

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:)
)
LYNWOOD UTILITY CORPORATION'S) **DOCKET NO. 09-00034**
PETITION FOR ADJUSTMENT OF)
RATES)

**FIRST DISCOVERY REQUEST OF THE CONSUMER ADVOCATE AND
PROTECTION DIVISION TO LYNWOOD UTILITY CORPORATION**

To: Lynwood Utility Corporation
c/o Donald L. Scholes
Branstetter, Stranch & Jennings, PLLC
227 Second Avenue North, Fourth Floor
Nashville, TN 37201-1631

This Discovery Request is hereby served upon Lynwood Utility Corporation, ("Lynwood," or "Company"), pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. We request that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate and Protection Division, 425 Fifth Avenue North, Nashville, Tennessee 37243, c/o T. Jay Warner, on or before May 26, 2009.

PRELIMINARY MATTERS AND DEFINITIONS

Each discovery request calls for all knowledge, information and material available to Company, as a party, whether it be the Lynwood's, in particular, or knowledge, information or material possessed or available to Lynwood's attorney or other representative.

These discovery requests are to be considered continuing in nature, and are to be supplemented from time to time as information is received by Lynwood which would make a

prior response inaccurate, incomplete, or incorrect. In addition, the Attorney General requests that Lynwood supplement responses hereto with respect to any question directly addressed to the identity and location of persons having knowledge of discoverable matters, and the identity of each person expected to be called as an expert at hearing, the subject matter on which the expert is expected to testify, and the substance of the expert's testimony.

These discovery requests are to be interpreted broadly to fulfill the benefit of full discovery. The singular of any discovery request includes the plural and the plural includes the singular. To assist you in providing full and complete discovery, the Attorney General provides the following definitional guidelines.

The terms "and" and "or" shall be construed conjunctively or disjunctively as necessary to include any information that might otherwise be construed outside the scope of these requests.

The term "communication" means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

For purposes of these discovery requests, the term "you" shall mean and include: Lynwood Utility Corporation and all employees, agents and representatives thereof.

The term "person" or "persons" as used herein refers to any natural person, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever. Where a company or organization is the party being served, all responses must include the company's response. Moreover, the company's designated person for responding must assure that the company provides complete answers. *A complete answer must provide a response which includes all matters known or reasonably available to the company.*

The term "identity" and "identify" as used herein, with respect to any person, means to

provide their name, date of birth, current residence address, current residence telephone number, current business address, current business telephone number, and the occupation or job title of that person; with respect to an entity, those terms mean to provide the name by which said entity is commonly known, the current address of its principal place of business, and the nature of business currently conducted by that entity; with respect to any document, those terms mean to provide the date of the document, the nature of the document, the title of the document, the reference number (if any) of the document, and the current location of the document, including the identity of the person or entity in possession of the document.

The term "document" as used herein, means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, workpaper, spreadsheet, e-mail, note, photograph, tape recording, computer disk or record, or other data compilation in any form without limitation. Produce the original and each copy, regardless of origin or location, of any book, pamphlet, periodical, letter, note, report, memorandum (including memoranda, note or report of a meeting or conversation), spreadsheet, photograph, videotape, audio tape, computer disk, e-mail, or any other written, typed, reported, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody or control or which was, but is no longer, in your possession, custody, or control. If any such document was, but no longer is, in your possession or control, state what disposition was made of it and when. If a document exists in different versions, including any dissimilar copies (such as a duplicate with handwritten notes on one copy), each version shall be treated as a different document and each must be identified and produced.

If you produce documents in response to these discovery requests, produce the original of each document or, in the alternative, produce a copy of each document and identify the location

of the original document. If the “original” document is itself a copy, that copy should be produced as the original.

If any objections are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege asserted.

If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

If any of the interrogatories are not answered on the basis of privilege or immunity, include in your response to each such interrogatory a written statement evidencing:

- (a) the nature of the communication;
- (b) the date of the communication;
- (c) the identity of the persons present at such communication; and
- (d) a brief description of the communication sufficient to allow the Authority to rule on a motion to compel.

If, for any reason, you are unable to answer a discovery request fully, submit as much information as is available and explain why your answer is incomplete. If precise information cannot be supplied, submit 1) your best estimate, so identified, and your basis for the estimate and 2) such information available to you as comes closest to providing the information requested. If you have reason to believe that other sources of more complete and accurate information exist, identify those sources.

