

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION**

IN RE: )  
 )  
CARTWRIGHT CREEK, LLC, )  
REQUEST TO UTILIZE ALTERNATIVE ) DOCKET NO. 17- 00035  
FINANCIAL SECURITY )

**PETITION FOR ALTERNATE FINANCIAL SECURITY**

Pursuant to TRA Rule 1220-4-13-.07(5), Cartwright Creek, LLC ("Cartwright") petitions the Tennessee Public Utility Commission ("TPUC" or "the Commission") to accept as alternate financial security the \$50,000 surety bond that is currently held by the agency and that the Commission has previously found sufficient to comply with the alternate financial security rules. *See* "Order Approving Petition for Alternate Financial Security," Docket 15-0052 (Aug. 17, 2016).

The Commission noted in Docket 15-00052 that the \$50,000 bond was "approximately 11% of the Company's gross annual revenues" but "would provide sufficient funds to operate the company on a temporary basis for two months." Order, at 5. Those circumstances have not changed. In Docket 15-00052, the utility's total revenue was \$471,947.07 (Order, at 1). The utility's total revenue in 2016 was \$476,351.<sup>1</sup> The cost of operating the utility for two months remains the same as calculated in the prior docket. Order, at 2.

Furthermore, although the Commission's proposed new rules regarding financial security for wastewater utilities are not currently in effect, the current rules give the agency discretion to consider the proposed rules and the policies incorporated therein and apply them on a case-by-

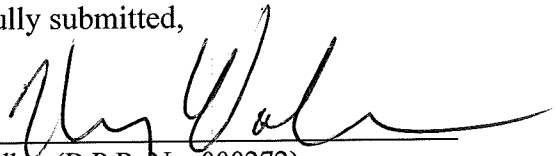
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<sup>1</sup> See the utility's 2016 annual report: \$748,582 less \$207,231 in developer contributions and \$65,000 in tap fees equals \$476,351.

case basis. The proposed rules state that once a utility has submitted proof of financial security and the Commission has found the utility's submission sufficient, the utility "is not required to submit a new financial security" until its revenues "increase by 10%" as shown on its annual report. Proposed Rule 1220-4-13-.07(2c). Here, the utility's revenues as shown on its annual report have not increased by 10% since the Commission considered and approved the utility's proposal for alternate financial security in Docket 15-00052.

After more than two years of litigation and investigation, the Commission found last August that a \$50,000 bond provided sufficient financial security for Cartwright Creek. Moreover, the agency approved a "staff-assisted" rate petition for this utility just four months ago and, as a result, is thoroughly familiar with the utility's difficult financial circumstances and potential environmental liabilities. Under these circumstances, there is no reason to re-open the issue of financial security at this time. Therefore, Cartwright Creek requests that the Commission accept as alternate financial security the \$50,000 bond approved in Docket 15-00052.

Respectfully submitted,



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