



P.O. Box 147
1551 Thompson's Station Road West
Thompson's Station, TN 37179

Phone: (615) 261-8600
Fax: (615) 261-8613
www.sheafferinternational.com

October 11, 2007

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

Re: Petition of Cartwright Creek, LLC to amend its existing Certificate of Convenience
& Necessity to provide service to the Stillwater Development in Williamson County,
Docket 07-00180

Dear Ms. Standley:

Attached please find Cartwright Creek's revised or new responses to the following
questions in the October 5, 2007 TRA request for additional information on the above-
referenced petition. The submittal includes responses to questions 3.a , 3.g, and 4.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Meyer", is written over the typed name.

Bruce Meyer
Vice President, Operations
Cartwright Creek, LLC

cc: William H. Novak

3. **To further assist the Authority in analyzing the financial ability of the Company to be a going concern and to be able to serve the Stillwater Development, please respond to the following:**
 - a. **Please provide pro-forma financial statements including balance sheet and income statement for all of CC for the next 5 years. This pro-forma should include all developments (current and potential). Please provide pre-filed testimony attesting to CC being a going concern based on the current status and what financial effect the new territories currently being considered and/or built will have on the overall financial capability going forward.**

Response:

The 5-year Pro-Forma is attached. It includes the existing Grasslands Wastewater Treatment Facility and the proposed Waterbridge and Stillwater facilities.

The addition of Waterbridge and Stillwater as operating facilities will provide more efficient operation, an economy of scale. Our customer base will grow from 500 to 1200. For example, as the systems are built and customers are added we will be able to hire operating staff that will run multiple facilities. Administrative tasks such as billing will ultimately cost less per home with a greater number of customers.

Significantly, unlike the existing Grasslands 30 year old conventional wastewater system, Waterbridge and Stillwater will be served by new Sheaffer Wastewater Reclamation and Reuse Systems.

Previous submittals to TRA have explained the historical and existing issues and potential solutions affecting the financial picture of the existing Cartwright Creek wastewater treatment system. We have also explained that we are waiting for a major discharge permit revision from TDEC, which would allow us to define the ultimate upgrades, financial picture, and therefore tariff requirements.

The long-term solution for the Grasslands system will require significant upgrades to both the treatment and collection system, which the operating revenues two new operations at Waterbridge and Stillwater will not and should not fund. However, we believe the addition of the capital contributions on to Cartwright Creek will allow Cartwright Creek to obtain lower cost tax-exempt financing that will improve our ability to upgrade the system as well as reduce the cost to the customer. The attached 5-Year Pro-Forma reflects this information.

Cartwright Creek LLC

Income Statement - Combined All Facilities

Twelve Months Ended June 30,

		PY		CY	Projected		Projected		Projected		Projected		Projected		Projected
		2006		2007		2008		2009		2010		2011		2012	
Income															
Residential revenues	\$	185,867	\$	185,920	\$	191,498	\$	213,471	\$	263,600	\$	340,287	\$	427,302	
Commercial revenues	\$	53,224	\$	53,219	\$	54,816	\$	56,460	\$	58,154	\$	58,154	\$	59,898	
Tap Fees from Replaced Facility					\$	12,250	\$	-	\$	332,000	\$	332,000	\$	295,111	
Developer Contractual Payments							\$	115,396	\$	110,249	\$	94,165	\$	55,575	
Other sewer revenues	\$	841	\$	1,062	\$	1,062	\$	1,062	\$	1,062	\$	1,062	\$	1,062	
<hr/>															
TOTAL Income	\$	239,932	\$	240,201	\$	259,625	\$	386,389	\$	765,065	\$	825,668	\$	838,948	

