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December 11, 2017

Via Electronic Mail and Federal Express
(tpuc.docketroom@tn.gov)

Tory Lawless, Acting Docket Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

Re: *In Re: Petition of the Laurel Hills Water System Receivership for Provisional Certificate of Public Convenience and Necessity*
Tennessee Public Utility Commission, Docket No. 17-00098

Dear Ms. Lawless:

Attached is an Intervenor's Statement of Position to be filed in the above-styled matter. The original and four copies will follow by Federal Express. Copies of the Statement have been served by first class mail on the parties listed in the Certificate of Service.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Daniel J. Moore', written over the word 'Sincerely,'.

Daniel J. Moore

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DJM:ar
Enclosure

cc: Mr. Michael McClung
Robert Schwerer, Esq.
Aaron Conklin, Esq.
G. Everett Sinor, Jr., Esq.
Robert E. Moore, COO
James L. Gass, Esq.
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Roger York, Esq.
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Daniel P. Whitaker, III, Esq.

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF THE LAUREL HILLS)	
WATER SYSTEM IN RECEIVERSHIP)	Docket No. 17-00098
FOR PROVISIONAL CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY)	

INTERVENOR'S STATEMENT OF POSITION

Comes now Renegade Mountain Community Club (the "Community Club"), by and through counsel, and respectfully submits this, its Statement of Position in this matter.

1. The Community Club is a Tennessee nonprofit corporation. It is the homeowners association for Renegade Mountain. As such, the residents of Renegade Mountain are members of the Community Club.

2. The Community Club is charged with the maintenance of common areas of the Renegade Mountain subdivision, including, but not limited to, easements upon the roads, for the benefit of the members of the Community Club.

3. The residents of Renegade Mountain, who are members of the Community Club, receive their water from the Laurel Hills Water System ("LHWS").

4. Portions of the LHWS lie within the boundaries of the common areas of Renegade Mountain, including the easements over the roads that benefit the Community Club and the members of the Community Club.

5. As such, the Community Club and its members are interested parties and have standing to bring objections in this matter.

6. The Receiver is a Tennessee corporation appointed by Chancellor Thurman to serve as the Receiver of the LHWS in the matter styled *Tennessee Public Utility Commission, Petitioner, v. Laurel Hills Condominiums Property Owners Association, Respondent, Moy Toy, LLC, Intervening Party, No. 2012-CH-560*, currently pending in the Chancery Court for Cumberland County, Tennessee, Thirteenth Judicial District at Crossville (the “Chancery Court”).

7. The Receiver is a creature and arm of the Chancery Court and can only act under the direct supervision of the Chancery Court.

8. The Receiver is a temporary custodian of the receivership assets and is not intended to operate or manage the LHWS for any extended length of time, and certainly not permanently.

9. On September 12, 2017, without authority and pre-approval from the Chancery Court, the Receiver filed its Petition in this matter (the “Petition”) with the Tennessee Public Utility Commission (the “TPUC”) seeking a Provisional Certificate of Public Convenience and Necessity (“CCN”).

10. The Receiver has requested expedited review of the Petition despite ongoing litigation involving condemnation and competing property interests over the service area of LHWS.

11. The Receiver has requested a CCN on an expedited basis even though the Receiver only temporarily operates the LHWS under “a rate and rating rules [that] have already been established” by the Chancery Court.

12. The Receiver has requested a CCN on an expedited basis without prejudice to its ability to claim a service area and service rights beyond the current infrastructure of the LHWS.

13. The Receiver has requested expedited review of the Petition despite reserving its ability to relinquish the CCN pursuant to the actions in the Chancery Court.

14. As such, the Receiver is now attempting to be regulated by the TPUC as opposed to the Chancery Court. The Receiver is now attempting to usurp the power and authority of the Chancery Court over the receivership and its assets such that the TPUC will also now have the ability to set water rates and other charges for the LHWS to the exclusion of the Chancery Court's jurisdiction and potentially adversely and not in the best interests of the LHWS's water customers.

15. The effect of the Petition could be to allow the Receiver to charge rates in excess of the rates set by the Chancery Court and undercut the Chancery Court's authority to oversee the activities of the Receiver.

16. The Community Club alleges that the process of filing for a "provisional" certificate is not authorized by law, and therefore the Receiver has no legal basis or standing to apply for a CCN.

