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July 28, 2009

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

filed electronically in docket office on 07/28/09

Attention: Sharla Dillon

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Re: Petition of Lynwood Utility Corporation to Change and Increase Rates and

Charges

Docket No. 09-00034

Dear Chairman Kyle:

I am writing to you in follow up to my letter to you dated July 22, 2009, in which I set forth Lynwood Utility Corporation's written responses to clarifying questions asked by the Authority Staff at the status conference in this docket on July 1, 2009.

The response to the first question in my July 22, 2009 letter failed to state the period of time over which the TDEC-Regulatory Cost is being amortized. I have set forth below the amended response to this first question:

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. The TDEC-Regulatory Cost is being amortized over a five year period.



Sara Kyle, Chairman July 28, 2009 Page 2

I have enclosed five copies of this letter. This letter is being filed electronically by electronic mail this same date. A copy is being served on Ryan McGehee, Counsel for the Consumer Advocate. Please return the extra copy of this letter stamp filed to me.

Thank you for your assistance in this matter.

Sincerely yours,

DONALD L. SCHOLES

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