

BRANSTETTER, STRANCH & JENNINGS, PLLC

ATTORNEYS AT LAW
227 SECOND AVENUE NORTH
FOURTH FLOOR

NASHVILLE, TENNESSEE 37201-1631

TELEPHONE
(615) 254-8801

FACSIMILE
(615) 250-3937

CECIL D. BRANSTETTER, SR.
C. DEWEY BRANSTETTER, JR.
RANDALL C. FERGUSON
R. JAN JENNINGS*
JOE P. LENISKI, JR.
DONALD L. SCHOLES
JAMES G. STRANCH, III
J. GERARD STRANCH, IV
JANE B. STRANCH

B. DENARD MICKENS
J. D. STUART
MICHAEL J. WALL

*ALSO ADMITTED IN GA

April 17, 2008

2008 APR 17 PM 3 48

TN REGULATORY AUTHORITY
DOCKET ROOM

Via Hand Delivery

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

Attention: Sharla Dillon

08-00060

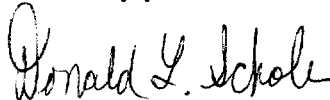
Re: Petition of Lynwood Utility Corporation for Approval of Cost Recovery
Mechanism for Deferred Odor Elimination Costs

Dear Chairman Roberson:

I have enclosed for filing an original and thirteen copies of the Petition of Lynwood Utility Corporation for approval of a cost recovery mechanism for deferred odor elimination costs along with the filing fee of \$25.00. I have enclosed an extra copy of the Petition which I would appreciate your returning to me stamped filed.

Thank you for your assistance in this matter.

Sincerely yours,



DONALD L. SCHOLES

Enclosures

c: Tyler Ring
Jim Ford

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

2008 APR 17 PM 3 48

**In re: PETITION OF LYNWOOD UTILITY)
CORPORATION FOR APPROVAL OF)
COST RECOVERY MECHANISM FOR)
DEFERRED ODOR ELIMINATION COSTS)**

THE REGULATORY AUTHORITY
DOCKET ROOM

Docket No.

08-00060

PETITION

Comes now Lynwood Utility Corporation and files this Petition for approval of a cost recovery mechanism for deferred odor elimination costs. In support of its Petition, Lynwood states as follows:

1. Lynwood Utility Corporation (Lynwood) 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 provides sewer service to approximately 800 customers within its certificated service area.

2. At the Authority Conference on September 10, 2007, the Authority approved the Settlement Agreement between Lynwood and the Consumer Advocate and Protection Division of the Office of the Attorney General in Lynwood's most recent rate case, Docket No. 07-00007.

3. At this same Authority Conference, Director Roberson made a motion that should Lynwood desire to defer its odor elimination costs and have those costs recovered in the future, it should file a Petition to do so. Lynwood suggested that it be allowed to implement its immediate odor control measures as set forth in the Odor Control Measure Report dated August of 2007 before filing such a Petition. The Company has implemented all of the immediate measures to reduce odor at the sewer treatment plant set forth in the Odor Control Measure Report. The Company received no complaints about odor from October 1, 2007 through March 9, 2008. On

March 10, 2008, Lynwood received a copy of a complaint filed by Kacie Fitzpatrick-Dunavan with the Authority which included a petition signed by 40 Lynwood customers expressing concern about the smells coming from its sewer treatment plant.

5. Lynwood has already begun implementing its short term actions set forth in the Odor Control Measures Report to address odor at the plant. Lynwood may need to implement the long term actions set forth in the Odor Control Measures Report to reduce the odor at its treatment plant as much as it operationally can. Lynwood believes that it will not be able to completely eliminate all odor at the sewer treatment plant in that a certain amount of odor will occur in the normal operation of a sewer treatment plant with even the best odor control measures in place.

6. In addition to the short term actions set forth in the Odor Control Measures Report to address odor at the plant, Lynwood has continued to evaluate other measures to address the odor produced by the operation of its collection system and sewer treatment plant. Additional short term measures which Lynwood is considering include:

(a) Power Generator. The installation and operation of a power generator would reduce the time required to respond to emergencies at the plant by approximately 70% which would reduce the odor which results from existing emergency procedures at the plant when the power is out. Lynwood estimates a costs of \$100,000 for a power generator.