17. The Community Club believes, and therefore alleges, that the Receiver also has no factual basis to be applying for any CCN, whether provisional or otherwise, since the Receiver already has a water rate established by the Chancery Court as well as the ability to assess other charges on water customers of the system.

18. The Receiver has never provided the Chancery Court, the Community Club, or any of the water customers with an explanation of the reason(s) why it applied for the provisional CCN, and its goals or objectives ultimately to be obtained by such filing.

19. The Receiver is incurring additional costs in pursuing the Petition outside of the scope of its authority granted by the Chancery Court. The legal costs associated with the Receiver's filing for a provisional CCN will ultimately range in the tens of thousands of dollars to be spent on attorneys, experts, and the like, but such costs and expenses are unnecessary and will

detrimentally affect the water customers on Renegade Mountain by adding such costs to the Receivership and imposing such burden on the receivership assets.

20. The Receiver has never made any provision for funding of cash reserves required for deferred maintenance, emergency repairs, and needed improvements and upgrades to the LHWS, and the filing of the Petition and its attendant costs and expenses would be better used if reinvested into the water system and would ultimately benefit the water customers and the receivership assets.

21. There is currently pending before the Chancery Court the Receiver's Motion for Approval and Adoption of its First Modified Receivership Plan, filed on or about November 21, 2017 (the "Application"), under which the Receiver proposes to either sell the water system or, if no buyer is found, to terminate the Receivership and return the water system to the jurisdiction of the Court.

22. The Community Club has objected to the Application filed by the Receiver for fees and expenses and for an interim taxation of costs on the basis that the fees and expenses are excessive, especially in light of the additional costs resulting from this proceeding and the Receiver's efforts to sell the water system.

23. The Community Club has requested that the Chancery Court deny the Application filed by the Receiver pending a hearing on the efficacy of such Application, especially in light of the additional costs resulting from this proceeding and the Receiver's efforts to sell the water system.

24. The Community Club has requested that the Chancery Court, in the interim, direct the Receiver to abate and stay all proceedings on its Petition for a provisional CCN until all interested persons, including the Community Club, have an opportunity to be heard on whether

there is a legal or factual basis for the Receiver to continue its application with the TPUC, and a final ruling has been issued by the Chancery Court.

25. The Community Club reserves the right to amend this Statement pending resolution of outstanding discovery requests and/or receipt facts that may come to our attention in the interim.

WHEREFORE, the Community Club respectfully requests the following:

1. That the TPUC deny the Petition on the ground that there is no legal or factual basis for the Receiver to continue its Petition with the TPUC;

2. In the alternative, that the TPUC direct the Receiver to abate and stay all proceedings on the Petition until all interested persons, including the Community Club, have an opportunity to be heard in the Chancery Court proceeding on whether there is a legal or factual basis for the Receiver to continue its Petition with the TPUC, and a final ruling has issued by the Chancery Court; and

3. That the TPUC grant the Community Club such further relief as is just and equitable and in the best interest of the LHWS receivership assets.

RESPECTFULLY SUBMITTED THIS 11TH DAY OF DECEMBER, 2017.

Renegade Mountain Community Club

By: 

Michael McClung, Chairman

WOOLF, McCLANE, BRIGHT, ALLEN
& CARPENTER, PLLC


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Attorney for Renegade Mountain Community Club

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and exact copy of the foregoing pleading has been served upon the following counsel for the parties in interest herein by delivering same to the offices of said counsel, or by mailing same to the offices of said counsel by United States Mail with sufficient postage thereon to carry the same to its destination.

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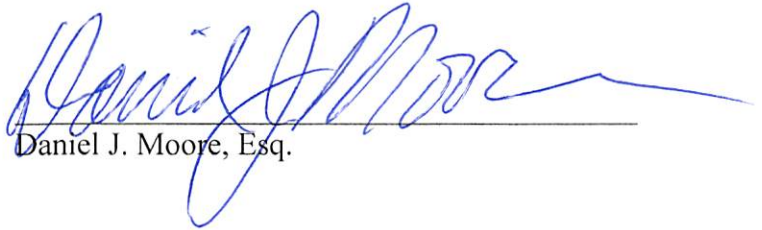
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This the 11th day December, 2017.



Daniel J. Moore, Esq.