If any information requested is not furnished as requested, state where and how the information may be obtained or extracted, the person or persons having knowledge of the procedure and the person instructing that the information be excluded.

FIRST DISCOVERY REQUESTS

1. Please provide electronic copies (preferably in Microsoft Excel format) of any and all exhibits filed with, or in relation to, Lynwood's Petition To Change and Increase Rates and Charges, as well as the testimony of Tyler Ring and James B. Ford.

RESPONSE:

2. Identify any and all expert witnesses the Company intends to call in support of the petition in this docket, and for each expert witness:

- (a) Identify the field in which the witness is to be offered as an expert;
- (b) Provide complete background information, including the witness's current employer, as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify;
- (c) Identify all publications written or presentations presented in whole or in part by the witness, including either a copy of all such publications and presentations or a reference to where such publications and presentations may be publicly obtained;
- (d) Provide the grounds (including without limitation any factual bases) for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion;
- (e) Identify any matter in which the expert has testified (through deposition or otherwise) by specifying the name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;
- (f) Identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for

the testimony and opinions;

- (g) Identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert; and
- (h) Please produce copies of all documents, summaries, charts, trade articles, journals, treatises, publications, workpapers, and file notes produced by any proposed expert witness in evaluating, reaching conclusions or formulating an opinion in this matter.

RESPONSE:

3. Identify any and all non-expert witnesses the Company intends to call in support of the petition in this docket and any position(s) their testimony is intended to support.

RESPONSE:

4. Referencing the Company's responses to TRA Data Requests No. 4, 6 and 8, please provide an explanation and any supporting documentation supporting the explanation for the Company's failure to charge tariff inspection fees and tap fees for all new customers.

RESPONSE:

5. Please provide the names of Lynwood's two non-residential customers (See ¶ 1 of Lynwood's Petition), and the amount of revenue that each non-residential customer provided to Lynwood on a month-by-month basis over the past ten years.

RESPONSE:

6. Please produce copies of all documents -- including, without limitation, workpapers, spreadsheets, summaries, charts, notes, exhibits, articles, journals, treatises, periodicals, publications, reports, records, statements, Internet web pages, or financial information -- that Lynwood contends support the factual assertions, conclusions, or opinions of any Lynwood witness in this matter, as well as copies of all hearing exhibits that you will introduce, use, or reference during the hearing for this matter.

RESPONSE:

7. Please provide the "information from Waste Management, Inc." (referenced on page 4 of the testimony of James B. Ford), any and all 2008 invoices, documents, calculations, workpapers, correspondence or memorandum used as a basis for adjusting the estimated sludge removal expense for 2009, upward in the amount of \$3,147, as well as your calculations using that information to arrive at an increase in the amount of \$3,147; in addition, please provide an activity specific, itemized, month-by-month summary of the amount and cost of sludge removal expense used in Lynwood's various operations over the last ten years, as well as any associated invoices.

RESPONSE:

8. Please provide a detailed explanation of the basis for Lynwood's projected ten (10%) percent increase in chemical costs for 2009 (referenced on page 4 of the testimony of James B. Ford), and copies of any all documents, calculations, workpapers, correspondence or

memorandum that support this projected increase; in addition, please provide an activity specific, itemized, month-by-month summary of the amount and cost of each chemical purchased and used in Lynwood's various operations over the last ten years, as well as any associated invoices.

RESPONSE:

9. Please provide a detailed explanation, supporting documentation and basis for Lynwood's operations management expense of \$28,800.

RESPONSE:

10. Please provide a detailed explanation of the basis for Lynwood's increase of \$597 in projected materials and supplies expense for 2009 (referenced on page 4 of the testimony of James B. Ford), and copies of any all documents, calculations, workpapers, correspondence or memorandum that support this projected increase; in addition, please provide an activity specific, itemized, month-by-month summary of the cost of supplies used in Lynwood's various operations over the last ten years, as well as any associated invoices.

