

WHN CONSULTING

19 Morning Arbor Place
The Woodlands, TX 77381

August 14, 2006

Ms. Darlene Standley, Chief
Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear Ms. Standley:

In Docket 06-00062, the Tennessee Regulatory Authority permitted Cartwright Creek, L.L.C., (the "Company") to invest \$300,000 in upgrades over a one-year period to the Grassland wastewater plant as an alternative to the agency's rules on financial security. On behalf of the Company, we would like to present you with our first monthly status report regarding the upgrades to the Grassland wastewater plant.

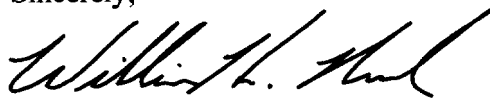
Attached is a copy of the June 2005 statement from the Company's escrow holder, First American Title Insurance Company. This statement shows the Company's initial deposit of \$240,000 along with interest earned for the month. An additional deposit of \$60,000 will appear on the August statement bringing to \$300,000 as the total funds deposited by the Company in escrow for plant upgrades.

The Company expects to award its first contract to deal with infiltration by the end of August for approximately \$100,000. We are expecting that this work will be completed by the end of September.

In addition, we are currently designing the specifications for the sludge system upgrade. We expect to award the contract for this upgrade in September for approximately \$250,000, with work to begin by October 1 and to be completed by December 31.

If you have any questions in regards to this status report, please contact me at 713-298-1760.

Sincerely,



William H. Novak

Attachment

**Bank of America**

Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

1.888.400.9009



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Account Number: 0055 6638 1323

ED P OA Enclosures 0 23

Statement Period

06/06/06 through 06/30/06 0062877



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FIRST AMERICAN TITLE INS CO AS ESCROW

AGT FOR CARTWRIGHT CREEK LLC

315 DEADERICK ST STE 2055

NASHVILLE TN 37238-2000

Business Interest Escrow Account**Account Summary Information**

Statement Period	06/06/06 through 06/30/06	Statement Beginning Balance	0.00
Number of Deposits/Credits	2	Amount of Deposits/Credits	240,522.74
Number of Withdrawals/Debits	0	Amount of Withdrawals/Debits	0.00
		Statement Ending Balance	240,522.74
Number of Enclosures	0	Average Collected Balance	240,020.90
Number of Days in Cycle	25	Average Ledger Balance	240,020.90
		Service Charge	0.00

Interest Information

Amount of Interest Paid	522.74	Interest Paid Year-to-Date	522.74
Annual Percentage Yield Earned		Withholding Year-to-Date	0.00
This Statement Period	3.23%		

Deposits and Credits

Date	Amount	Description	Bank Reference
06/06	240,000.00	Funds Transfer Credit	945006060280020
		Fdes Nmd 0000028 Nbkuna2	
06/30	522.74	Interest Earned	

Daily Ledger Balances

Date	Balance	Date	Balance
06/06	240,000.00	06/30	240,522.74