

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

September 30, 2009

IN RE:	)	
	)	
PETITION OF CARTWRIGHT CREEK, LLC	)	DOCKET NO.
TO CHANGE AND INCREASE RATES AND	)	09-00056
CHARGES	)	

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ORDER GRANTING REQUEST TO RESET ORAL ARGUMENT

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This matter is before the Hearing Officer upon the *Request to Reset Oral Argument* ("Request") filed by Cartwright Creek, LLC ("Cartwright Creek") on September 24, 2009. The Request states that counsel and company representatives are unavailable for oral argument on September 28, 2009 due to prior obligations.<sup>1</sup> The Request proposes that the oral argument be reset for October 8, 2009.

Considering the short time between the notice and the originally scheduled oral arguments as well as the timely request by Cartwright Creek, the Hearing Officer grants the Request, and reschedules the oral arguments for October 8, 2009 at 2:00 PM.

In as much as the oral arguments have been postponed eleven days, the parties are directed to file with the Authority no later than 2:00 PM, October 6, 2009, their responses to the questions that were attached to the Notice of September 23, 2009 (which are reattached to this Order). Furthermore, there are additional questions from Authority Staff (which are also attached to this Order), which should be responded to no later than 2:00 PM, October 6, 2009.

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<sup>1</sup> By notice of September 23, 2009, oral argument was scheduled for September 28, 2009.

For purposes of these responses as well as the oral argument, the parties include: Cartwright Creek, the Consumer Advocate and Protection Division of the Office of the Attorney General, and Waterbridge Development. If a question is not applicable to an individual party, please state "not applicable" in your response.

All counsel are reminded that service to parties noted above shall be by electronic mail or fax as well as U.S Mail whenever a document is filed with the Authority.

**IT IS THEREFORE ORDERED THAT:**

1. The *Request to Reset Oral Argument* filed by Cartwright Creek is granted, and oral argument is scheduled for October 8, 2009 at 2:00 PM.
2. The questions previously attached to the Notice of September 23, 2009 and the additional questions from Authority Staff (which are both attached to this Order) are to be responded to no later than 2:00 PM, October 6, 2009.

A handwritten signature in black ink, appearing to read "G. Hotvedt", written over a horizontal line.

Gary Hotvedt, Hearing Officer

**DOCKET NO. 09-00056**  
Attachment to Notice of September 23, 2009

Questions to be addressed during the September 28, 2009 Oral Arguments:

1. Is it Cartwright Creek's intention that the proposed tariff in the petition be applicable to all three wastewater systems (Grasslands, Waterbridge and Stillwater)?
2. Is it Cartwright Creek's intention that the undeveloped lot fee in the proposed tariff be applicable to the Stillwater development as well?
3. What is the total dollar amount of expenses related to Waterbridge and Stillwater developments included in Cartwright Creek's original petition?
  - a. Provide an itemization of these expenses by dollar amount, description of each expense, and the account to which it is booked. Be specific when identifying each expense (broad categories such as "plant management" will not satisfy the required level of specificity).
  - b. Should such expenses be considered in this rate case and how should they be treated, e.g. expensed or capitalized? Why or why not?
4. Identify what the \$8,000 in "Revenues from Other Systems" shown on the Company Exhibit D represents and how it is calculated. How does it relate to the \$10,000 in revenue mentioned by counsel for Waterbridge at the September 9, 2009 Status Conference?
5. Does Cartwright Creek expect that there will be any customers in the Waterbridge or Stillwater developments by the end of 2009? If so, what is the expected number?
6. Please provide the total charge to Sheaffer from Astro National – bring supporting documentation for this amount. Provide detail on how this amount was allocated and to whom.
7. Please explain in detail how much of Mr. Reed's costs is for overhead and how much is payroll expense for Mr. Reed. Provide detail of the overhead amount. Provide detailed descriptions of the functions performed by Mr. Reed, Mr. Winfrey and Mr. Meyer.
8. Regarding the Waterbridge development:
  - a. What is the estimated date for the completion of the Waterbridge wastewater system and transfer of the title to Cartwright Creek?
  - b. When and under what circumstances will Cartwright Creek begin receiving the proposed undeveloped lot fees from Waterbridge?
  - c. The current TDEC Permit for Waterbridge (SOP#04019) expires on October 31, 2009. Has Cartwright Creek made application for a renewal of its permit? When will the new permit be issued?
9. Regarding the Stillwater development:
  - a. What is the estimated date for the completion of the Stillwater wastewater system and transfer of the title to Cartwright Creek?
  - b. Will the developer of Stillwater pay Cartwright Creek undeveloped lot fees? If so, what is the amount of the fee per undeveloped lot and when and under what circumstances will Cartwright Creek receive the first payment?
  - c. How many planned building lots are there in the proposed Stillwater development?

**DOCKET NO. 09-00056**  
Attachment to Order dated September 30, 2009

Additional Questions from Authority Staff to be responded to by October 6, 2009:

FOR CARTWRIGHT CREEK

10. Approximately what percentage of Mr. Meyer's time charged to Cartwright Creek was spent on engineering projects for the Grassland facility? Provide a detailed explanation of the outcome or benefit to the customers at the Grasslands as a result.
11. Provide documentation of all engineering related work including but not limited to research results, inter-company memos, reports, drawings and cost estimates.
12. Were any of the engineering projects of a non-recurring nature, i.e. not expected to be repeated on an annual basis?
13. Based on 100% of Mr. Meyer's time, what percentage was spent on Sheaffer projects other than those performed for Cartwright Creek? Explain.
14. What is Sheaffer's "loading factor" for payroll benefits?
15. Does the annual Insurance premium allocated to Cartwright Creek provide insurance coverage to the Grasslands wastewater system only, or does it cover the newly built Sheaffer systems at Waterbridge and Stillwater as well?
16. If Waterbridge and Stillwater are not included, what is the estimated additional annual premium to add these systems to the policy?
17. Mr. Meyer testifies regarding the severity of the Infiltration and Inflow ("I and I") problems at the Grasslands. What expenses are cost driven by excessive I and I?
18. What would be the estimated reduction in operating costs related to these expenses if the I and I problem were completely repaired?
19. Has anything been accomplished toward the goal of eliminating the I and I problem since the repair of 1000 feet of line in 2006-2007? Explain in detail.

FOR CONSUMER ADVOCATE

20. Why was Plant Management Expense adjusted by the test period amount for Mr. Winfrey verses the attrition period amount the Company included in its case (see Peters Direct page 8, lines 2 - 6 and Cochrane Rebuttal Att. B).