RESPONSE:

11. Please provide a detailed explanation of the basis for Lynwood's increase of \$2,593 in projected materials and maintenance expense for 2009 due to inflation (referenced on page 4 of the testimony of James B. Ford), and copies of any all documents, calculations, workpapers, correspondence or memorandum that support this projected increase and inflation rate; in

addition, please provide an activity specific, itemized, month-by-month summary of the repairs and maintenance expense in each of Lynwood's operations over the last ten years; including the company performing these repairs and/or maintenance and any associated invoices for those repairs and/or maintenance.

RESPONSE:

12. Please provide a worksheet listing all 2008 maintenance and repair expenses and all supporting invoices, documentation and work orders for each maintenance and repair expense incurred. Specify what maintenance and repair work was conducted and whether Company employees or contractual services were employed in the maintenance and repair work.

RESPONSE:

13. Please provide a detailed explanation of the basis for Lynwood's increase of \$1,590 in projected general and administrative expense for 2009, specifically the increase of \$485 (or 3%) for accounting and bookkeeping, the increase of \$1,058 (or 6%) in insurance rates, and the \$47 (or 3%) increase in miscellaneous expenses (referenced on page 5 of the testimony of James B. Ford), as well as copies of any all documents, calculations, workpapers, correspondence or memorandum that support this projected increase and inflation rate; in addition, please provide an activity specific, itemized, month-by-month summary of the general and administrative expense in each of Lynwood's operations over the last ten years; including the company or individual(s) performing these services or selling these products and any associated invoices for those services or products.

RESPONSE:

14. Please provide a detailed explanation of the basis for the projected \$36,000 in regulatory expenses to be amortized over three years beginning in 2009 (referenced on page 5 of the testimony of James B. Ford), including the specific items that will result in this increase, the necessity of those services, the personnel and company or companies to whom these fees will be paid, and the specific services that will be rendered for these fees; in addition, please provide an activity specific, itemized, month-by-month summary of the regulatory expenses incurred by Lynwood over the last three years; including the company or individual(s) performing these services or selling these products and any associated invoices for those services or products.

RESPONSE:

15. Please provide a detailed, activity specific, itemized month-by-month summary of the working capital (referenced on page 6 of the testimony of James B. Ford) of Lynwood over the last three years, as well as copies of any and all supporting documents for those figures; including but not limited to any and all bank documents and cancelled checks, remittance advices, etc., evidencing the dates and amounts of the receipt of revenues and the payment of expenses.

RESPONSE:

16. Please provide a detailed explanation of why Lynwood chooses to pay its expenses (bills) within the first 15 days of each month, and why Lynwood's policies make delay revenue collection until twenty days into the following month (referenced on page 6 of the testimony of James B. Ford).

RESPONSE:

17. Please provide a itemized, month-by-month listing of any and all salaries, distributions, bonuses, or any other form of compensation paid by Lynwood to its employees, private contractors, experts, outside consultants, attorneys, management, officers, owners, affiliate organizations, parent companies, or any other persons and/or entities to whom payments have been made over the last three years.

RESPONSE:

18. Please provide an itemized, activity specific listing of any and all items, expenses, costs and plant additions included in Lynwood's calculated Rate Base of \$1,028,953 (referenced on page 6 of the testimony of James B. Ford).

RESPONSE:

19. Please provide a comparison of comprehensive itemized monthly expenses and revenues for each of the past three years; as well as, an itemized, activity specific month-by-month summary of the Rate Base calculated and used by Lynwood over the last three years.

RESPONSE:

20. Please provide a detailed explanation of any and all of Lynwood's expenses related to odor control that are projected to increase in the 2009 model year, or that may be included in the Petition or associated Exhibits submitted by Lynwood in this matter.

RESPONSE:

21. Please provide copies of all external correspondence since January of 2006, including correspondence with James B. Ford, Tyler Ring, John Ring and/or Southern Utility Corporation which deals in any way with the Company's projected cost/expense increases, the proposed rate increase, this petition, retirement unit costs, depreciation rates, and/or any depreciation studies.

RESPONSE:

22. Provide the number of meters by meter type, by customer class, by location and the volume usage by usage rate schedule, by customer class, by location for the years ended December 31, 2006-2008.

RESPONSE:

23. Admit or Deny:

Tyler Ring is a full time employee of Tennessee Contractors, Inc.

RESPONSE:

24. Provide a description of Tyler Ring's daily duties and assignments in his employment with Tennessee Contractors, Inc.

RESPONSE:

25. Provide a copy of all wireline and/or wireless telephone bills, including listings of incoming and outgoing calls if provided by the telecommunications service provider, supporting the expenses paid by the Company referenced in the Company response to TRA Data Request #10.

RESPONSE:

26. Provide the basis for allocating costs associated with “contractual services” or other services or benefits provided by Tennessee Contractors, Inc. and/or Southern Utility Corporation to Lynwood.

RESPONSE:

27. Provide the total cost subject to allocation from Tennessee Contractors, Inc. and/or Southern Utility Corporation to Lynwood and support in detail the amounts allocated to Lynwood by account by month for the last three years.

RESPONSE:

28. Provide the depreciation rates by plant account used to calculate depreciation expense, as well as any depreciation studies underlying the current depreciation rates.

RESPONSE:

29. Please identify, describe fully, and provide full documentation of any capital or maintenance plans or programs that the Company has undertaken or is considering undertaking that will extend or shorten the service life of any of its depreciable plant.

RESPONSE:

30. Please provide the following annual amounts for all plant accounts for the last 10 years (up to, and including, 2008). If the requested data is not available for the last 10 years, please provide the data for as many years as are available. Please provide data in both hard copy and electronic format (Excel or .txt).

- a. Beginning and ending reserve balances,
- b. Annual depreciation expense,
- c. Annual retirements,
- d. Annual cost of removal and gross salvage,
- e. Annual third party reimbursements.

RESPONSE:

31. Please provide copies of all industry statistics available to James B. Ford and/or Lynwood relating to depreciation rates and the inputs thereto, as well as all industry statistics upon which Mr. Ford or the Company relied in formulating the figures included and/or attached to the Petition for this rate change.

RESPONSE:

32. Provide the “billing determinates” (billing determinates include all information needed to compute, but not confined to customer meters, customer volumes by rate class by location) by customer class, by location for all normalization adjustments, corrections, and allowances for the last three years; include in your response the business reasons for each normalization adjustment, correction, and allowance.

RESPONSE:

33. Disclose all regulatory or judicial obligations the Company is currently under other than those imposed by the Tennessee Regulatory Authority. Include in your response sufficient information to identify any pending or on-going matters before a regulatory or judicial entity other than the Tennessee Regulatory Authority.

RESPONSE:

34. Produce copies of the respective billing agreements between Lynwood, the City of Franklin and HB&T Utility District or any other billing agent acting on behalf of Lynwood.

RESPONSE:

35. Produce the respective amounts by month for the last three years that the City of Franklin and HB&T Utility District retained as payment under the billing agreements with Lynwood.

RESPONSE:

36. Provide copies of the Company's accounting books and ledgers for the past three years, including 2008.

RESPONSE:

37. Provide all bank statements for Lynwood for 2008 and/or all other documentation supporting the accounting/general ledger entries for 2008.

RESPONSE:

38. Referring to all long term financing made available to Lynwood, provide invoices and/or other documentation demonstrating and supporting how Lynwood has spent the loaned financing and the source of any long term financing.

RESPONSE:

39. Provide copies of the following tax returns (state) for the most recent five (5) tax years:

- a. Tennessee Gross Receipts Tax Returns
- b. Tennessee Franchise and Excise Tax Returns
- c. Property tax invoices
- d. Inspection Fee levied by the Tennessee Regulatory Authority

RESPONSE:

40. Provide the number of gallons billed by month and by rate class for 2006 through 2008.

RESPONSE:

41. Describe and identify any expense, capitalized expense or amortized expense included in the Company's rate request in this docket which were previously submitted by the Company as an odor control cost in Docket 08-00060 but not included in the final settlement agreement resolving Docket 08-00060.

RESPONSE:

RESPECTFULLY SUBMITTED,



RYAN L. MCGEHEE (BPR# 25559)

T. JAY WARNER (BPR #26649)
Associate Attorney General
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
(615) 532-9299

Dated: May 4, 2009.


CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Petition to Intervene was served via U.S. Mail or electronic mail upon:

Tyler Ring
President
Lynwood Utility Corporation
321 Billingsly Court, Suite 4
Franklin, TN 37065

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

This the 4 day of May, 2009:



RYAN L. MCGEHEE