

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

January 3, 2018

IN RE:

**PETITION OF CARTWRIGHT CREEK, LLC
FOR APPROVAL TO USE ESCROW FUNDS**

)
)
)
)
)

DOCKET NO. 17-00061

ORDER APPROVING PETITION

This matter came before Chairman David F. Jones, Commissioner Herbert H. Hilliard and Commissioner Kenneth C. Hill of the Tennessee Public Utility Commission (the “Commission” or “TPUC”), the voting panel assigned to this docket, at the regularly scheduled Commission Conference held on October 23, 2017, for hearing and consideration of the Petition filed on June 27, 2017 by Cartwright Creek, LLC (“Cartwright” or the “Company”) requesting approval to use escrow funds.

BACKGROUND AND PETITION

Cartwright provides wastewater service to approximately 657 residential and 42 commercial customers located in Williamson County, Tennessee, including the Grasslands community, Arrington Retreat and Hideaway subdivisions.

In a 2009 rate case before the Commission in Docket No. 09-00056, Cartwright was granted a rate increase and also received approval at that time to implement a tap fee of \$5,000 for new customers.¹ The Commission directed the tap fees to be placed in an escrow account dedicated to future system repairs and upgrades, and the Company was further directed to

¹ *In re: Petition of Cartwright Creek, LLC to Change and Increase Rates and Charges*, Docket No. 09-00056, *Order Approving Settlement Agreement and Determining Contested Issues*, p. 8 (March 2, 2010).

request and receive approval prior to funds being expended from the escrow account.² An additional surcharge for capital improvements was approved in the Company's most recent rate case in Docket No. 16-00127. As part of a Staff-assisted rate case, the Commission set rates and authorized an additional \$7.50 capital surcharge for a thirty-six month period to fund future capital projects.³

On June 27, 2017, Cartwright filed the Petition requesting approval to use existing escrow funds for non-routine repairs and maintenance. Cartwright is requesting to use approximately \$45,100 from the escrow account established in Docket No. 09-00056 for repairing a leak in the main Grasslands wastewater treatment tank and to conduct a collection system infiltration investigation of the Grasslands collection system.⁴ The tank repair is necessary due a small opening in the main treatment tank at the Company's Grasslands wastewater treatment facility; specifically, a curved steel plate needs to be fabricated and installed to repair the opening.⁵

Cartwright sought and received a proposal to repair the tank from John Bouchard and Company at a cost of \$12,300.⁶ Cartwright is also requesting to use \$32,800 for an infiltration investigation of its Grasslands collection system. There are three components to the investigation: (1) flow measurement; (2) video inspection; and (3) smoke testing. Regarding the flow measurement, Cartwright hired a firm specializing in sewer investigations, Utility Technologies, to conduct flow monitoring in the Grasslands collection system in the Spring and Summer 2017 at a cost of \$20,000. A detailed itemization of the \$20,000 was provided by

² *Id.* at 9.

³ *In re: Joint Petition of Cartwright Creek, LLC and TRA Staff (As a Party) to Increase Rates and Charges*, Docket No. 16-00127, *Order Approving Rate Increase*, p. 5 (January 10, 2017).

⁴ Bruce Meyer, Pre-filed Direct Testimony, p. 3 (June 27, 2017).

⁵ *Id.*

⁶ *Id.* at 3-4.

Utility Technologies and was included as Exhibit D to Mr. Meyer's pre-filed testimony. Furthermore, video and smoke testing will be conducted for the infiltration lines at respective costs of \$8,800 and \$4,000. Attached to Mr. Meyer's testimony is an \$8,800 bid for video testing from First Response Environmental Group and a \$4,000 bid for smoke testing from Utility Technologies.⁷ The infiltration investigation is designed to identify areas of the collection system with the highest amount of infiltration, while the video inspection and smoke testing are necessary to identify specific repair points.⁸

On behalf of the Company, Mr. Bruce Meyer states that there is currently \$95,000 in the tap fee escrow account required in Docket No. 09-00056.⁹ Mr. Meyer states that the Company, is not proposing to use any funds from the recently created escrow account authorized in Docket No. 16-00127 to fund the projects in the instant petition.¹⁰

THE HEARING

The Hearing in this matter was held before the voting panel of Commissioners during the regularly scheduled Commission Conference on October 23, 2017, as noticed by the Commission on October 13, 2017.¹¹ Participating in the Hearing were:

Cartwright Creek, LLC – Henry M. Walker, Esq., Bradley, Arant, Boult, Cummings, LLP, 1600 Division Street, Suite 700, Nashville, Tennessee 37203 and Bruce Meyer, Operations manager, Cartwright Creek, LLC, 800 Roosevelt Road, Building A-120, Glen Ellyn, Illinois 60137.

During the Hearing, Mr. Meyer ratified, then summarized his pre-filed testimony and was subject to questioning before the panel. There were no intervening parties to the proceeding. Members

⁷ *Id.* at 4.

⁸ *Id.* at 4-5.

⁹ *Id.* at 3.

¹⁰ *Id.* at 2.

¹¹ The Hearing for the Petition had previously been noticed for consideration at Commission Conferences on July 10, 2017 and August 15, 2017, but was postponed and rescheduled in both instances at the request of the Company.

of the public were given an opportunity to offer comments, but no one sought recognition to do so.

FINDINGS AND CONCLUSIONS


In its Petition, Cartwright has asked the Commission for approval to utilize escrow funds collected through tap fees authorized in the Company's 2009 rate case in Docket No. 09-00056. After reviewing the evidentiary record, the panel found that Cartwright's Petition to fund the proposed tank repairs and infiltration testing in the Grasslands System from its escrow account established in Docket No. 09-00056 is just and reasonable. Therefore, the panel voted unanimously to approve the Petition as filed, and authorized Cartwright to use \$45,100 from its escrow funds for tank repairs and infiltration testing for the Grasslands System.

IT IS THEREFORE ORDERED THAT:

1. The Petition filed on June 27, 2017 by Cartwright Creek, LLC is granted.
2. Any person who is aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within fifteen days from the date of this Order.
3. Any person who is aggrieved by the Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty days from the date of this Order.

Chairman David F. Jones, Commissioner Herbert H. Hilliard and Commissioner Kenneth C. Hill concur.

ATTEST:



Earl R. Taylor, Executive Director