

WHN CONSULTING

19 Morning Arbor Place
The Woodlands, TX 77381

November 1, 2006

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

filed electronically in docket office on 11/01/06

Re: Petition of Cartwright Creek, L.L.C. for Exemption from Financial Security as required by the TRA's Proposed Wastewater Regulations. Docket 06-00062.

Dear Chairman Kyle:

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 interim alternative to the agency's rules on financial security. On behalf of the Company, we would like to present you with our monthly status report regarding the upgrades to the Grassland wastewater plant.

Attached is a copy of the September 2006 statement from the Company's escrow holder, First American Title Insurance Company ("First American"). This statement shows the Company's deposits of \$300,000 along with interest earned through September 30, 2006.

The sewer repair project began October 11 with a television camera inspection that was completed October 13. On October 24, the sewer relining crews started their work for the insertion of the slip lining and manhole repairs which we expect to be completed between mid-November and early December.

Sheaffer's engineering staff has now completed the design plans and specifications for the Sludge Elimination System. Bid packages for this work were sent to contractors on October 27th, and bids are due back by November 10th.

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



1.888.400.8009

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Account Number: 0055 6688 1323

EO P 0A Enclosures 0

23

Statement Period

09/01/06 through 09/30/06

0062888



00016123 01 MB 0.326 12 30904 001 SCM999

FIRST AMERICAN TITLE INS CO AS ESCROW

AGT FOR CARTWRIGHT CREEK LLC

315 DEADERICK ST STE 2055

NASHVILLE TN 37238-2000

Business Interest Maximizer Account**Account Summary Information**

Statement Period 09/01/06 through 09/30/06
Number of Deposits/Credits 2
Number of Withdrawals/Debits 0

Statement Beginning Balance 241,903.60
Amount of Deposits/Credits 60,745.02
Amount of Withdrawals/Debits 0.00
Statement Ending Balance 302,648.62

Number of Enclosures 0
Number of Days in Cycle 30

Average Collected Balance 263,928.43
Average Ledger Balance 263,928.43
Service Charge 0.00

Interest Information

Amount of Interest Paid 745.02
Annual Percentage Yield Earned 3.49%
This Statement Period

Interest Paid Year-to-Date 2,648.62
Withholding Year-to-Date 0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
09/20	60,000.00	Funds Transfer Credit Fdes Nfi 0018144 Nbk2E18	945009201440404
09/29	745.02	Interest Earned	

Daily Ledger Balances

Date	Balance	Date	Balance	Date	Balance
09/01	241,903.60	09/20	301,903.60	09/29	302,648.62