Expenses																				
Sludge removal expense	\$	62,070	\$	58,345	\$	57,000	\$	57,000	\$	57,000	\$	57,000	\$	57,000						
Purchased power	\$	26,098	\$	19,922	\$	20,520	\$	32,892	\$	34,493	\$	45,650	\$	56,807						
Chemicals	\$	12,442	\$	12,507	\$	12,882	\$	13,269	\$	13,269	\$	13,269	\$	13,269						
Materials & supplies	\$	22,013	\$	15,806	\$	16,280	\$	17,089	\$	17,469	\$	17,969	\$	18,469						
Cont serv - engineering	\$	-	\$	16,164	\$	16,649	\$	17,148	\$	17,148	\$	17,148	\$	17,148						
Contract Operators	\$	31,700	\$	49,569	\$	51,056	\$	63,644	\$	80,108	\$	93,868	\$	100,868						
Cont serv - accounting	\$	30,000	\$	30,420	\$	31,333	\$	33,823	\$	36,224	\$	40,190	\$	44,169						
Cont serv - repairs & maint	\$	66,419	\$	135,816	\$	25,000	\$	33,075	\$	36,175	\$	41,325	\$	45,800						
Cont Services - Legal	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-						
Cont serv - Consulting fees	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-						
Sheaffer Management Fee			\$	-	\$	-	\$	2,400	\$	4,800	\$	7,200	\$	7,200						
Bonding	\$	-	\$	-	\$	-	\$	50,000	\$	53,000	\$	53,000	\$	53,000						
Sheaffer Sludge System Lease			\$	-	\$	-	\$	-	\$	-	\$	-	\$	-						
Insurance expenses	\$	729	\$	908	\$	935	\$	13,741	\$	13,741	\$	13,741	\$	13,741						
Postage	\$	1,792	\$	1,282	\$	1,320	\$	1,360	\$	1,360	\$	1,360	\$	1,360						
Regulatory commission expense	\$	708	\$	705	\$	726	\$	748	\$	748	\$	748	\$	748						
Bad debt expense	\$	168	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-						
Bank charges	\$	1,570	\$	4,172	\$	4,297	\$	6,426	\$	6,426	\$	6,426	\$	6,426						
Miscellaneous expense	\$	1,178	\$	3,386	\$	3,488	\$	5,632	\$	5,632	\$	5,632	\$	5,632						
TOTAL Expenses	\$	256,887	\$	349,002	\$	241,486	\$	348,247	\$	377,593	\$	414,525	\$	441,636						
OPERATING PROFIT (LOSS)	\$	(16,955)	\$	(108,801)	\$	18,139	\$	38,143	\$	387,472	\$	411,142	\$	397,312						

Other Income & Expenses

Depreciation	\$	(81,540)	\$	(113,505)	\$	(56,000)	\$	(237,200)	\$	(313,200)	\$	(313,200)	\$	(313,200)
Taxes other than income	\$	(15,133)	\$	(14,676)	\$	(14,676)	\$	(39,676)	\$	(39,676)	\$	(64,676)	\$	(64,676)
Interest & other income	\$	523	\$	7,721	\$	5	\$	5	\$	5	\$	5	\$	5
Other Income & Expenses	\$	(12,170)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Interest expense	\$	(17,378)	\$	(16,022)	\$	(16,022)	\$	(16,022)	\$	(178,522)	\$	(178,522)	\$	(178,522)

TOTAL Other Income & Expenses \$ (125,698) \$ (136,482) \$ (86,693) \$ (292,893) \$ (531,393) \$ (556,393) \$ (556,393)

PROFIT(LOSS) BEFORE TAXES \$ (142,653) \$ (245,283) \$ (68,554) \$ (254,750) \$ (143,921) \$ (145,251) \$ (159,081)

Tax Distribution to Investors		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
NET PROFIT (LOSS)	\$	(142,653)	\$	(245,283)	\$	(68,554)	\$	(254,750)	\$	(143,921)	\$	(145,251)	\$	(159,081)

Net Cash Flow	\$	(61,113)	\$	(131,778)	\$	(12,554)	\$	(17,550)	\$	169,279	\$	167,949	\$	154,119
Debt Retirement									\$	(100,000)				

