

**IN THE CHANCERY COURT FOR CUMBERLAND COUNTY, TENNESSEE
THIRTEENTH JUDICIAL DISTRICT AT CROSSVILLE**

**TENNESSEE PUBLIC UTILITY
COMMISSION**)
)
)
 Petitioner,)
)
 v.)
)
 **LAUREL HILLS CONDOMINIUMS
PROPERTY OWNERS ASSOCIATION,**)
)
)
 Respondent,)
)
 MOY TOY, LLC,)
)
 Intervening Party)

**No. 2012-CH-560
Chancellor Thurman**

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BY GT

**OBJECTION TO RECEIVER’S TWENTY-FIRST REPORT AND MOTION FOR
APPROVAL OF FEES AND EXPENSES, AUTHORIZATION FOR PAYMENT OF
CERTAIN FEES AND EXPENSES, AND FOR AN INTERIM TAXATION OF COSTS**

Comes now Renegade Mountain Community Club (the “Community Club”), by and through counsel, and respectfully submits this Objection to Receiver’s Twenty-First Report and Motion for Approval of Fees and Expenses, Authorization for Payment of Certain Fees and Expenses, and for an Interim Taxation of Costs (the “Application”) filed by Robert E. Moore, Jr., Attorney and Chief Operations Officer of Receivership Management, Inc. (the “Receiver”). For cause, the Community Club would show as follows:

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”). As such, the Community Club and its members are interested parties and have standing to bring objections to the Application.

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. The Receiver is a Tennessee-based corporation appointed by this Honorable Court to serve as the Receiver of the Laurel Hills Water System. The Receiver is creature and arm of the Court and can only act under the direct supervision of the Court.

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

7. The Community Club is an interested party and is entitled to receive notice and the opportunity to be heard in this proceeding.

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

9. As such, the Receiver is now attempting to be regulated by the TPUC as opposed to this Court.

10. The Community Club has intervened in the TPUC Proceeding.

11. The Receiver has already received approval from this Court to set rates for water services and now seeks a CCN from TPUC to operate the LHWS.

12. That the Receiver is now attempting to usurp the power and authority of the 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 Court’s jurisdiction and potentially adversely and not in the best interests of the LHWS’s water customers.

13. The effect of the TPUC Proceeding could be to allow the Receiver to charge rates in excess of the rates set by this Court and undercut the Court’s authority to oversee the activities of the Receiver.

14. 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.

15. 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, with the TPUC since the Receiver already has a water rate established by the Court as well as the ability to assess other charges on water customers of the system.

16. Further, the Receiver has never provided the 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.

17. The interests of the Community Club and the members of the Community Club may be affected by the determinations and orders made by this Court and the TPUC with respect to (A) the interpretation, application, and implementation of Tenn. Code Ann. §65-4-201 et seq., and other relevant statutory and regulatory provisions and (B) the review and analysis of information the Receiver submits in support of its request for a CCN.

18. In addition, the Receiver is incurring additional costs in pursuing the TPUC Proceeding outside of the scope of its authority granted by this Court. The legal costs associated with the Receiver filing for a provisional CCN with the TPUC will ultimately range in the tens of thousands of dollars to be spent on attorneys, experts, and the like, but that 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.

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

20. Moreover, there is currently pending before this Court the Receiver's Motion for Approval and Adoption of its First Modified Receivership Plan, filed on or about November 21,

2017, 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.

21. The Community Club objects to the Application filed by the Receiver 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 the companion TPUC Proceeding and the Receiver's efforts to sell the water system.

WHEREFORE, the Community Club respectfully requests the following relief:

1. That the Court enter its Order requiring a hearing on the Community Club's objections set out herein and require the Receiver to show cause and to justify its filing for the provisional CCN;

2. That the 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 the companion TPUC Proceeding and the Receiver's efforts to sell the water system;

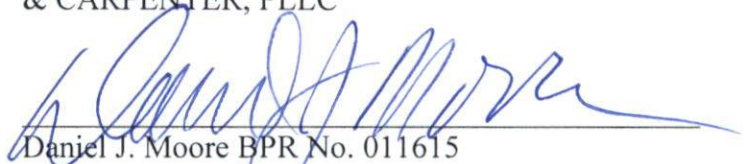
3. That the Court, in the interim, direct that the Receiver abate and stay all proceedings on its application for provisional CCN with the TPUC until all interested persons, including the Community Club have an opportunity to be heard on whether there is a legal or factual basis for the Receiver to continue its application with the TPUC, and a final ruling has issued by the Court; and

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

Dated: December 19, 2017.

RESPECTFULLY SUBMITTED:

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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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This the 19th day December, 2017.


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