

WHN CONSULTING

19 Morning Arbor Place
The Woodlands, TX 77381

February 5, 2007

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

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 December 2006 statement from the Company's escrow holder, First American Title Insurance Company ("First American"). This statement shows the Company's net balance of approximately \$245,000 including interest earned through December 31, 2006. Payments of approximately \$60,000 were withdrawn from this account in December for repairs to the wastewater system.

The sewer repair work has now been fully completed.

On the sludge system, we had to have the entire Cartwright Creek site re-surveyed in December and early January. During the preparation for the building permit, we found that the entire 4+ acre site did not have an up-to-date topographic survey. We therefore couldn't complete the drainage design as expected. The new survey is now complete and we will be submitting the building permit next week.

We have a contractor lined up to do the sludge system work. This is the same contractor that does much of our work in Illinois. He is currently going through the contractor licensing process in Tennessee and should have his license by the end of March.

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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Page 1 of 3
Account Number: 0055 6638 1323
EO P OA Enclosures 0 23
Statement Period
12/01/06 through 12/31/06 0062219



00016131 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 12/01/06 through 12/31/06
Number of Deposits/Credits 1
Number of Withdrawals/Debits 1

Statement Beginning Balance 304,294.69
Amount of Deposits/Credits 780.68
Amount of Withdrawals/Debits 60,498.70
Statement Ending Balance 244,576.67

Number of Enclosures 0
Number of Days in Cycle 31

Average Collected Balance 282,852.59
Average Ledger Balance 282,852.59
Service Charge 0.00

Interest Information

Amount of Interest Paid 780.68
Annual Percentage Yield Earned
This Statement Period 3.30%

Interest Paid Year-to-Date 5,075.37
Withholding Year-to-Date 0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
12/29	780.68	Interest Earned	

Withdrawals and Debits**Other Debits**

Date Posted	Amount	Description	Bank Reference
12/21	60,498.70	Funds Transfer Debit Fdes Nfi 0018144 Nbk6Qq2	945012211440230