Cartwright Creek LLC
Balance Sheet
As of: June 30,

		PY	CY	Projected	Projected	Projected	Projected	Projected	Projected
		2006	2007	2008	2009	2010	2011	2012	
Current Assets:									
Fifth Third Bank - MMA Reserves	\$	879	\$ -	\$ -	\$ 3,971	\$ 20,206	\$ 55,185	\$ 111,417	
Pinnalce - Operating	\$	-	\$ 2,338	\$ 4,009	\$ 38	\$ (3,932)	\$ 55,369	\$ 53,256	
Pinnalce - MMA	\$	437	\$ 2,874	\$ 2,874	\$ 2,874	\$ 2,874	\$ 2,874	\$ 2,874	
Pinnacle Bank Restricted CD	\$	-	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000	
Deferred Rate Case Expense	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Customer accounts receivable	\$	(1,479)	\$ 2,835	\$ 2,835	\$ 2,835	\$ 2,835	\$ 2,835	\$ 2,835	
<hr/>									
TOTAL Current Assets	\$	(163)	\$ 248,047	\$ 249,718	\$ 249,719	\$ 261,983	\$ 356,264	\$ 410,383	

Fixed Assets:

Utility plant in service	\$	463,474	\$	463,474	\$	463,474	\$	4,985,474	\$	8,755,557	\$	9,355,557	\$	9,975,557
A/D & amort of utility plant	\$	(96,211)	\$	(209,716)	\$	(265,716)	\$	(502,916)	\$	(816,116)	\$	(1,129,316)	\$	(1,442,516)

Utility Plant in Service

Proposed Replacement Facility						\$	3,125,000	\$	3,125,000	\$	3,125,000			
Structures & improvements	\$	12,475	\$	12,475	\$	12,475	\$	12,475	\$	25,757	\$	25,757	\$	25,757
Collection sewers - gravity	\$	106,539	\$	106,539	\$	106,539	\$	1,024,539	\$	1,500,539	\$	2,100,539	\$	2,720,539
Flow measuring devices	\$	2,622	\$	2,622	\$	2,622	\$	2,622	\$	5,414	\$	5,414	\$	5,414
Flow measuring installations	\$	3,468	\$	3,468	\$	3,468	\$	3,468	\$	7,160	\$	7,160	\$	7,160
Receiving wells	\$	46,449	\$	46,449	\$	46,449	\$	46,449	\$	95,903	\$	95,903	\$	95,903

Pumping equipment	\$	61,618	\$	61,618	\$	61,618	\$	61,618	\$	127,225	\$	127,225	\$	127,225
Treatment & disposal equipment	\$	198,131	\$	198,131	\$	198,131	\$	1,998,131	\$	1,998,131	\$	1,998,131	\$	1,998,131
Plant sewers	\$	5,404	\$	5,404	\$	5,404	\$	5,404	\$	11,158	\$	11,158	\$	11,158
Outfall sewer lines	\$	10,538	\$	10,538	\$	10,538	\$	10,538	\$	21,758	\$	21,758	\$	21,758
Other plant & misc equipment	\$	15,161	\$	15,161	\$	15,161	\$	15,161	\$	31,303	\$	31,303	\$	31,303
Land							\$	1,804,000	\$	1,804,000	\$	1,804,000	\$	1,804,000
Other tangible plant	\$	1,069	\$	1,069	\$	1,069	\$	1,069	\$	2,209	\$	2,209	\$	2,209
Utility plant in service offse	\$	(463,474)	\$	(463,474)	\$	(463,474)	\$	(1,551,474)	\$	(956,947)	\$	(956,947)	\$	(956,947)

TOTAL Utility plant in service offset	\$	-	\$	-										
TOTAL Fixed Assets	\$	367,263	\$	253,758	\$	197,758	\$	4,482,558	\$	7,939,441	\$	8,226,241	\$	8,533,041

Other Assets:

Deferred Expenses - Permitting	\$	125,000	\$	125,000	\$	125,000	\$	125,000	\$	125,000	\$	125,000	\$	125,000
Misc current & accrued assets	\$	1,448	\$	1,017	\$	1,017	\$	1,017	\$	1,017	\$	1,017	\$	1,017

