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February 9, 2011

* ALSO ADMITTED IN GA
** ALSO ADMITTED IN CA
*** ALSO ADMITTED IN KY
**** ONLY ADMITTED IN OH

Mary W. Freeman, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Via Hand Delivery

Attention: Sharla Dillon

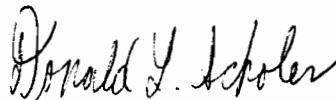
Re: Consumer Advocate's Petition for a Declaratory Order that Berry's Chapel Utility, Inc., is a Public Utility under Tennessee Law and Should Be Regulated by the TRA Docket 11-00005

Dear Chairman Freeman:

Please find enclosed an original and fourteen (14) copies of the Answer of Berry's Chapel Utility, Inc. to the Consumer Advocate's Petition for Declaratory Order in the above referenced matter. I would appreciate your returning to me stamped filed the extra copy of the Answer.

Thank you for your assistance in this matter.

Sincerely yours,



DONALD L. SCHOLLES

Enclosures

c: Tyler Ring
Jim Ford

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

IN RE:

**CONSUMER ADVOCATE'S PETITION
FOR A DECLARATORY ORDER THAT
BERRY'S CHAPEL UTILITY, INC. IS A
PUBLIC UTILITY UNDER TENNESSEE
LAW AND SHOULD BE REGULATED
BY THE TRA**

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DOCKET NO. 11-00005

**ANSWER OF BERRY'S CHAPEL UTILITY, INC. TO PETITION FOR
DECLARATORY ORDER**

Comes now the Respondent, Berry's Chapel Utility, Inc., for its Answer to the Consumer Advocate's Petition in this docket and would state in response to the numbered paragraphs in the Petition as follows:

1. Respondent admits the allegations in paragraph 1 of the Petition.
2. Respondent admits the allegations in paragraph 2 of the Petition.
3. Respondent admits the allegations in paragraph 3 of the Petition.
4. Respondent admits the allegations in paragraph 4 of the Petition and avers that it provides sewer service to the River Landings Subdivision, Legends Ridge Subdivision, Walnut Grove Elementary School and Berry's Chapel Church of Christ as well as the Cottonwood Subdivision.
5. Paragraph 5 of the Petition contains no factual allegations but only presents legal argument which requires no response.

6. Respondent admits the allegations in paragraph 6 of the Petition except Respondent avers that the owner of Lynwood Utility Corporation was Southern Utility Corporation and that John Ring and Tyler Ring were the owners of Southern Utility Corporation.

7. Respondent admits the allegations in paragraph 7 of the Petition.

8. Respondent admits the allegations in paragraph 8 of the Petition.

9. Respondent admits the allegations in the first four sentences of paragraph 9 of the Petition. Respondent denies the allegations in the fifth and sixth sentences of paragraph 9 and avers that the total assets and debt to the bank set forth in *Response to First Discovery Request of the Consumer Advocate and Protection Division to Lynwood Utility Corporation*, Response No. 36, Schedule 36 in the Respondent's last rate case, TRA Docket No. 09-00034, was for ratemaking purposes only.

10. Respondent admits the allegations in paragraph 10 of the Petition.

11. Respondent admits the allegations in the first sentence of paragraph 11 of the Petition. Respondent denies the allegations in the second sentence of paragraph 11 of the Petition and avers that the Respondent is a nonprofit corporation under the Tennessee Nonprofit Corporation Act and that no further proof of its status as a nonprofit corporation is required under Tennessee law.

12. Respondent admits the allegations in paragraph 12 of the Petition.

13. Respondent admits the allegations in paragraph 13 of the Petition and avers that as a nonutility it had no obligation to file any document with the TRA under T.C.A. § 65-4-112(b).

14. Respondent admits the allegations in paragraph 14 of the Petition and avers that as a nonutility it had no obligation to file any document with the TRA under T.C.A. § 65-4-112(b).

15. Respondent admits the allegations in the first sentence of paragraph 15 of the Petition and avers that as a nonutility it had no obligation to file any document with the TRA under T.C.A. § 65-4-112(b). The allegations in the second sentence of paragraph 15 of the Petition require no response since this sentence simply quotes language in the referenced deeds of trust and presents legal argument.

