BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

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In re: PETITION OF LYNWOOD UTILITY CORPORATION FOR APPROVAL

OF TRANSFER AND CONTROL

NUNC PRO TUNC

DOCKET NO. <u>100-00690</u>

PETITION FOR APPROVAL OF TRANSFER AND CONTROL NUNC PRO TUNC

Comes now Lynwood Utility Corporation (Lynwood) and files this Petition for approval of the transfer of the ownership and control of Lynwood from its sole shareholder, David Terry, to Southern Utility Corporation. On May 12, 1999, David Terry transferred all of the outstanding stock of Lynwood to Southern Utility Corporation, and Lynwood seeks approval of this transfer *nunc pro tunc* pursuant to T. C. A. § 65-4-113.

Lynwood Utility Corporation provides sewer service in Williamson County, Tennessee pursuant to a certificate of public convenience and necessity issued originally to Lynwood Utility Company on June 14, 1976. Lynwood Utility Corporation acquired the assets and operating authority of Lynwood Utility Company by an Order dated June 27, 1996 by the Tennessee Public Service Commission. At that time the sole stockholder of Lynwood Utility Corporation was David Terry. On May 12, 1999, Mr. Terry transferred all of the outstanding stock of Lynwood to Southern Utility Corporation, a Tennessee Subchapter S corporation. A copy of the Bill of Sale transferring the stock of Lynwood to Southern Utility Corporation is attached as Exhibit 1 to this Petition.

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



 $control\ occurred, the\ new\ management\ of\ Lynwood\ became\ familiar\ with\ the\ operations\ of\ Lynwood\ became\ familiar\ with\ the\ operation\ of\ became\ of\ became\ familiar\ with\ the\ operation\ of\ became\ of\ be$

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

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Attorney for Lynwood Utility Corporation

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Certificate of Service

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

Honald 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

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EXHIBIT