TOTAL Other Assets	\$	126,448	\$	126,017	\$	126,017	\$	126,017	\$	126,017	\$	126,017	\$	126,017
---------------------------	-----------	----------------	-----------	----------------	-----------	---------	-----------	---------	-----------	---------	-----------	---------	-----------	---------

TOTAL ASSETS	\$	493,548	\$	627,822	\$	573,493	\$	4,858,294	\$	8,327,441	\$	8,708,522	\$	9,069,441
---------------------	-----------	----------------	-----------	----------------	-----------	----------------	-----------	------------------	-----------	------------------	-----------	------------------	-----------	------------------

LIABILITIES		PY		CY	Projected		Projected		Projected		Projected		Projected	
		2006		2007	2008		2009		2010		2011		2012	

Current Liabilities:

Accounts payable	\$	36,755	\$	46,749	\$	46,749	\$	46,749	\$	46,749	\$	46,749	\$	46,749
Accrued Franchise Tax	\$	693	\$	354	\$	354	\$	354	\$	354	\$	354	\$	354
Accrued Ad Valorem Tax	\$	1,998	\$	1,890	\$	1,890	\$	1,890	\$	1,890	\$	1,890	\$	1,890
Accrued Gross Receipts tax	\$	9,921	\$	9,336	\$	9,336	\$	9,336	\$	9,336	\$	9,336	\$	9,336
Accrued interest														
TOTAL Current Liabilities	\$	49,367	\$	58,329	\$	58,329	\$	58,329	\$	58,329	\$	58,329	\$	58,329

Long-Term Liabilities:

Tax Exempt Bonds Payable							\$	2,500,000	\$	2,500,000	\$	2,400,000		
L/T Debt - Loan from Sheaffer	\$	-	\$	47,300	\$	47,300	\$	47,300	\$	47,300	\$	47,300	\$	47,300
L/T Debt - MRS LLC	\$	409,572	\$	409,572	\$	423,494	\$	423,494	\$	435,562	\$	423,494	\$	423,494

TOTAL Long-Term Liabilities	\$	409,572	\$	456,872	\$	470,794	\$	470,794	\$	2,982,862	\$	2,970,794	\$	2,870,794
------------------------------------	-----------	----------------	-----------	----------------	-----------	----------------	-----------	----------------	-----------	------------------	-----------	------------------	-----------	------------------

Other Liabilities:

Pending Tap	\$	12,250	\$	12,250	\$	-								
-------------	----	--------	----	--------	----	---	--	--	--	--	--	--	--	--

Contributions in aid of constr	\$	-	\$	-	\$	-	\$	4,522,000	\$	4,998,000	\$	5,598,000	\$	6,218,000
TOTAL Other Liabilities	\$	12,250	\$	12,250	\$	-	\$	4,522,000	\$	4,998,000	\$	5,598,000	\$	6,218,000
TOTAL LIABILITIES	\$	471,189	\$	527,451	\$	529,123	\$	5,051,123	\$	8,039,191	\$	8,627,123	\$	9,147,123
CAPITAL														
Partner's Capital - Sheaffer	\$	192,959	\$	516,260	\$	528,814	\$	546,365	\$	1,108,865	\$	1,108,865	\$	1,108,865
Partner's Capital -MRS LLC	\$	100	\$	100	\$	100	\$	100	\$	62,600	\$	1,000	\$	1,000
Retained earnings (deficit)	\$	(28,047)	\$	(170,700)	\$	(415,989)	\$	(484,543)	\$	(739,294)	\$	(883,215)	\$	(1,028,465)
Year-to-Date Earnings	\$	(142,653)	\$	(245,289)	\$	(68,554)	\$	(254,750)	\$	(143,921)	\$	(145,251)	\$	(159,081)
TOTAL CAPITAL	\$	22,359	\$	100,371	\$	44,371	\$	(192,829)	\$	288,250	\$	81,399	\$	(77,682)
TOTAL LIABILITIES & CAPITAL	\$	493,548	\$	627,822	\$	573,494	\$	4,858,294	\$	8,327,441	\$	8,708,522	\$	9,069,441
	\$	-	\$	0	\$	(0)	\$	0	\$	0	\$	(0)	\$	(0)