(b) Trailer Generator with Back Up Pump Station. The purchase of a trailer generator with a back up pump station would reduce odor issues at pump stations throughout Lynwood's collection system and would provide a back up for mechanical emergencies at the plant and at the various pump stations. Because emergency alternatives always focus on an ability to treat the sewage over the ability to have odor control, the reduction in emergencies from having the

trailer generator with a back up pump station should reduce emergencies and the odor associated with such emergencies. Lynwood estimates a costs of \$40,000 for a trailer generator with a back up pump station.

(c) Concrete Slab for Sludge Boxes. Lynwood is using three sludge boxes to accommodate the needs of the Waste Management Landfill at Cedar Ridge to accept its sludge. The expansion of an existing concrete slab to hold these three sludge boxes would cut down on odor due to the quicker supernate return time to the influent pump station. Lynwood estimates a cost of \$21,000 for the installation of the new concrete slab.

(d) New Sludge Boxes. Lynwood has determined that it may be able to purchase two to four new sludge boxes which are completely enclosed with solid tops to help hold in odor. These enclosed sludge boxes would eliminate the expensive bags that Lynwood is now forced to purchase in order to accommodate the requirements of the Waste Management Landfill at Cedar Ridge for disposal. Lynwood estimates a cost of \$20,000 to \$40,000 for each new sludge box.

(e) Increased Digester. Lynwood needs to increase the size of its digester in order to become more efficient with the sludge handling operation which should reduce odor. Lynwood estimates a cost of \$15,000 to \$30,000 for an increased digester.

7. Lynwood has accrued deferred odor elimination costs in the amount of \$31,012.27 as of January 31, 2008 in Account No. 186.7.

8. Lynwood requests that it be permitted to recover the deferred odor elimination costs of \$31,012.27 as of January 31, 2008 over a six month period as set forth in Exhibit 1 to the Petition. Lynwood proposes a surcharge to its approved monthly service rate of \$0.7513 per 1,000 gallons to recover the deferred odor elimination costs.

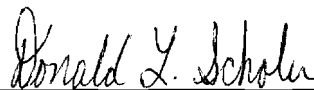
9. Lynwood requests that the Authority approve the continued recovery of the substantial investment which Lynwood will incur to adequately address odor issues in its collection and treatment system through this cost recovery mechanism. Lynwood requests that it be permitted to continue to recover future odor elimination costs with a similar surcharge based upon Lynwood's deferred odor elimination costs every six months. Lynwood will submit its deferred odor elimination costs every six months with the necessary surcharge to recover these costs over a six month period. To the extent the approved surcharge over recovers or under recovers the deferred odor elimination costs during each six month period, the over recovery or under recovery will be rolled into the next six months deferred costs to be recovered.

WHEREFORE, PREMISES CONSIDERED, PETITIONER PRAYS THAT THE AUTHORITY:

1. Approve the cost recovery mechanism of its deferred odor elimination costs as set forth in this Petition.
2. Establish this cost recovery mechanism for the continuing investment which Lynwood incurs to adequately address odor issues in its collection and treatment system.
3. Have such other relief to which it may be entitled.

Dated April 17, 2008

Respectfully submitted,



DONALD L. SCHOLES BFR# 010102
Branstetter, Stranch & Jennings, PLLC
227 Second Avenue, North, Fourth Floor
Nashville, TN 37201-1631
(615) 254-8801

Attorney for Lynwood Utility Corporation

**LYNWOOD UTILITY CORPORATION
ODOR CONTROL SURCHARGE CALCULATION**

<u>Year</u>	<u>Gallons "000"</u>	
2005	78,710	
2006	79,740	
2007	<u>89,188</u>	
	247,638	
	<u>÷ 36</u>	
	6,879	Average use per month
	<u>x 6</u>	Month recovery period
	41,274	

Deferred Odor Cost	\$31,012.27
@1/31/08	÷ <u>41,274.00</u>
Surcharge per "000" usage	\$.7513