

REGULATORY AUTH.

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EXECUTIVE SECRETARY

DOCKET NO. 1

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Since the transfer of ownership and control, Lynwood has continued to operate as it has in the past, using the same name, tariff, and operating authority. The transfer of control has been transparent and should have no adverse effect on Lynwood's customers. Before the transfer of

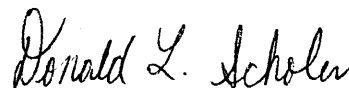
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control occurred, the new management of Lynwood became familiar with the operations of Lynwood by managing the day-to-day operations of Lynwood for approximately five months before the transfer under a management contract with Lynwood.

Southern Utility Corporation has a vested interest in the financial viability of Lynwood in that the principals of Southern Utility Corporation are involved in the development of the River Landing Subdivision which will receive sewer service from Lynwood. Southern Utility Corporation and its related companies have access to financial resources to upgrade the Lynwood treatment and collection system. Since Southern Utility Corporation acquired the stock of Lynwood and put in new management, Lynwood has made extensive capital improvements to and has expanded its sewer treatment plant. Lynwood's financial condition has improved, and Lynwood has substantially increased its compliance with the rules and regulations of this Authority.

Wherefore, Lynwood asserts that the transfer and control of Lynwood from David Terry to Southern Utility Corporation is in the public interest and requests that the Authority approve the transfer and control of Lynwood from David Terry to Southern Utility Corporation *nunc pro tunc* from May 12, 1999.

Respectfully submitted,



DONALD L. SCHOLES

BRANSTETTER, KILGORE, STRANCH & JENNINGS
227 Second Avenue, North, Fourth Floor
Nashville, TN 37201-1631
(615) 254-8801

Attorney for Lynwood Utility Corporation

Certificate of Service

I hereby certify that a true and exact copy of the foregoing Petition for Approval of Transfer of Ownership and Control *Nunc Pro Tunc* has been served by United States Mail, postage prepaid upon the following on this the 4th day of August, 2000:

Vincent Williams, Esq.
Consumer Advocate
426 Fifth Avenue, North
2nd Floor, Cordell Hull Bldg.
Nashville, TN 37243-0500

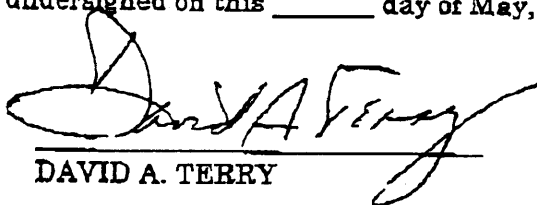
Donald L. Scholer

BILL OF SALE

I, David A. Terry, hereby convey to Southern Utility Corporation all of my right, title and interest in and to Certificate No. 1 representing one hundred (100) shares of common stock of Lynwood Utility Corporation, as well as any other shares of said corporation (the "Stock").

The Stock is subject to a perfected security interest in favor of Lumbermen's Investment Corporation which has possession of said share Certificate No. 1. Except for the lien in favor of Lumbermen's Investment Corporation, the Stock is unencumbered and I have full and lawful ownership thereof. I hereby covenant and bind myself, my heirs, successors and assigns to warrant and forever defend title to the Stock in favor of Southern Utility Corporation, its successors and assigns, against the lawful claims of all persons.

WITNESS the signature of the undersigned on this _____ day of May, 1999.


DAVID A. TERRY