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TRAIL COURT ROOM

DOCKET NO. 17-00033

**PETITION OF KING'S CHAPEL CAPACITY, LLC
TO POST ALTERNATIVE FINANCIAL SECURITY**

King's Chapel Capacity, LLC ("KCC" or "the Company") petitions the Commission with two requests. First, and pursuant to Rule 1220-4-13-.07(5), to approve and accept \$71,000 as the appropriate amount for determining financial security to comply with the Commission's rules. Second, KCC requests that the Commission approve and accept a bond of \$31,000 (50% of net revenues) as sufficient financial security to comply with the new financial security rules for wastewater utilities approved by the Commission in Docket 16-00112.

In support, KCC states as follows:

TPUC Rule 1220-4-13-.07(2)(a) requires wastewater utilities to post one hundred percent (100%) of the gross annual revenue in the most recent Authority Form UD20 or \$20,000, whichever is greater. As shown in the Table below, KCC's net revenues for calendar year 2016 were approximately \$91,000 of which approximately \$20,000 was related to TRA approved bond surcharges leaving net utility receipts of approximately \$71,000.¹

¹ Net revenues exclude the recovery of escrow charges which are treated as a liability instead of revenue for ratemaking purposes. These escrow charges were erroneously included as revenue in KCC's last alternative financial security request in Docket 14-00158 to KCC's detriment. The exclusion of escrow surcharges in this filing results in a lower overall financial security requirement from the level previously approved.

	Net Revenues	Bond Surcharges	Net Receipts
January, 2014	\$6,738.05	\$1,489.80	\$5,248.25
February	9,982.04	1,508.90	8,473.14
March	7,482.64	1,508.90	5,973.74
April	6,042.90	1,575.75	4,467.15
May	7,276.15	1,594.85	5,681.30
June	8,929.77	1,671.25	7,258.52
July	5,626.61	1,747.65	3,878.96
August	7,126.09	1,766.75	5,359.34
September	9,709.91	1,785.85	7,924.06
October	6,673.49	1,852.70	4,820.79
November	6,896.49	1,862.25	5,034.24
December	8,193.44	1,871.80	6,321.64
Total	\$90,677.58	\$20,236.45	\$70,441.13

Attached hereto and in further support of this Petition, is the Affidavit of KCC's Manager, John Powell, attesting to the accuracy of the revenue figures set forth above.

Accordingly, KCC maintains that it is not reasonable, nor was it ever the Commission's intent, to require financial security on existing bond surcharges. The Commission has recognized this anomaly in its new rules for wastewater utilities by specifically excluding bond surcharge revenues from the financial security requirement.²

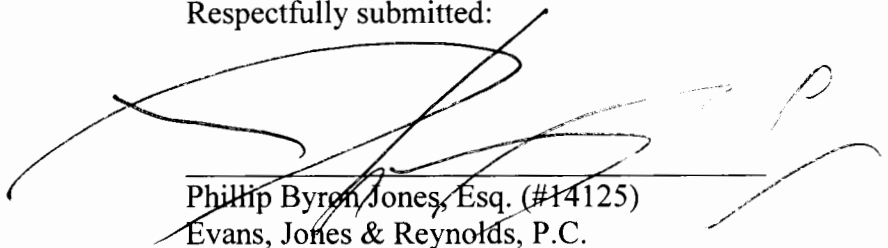
Therefore, KCC asks the Commission to recognize and approve \$71,000 as the appropriate revenue level for determining financial security. KCC also asks the Commission to approve financial security of 50% of the \$71,000 in net receipts described above (or \$36,000) as sufficient for KCC to comply with Commission rules. The Commission has already approved a financial security target of 50% of net revenues in its new wastewater rules that were approved in Docket 16-00112. Although the new rules are not yet official, they do reflect the intent of the Commission. In addition, the Commission's existing rules allow it to determine financial

² See specifically TPUC Rule 1220-4-13-.07(2)(a)(1) approved by the Commission in Docket 16-00112.

security on a case-by-case basis.³ KCC therefore asks the Commission to recognize and approve \$36,000 as the appropriate amount for its financial security.

Therefore, KCC asks that this petition be granted and that the Authority approve this alternative form of financial security in accordance with TRA Rule 1220-4-13-.07(5).

Respectfully submitted:

A large, stylized handwritten signature in black ink, appearing to read 'P. Jones', is written over a horizontal line.

Phillip Byron Jones, Esq. (#14125)

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Attorneys for King's Chapel Capacity, LLC

³ See current TPUC Rule 1220-4-13-.07(8).

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

PETITION OF KING'S CHAPEL)
CAPACITY, LLC TO POST) **DOCKET NO.** _____
ALTERNATIVE FINANCIAL SECURITY)
)

**AFFIDAVIT IN SUPPORT
OF
PETITION FOR POST ALTERNATIVE FINANCIAL SECURITY**

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

I, John Powell, being duly sworn, state as follows:

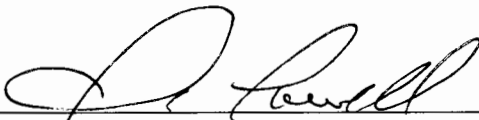
1. I am over eighteen (18) years of age and I have firsthand knowledge of the matters set forth herein.

2. King's Chapel Capacity, LLC ["KCC"] has petitioned the Utility Commission for certain relief. In support of that Petition, KCC references its revenue. I attest to the accuracy of the revenue figures set forth in the Petition and adopt them into this Affidavit, as follows:

	Net Revenues	Bond Surcharges	Net Receipts
January, 2014	\$6,738.05	\$1,489.80	\$5,248.25
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FURTHER THE AFFIANT SAYETH NOT.

I, **John Powell**, after being duly sworn, make oath that the foregoing is true and correct to the best of my knowledge, information and belief.

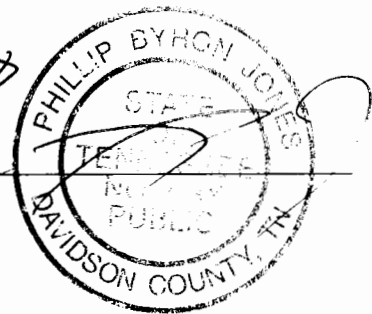


John Powell

Sworn to and subscribed before me this 25th day of April, 2017.



Notary Public



My Commission Expires: My Commission Expires May 5, 2020

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