

2. The allegations in paragraph 2 of the Petition contain legal conclusions regarding the interpretation of certain statutory provisions and administrative rules, and thus, no further response is required. TVPOA further submits that the terms of the cited statutory provisions and administrative rules speak for themselves, and any allegations contrary thereto are denied.

3. The allegations in paragraph 3 of the Petition contain legal conclusions regarding the interpretation of certain statutory provisions and administrative rules, and thus, no further response is required. TVPOA further submits that the terms of the cited statutory provisions and administrative rules speak for themselves, and any allegations contrary thereto are denied.

4. For answer to the allegations in paragraph 4 of the Petition, TVPOA admits that it is a Tennessee nonprofit corporation and is further designated by the Internal Revenue Service as a 501(c)(4) social welfare organization. TVPOA submits that Tellico Village is a master planned residential subdivision located in Loudon and Monroe County, Tennessee, which includes nearly five thousand (5,000) acres. For further answer, TVPOA submits that Tellico Village presently contains six thousand nine hundred fifteen (6,915) residential lots and houses over eleven thousand (11,000) residents.

5. For answer to the allegations in paragraph 5 of the Petition, TVPOA admits that its Articles of Incorporation were filed with the Tennessee Secretary of State on or about September 18, 1984 (the "Articles"). TVPOA further submits that the terms of the Articles speak for themselves, and any allegations contrary thereto are denied. For further answer, TVPOA submits that Tellico Village was developed by Cooper Communities, Inc. ("CCI") pursuant to the Tellico Village Master Plan (the "Master Plan") for the express purpose of creating a "planned unit development for residential purposes" on the tract designated "specifically for residential uses". While Tellico Village was developed and regarded as a master planned residential subdivision, the

Master Plan anticipated that Tellico Village would eventually include development of a de minimis number of commercial amenities and lots in order to serve and benefit the residential community.

6. For answer to the allegations in paragraph 6 of the Petition, TVPOA admits that the Articles set forth various types of membership in TVPOA. TVPOA further admits that the various types of membership in TVPOA are generally described in the Articles and further defined in the Declaration of Covenants and Restrictions for Tellico Village (the “Declaration”). For further answer, TVPOA submits that the terms of the Articles and Declaration speak for themselves, and any allegations contrary thereto are denied.

7. For answer to the allegations in paragraph 7 of the Petition, TVPOA admits that the Articles generally authorized TVPOA to own and maintain the central water and sewer systems intended to exclusively serve the master planned residential subdivision of Tellico Village. For further answer, TVPOA submits that the terms of the Articles speak for themselves, and any allegations contrary thereto are denied.

8. For answer to the allegations in paragraph 8 of the Petition, TVPOA admits that pursuant to the Master Plan, CCI was required to provide for the engineering and construction of a water distribution and sewer collection system to exclusively serve the Tellico Village master planned residential subdivision in accordance with certain required specifications. The Master Plan further required the creation of TVPOA, as a non-profit corporation, to own, manage, maintain, and operate the central water and sewer systems to exclusively serve the master planned residential subdivision. Thus, in accordance with the requirements set forth in the Master Plan and Articles, TVPOA has owned and operated the Tellico Village water distribution and sewer collection systems since they were conveyed by CCI. Since conveyance of the Tellico Village water distribution and sewer collection systems from CCI, TVPOA has maintained operating

permits with the Tennessee Department of Environment and Conservation (“TDEC”) and has adhered to all applicable TDEC permitting requirements and regulations for operation of the water and sewer utilities for Tellico Village, including annual regulatory inspections and reporting.

9. For answer to the allegations in paragraph 9 of the Petition, TVPOA admits that the Articles authorize TVPOA to “fix, levy, collect and enforce payment by any lawful means of all charges and assessments pursuant to the Declaration and to pay all expenses in connection with the Common Properties”. TVPOA further admits that the Declaration provides that TVPOA may only provide water and sewer utility services to duly authorized lot Owner members, and that the cost thereof shall only be paid exclusively from “Assessments” and “charges made to Owners for furnishing such services”. Thus, TVPOA is duly authorized, and in fact, obligated to establish rates for providing water and sewer utility services to Tellico Village lot owners pursuant to the Articles and Declaration. For further answer, TVPOA submits that the terms of the Articles and Declaration speak for themselves, and any allegations contrary thereto are denied.

