

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**December 7, 2006**

**IN RE:**

**PETITION OF LYNWOOD UTILITY  
CORPORATION FOR EXEMPTION FROM  
FILING PROOF OF FINANCIAL SECURITY AS  
REQUIRED BY RULE 1220-4-13-.07(2) OR, IN THE  
ALTERNATIVE, TO APPROVE ANOTHER TYPE  
OF SECURITY OR SECURITY AMOUNT**

**DOCKET NO.  
06-00139**

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**ORDER DENYING PETITION**

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This matter came before Chairman Ron Jones, Director Pat Miller and Director Sara Kyle of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on June 12, 2006 upon the *Petition* of Lynwood Utility Corporation ("Lynwood" or the "Company") requesting exemption from filing proof of financial security as required by TRA Rule 1220-4-13-.07.<sup>1</sup>

**JUNE 12, 2006 AUTHORITY CONFERENCE**

At a regularly scheduled Authority Conference, the panel voted unanimously to deny the *Petition* of Lynwood requesting an exemption from filing proof of financial security as required by Tenn. Comp. R. & Regs. 1220-4-13-.07(2), and further directed the Company to confer with TRA Staff to develop a proposed alternative financial security to submit to the Authority for approval in accordance with Tenn. Comp. R. & Regs. 1220-4-13.07(5).

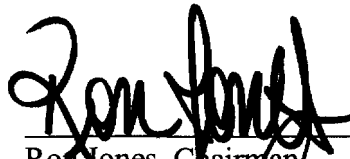
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<sup>1</sup> The Authority promulgated public necessity rules for wastewater, effective December 29, 2005 through June 12, 2006. The permanent TRA Rules 1220-4-13 became effective on June 12, 2006.

**IT IS THEREFORE ORDERED THAT:**

1. The *Petition* of Lynwood Utility Corporation for exemption from the filing proof of financial security as required by Rule 1220-4-13-.07(2) or, in the alternative, to approve another type of security or security amount, is *denied*.

2. Lynwood Corporation is directed to work with Authority staff to develop a proposed alternative financial security pursuant to Authority Rule 1220-4-13.07(5) to submit to the Authority for review and approval.

  
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Ron Jones, Chairman

  
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Pat Miller, Director

  
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Sara Kyle, Director