

# TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

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March 24, 2006

Mr. Bruce Meyer  
Cartwright Creek, LLC  
800 Roosevelt Road, Suite B214  
Glen Ellyn, IL 60137

RE: Docket No. 06-00005

Dear Mr. Meyer:

Applicants for Certificates of Public Convenience and Necessity are required, by statute, to demonstrate their managerial, financial and technical abilities to provide the services for which they seek authority. To assist the Authority in its review of Cartwright Creek LLC's ("Cartwright Creek") amendment to its Certificate of Convenience and Necessity to provide wastewater utility services to a portion of Robertson County known as Burrus Ridge Development, you are requested to provide responses to the questions listed below. Please be precise and complete in your responses.

1. Provide a proposed tariff for Burrus Ridge Development.
2. Please identify the person or entity that will be responsible for funding any plant additions to the current system going forward.
3. Identify the source of the funding for construction of the wastewater facility at Burrus Ridge and provide the estimated amount of contributed capital to Cartwright Creek, LLC once the system is transferred to Cartwright Creek. If the developer is providing the funding for the construction of the system, provide the name of the developer and a copy of the contract between Cartwright Creek and the developer.
4. When is the wastewater system projected to be completed for the Burrus Ridge Development?
5. Provide the estimated cost of constructing the wastewater treatment system at Burrus Ridge and supporting documentation.
6. Provide a copy of the plans and specs as provided to the Tennessee Department of Environment and Conservation ("TDEC").
7. Provide a copy of the letter from TDEC authorizing or approving the design and construction of the Sheaffer Sludge Elimination System.

8. The Petition filed on September 22, 2004 in Docket No. 04-00307 stated that the buyer intends to inject significant capital to renovate current facilities, improve the quality and efficiency of services offered to customers, and with the appropriate approval extend the updated facilities and improved services to additional customers. Provide the amounts by month of the capital injected since the *Transfer of Authority* was approved on December 10, 2004.
9. When is it expected that TDEC will approve the technology to eliminate all waste hauling expenses? It is stated on page 7 of the testimony filed in the current docket that the new technology is still awaiting authorization from TDEC to implement this technology within the state. Cartwright Creek was also waiting on this technology to be approved based on the testimony filed in Docket No. 04-00358 on October 15, 2004. Please explain the cause of the delay in approval. If this technology has now been approved, please provide supporting documentation. If not yet approved, once approval is received, how long before construction of the facility will begin? How long before operation of the facility will begin?
10. Has the Waterbridge facility, in the area known as PGA 5, in Docket No. 04-00358, approved by Order dated July 12, 2005, been completed? If so, how many tap fees have been collected to date? If not yet operational, please explain the reason for the delay and an estimated date of completion and commencement of operations.
11. The Income Statement presented with this Petition has \$22,005 as Depreciation expense. The Depreciation expense presented on the Income Statement for year-end 2004 and the budgeted amount for 2005 through 2008 in Docket No. 04-00358 was \$83,103. Explain the reasons for the significant difference in amount.
12. Identify all permit violations issued by any state agency such as TDEC and federal regulatory agencies involving your company or affiliated entities since December 10, 2004. Identify the nature of the permit violation, which governmental agency or office issued the permit violation and how the permit violation was resolved?
13. Provide a statement that details any and all improvements to facilities by system made by Cartwright Creek, LLC since December 10, 2004.
14. Provide details of TDEC permit violations, limitations, moratoriums, etc. associated with the high infiltration and inflow situation. What is being done presently to resolve the situation and the financial impact that is expected from the National Pollutant Discharge Elimination System (NPDES) permit renewal associated with the requirement of the Infiltration and Inflow control program.
15. Provide a list of the property owners in the area that have expressed a willingness to partially contribute to some of the repairs for Infiltration and Inflow as stated on page 5 of your testimony in Docket No. 06-00062.
16. In the pro forma income statement that was provided in this docket there were several expenses missing that were included in the pro forma's in Docket No 04-00358 and the financial statements filed in this Docket such as Repair and Maintenance, Regulatory, Accounting, Sludge System Lease, Bank Charges, Bad Debt Expense, Consulting fees, etc. Explain why each of the expenses is not included in the pro forma income statement in this docket. Identify billing and

collection expense. Will Sheaffer be paid a management fee as in the pro forma in Docket No. 04-00358?

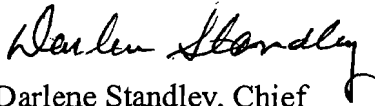
17. Provide year end 2005 financial statements, including balance sheet, income statement and statement of cash flow.

It is requested that this information be provided no later than 2:00 P.M. on Thursday, April 3, 2006 and that you reference Docket No. 06-00005 on your response. In accordance with Authority rules, submit either thirteen (13) written copies of your response or four (4) written copies and an electronic version.

Should you have any questions regarding this request, please contact Patsy Fulton 615-741-2904 ext. 193.

Thank you for your cooperation in responding to this data request.

Sincerely,



Darlene Standley, Chief  
Utilities Division

C: Docket File