

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**JOINT PETITION OF CARTWRIGHT CREEK,
LLC AND TRA STAFF (AS A PARTY) TO
INCREASE RATES AND CHARGES**

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) **Docket No. 16-00127**
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**ARRINGTON NATIONAL DEVELOPMENT, LLC
RESPONSE TO THE PARTY STAFF OF THE TENNESSEE REGULATORY
AUTHORITY AND CARTWRIGHT CREEK'S OBJECTION TO ARRINGTON'S
PETITION FOR LIMITED INTERVENTION**

Arrington National Development, LLC ("Arrington") submits the following response to the "Objection to Petition to Intervene" filed by the Party Staff of the Tennessee Regulatory Authority ("TRA") and Cartwright Creek, LLC ("Cartwright Creek").

1. Arrington is the sole developer of a development called Hideaway at Arrington ("Hideaway" or "development") in Williamson County, Tennessee. Arrington owns a vast majority of the lots in the development and will continue to own a majority of the lots throughout all stages of the development.

2. In an effort to provide wastewater services to the development, Arrington engaged Cartwright Creek, a public utility authorized to provide wastewater services in William County, Tennessee. In August of 2015, Arrington and Cartwright Creek entered into a special contract memorializing its agreement for the provisioning of wastewater services to the development. Arrington has paid in excess of \$300,000 for the construction of the on-site wastewater system that Cartwright Creek will use to deliver wastewater services to Hideaway. As required by the terms of the special contract, Arrington has paid and continues

to pay extraordinary maintenance fees to Cartwright Creek. Pursuant to the terms of the special contract, Arrington does not have to pay a "tap fee" to Cartwright Creek. TRA Utility Rate specialist Daniel Ray references the tap fee provision in his pre-filed direct testimony. Mr. Ray states "there are no projected tap fees in the areas being developed during the Attrition Period in light of current contracts with developers providing for the payment of maintenance". It's unclear from his testimony whether he is specifically referencing Arrington and Cartwright Creek's special contract, since the special contract is arguably ineffective absent TRA approval. Arrington should be afforded the opportunity to ask this witness questions as his testimony could directly impact Arrington's right to enforce the special contract it has with Cartwright Creek.

3. On August 22, 2016, Arrington and Cartwright Creek filed a joint petition with the TRA seeking approval of said special contract. See Docket No. 16-00097. To date, this matter has not been considered by the TRA. Without TRA approval, this special contract is arguably ineffective and may possibly never be effective. It is premature to hear the rate case before the special contract has been approved, assuming the rate case relies on the terms of the special contract as indicated by Mr. Ray. At this point in this proceeding, it is unclear as to whether the terms of Arrington and Cartwright Creek's special contract will apply; therefore, possibly affecting the ultimate decision in the rate case. Cartwright Creek and the TRA's interests would be better served by determining the validity of the special contract prior to determining a rate increase, as the terms could impact that rate.

Conclusion

Arrington's rights and interests could be prejudiced by the disposition of this case. The decision in this case will most likely prejudice the outcome in Docket No. 16-00097. Therefore, Arrington's Petition to Intervene should be granted.

Respectfully submitted,

FARRIS BOBANGO, PLC

BY: Charles Welch
Charles B. Welch, Jr.

BY: Jennifer E. Jones
Jennifer E. Jones

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing instrument has been served via email, or first-class mail to all parties of record in this proceeding on December 7, 2016.

BY: Charles Welch
Charles B. Welch, Jr.