- g. Please discuss how each annual expense for a fully built out development identified on Stillwater's Pro-Forma Income Statement (Exhibit 5) was calculated, including all underlying rationale and assumptions.**

Cost justification for the rates should be based on the annual operating costs associated with the new Shaeffer Reclamation and Reuse System, particularly since this system is much different from the current CC System. CC has stated that Shaeffer has built many similar systems; therefore costs should be available.

Response:

Our September 7, 2007 response to question 7.k of TRA's August 24, 2007 Data Request contained two pages of response to a similar question. The second page of that response is a detailed table showing the detailed cost estimates and calculations. We have revised that table as discussed below.

Attached are two revised pages. One is the "Calculation of Operations Cost", dated October 10, 2007. It shows the basis of each operating cost, based upon the Sheaffer Reclamation and Reuse System. It now also includes the maintenance reserve amount for the Eone grinder pumps.

The second revised page, "Six Year Pro-Forma Income Statement", dated October 10, 2007, shows annual costs for the first 6 years.

The costs for the first years of operation, as the homes are being built, are our estimates of the percentage of fully built out costs that will be incurred during that year. Some of the costs will be at 100% of fully built out, such as taxes and county bounding. Others, such as manpower and electricity are engineering estimates of the annual requirements at a given flow rate.

Cartwright Creek Stillwater Contract
Calculation of Operations Costs and Billing
10-Oct-07

Operating Labor							
Licensed Operator	4 hours/week	\$30 /hour			\$120 /week	\$6,240	
Helper	4 hours/day	\$20 /hour	5 days/week		\$400 /week	\$20,800	
Subtotal						\$27,040 /year	\$4.51 \$/month/customer
Administrative Labor (Management, accounting, legal, engineering)							
Engineer	4 hours/mo	\$150 /hour			\$600 /month	\$7,200	
COO/CFO	1 hours/mo	\$200 /hour			\$200 /month	\$2,400	
Subtotal						\$9,600 /year	\$1.60 \$/month/customer
Sampling and Testing Costs							
Outside Lab Sampling and Analyses (Wastewater)		\$500 each	1 /month		\$500 /month	\$6,000	
Report and filing	2 hours/mo	\$150 /hour			\$300 /month	\$3,600	
Subtotal						\$9,600 /year	\$1.60 \$/month/customer
Regular preventative maintenance cost (monthly, annual, or other required frequency)							
Blowers oil change; pumps lube (done by Sheaffer Operator)							
Labor	0 hours/mo	\$30 /hour			\$0 /month		
Parts/Oil					\$150 /month		
					\$150 /month	\$1,800 /year	\$0.30 \$/month/customer
Grounds keeping, mowing, cover crop maintenance							
Mowing	30 acres	\$30 /acre	1 /month		\$900 /month		
Replanting allowance					\$100 /month		
					\$1,000 /month	\$12,000 /year	\$2.00 \$/month/customer
Unscheduled maintenance and troubleshooting							
Included below							
Maintenance Reserve							
Eone Pumps	Repair and Replacement by Homeowner				\$2,292 /month		
Per local Eone rep, allow	\$ 55.00 /user/year for pump repair/replacement						
Collection System, piping, pump station (excluding concrete, excavation)	Estimate 25% replaced/repaired over 25 years						
	\$690,000 original cost				\$575 /month		
Remainder of System	Use percentage of facility cost not including concrete and excavation						
	3.5% of \$1,000,000				\$2,942 /month		
Subtotal					\$5,808	\$ 69,700	\$11.62 \$/month/customer
Electric Power							
	75 Horsepower						
	56.25 KW	\$0.08 /kw hr			\$ 3,285 /month	\$ 39,420 /year	\$6.57 \$/month/customer
Other Utility bills (water, telephone, internet)							
Water					\$50 /month		
Telephone or High Speed Internet (for alarms)					\$50 /month		
					\$100 /month	\$1,200 /year	\$0.20 \$/month/customer
Insurance							
Bob Cochrane obtaining quote							
Factor up Grasslands for this estimate	\$1,000 annually	\$450,000 book value Grasslands;	\$3,500,000 book value collection + treatment			\$7,778 /year	\$1.30 \$/month/customer
County Back-Up Bond	2% annually of	\$2,500,000				\$50,000 /year	\$8.33 \$/month/customer
Sludge handling, transportation, and disposal costs							
Septic Tank Pumping at each House	Not Required						
	Not Required						
	0 gal/day	\$0.27 /gal			\$0 /month	\$0 /year	\$0.00 \$/month/customer
Taxes							
Assume equivalent to Grasslands						\$15,000 /year	\$2.50 \$/month/customer
Permit and other fees required by regulatory agencies							
Assume Equivalent to Grasslands						\$1,000 /year	\$0.17 \$/month/customer
Customer billing and accounting costs (preparation, mailing, collection), annual taxes, state forms							
Existing CCUD	\$3 /mo./customer		500 customers		\$1,250	\$15,000 /year	\$2.50 \$/month/customer
Misc. supplies, paper, consumables							
Allowance					\$100 /month	\$1,200 /year	\$0.20 \$/month/customer
Bank Charges							
Assume equivalent to Grasslands						\$2,000 /year	\$0.33 \$/month/customer
						\$ 262,338 /year	
Profit 10%						\$ 26,234	
						\$ 288,572 /year including Maintenance Reserve and County Backup Bond	
						500 customers	
						\$ 577 /year/customer	
						\$ 48.10 /month/customer including Maint. Reserve and County Bond	
Included in Above Summaries						\$ 11.62 /month/customer for Maintenance Reserve	
Included in Above Summaries						\$8.33 /month/customer for County Backup Bond	
Therefore						\$ 39.76 /month/customer without County Bond	
						\$ 28.15 /month/customer withoutt maint reserve or Bond	

