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Via Hand Delivery

Eddie Roberson, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Attention: Sharla Dillon

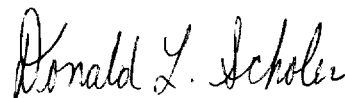
Re: Petition of Lynwood Utility Corporation for Exemption from Filing Proof of
Financial Security as Required by Rule 1220-4-13-.07(2) or, in the Alternative, to
Approve Another Type of Security or Security Amount
Docket No. 06-00139

Dear Chairman Roberson:

I spoke with Paul Green earlier today. Mr. Green informed me that the TRA's file in the above-styled matter did not have the Amendment to Contract for the Collection of Sewer Service Charges between Lynwood Utility Corporation and H. B. & T. S. Utility District, which was enclosed with a transmittal letter dated February 14, 2007, to Sara Kyle, Chairman, in this docket.

I have enclosed sixteen copies of the Amendment to Contract for the Collection of Sewer Service Charges between Lynwood Utility Corporation and H. B. & T. S. Utility District which was filed on February 14, 2007, in this docket. Please note that the Amendment has a date stamp on it which indicates it was filed with the TRA on February 14, 2007. Please return a stamped copy to me. I appreciate your assistance in this matter.

Sincerely yours,



DONALD L. SCHOLES

Enclosures

c: Tyler Ring

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2007 FEB 14 PM 3:30
TOLSON, J. J.

**AMENDMENT TO CONTRACT FOR THE
COLLECTION OF SEWER SERVICE CHARGES**

This Amendment to Contract for the Collection of Sewer Service Charges is made by and between Lynwood Utility Corporation, hereinafter Lynwood, and H. B. & T. S Utility District, hereinafter the District.

WITNESSETH:

Whereas, Lynwood and the District entered into a Contract for the Collection of Sewer Service Charges dated July 17, 2001, in which the District agreed to bill and collect Lynwood's sewer service charges from the District's customers who receive sewer service from Lynwood;

Whereas, under Rule 1220-4-13-.07, the Tennessee Regulatory Authority (TRA) has required that Lynwood submit proof of financial security or an appropriate alternative to insure that funds are available for the operation of its sewer system in the event the TRA were to suspend or revoke Lynwood's certificate of public convenience and necessity should Lynwood demonstrate an unwillingness, incapacity or refusal to effectively operate or manage its sewer system;

Whereas, Lynwood has proposed an alternative to the submission of proof of financial security as required by Rule 1220-4-13-.07 which alternative includes Lynwood amending its billing and collection agreements with H. B. & T. S. Utility District and the City of Franklin, Tennessee, to provide that these water utilities will agree to send all funds collected from their customers for Lynwood sewer service to the Authority, a court appointed receiver or other entity or person to whom the Authority may direct to continue the operation of Lynwood's sewer system in the event the Authority takes action under Rule 1220-4-13-.09 to suspend or revoke Lynwood certificate of public convenience and necessity; and

Whereas, the TRA has agreed to Lynwood's proposed alternative to the submission of financial security in Docket No. 06-00071.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth, the parties do hereby agree as follows:

1. The parties agree to amend the Contract for the Collection of Sewer Service

Charges dated July 17, 2001, by adding a new section 20 to read as follows:

20. In the event the District receives an order and notice from the Tennessee Regulatory Authority that the Authority has suspended or revoked Lynwood's certificate of public convenience and necessity to operate a sewer utility pursuant to Authority Rule 1220-4-13-.09, the District shall pay all sewer service charges collected for Lynwood after the receipt of the order and notice to the Authority, a court appointed receiver or other entity or person to whom the Authority directs which entity or person shall be responsible for continuing the operation of Lynwood's sewer system.

2. The parties agree to amend the Contract for the Collection of Sewer Service

Charges dated July 17, 2001, by adding a new section 21 to read as follows:

21. Lynwood shall indemnify and hold harmless the District from and against any and all claims related to the District's obligation to pay sewer service charges to the Authority, a court appointed receiver or other entity or person to whom the Authority directs which entity or person shall be responsible for continuing the operation of Lynwood's sewer system pursuant to section 20 of this Contract.

3. All other terms and conditions in the parties' Contract for the Collection of Sewer

Service Charges dated July 17, 2001, shall remain in full force and effect.

JP

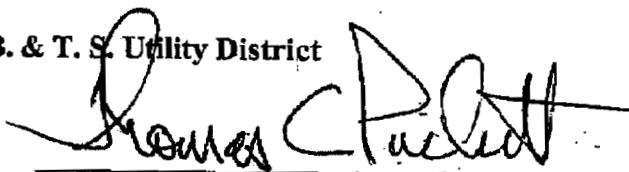
Lynwood Utility Corporation

By: 

Tyler Ring, President

H. B. & T. S. Utility District

By:



Thomas C. Puckett, General Manager

01/24/2007

Cynthia Ford
Office Manager