10. For answer to the allegations in paragraph 10 of the Petition, TVPOA admits that it is duly authorized, and in fact, obligated to establish rates for providing water and sewer utility services to Tellico Village lot owners pursuant to the Articles and Declaration. TVPOA further admits that the referenced January 1, 2025 water and sewer rates for Tellico Village lot owners were duly established by its Board of Directors in accordance with the Articles and Declaration. For further answer, TVPOA submits that the terms of the Articles and Declaration speak for themselves, and any allegations contrary thereto are denied.

11. For answer to the allegations in paragraph 11 of the Petition, TVPOA submits that Tellico Village is a master planned residential subdivision which is exempt from regulation by the Commission pursuant to Tenn. Code Ann. Sec. 65-4-101(6)(B)(i). TVPOA further submits that

TVPOA is exempt from regulation by the Commission as a cooperative nonprofit corporation pursuant to Tenn. Code Ann. Sec. 65-5-101(6)(E). To the extent that the remaining allegations in paragraph 11 of the Petition contain legal conclusions regarding the interpretation of certain statutory provisions, no further response is required.

12. For answer to the allegations in paragraph 12 of the Petition, TVPOA submits that Tellico Village is a master planned residential subdivision which is exempt from regulation by the Commission pursuant to Tenn. Code Ann. Sec. 65-4-101(6)(B)(i). TVPOA further submits that TVPOA is exempt from regulation by the Commission as a cooperative nonprofit corporation pursuant to Tenn. Code Ann. Sec. 65-5-101(6)(E). To the extent that the remaining allegations in paragraph 12 of the Petition contain legal conclusions regarding the interpretation of certain statutory provisions, no further response is required.

13. For answer to the allegations in paragraph 13 of the Petition, TVPOA submits that Tellico Village is a master planned residential subdivision which is exempt from regulation by the Commission pursuant to Tenn. Code Ann. Sec. 65-4-101(6)(B)(i). TVPOA further submits that TVPOA is exempt from regulation by the Commission as a cooperative nonprofit corporation pursuant to Tenn. Code Ann. Sec. 65-5-101(6)(E). For further answer, TVPOA submits that it is designated by the Internal Revenue Service as a 501(c)(4) social welfare organization. To the extent that the remaining allegations in paragraph 13 of the Petition contain legal conclusions regarding the interpretation of certain statutory provisions, no further response is required.

14. TVPOA denies all remaining allegations in the Petition regarding any alleged violations of state law. For further answer, TVPOA submits that Tellico Village is a master planned residential subdivision which is exempt from regulation by the Commission pursuant to Tenn. Code Ann. Sec. 65-4-101(6)(B)(i). TVPOA further submits that TVPOA is exempt from

regulation by the Commission as a cooperative nonprofit corporation pursuant to Tenn. Code Ann. Sec. 65-5-101(6)(E). To the extent that the remaining allegations in the Petition contain legal conclusions regarding the interpretation of certain statutory provisions, no further response is required.

15. Any allegations in the Petition not previously admitted or denied are hereby denied.

Affirmative Defenses

16. For affirmative defense, TVPOA adopts and incorporates, without waiving any, all affirmative defenses contained in Rule 1220-01-02-.03(2) of the *Rules of the Tennessee Public Utility Commission*. TVPOA reserves the right to assert any of these defenses at a later point in time should any of said defenses develop through further investigation and discovery.

17. TVPOA adopts and incorporates, without waiving any, all affirmative defenses contained in Rule 12 of the *Tennessee Rules of Civil Procedure*. TVPOA reserves the right to assert any of these defenses at a later point in time should any of said defenses develop through further investigation and discovery.

