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2007 NOV 15 PM 12 22

November 15, 2007

TN REGULATORY AUTHORITY
DOCKET ROOM

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*ALSO ADMITTED IN GA

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

Via Hand Delivery

Attention: Sharla Dillon

Re: Petition of Lynwood Utility Corporation to Approve Alternative Form of Financial
Security under Rule 1220-4-13-.07
Docket No. 07-00167

Dear Chairman Roberson:

In the above-captioned Petition, Lynwood Utility Corporation (Lynwood) requested that the Authority approve as an alternative form of financial security under Rule 1220-4-13-.07 the same alternative form of financial security approved in Docket No. 06-00139. In Docket No. 06-00139, the Authority approved the following as an alternative form of financial security for Lynwood:

(1) the submission of personal irrevocable letter of credit by the owners of Lynwood in the amount of \$20,000; and

2) the amendment of Lynwood's existing billing and collection agreements with the City of Franklin, Tennessee and with H. B. & T. S. Utility District to provide that in the event the Authority takes action under 1220-4-13-.09 to suspend or revoke Lynwood's certificate of public convenience and necessity or to cause a forfeiture of Lynwood's funds, Franklin and H. B. & T. S. Utility District 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.

Lynwood amended its billing and collection agreements with the City of Franklin, Tennessee and with H. B. & T. S. Utility District as required in Docket No. 06-00139 which amendments were filed in Docket No. 06-00139.

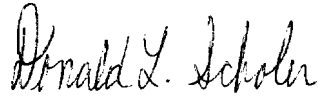
Eddie Roberson, Chairman
November 15, 2007
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Counsel for Lynwood received a call from Gary Hotvedt, an attorney with the Authority, requesting that the \$20,000 irrevocable letter of credit submitted by Lynwood for Docket No. 07-00167 be from a financial institution rather than a personal letter of credit from Tyler Ring and John Ring. Lynwood has obtained a \$20,000 letter of credit from Tennessee Commerce Bank which is enclosed as requested by Mr. Hotvedt. This letter of credit is in the form required by Rule 1220-4-13-.08.

Mr. Hotvedt informed counsel for Lynwood that upon the filing of a letter of credit for \$20,000 from a financial institution, this Petition would be placed upon the Authority's Conference Agenda for consideration. I would appreciate you placing this matter for consideration upon the next Conference Agenda.

The letter of credit needs to be approved and endorsed by the Authority. I would appreciate you providing me a copy of the letter of credit after its endorsement.

Sincerely yours,

A handwritten signature in cursive script that reads "Donald L. Scholes".

DONALD L. SCHOLES

c: Gary Hotvedt (via hand delivery)
Tyler Ring
Jim Ford



LETTER OF CREDIT

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

REFERENCE: Tyler L. Ring
John D. Ring

Company ID # as assigned by the TRA: 39
Irrevocable Letter of Credit #: 2007010
Effective Date: November 7, 2007

Sir/Madam:

You have requested of Tennessee Commerce Bank (the "Lender") that we establish an irrevocable letter of credit which will remain available on behalf of Tyler L. Ring and John D. Ring (the "Company") who has applied to the Tennessee Regulatory Authority (the "Authority") for authority to provide public wastewater services in the State of Tennessee. The purpose of this letter of credit is to secure payment of any monetary obligation imposed against the Company, its representatives, successors or assigns, in any contested case proceeding brought under Tenn. Comp. R. & Regs. Chapter 1220-4-13 by or on behalf of the Authority.

We hereby establish and issue, in favor of the Authority, an irrevocable letter of credit in the amount of Twenty Thousand & 00/100 US Dollars (\$20,000.00) lawful money of the United States of America. Upon entry of an Order that finds a monetary obligation pursuant to Chapter 1220-4-13. The Authority may draw upon this letter of credit, at any time and from time to time, by delivering a Letter of Credit Notice, substantially in the form set forth below ("Notice"), which Notice shall specify the amount (the "Draw Amount") to be drawn and the account (the "Bank Account") to which the Draw Amount should be delivered and shall be signed by an official designated and duly authorized by the Authority, to Lender at the address listed below, or to such other address as the Lender shall notify the Authority in writing by certified mail. Promptly after the delivery of each Notice, the Lender hereby covenants and agrees to deliver, by wire transfer of immediately available funds, the Draw Amount to the Bank Account.

This letter of credit shall be deemed automatically renewed without amendment for successive one-year periods and may be canceled by the Lender by giving thirty (30) days advanced written notice by certified mail of such cancellation to the Authority and the Company, it being understood that the Lender shall not be relieved of liability that may have accrued under this letter of credit prior to the date of cancellation.

Failure to renew this letter of credit shall allow the Authority to draw upon it without the necessity of the Authority being required to hold a hearing concerning the Principal's operation or Certificate of Public Convenience and Necessity. In such an event and upon a directive from the Authority, the Lender hereby covenants and agrees to deliver by wire transfer of immediately available funds the maximum sum of this letter of credit to the Bank Account to enable the continued operation of the public wastewater utility.

The Lender hereby represents and warrants that it is qualified and authorized to issue this letter of credit and is a bank designated by the Treasurer of the State of Tennessee as an authorized depository bank for the deposit of state funds.

Except as otherwise expressly stated, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credit (1993 Revision) International Chamber of Commerce Publication No. 500, or any revisions thereto.

Very Truly Yours,
Tennessee Commerce Bank

A handwritten signature in black ink, appearing to read "Michael R. Sapp", is written over a horizontal line.

Michael R. Sapp

President

381 Mallory Station Road, Suite 207
Franklin, Tennessee 37067

APPROVAL AND ENDORSEMENT

This is to certify that I have examined the foregoing letter of credit and found the same to be sufficient and in conformity to law and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this ____ day of _____, 2007.

Name:

Title:

FORM OF
LETTER OF CREDIT NOTICE

Tennessee Commerce Bank
381 Mallory Station Road, Suite 207
Franklin, Tennessee 37067

RE: Irrevocable Letter of Credit No. 2007010

Dear Sir or Madam:

You are hereby notified, and the undersigned hereby certifies, that the undersigned is an official designated and duly authorized by the Tennessee Regulatory Authority to deliver this notice and that a monetary obligation in the amount of Twenty Thousand & 00/100 US Dollars (\$20,000.00) (the "Draw Amount") has been imposed against Tennessee Regulatory Authority, its representatives, successors or assigns, in a contested case proceeding brought under Title 65 of Tennessee code Annotated by or on behalf of the Authority.

Pursuant to the Irrevocable Letter of Credit referenced above, we hereby request that you deliver payment of the Draw Amount to the bank account listed below by wire transfer of immediately available funds:

Name of Bank Account:
Account Number:
ABA Routing Number:
Reference:
Name of Contact:
Telephone Number:
Facsimile Number:

Please confirm receipt of this Notice and the Federal Reserve wire confirmation number of the delivery of the Draw Amount by sending a facsimile to the person at the number listed above.

Sincerely,

TENNESSEE REGULATORY AUTHORITY

Name:
Title: