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July 22, 2009

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Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Via E-mail and Hand Delivery

RECEIVED
2009 JUL 22 PM 2:30
T.R.A. DOCKET ROOM

Attention: Sharla Dillon

Re: Petition of Lynwood Utility Corporation to Change and Increase Rates and
Charges
Docket No. 09-00034

Dear Chairman Kyle:

At the status conference in this docket on July 1, 2009, the Authority Staff asked the representatives of Lynwood Utility Corporation some clarifying questions regarding its responses to the Staff's Data Request and the First Discovery Request of the Consumer Advocate and Protection Division. Most of these questions were answered at the status conference, but the Hearing Officer, Gary Hotvet, requested the Company submit its answers to the Staff's clarifying questions in writing. I have set forth in this letter the clarifying questions asked and the Company's responses.

1. Explain the amortization of TDEC-Regulatory Cost and over what period of time this amount is being amortized.

Answer: The amortization of TDEC-Regulatory Cost is the amortization of the \$75,895.00 in attorney fees and litigation expenses incurred by Lynwood Utility Corporation to defend the enforcement action by TDEC against the Company which was settled by a Consent Order and Dismissal in 2004 entered by the Davidson County Chancery Court.

2. Explain and define the Company's tap fee.

Answer: The Company charges a new customer whose residence or building has not been connected to the Company's sewer collection system a tap fee for the privilege of connecting to the Company's system and for the utilization of its plant capacity. The tap fee is

usually paid by the home builder since the home builder is required by Williamson County to provide evidence that a tap fee has been paid in order to obtain a building permit from the County.

3. Explain and define the Company's sewer connection fee and its sewer inspection fee.

Answer: The Company's sewer connection fee is the same thing as its sewer inspection fee which amount is currently \$250. The sewer connection fee is charged at the time the builder or customer connects the sewer service line to the Company's tap on its sewer main. This fee compensates the District for its cost in paying its consulting engineer to come to the customer's premises to inspect the connection of the customer's sewer service line to the Company's tap to make sure the connection is made in accordance with the Company's specifications approved the Tennessee Department of Environment and Conservation.

4. Provide the number of residential and non-residential customers for the months of January through May of 2009.

Answer: See enclosed Lynwood Utility Corporation – 2009 Worksheet – Customers. The Company only has two non-residential customers, and these two non-residential customers have been customers since before January of 2009.

5. Provide the number of tap fees and sewer connection fees paid by month for January through May of 2009.

Answer: Only one tap fee and one sewer connection fee has been paid in 2009 which payment was made in April.

6. Provide the number of vacant lots within the existing subdivisions within the Company's certificated service area.

Answer: See enclosed Lynwood Utility Corporation May 2009 Customer Count Information.

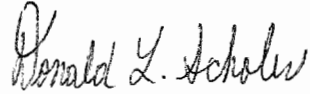
7. Provide the property study referenced in the status conference relating to the Company's collection system and the analysis of the Company's contributions in aid of construction.

Answer: See enclosed Lynwood Utility Corporation Property Detail Analysis and Lynwood Utility Corporation Analysis of Contributions in Aid of Construction.

Sara Kyle, Chairman
July 22, 2009
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Please let me know if the Company has not addressed all of the questions raised by the Staff in the status conference.

Sincerely yours,

A handwritten signature in cursive script, reading "Donald L. Scholes".

DONALD L. SCHOLES

Enclosures

c: Gary Hotvet, Hearing Officer
Ryan McGehee
Tyler Ring
Jim Ford

LYNWOOD UTILITY CORPORATION

MAY, 2009**CUSTOMER COUNT INFORMATION**

<u>Billing Entity</u>	<u>Customers</u>	<u>Total Lots</u>	<u>Open Lots</u>
<u>HB & TS Utility</u>			
Cottonwood	<u>484</u>	<u>484</u>	<u>0</u>
<u>City of Franklin</u>			
River Landing	186	187	1
Farmington	14	28	14
Legends Ridge	135	167	32
	<u>335</u>	<u>382</u>	<u>47</u>
Turn on/off	<u>5</u>	<u>N/A</u>	<u>N/A</u>
<u>Lynwood</u>			
Chapelwood	<u>6</u>	<u>6</u>	<u>N/A</u>
Commercial	<u>2</u>	<u>N/A</u>	<u>N/A</u>
Total	<u><u>832</u></u>	<u><u>872</u></u>	<u><u>47</u></u>

LYNWOOD UTILITY CORPORATION

2009 WORKSHEET

CUSTOMERS

		2005	2006	2007	2008	2009	2010
JAN		740	779	799	818	833	
FEB		740	778	807	822	836	
MAR		740	783	807	827	831	
APR		742	780	808	827	830	
MAY		753	790	807	830	832	
JUN		755	791	808	831		
JUL		759	791	811	829		
AUG		754	796	814	830		
SEP		765	795	814	830		
OCT		767	805	814	831		
NOV		771	794	820	833		
DEC		776	807	823	837		
AVERAGE		755	791	811	829		

LYNWOOD UTILITY CORPORATION PROPERTY DETAIL ANALYSIS

Schedule B-1

A/C # (Life)	303/ (-)	304/ (20)	311/ (10)	331/ (20)	344/ (5)	320/ (20)	341/ (5)	TRA
	LAND	STRUCTURES & IMPROVEMENT	PUMP EQUIPMENT	COLLECTION SYSTEM	LAB EQUIPMENT	TREATMENT & DISPOSAL	TRANSPORT EQUIPMENT	TOTAL
2000 BALANCE	10,000.00	125,105.00	50,966.00	22,000.00	0.00	1,548,515.00	2,885.00	1,759,471.00
ADDITIONS				19,500.00				19,500.00
RETIREMENTS								0.00
2001 BALANCE	10,000.00	125,105.00	50,966.00	41,500.00	0.00	1,548,515.00	2,885.00	1,778,971.00
ADDITIONS			35,353.00	14,250.00		47,868.67		97,471.67
RETIREMENTS								0.00
2002 BALANCE	10,000.00	125,105.00	86,339.00	55,750.00	0.00	1,596,383.67	2,885.00	1,876,462.67
ADDITIONS			88,181.00	16,500.00		645,156.92		749,837.92
RETIREMENTS								0.00
2003 BALANCE	10,000.00	125,105.00	174,520.00	77,250.00	0.00	2,241,540.59	2,885.00	2,631,300.59
ADDITIONS				30,000.00		224,190.00	10,500.00	264,690.00
RETIREMENTS								0.00
2004 BALANCE	10,000.00	125,105.00	174,520.00	102,250.00	0.00	2,465,730.59	13,385.00	2,890,990.59
ADDITIONS			9,720.00	36,000.00		33,647.63		79,367.63
RETIREMENTS								0.00
2005 BALANCE	10,000.00	125,105.00	184,240.00	138,250.00	0.00	2,499,378.22	13,385.00	2,970,358.22
ADDITIONS		6,475.00	2,377.00	13,500.00		26,511.67		48,863.67
RETIREMENTS						-60,717.00		-60,717.00
2006 BALANCE	10,000.00	131,580.00	186,617.00	151,750.00	0.00	2,465,172.89	13,385.00	2,958,504.89
ADDITIONS			5,730.57	16,500.00	12,767.88	48,321.87		83,320.32
RETIREMENTS								
2007 BALANCE	10,000.00	131,580.00	192,347.57	168,250.00	12,767.88	2,513,494.76	13,385.00	3,041,825.21
ADDITIONS		24,000.00	8,453.26	22,839.43	2,540.00	22,683.20		80,515.89
RETIREMENTS								
2008 BALANCE	10,000.00	155,580.00	200,800.83	191,089.43	15,307.88	2,536,177.96	13,385.00	3,122,341.10

LWM/MAINTENANCE/JFLW/REVENUE/WORKSHEET/PROPERTY/DETAIL/ANALYSIS

145595

LYNWOOD UTILITY CORPORATION COLLECTION SYSTEM ADDITIONS

[illegible]

LYNWOOD TAP PROCEDURES

1. Office manager receives inquiry phone call and gives out initial information.
2. Office Manager notifies General Manager of inquiry.
3. Office Manager begins process of adding new customer.
4. Management makes site visit to confirm location.
5. Management notifies E. Robert Alley and Associates (outside Engineer).
6. Asbuilt plans located and revised
7. Capacity study initiated.
8. Site visit with Builder/Owner to determine additional work.
9. Builder/Owner pays tap fee.
10. Water Department notified of new customer.
11. Engineered site inspection completed after connection to mainline.
12. Asbuilt drawing of individual service line completed.
13. Archiving of Asbuilt mapping.
14. Review of plans for completing
15. Communication on material type used and reviewed.

Many inquiries come through the office along with many site visits that ultimately never produce a tap fee or a customer. There are instances where four or five initial visits have been made over a several year period that finally produce a customer. Any offsite work brings additional engineered plans as well as State approval. A monumental amount of time can be put forth on such inquiries that produce very little results.

Plant - Collection system

3900

151,750,4

To record Collection Fund not capitalized for work done by Company related to new TAPS 1998-2006

③ ④

Результаты работы

22,254.00

Accumulated Dep - Collection Point

22,252.0

To record Dependent Expense for 1998-2000 in Collection plant capitalization

SCHEDULE B-3

LWMAINTENANCEJF/LWREVENUEWORKSHEET/DEPRECIATION ANALYSIS

	31-Dec	Gross	Accum	Net
			Amortization	
BALANCE	1977-1997	303,700.00	-303,700.00	0.00
ADDITIONS		36,000.00		36,000.00
AMORTIZATION			-1,800.00	-1,800.00
BALANCE	1998	339,700.00	-305,500.00	34,200.00
ADDITIONS		42,600.00		42,600.00
AMORTIZATION			-3,930.00	-3,930.00
BALANCE	1999	382,300.00	-309,430.00	72,870.00
ADDITIONS		46,750.00		46,750.00
AMORTIZATION			-6,268.00	-6,268.00
BALANCE	2000	429,050.00	-315,698.00	113,352.00
ADDITIONS		196,850.00		196,850.00
AMORTIZATION			-16,111.00	-16,111.00
BALANCE	2001	625,900.00	-331,809.00	294,091.00
ADDITIONS		74,000.00		74,000.00
AMORTIZATION			-19,811.00	-19,811.00
BALANCE	2002	699,900.00	-315,620.00	384,280.00
ADDITIONS		225,000.00		225,000.00
ADDITION-SPECIAL		138,000.00		138,000.00
AMORTIZATION			-58,661.00	-58,661.00
BALANCE	2003	1,062,900.00	-410,281.00	652,619.00
ADDITIONS		109,750.00		109,750.00
AMORTIZATION			-64,149.00	-64,149.00
BALANCE	2004	1,172,650.00	-474,430.00	698,220.00
ADDITION		133,000.00		133,000.00
AMORTIZATION			-70,799.00	-70,799.00
BALANCE	2005	1,305,650.00	-545,229.00	760,421.00
ADDITIONS		49,500.00		49,500.00
AMORTIZATION			-73,274.00	-73,274.00
BALANCE	2006	1,355,150.00	-618,503.00	736,647.00
ADDITIONS		60,500.00		60,500.00
AMORTIZATION			-76,299.00	-76,299.00
BALANCE	2007	1,415,650.00	-694,802.00	720,848.00
ADDITIONS		17,500.00		17,500.00
AMORTIZATION			-50,824.00	-50,824.00
BALANCE	2008	1,433,150.00	-745,626.00	687,524.00
LWMAINTENANCEJF/LWREVENUEWORKSHEETANALYSIS OF CONTRIBUTIONS IN AID				

LYNWOOD UTILITY CORPORATION CONTRIBUTIONS IN AID

[illegible]

[illegible]

LYNWOOD UTILITY TAP AND INSPECTION FEES 2007							TAP	
DATE	BUILDER	ADDRESS	SUBDIVISION	LOT NUMBER			FEE	
1/2/2007	Eckhart & Butera Holdings LLC		Legends Ridge	Lot 903			2,750.00	
1/24/2007	Old South	Lake Valley Drive	Legends Ridge				2,750.00	
3/13/2007	K & R Builders	676 Legends Crest	Legends Ridge	Lot 605			2,750.00	
4/4/2007	Performance Builders	909 Sunset Ridge	Legends Ridge	Lot 103			2,750.00	
5/10/2007	Dalamar Homes		River Landing	Lot 703			2,750.00	
6/5/2007	Adams, Booth, Zimmermand		Legends Ridge	Lot 602			2,750.00	
6/5/2007	David Romagna		Legends Ridge	Lot 604			2,750.00	
6/5/2007	Mark Ervin		Legends Ridge	Lot 104			2,750.00	
8/1/2007	Walsh Custom Homes	509 Legends Ridge Court	Legends Ridge	Lot 921			2,750.00	
8/9/2007	Deer Creek Construction Inc.	413 Legends Park Cr.	Legends Ridge	Lot 915			2,750.00	
8/13/2007	Legend Homes	1016 Sundown Cr	Legends Ridge	Lot 110			2,750.00	
8/13/2007	Legend Homes	1020 Sundown Cr	Legends Ridge	Lot 111			2,750.00	
8/20/2007	Cindy Solomon	2105 Hartland Rd	Farmington	Lot 210			2,750.00	
8/23/2007	David Meriwether	2107 Hartland Rd	Farmington	Lot 2107			2,750.00	
8/28/2007	John & Kathleen Shaw	2127 Hartland Rd	Farmington	Lot 2137			2,750.00	
9/7/2007	Performance Builders	909 Sunset Ridge Dr	Legends Ridge	Lot 103			2,750.00	
9/7/2007	Performance Builders	632 Legends Crest Dr	Legends Ridge	Lot 807			2,750.00	
9/10/2007	Richard & Brenda Wagers	3120 Braintree Rd	Farmington	Lot 3120			2,750.00	
9/20/2007	David Romaga		Legends Ridge	Lot 606			3,500.00	

[illegible]

LYNWOOD UTILITY TAP AND INSPECTION FEES 2006							TAP	
DATE	BUILDER	ADDRESS	SUBDIVISION	LOT NUMBER			FEES	
3/22/2006	Beazer Homes		River Landing	Lot 314			2,750.00	
12/20/2006	Eckhart & Butera Holdings LLC		Legends Ridge	LR Lot 903			2,750.00	
5/28/2006	Charles Collins	2111 Hartland Road	Farmington				2,750.00	
3/10/2006	Deer Creek		Legends Ridge	Lot 916			2,750.00	
11/13/2006	John Chester Const't		Legends Ridge	Lot 706			2,750.00	
10/2/2006	James Parker		Legends Ridge	Lot 704			2,750.00	
2/24/2006	T Scott Evatt	221 Chapelwood	Chapelwood	Lot 203			2,750.00	
6/20/2006	Deer Creek		Legends Ridge	Lot 803			2,750.00	
6/12/2006	Felker Homes		Legends Ridge	Lot 911			2,750.00	
6/10/2006	Nashville Const't	224 Chapelwood	Chapelwood	Lot 205			2,750.00	
6/7/2006	Achten Richter Const't		Legends Ridge	Lot 923			2,750.00	
5/3/2006	Trace Const't		Legends Ridge	Lot 113			2,750.00	
4/4/2006	920 Legends Ridge		Legends Ridge	Lot 920			2,750.00	
3/7/2006	Beazer Homes		River Landing	Lot 1208			2,750.00	
3/7/2006	Beazer Homes		River Landing	Lot 1105			2,750.00	
3/7/2006	Beazer Homes		River Landing	Lot 1102			2,750.00	
3/2/2006	John Chester	Matt & Laura Benjamin	Legends Ridge	Lot 609			2,750.00	
1/26/2006	Beazer Homes		River Landing	Lot 1201			2,750.00	
							49,500.00	

LYNWOOD UTILITY TAP AND INSPECTION FEES 2005				TAP FEE	
	BUILDER	ADDRESS	SUBDIVISION	LOT NUMBER	
10/7/2005	Glenn Adams	209 Cotton Ln	Cottonwood		2750.00
10/31/2005					
10/5/2005	Beazer Homes		River Landing	Lot 1120	2750.00
9/1/2005	Chester Const'		Legends Ridge	Lot 917	2750.00
9/1/2005	Chester Const'		Legends Ridge	Lot 909	2750.00
9/2/2005	Wallace Gillespie		Legends Ridge	Lot 421	2750.00
8/5/2005	Falker		Legends Ridge	Lot 106	2750.00
8/5/2005	Beazer		River Landing	Lot 0728	2750.00
7/11/2005	Morel		Legends Ridge	Lot 607	2750.00
6/30/2005	Beazer Homes		River Landing	Lot 0624	2750.00
6/16/2005	Beazer Homes		River Landing	Lot 1118	2750.00
6/16/2005	Beazer Homes		River Landing	Lot 1115	2750.00
5/31/2005	Beazer Homes		River Landing	Lot 1202	2750.00
5/31/2005	Deer Creek		Legends Ridge	Lot 704	2750.00
5/31/2005	Showcase		Legends Ridge	Lot 414	2750.00
5/31/2005	Deer Creek		Legends Ridge	Lot 804	2750.00
5/11/2005	Beazer		River Landing	Lot 816	2750.00
5/11/2005	Beazer		River Landing	Lot 815	2750.00
5/11/2005	Beazer Homes		River Landing	Lot 705	2750.00
5/11/2005	Beazer Homes		River Landing	Lot 1110	2750.00
4/28/2005	Beazer Homes		River Landing	Lot 1207	2750.00

LYNWOOD UTILITY TAP AND INSPECTION FEES 2005		ADDRESS	SUBDIVISION	LOT NUMBER	TAP FEE	
	BUILDER					
4/28/2005	Beazer Homes				2750.00	
4/28/2005	Beazer Homes				2750.00	
3/23/2005	Way		Legends Ridge	Lot 909	2750.00	
3/23/2005	Kurt Conner & Sons Const'		Legends Ridge	Lot 910	2750.00	
3/23/2005	Kurt Conner & Sons Const'	Darrin Way	Legends Ridge	Lot 907	2750.00	
3/3/2005	Beazer Homes		River Landing	Lot 1103	2750.00	
3/3/2005	Beazer Homes		River Landing	Lot 1119	2750.00	
3/3/2005	Beazer Homes		River Landing	Lot 1217	2750.00	
2/23/2005	Tenn Valley Homes		Legends Ridge	Lot 702	2750.00	
2/23/2005	Tenn Valley Homes		Legends Ridge	Lot 703	2750.00	
2/10/2005	Beazer Homes		River Landing	Lot 1117	2750.00	
2/1/2005	Deer Creek Homes		Legends Ridge	Lot 905	2750.00	
1/31/2005	Beazer Homes		River Landing	Lot 1113	2750.00	
1/17/2005	Beazer Homes		River Landing	Lot 1111	2750.00	
9/22/2005	Deer Creek		Legends Ridge	Lot 918	2750.00	
4/18/2005	ShowCase Homes		Legends Ridge	Lot 413	2750.00	
5/27/2005	Parker Homes		Legends Ridge	Lot 902	2750.00	
5/27/2005	Felker		Legends Ridge	Lot 109	2750.00	
9/23/2005	Marrero		Legends Ridge	Lot 908	2750.00	
1/3/2006						
9/27/2005	Deer Creek		Legends Ridge	Lot 918	2750.00	

LYNNWOOD UTILITY TAP AND INSPECTION FEES 2004							TAP	
	BUILDER	ADDRESS	SUBDIVISION	LOT NUMBER			FEE	
2/4/2004	Lisa Smith		Chapelwood	Lot 202			2750.00	
12/22/2004	Beazer Homes	299 Gillette Dr	River Landing	Lot 1108			2750.00	
12/1/2004	Beazer Homes		River Landing	Lot 1101			2750.00	
12/1/2004	Beazer Homes		River landing	Lot 1106			2750.00	
12/1/2004	Beazer Homes		River Landing	Lot 1112			2750.00	
10/25/2004	Smith		River Landing	Lot 518			2750.00	
10/14/2004	Sims		River Landing	Lot 517			2750.00	
10/14/2004	Kinsey		River Landing	Lot 202			2750.00	
10/7/2004	Beazer Homes		River Landing	Lot 1218			2750.00	
10/7/2004	Beazer Homes		River Landing	Lot 1109			2750.00	
10/6/2004	Deer Creek		River Landing	Lot 509			2750.00	
10/6/2004	Stiler		River Landing	Lot 404			2750.00	
5/20/2004	Buerger		Farmington	Lot 51			2750.00	
8/20/2004	Buerger		Farmington	Lot 52			2750.00	
8/19/2004	Barrett		River Landing	Lot 203			2750.00	
6/22/2004	Phillips Builders		River Landing	Lot 1210			2750.00	
6/22/2004	Phillips Builders		River Landing	Lot 1206			2750.00	
6/22/2004	Phillips Builders		River Landing	Lot 1006			2750.00	
5/4/2004	Phillips Builders		River Landing	Lot 1213			2750.00	
5/4/2004	Phillips Builders		River Landing	Lot 1204			2750.00	

LYNWOOD UTILITY TAP AND INSPECTION FEES 2004									
	BUILDER	ADDRESS	SUBDIVISION	LOT NUMBER			TAP FEE		
4/2/2004	Phillips Builders		River Landing	Lot 1215			2750.00		
4/2/2004	Phillips Builders		River Landing	Lot 1211			2750.00		
4/2/2004	Phillips Builders		River landing	Lot 1209			2750.00		
3/11/2004	Robert Votteler		River Landing	Lot 1214			2750.00		
3/15/2004									
3/11/2004	Phillips Builders		River Landing	Lot 1205			2750.00		
2/25/2004	Dale Royse		River Landing	Lot 517			2750.00		
2/26/2004	Showcase Homes		River Landing	Lot 602			2750.00		
2/26/2004	Showcase Homes		River Landing	Lot 603			2750.00		
5/4/2004	Forrest Const'		River Landing	Lot 511			2750.00		
4/2/2004	Showcase Homes		River Landing	Lot 508			2750.00		
10/6/2004	Sites & Harbeson	Drees	River Landing	Lot 301			2750.00		
10/6/2004	Sites & Harbeson	Drees	River Landing	lot 304			2750.00		
10/6/2004	Sites & Harbeson	Drees	River Landing	Lot 306			2750.00		
10/6/2004	Sites & Harbeson	Drees	River Landing	Lot 314			2750.00		
10/6/2004	Sites & Harbeson	Drees	River Landing	Lot 317			2750.00		
10/6/2004	Sites & Harbeson	Drees	River Landing	Lot 320			2750.00		
	Unknown		River Landing	Lot 318			2750.00		
	Unknown		River Landing	Lot 319			2750.00		
	Unknown		River Landing	Lot 305			2750.00		
	Unknown		River Landing	Lot 302			2750.00		
							110000.00		
							109750.00		

Error Pos