16. Respondent avers that the first sentence of paragraph 16 of the Petition contains no factual allegations but only presents legal argument which requires no response. Respondent denies the allegations in the second sentence of paragraph 16 of the Petition.

17. Respondent avers that paragraph 17 of the Petition contains no factual allegations but only presents legal argument which requires no response.

18. Respondent denies the allegations in the first sentence of paragraph 18 of the Petition. Respondent avers that the remaining sentences in paragraph 18 of the Petition contain no factual allegations but only present legal argument which requires no response.

19. Respondent avers that paragraph 19 of the Petition contains no factual allegations but only presents legal argument which requires no response.

20. Respondent avers that paragraph 20 of the Petition contains no factual allegations but only presents legal argument which requires no response.

21. Respondent avers that paragraph 21 of the Petition contains no factual allegations but only presents legal argument which requires no response.

22. Respondent avers that paragraph 22 of the Petition contains no factual allegations but only presents legal argument which requires no response.

23. Respondent avers that paragraph 23 of the Petition contains no factual allegations but only presents legal argument which requires no response.

24. Respondent avers that paragraph 24 of the Petition contains no factual allegations but only presents legal argument which requires no response.

25. Respondent avers that paragraph 25 of the Petition contains no factual allegations but only presents legal argument which requires no response.

26. Respondent avers that paragraph 26 of the Petition contains no factual allegations but only presents legal argument which requires no response.

27. Respondent avers that the first two sentences of paragraph 27 of the Petition contains no factual allegations but only presents legal argument which requires no response. Respondent admits the allegations in the third sentence of paragraph 27. Respondent denies the allegations in the fourth sentence of paragraph 27. Respondent avers that the fifth and sixth sentences of paragraph 27 contain no factual allegations but only present legal argument which requires no response.

28. Respondent avers that paragraph 28 of the Petition contains no factual allegations but only presents legal argument which requires no response.

29. Respondent avers that paragraph 29 of the Petition contains no factual allegations but only presents legal argument which requires no response.

30. Respondent admits the allegations in the first four sentences of paragraph 30 of the Petition. Respondent denies the allegations in the fifth and sixth sentences of paragraph 30..

31. Respondent denies the allegations in paragraph 31 of the Petition..

AFFIRMATIVE DEFENSES

1. Respondent avers that the TRA lacks jurisdiction of the subject matter of whether the Respondent is nonprofit corporation under Tennessee law and therefore a nonutility under T.C.A. § 65-4-101(6) because the Respondent is a nonutility under T.C.A. § 65-4-101(6); therefore, the TRA has no power to issue a declaratory order requested by the Petitioner.

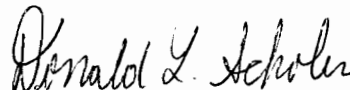
2. Respondent avers that the TRA has no power to issue a declaratory order in this matter because the legal issue in this case is whether the Respondent is a nonprofit corporation under Tennessee law and not a determination as to whether the Respondent is a nonutility under T.C.A. § 65-4-101(6). The determination of whether the Respondent is a nonprofit corporation under Tennessee law is a corporate law issue within the province of the Tennessee court system and is not the determination as to the validity or applicability of a statute, rule or order with the primary jurisdiction of the TRA which would give the TRA authority to issue a declaratory order under T.C.A. §§ 4-5-223 and 65-2-104.

Now having fully answered the Petition, Respondent requests that the TRA:

1. Dismiss the Petition with prejudice; and
2. Grant Respondent all other appropriate relief.

Dated this 9th day of February, 2011.

Respectfully submitted,

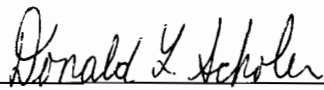


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(615) 254-8801
Attorney for Respondent, Berry's Chapel Utility, Inc.

Certificate of Service

I hereby certify that a true and exact copy of the foregoing Answer has been mailed, postage prepaid, on this 9th day of February, 2011, to the following:

Vance L. Broemel, Esq.
Mary Leigh White, Esq.
Assistant Attorney General
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, TN 37202-0207
(615) 741-8733



Donald L. Scholes