18. The Commission lacks jurisdiction over TVPOA pursuant to Rule 1220-01-02-.03(2)(b) of the *Rules of the Tennessee Public Utility Commission* and Rule 12.02(2) of the *Tennessee Rules of Civil Procedure*

19. The Petition fails to state a claim against TVPOA upon which relief can be granted pursuant to Rule 1220-01-02-.03(2)(e) of the *Rules of the Tennessee Public Utility Commission* and Rule 12.02(6) of the *Tennessee Rules of Civil Procedure*.

20. TVPOA asserts that Tellico Village is a master planned residential subdivision which is exempt from regulation by the Commission pursuant to Tenn. Code Ann. Sec. 65-4-101(6)(B)(i).

21. TVPOA asserts that it is exempt from regulation by the Commission as a cooperative nonprofit corporation pursuant to Tenn. Code Ann. Sec. 65-5-101(6)(E).

22. TVPOA asserts that any attempt by the Commission to now seek regulation of TVPOA, contrary to TVPOA's reliance upon the statutory protections afforded by Tenn. Code Ann. Sec. 65-4-101(6)(B)(i) and Tenn. Code Ann. Sec. 65-4-101(6)(E) over forty (40) years, would infringe upon TVPOA's vested legal right in direct violation of the Tennessee Constitution.

23. TVPOA asserts that all claims alleged in the Petition are barred by waiver, laches, and/or estoppel because for over forty (40) years, the Tennessee Regulatory Authority, and later the Commission, has never sought to regulate TVPOA in any manner; never requested that TVPOA obtain a Certificate of Public Convenience and Necessity; never requested that TVPOA pay any annual inspection fee; never requested that TVPOA file a tariff; and in fact, never even communicated with TVPOA for any reason whatsoever.

24. TVPOA asserts that the Commission is guilty of unclean hands to the extent that it seeks to regulate TVPOA, contrary to TVPOA's reliance upon the statutory protections afforded by Tenn. Code Ann. Sec. 65-4-101(6)(B)(i) and Tenn. Code Ann. Sec. 65-4-101(6)(E) over forty (40) years.

25. TVPOA relies upon any and all applicable statutes of limitations and/or repose.

26. TVPOA asserts that the Commission is not entitled to any award of damages, statutory, punitive, or otherwise. Without waiving the foregoing, TVPOA asserts that any alleged claim for punitive damages violates various provisions of the United States Constitution, including the Fourth, Fifth, Eighth, and Fourteenth Amendments, as well as parallel and other provisions of the Tennessee Constitution.

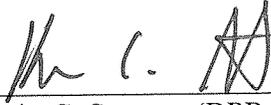
27. The Consumer Advocate lacks standing to pursue the Petition as the initiating document for this proceeding was voluntarily dismissed.

28. TVPOA reserves the right to amend its Answer and plead any additionally applicable defenses or affirmative defenses upon the completion of discovery in this proceeding.

WHEREFORE, premises considered, TVPOA respectfully requests that the Petition be dismissed as a matter of law.

Respectfully submitted this 25th day of November, 2025.

KENNERLY, MONTGOMERY & FINLEY, P.C.

By:  _____

Kevin C. Stevens (BPR #023035)
Attorney for Tellico Village Property Owners
Association, Inc.
550 Main Street
Suite 400, Bank of America Building
Knoxville, Tennessee 37902
(865) 546-7311

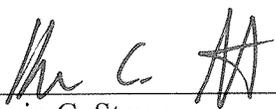
CERTIFICATE OF SERVICE

I, hereby certify that on November 25, 2025, a true and correct copy of the foregoing was served via electronic mail, and upon request, a courtesy copy sent by U.S. mail:

Karen H. Stachowski, Esq.
Vance L. Broemel, Esq.
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
karen.stachowski@ag.tn.gov
vance.broemel@at.tn.gov

Kelly Cashman Grams, Esq., General Counsel
Aaron J. Conklin, Senior Counsel
Tennessee Public Utility Commission
Legal Division
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243
kelly.grams@tn.gov
aaron.conklin@tn.gov

KENNERLY, MONTGOMERY & FINLEY, P.C.

By: 
Kevin C. Stevens