

# TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

March 19, 2009

Donald L. Scholes  
Branstetter, Stranch & Jennings, PLLC  
Attorneys at Law  
227 Second Avenue North  
Fourth Floor  
Nashville, Tennessee 37201-1631

RE: Docket No. 09-00034 – PETITION OF LYNNWOOD UTILITY CORPORATION TO  
CHANGE AND INCREASE RATES AND CHARGES

Dear Mr. Scholes:

To further the Staff's investigation of the reasonableness of the rates filed with this Authority on March 5, 2009 by Lynnwood Utility Corporation, you will need to furnish additional information as requested on the attached Staff Data Request. If you have questions regarding any item number in the attached request, please contact Patsy Fulton (extension 193) or Paul Greene (extension 156) for clarification before responding.

It is requested that this information be provided no later than Tuesday, March 31, 2009, and that you reference Docket 09-00034 on the response. In accordance with TRA rules submit either (1) thirteen written copies of your response or (2) four written copies and an electronic version. Please provide the electronic files for the Docket Room in pdf format. The Word and Excel files requested in the attached questions should be provided via a separate CD and should be clearly marked as Excel and Word files.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Darlene Standley".

Darlene Standley  
Chief  
Utilities Division

Enclosure

C: Tyler Ring  
Jim Ford

1. Please provide all information previously filed in this docket, including the Petition and all testimony in Word format and all exhibits in Excel files, complete with working formulas, via CD.
2. Provide Exhibit A to the 07-00007 Settlement Agreement in Excel files, complete with working formulas, via CD.
3. Update the Excel file, provided as Exhibit A to the settlement, to show the information as originally presented for 2006, and add columns to show the following: actual test year 2008 amounts as well as forecasted 2009 amounts.
4. Provide the number of customers per month for January 2007 thru March 2009 in Excel format, via CD.
5. On an Excel spreadsheet, complete with working formulas, provide the number of customers by month, the tariff rate and the resulting revenue (customers x tariff rate). Each month should be shown separately from January 2007 thru March 2009.
6. Provide an explanation of inspection fee revenue and how the \$1,000 amount contained in the petition is calculated. If there is a rate associated with this service, please provide a tariff reference.
7. On an Excel spreadsheet, complete with working formulas, provide a calculation of late fees by month from January 2007 thru March 2009.
8. On an Excel spreadsheet, complete with working formulas, provide the number of tap fees by month times the tariff rate. Each month should be shown separately from January 2007 thru February 2009.

NOTE: THE TRA HAS SET PRECEDENT FOR TAP FEES TO BE BOOKED AS REVENUE WHETHER YOU AGREE WITH THIS METHODOLOGY OR NOT, PLEASE SHOW THE TAP FEES AS REVENUE, AS REQUESTED ABOVE.

9. Provide the number of actual/projected additional customers, number of inspection fees, number of late charges and number of tap fees expected during each month in 2009 in Excel format via CD.
10. Provide a copy each 2008 invoice for the following items: purchased wastewater, sludge removal, purchased power, materials & supplies, engineering inspections, testing and repairs and maintenance.
11. Explain the expense category "operations management", including an explanation of amounts included in this category.

12. Provide the basis and underlying rationale to support the growth factor applied to 2008 test year amounts for purchased wastewater, sludge removal, purchased power, insurance and chemicals.

NOTE: ALL RATE BASE ITEMS MUST BE SHOWN ON YOUR EXHIBITS USING A 13 MONTH END-OF-MONTH AVERAGE, I.E. EACH 2008 RATE BASE ITEM SHOULD BE AN AVERAGE OF THE END OF EACH OF THE 13 MONTH'S ACTUAL AMOUNTS FROM DECEMBER 31, 2007 THRU DECEMBER 31, 2008.

13. Beginning with your actual Utility Plant in Service balance at December 31, 2006, provide the actual monthly additions to Utility Plant in Service thru February 28, 2009. Explain the purpose of each addition.
14. Beginning with the Utility Plant in Service balance at February 28, 2009, provide the projected Utility Plant in Service additions by month thru December 31, 2009.
15. Provide the depreciation rate for each category of plant and the actual amount of plant in each category from January 1, 2007 thru February 28, 2009. Additionally provide projected amounts by month from March 2009 thru December 2009.
16. Please itemize the \$2,000 in "other related fees" contained in regulatory expense.