

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

December 15, 2009

IN RE:)	
)	
JOINT PETITION OF CARTWRIGHT CREEK LLC)	DOCKET NO.
AND WATERBRIDGE DEVELOPMENT FOR)	09-00173
APPROVAL OF SPECIAL CONTRACT)	

ORDER GRANTING APPROVAL OF SPECIAL CONTRACT

This matter came before Director Mary W. Freeman, Director Eddie Roberson, and Director Kenneth C. Hill of the Tennessee Regulatory Authority (“TRA” or the “Authority”), the voting panel assigned to this Docket, at a regularly scheduled Authority Conference held on November 9, 2009, for consideration of the *Joint Petition of Cartwright Creek and Waterbridge Development for Approval of Special Contract* (“*Joint Petition*”) filed on October 15, 2009 by Cartwright Creek, LLC (“Cartwright” or “Company”) and Waterbridge Development, Inc. (“Waterbridge”).

BACKGROUND

Waterbridge is a residential community located within the service territory of Cartwright,¹ and the construction of the wastewater system for the development is nearing the final stage of completion. On April 28, 2009, Cartwright filed a petition² with the TRA for approval of a rate increase. On August 24, 2009, Waterbridge filed a petition in that docket

¹ See *In re: Petition to Amend Cartwright Creek's CCN and Petition to Intervene in Tennessee Wastewater Systems, Inc.'s Petition to Amend CCN*, Docket No. 04-00358.

² See *In re: Petition of Cartwright Creek, LLC to Change and Increase Rates and Charges*, Docket No. 09-00056, *Petition* (April 28, 2009).

requesting intervention, and at the September 9, 2009 Status Conference in Docket No. 09-00056, the Hearing Officer granted limited intervention to Waterbridge. Subsequently, Cartwright and Waterbridge filed the *Joint Petition* in the instant docket seeking approval of a Special Contract (the “Contract”).

Currently, there are no homes built in Waterbridge and hence no existing customers for Cartwright. The purpose of the Contract is to govern the relationship between Waterbridge and Cartwright. In substance, it lays out the agreed upon rates, terms and conditions between Cartwright, Waterbridge and the home builders.

FINDINGS AND CONCLUSIONS

When a Company’s general approved tariff does not sufficiently cover the terms of service and/or rates necessary to serve a specific customer, a special contract is an option for the parties involved. Such contracts are allowed under TRA Rule 1220-4-1-.07, which provides:

Special contracts between public utilities and certain customers prescribing and providing rates, services and practices not covered by or permitted in the general tariffs, schedules, or rules filed by such utilities are subject to supervision, regulation, and control by the Authority. A copy of such special agreements shall be filed, subject to review and approval.

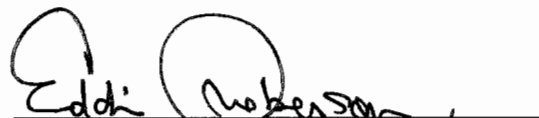
The panel found that Cartwright’s existing tariff is not sufficient to cover all the services, practices and rates set out under the proposed Contract. Thus, the panel found that it was appropriate for the Company and Waterbridge to enter into a special contract pursuant to TRA Rule 1220-4-1-.07. Therefore, the panel voted unanimously to approve the Contract between Cartwright and Waterbridge as set out in the *Joint Petition*. The panel stated that Cartwright Creek is to defer all revenues received from the developer pursuant to this contract and document all associated expenses to be submitted to the TRA for each development for recovery in a later proceeding. The panel further directed Cartwright to file a petition for approval of the proposed

rates to be charged prior to offering service to individual lot owners and before charging the individual lot owners the proposed \$205.86 undeveloped lot fee. The petition should include documentation on all deferred revenues received from the developer and/or builders and all expenses with documentation that the Company is seeking to recover.

IT IS THEREFORE ORDERED THAT:

1. The Special Contract by and between Cartwright Creek, LLC and Waterbridge Development, Inc. is approved.
2. Cartwright Creek, LLC shall defer all revenues in a deferred revenue account and document all associated expenses for consideration of recovery in a later proceeding.
3. Cartwright Creek, LLC shall file a petition regarding the proposed fees to be charged before offering service to individual lot owners or charging individual lot owners the proposed annual undeveloped lot fee. The petition shall contain all of the information discussed above.


Mary W. Freeman, Director


Eddie Roberson, Director


Kenneth C. Hill, Director