Cartwright Creek, LLC
Stillwater
Six Year Pro-Forma Income Statement
10-Oct-07

	Annual Cost Fully Built	2009		2010		2011		2012		2013		2014	
		% Fully Built Cost	Amount	% Fully Built Cost	Amount	% Fully Built Cost	Amount	% Fully Built Cost	Amount	% Fully Built Cost	Amount	% Fully Built Cost	Amount
Operating Revenue													
Customers Added			35		75		100		105		100		85
Cumulative Customers			35		110		210		315		415		500
4 bedroom rate \$ 48.10													
Operating Revenue			\$ 20,200		\$ 63,486		\$ 121,200		\$ 181,800		\$ 239,514		\$ 288,572
Operating Labor	\$ 27,040	15%	\$ 4,056	50%	\$ 13,520	75%	\$ 20,280	75%	\$ 20,280	100%	\$ 27,040	100%	\$ 27,040
Administrative Labor	\$ 9,600	25%	\$ 2,400	50%	\$ 4,800	75%	\$ 7,200	75%	\$ 7,200	100%	\$ 9,600	100%	\$ 9,600
Sampling and Testing Costs	\$ 9,600	10%	\$ 960	50%	\$ 4,800	100%	\$ 9,600	100%	\$ 9,600	100%	\$ 9,600	100%	\$ 9,600
Preventative maintenance	\$ 1,800	25%	\$ 450	50%	\$ 900	50%	\$ 900	75%	\$ 1,350	80%	\$ 1,440	100%	\$ 1,800
Grounds keeping, mowing, cover crop maintenance	\$ 12,000	25%	\$ 3,000	50%	\$ 6,000	75%	\$ 9,000	100%	\$ 12,000	100%	\$ 12,000	100%	\$ 12,000
Unscheduled maintenance and troubleshooting	Incl. Below												
Maintenance Reserve	\$ 69,700	7%	\$ 4,879	22%	\$ 15,334	42%	\$ 29,274	63%	\$ 43,911	83%	\$ 57,851	100%	\$ 69,700
Electric Power	\$ 39,420	25%	\$ 9,855	25%	\$ 9,855	50%	\$ 19,710	75%	\$ 29,565	80%	\$ 31,536	100%	\$ 39,420
Other Utility bills (water, telephone, internet)	\$ 1,200	50%	\$ 600	75%	\$ 900	75%	\$ 900	75%	\$ 900	90%	\$ 1,080	100%	\$ 1,200
Insurance	\$ 7,778	100%	\$ 7,778	100%	\$ 7,778	100%	\$ 7,778	100%	\$ 7,778	100%	\$ 7,778	100%	\$ 7,778
Bonding	\$ 50,000	100%	\$ 50,000	100%	\$ 50,000	100%	\$ 50,000	100%	\$ 50,000	100%	\$ 50,000	100%	\$ 50,000
Sludge handling, septic tank pumping (not req'd)	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Taxes	\$ 15,000	100%	\$ 15,000	100%	\$ 15,000	100%	\$ 15,000	100%	\$ 15,000	100%	\$ 15,000	100%	\$ 15,000
Permit and other fees required by regulatory agencies	\$ 1,000	100%	\$ 1,000	100%	\$ 1,000	100%	\$ 1,000	100%	\$ 1,000	100%	\$ 1,000	100%	\$ 1,000
