

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

January 17, 2008

IN RE:

**DOCKET TO DETERMINE THE
RESERVE/ESCROW REQUIREMENT FOR
CARTWRIGHT CREEK, LLC PURSUANT TO TRA
RULE 1220-4-13-.07(8)**

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**DOCKET NO.
07-00058**

ORDER THAT ESTABLISHMENT OF ESCROW ACCOUNT IS NOT REQUIRED

This matter came before Chairman Eddie Roberson, Director Sara Kyle and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on December 17, 2007. This docket was opened to consider whether an escrow account should be established by Cartwright Creek, LLC ("Cartwright" or the "Company") pursuant to the Authority's Wastewater Rules.

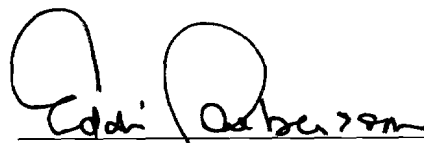
Authority Staff ("Staff") made recommendations in a report ("Staff Report") issued on November 26, 2007. Staff observed that the Company has a need for an upgrade or replacement of its existing system. Staff further noted that Cartwright cannot move forward with changes to its existing system until the Company receives its renewed discharge permit from the Tennessee Department of Environment & Conservation ("TDEC"). Staff also noted that Cartwright has not established an escrow account to pre-fund plant replacement. Staff suggested that because the need for a new system is imminent establishing an escrow account at this time would not be productive. Staff recommended to the Authority that the Company should be required to file a detailed plan for funding and plant replacement within sixty days of receiving its discharge limits

from TDEC. Staff also recommended that the issue of establishing an escrow account should be revisited when Cartwright files a rate case proceeding. On December 4, 2007, Mr. Bruce Meyer, Vice-President of Operations for Cartwright, filed the Company's response to the recommendations.

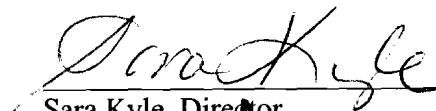
At the December 17, 2007 Authority Conference, after reviewing the Staff Report and Cartwright's reply, the panel adopted the findings and recommendations in the Staff Report and voted unanimously that an escrow account does not need to be established by the Company at this time. The panel also voted to require Cartwright to file a detailed plan for funding and plant replacement within sixty days of receiving discharge limits from TDEC. If the Company is unable to complete the plan within sixty days, it was directed to file a request for an extension including a proposed filing date for the plan.

IT IS THEREFORE ORDERED THAT:

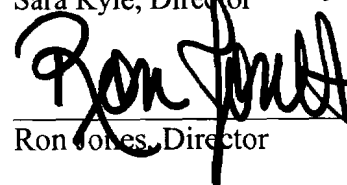
1. The Authority Staff Report is adopted and Cartwright Creek, LLC is not required to establish an escrow account at this time.
2. Cartwright Creek, LLC shall file a detailed plan for funding and plant replacement within sixty days of receiving discharge limits from TDEC. If the Company is unable to complete the plan within sixty days, it shall file a request for an extension including a proposed filing date for the plan.



Eddie Roberson, Chairman



Sara Kyle, Director



Ron Jones, Director