

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:

PETITION OF THE LAUREL HILLS
WATER SYSTEM IN RECEIVERSHIP

FOR A PROVISIONAL CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY

} DOCKET NO. 17- 00098

PRE-FILED DIRECT TESTIMONY OF MR. ROBERT E. MOORE, JR.

Q: Please state your name, position and business address.

A: My name is Robert E. Moore, Jr. I am the Chief Operations Officer for Receivership Management, Inc. [hereinafter "RMI" or "the Receiver"]. RMI's business address is 1101 Kermit Drive, Suite 735, Nashville, Tennessee 37217.

Q: What is RMI's interest in this proceeding?

A: RMI was named by Chancellor Thurman of the Chancery Court in the Thirteenth Judicial District, Cumberland County, Tennessee, as the court appointed receiver for Laurel Hills Water System, in the case styled Tennessee Regulatory Authority v. Laurel Hills Condominiums Property Owners Association, Docket No. 2012-CH-560. As receiver, RMI is filing this petition for a Certificate of Convenience and Necessity, solely in its capacity as a Receiver, for and on behalf of the Laurel Hills Water System.

Q: What is the purpose of your testimony in this proceeding?

A: As Chief Operations Officer for the Receiver of the Laurel Hills Water System in Receivership [hereinafter "LHWS"], I am providing a general overview of the LHWS's operations. I am also providing testimony regarding our compliance with

the statutes, rules, and regulations of the Tennessee Public Utilities Commission. I am also providing information concerning our expertise to operate LHWS.

Q: Mr. Moore, could you please describe the LHWS's water operations?

A: Yes. The LHWS currently provides water services to 48 billed residential customers, 1 of which is Cumberland Pointe condominiums, which has 84 units, for a total of 131 customers being served by the LHWS. The LHWS's service territory is approximately the extent of Renegade Mountain Resort, a planned development located on a mountain located in Cumberland County, Tennessee just east of Crab Orchard, Tennessee and just south of Interstate 40. The LHWS purchases water from the Crab Orchard Utility District and then redelivers such water to its customers. The system was originally designed and constructed in the late 1960s and early 1970s and then put into use in approximately 1972. The system was designed to use a pump station near the bottom of Renegade Mountain to transport water up the mountain through a six (6) inch diameter pipe, parts of which lay on the ground, pump the water into a water tank that sits atop the mountain, and then let gravity provide adequate pressure to deliver water through a main pipe running back down to service residential customers. However, at this time, the water tower is not being utilized. At this time, the pumps in the pump station are constantly used to transport water up the mountain so as to provide adequate pressure to the LHWS's customers. Overall, the LHWS is found to have been archaically designed, neglected for much of its life, and in need of numerous repairs and maintenance.

Q: Are all of the LHWS's current customers residential customers?

A: Yes, to the best of my knowledge. We have no other class of customers

Q: When was the LHWS's last rate change?

A: Based upon the recommendation made by the Tennessee Public Utilities Commission and adopted by order of Chancellor Thurman, the LHWS's rates were raised from \$33.10 to \$114.00 per month, effective July 1, 2016.

Q: Will RMI and the LHWS abide by all laws, rules and regulations of the Tennessee Public Utilities Commission?

A: Yes. RMI and LHWS will comply with all statutes, rules and regulations applicable to water systems such as LHWS.

Q: Does RMI have sufficient knowledge and expertise to operate the LHWS?

A: Yes. RMI as an entity has been or provided support services to over 15 receiverships in the last ten years and has administered and has operated a gas utility in receivership under jurisdiction of the Tennessee Public Utilities Commission. In addition to financial management of entities in receivership, RMI serves as or provides services to Independent Fiduciaries to over 120 ERISA regulated retirement plans and 6 ERISA regulated health plans. More directly related to LHWS, RMI has the business expertise to manage LHWS and has on staff accounting and legal expertise, as well as contracted legal expertise, a licensed CPA firm, and a licensed engineer. Periodic updates on system status and system repairs are provided to RMI. RMI procured liability insurance for the system and RMI staff conducts on-site inspections of the system periodically, and if requested by the contracted engineer. Regular sampling of the water is tested by Microbac and results are provided and evaluated by the LHWS's contract engineer on a routine basis. RMI has been assisted on repairs through contracted work from Crab Orchard Utility District.

Q: Does this conclude your testimony.

A: Yes it does.

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing Petition has been served upon the parties hereto and the other persons listed below, at:

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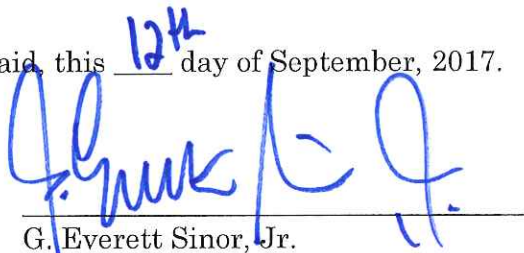
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via the United States Mail, postage prepaid, this 12th day of September, 2017.


G. Everett Sinor, Jr.