Customer billing and accounting costs	\$ 15,000	10%	\$ 1,500	25%	\$ 3,750	50%	\$ 7,500	75%	\$ 11,250	80%	\$ 12,000	100%	\$ 15,000
Misc. supplies, paper, consumables	\$ 1,200	10%	\$ 120	25%	\$ 300	50%	\$ 600	75%	\$ 900	80%	\$ 960	100%	\$ 1,200
Bank Charges	\$ 2,000	100%	\$ 2,000	100%	\$ 2,000	100%	\$ 2,000	100%	\$ 2,000	100%	\$ 2,000	100%	\$ 2,000
Operating Expenses	\$ 262,338		\$ 103,598		\$ 135,937		\$ 180,742		\$ 212,734		\$ 238,885		\$ 262,338
Operating Income (Loss)			\$ (83,398)		\$ (72,451)		\$ (59,542)		\$ (30,934)		\$ 630		\$ 26,234

4. **Number 11 from the data request, filed on August 24, 2007, states to please submit a proposed tariff, including the residential and commercial tap fees and monthly rates that CC proposes for the Stillwater Development. The response included a complete new tariff for CC with all original pages. Please submit only those tariff pages that are reflected in this Docket as revisions to the tariff currently on file for CC, including both residential and commercial rates.**

Response:

The tariff for Stillwater is attached. It is new page 2.1 of our existing tariff.

CARTWRIGHT CREEK, LLC
ISSUED: October 11, 2007
BY: Bruce Meyer
VP Operations
Cartwright Creek, LLC

TRA No. 1: Original Page 2.1
Effective: November 1, 2007

CARTWRIGHT CREEK, LLC

FLAT MONTHLY SEWER SERVICE BILLING
STILLWATER DEVELOPMENT

Residential, Condominium, House, or Apartment:

1 - Bedroom	\$25.29
2 - Bedroom	\$30.65
3 - Bedroom	\$34.93
4 - Bedroom	\$39.76
5 - Bedroom	\$44.04

Non - Residential:

Charge per 1,000 gallons per month (actual or assumed flow)	\$3.31
Minimum monthly charge.....	\$6.00

TAP FEES

Residential:.....\$2,750.00

Non-Residential:

Charge per gallon per day
(Computed by multiplying the peak monthly
usage during the first year by 12 divided
by 365 days) \$7.86

In addition to the rates described above, the following Miscellaneous Fees shall also be in effect:

Late Payment – 5.00%
Disconnection - \$10.00
Reconnection - \$15.00
Williamson County Bonding (Pass Through) - \$8.33