



Henry Walker
Direct: 615.252.2363
Fax: 615.252.6363
hwalker@babco.com

May 13, 2019

VIA ELECTRONIC FILING

Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Re: Responses to Second Data Requests from the Consumer Advocate
Docket No. 19-00034

Attached for filing in the above-captioned docket are the utility's responses to the second round of data requests from the Consumer Advocate.

Sincerely,

BRADLEY ARANT BOULT CUMMINGS LLP

By:

A handwritten signature in blue ink, appearing to read "H Walker", written over the printed name "Henry Walker".

Henry Walker

HW/dbi
Attachment

Cartwright Creek, LLC

Petition To Increase Tap Fees Docket No. 19-00034

Company's Response to CAD's Second Discovery Request

- 2-1. Does the Company intend to gross-up the tap fees to recover the collection of Income Tax Expense?

RESPONSE:

No

- 2-2. Notwithstanding the potential sale of the Company assets to Central States Water, is the Company committing to the Commission that it will make the improvements recommended in the Info Design Group (IDG) report once sufficient funds are obtained/acquired?

RESPONSE:

Yes.

- 2-3. Assuming the Commission approves the request to increase tap fees to \$10,000 effective July 1, 2019 and understanding that a forecast is necessarily speculative, provide an estimated number of tap fees for:

- (a) The remainder of 2019;
- (b) The calendar year of 2020; and
- (c) The calendar year of 2021.

RESPONSE:

2019 17

2020 31

2021 35

- 2-4. **Response to Consumer Advocate No. 1-2 states that the current escrow balance is approximately \$113,000. Response to Consumer Advocate No. 1-3 states that the balance of the Capital Improvement Account is approximately \$151,000. The sum of these two accounts totals approximately \$264,000. Related to Consumer Advocate Request No. 2-2, above, is it the position of the Company that “sufficient” funds necessary to initiate the IDG recommendation would occur when the balances above, plus incremental tap fees, total \$500,000?**

RESPONSE:

No. The two accounts are intended to be available for two types of expenses. One expense type is for repairs and improvements. The other expense type is emergencies. Sufficient funds will be available when the accounts have funds to implement the IDG recommendations plus a reasonable and prudent amount for unforeseen emergencies.

- 2-5. **Refer to Bruce Meyer’s Direct Testimony in TPUC Docket No. 16-00127. Utilizing the table identified as the Exhibit to Mr. Meyer’s Testimony, provide the following updates to the table (i.e., cells shaded in gray below): actual costs of the project, whether the project was completed, and the year completed. Provide any additional explanations regarding the projects in the existing Comment column.**

#	Site	Project	Estimated Cost	Actual Cost	Year			Project Completed?	Year Completed	Comments
					2017	2018	2019			

RESPONSE: Please see Exhibit A.

EXHIBIT A

Cartwright Creek, LLC - Projects List Updated 4/19/19

#	Site	Project	Estimated Cost	Actual Cost	Actual Expenditures			Project Completed ?	Year Completed	Comments
					2017	2018	2019			
1	GL	Repairs to Wastewater System Tank	\$10,000	\$13,000	\$13,000			Yes	2017	
2	GL	Entrance Road Repair	\$35,000	\$3,000 to date	\$3,000			No		Repaired worst section in 2017. Awaiting HOA review of access agreement which covers additional repairs and Cartwright Creek's easement.
3	GL	Sludge Handling Improvements	\$75,000			\$4,000		No		Consultant began engineering in 2018. Project on hold pending sale and potential rebuild of treatment system and sludge handling
4	GL	Collection System Infiltration Investigation	\$75,000	\$75,000	\$43,000	\$30,000	\$2,000	Yes	2019	Work by Utility Technologies, First Response Environmental, and IDG.
5	GL	Plant Replacement/Upgrade Study	\$50,000					No		Project on hold pending sale and potential rebuild of treatment system.
6	GL	Main Pump Station Control Refurbishing	\$25,000					No		Southern Sales, LLC has completed an evaluation. Awaiting proposal.
7	GL	Rerouting of Sample Lines	\$10,000					No		
8	AR	Irrigation Pump Station Improvements	\$7,500					No		

EXHIBIT A

Cartwright Creek, LLC - Projects List Updated 4/19/19

9	GL	Old Natchez Pump Station 2 Refurbishing	\$25,000	\$23,000 to date		\$20,000	\$3,000	No		\$20,000 in 2018 is for cleaning and repairing both Old Natchez stations. Engineering consultant is currently evaluating costs to replace or upgrade both. Including remote monitoring
10	GL	Remote Monitoring at Old Natchez Pump Stations	\$21,000					No		Need to complete above before purchasing.
11	GL	Chemical Room Scales and Monitor	\$8,000					No		
12	GL	Confined Space Entry Equipment	\$10,000					No		
13	GL	Lowering of Manhole Top	\$5,000					No		
14	GL	Building Interior Refurbishing	\$10,000					No		
15	GL	External Storage Building	\$7,500					No		
16	GL	Wastewater Samplers Replacement	\$20,000	\$16,000	\$8,000	\$8,000		Yes	2018	
17	AR	Water Service to Plant and Safety Shower	\$12,000					No		
18	AR	Influent Flow Meter	\$10,000					No		
19	AR	Building Refurbishing	\$5,000	\$2,000		\$2,000		Yes	2018	Completed by CC staff

EXHIBIT A

Cartwright Creek, LLC - Projects List Updated 4/19/19

20	AR HA	ATV For Irrigation Area inspection and Maintenance	\$12,000	\$15,000	\$15,000	\$15,000			Yes	2017	John Deere ATV
21	HA	Commercial Zero Turn for Hideaway Irrigation Mowing	\$15,000	\$10,000	\$10,000	\$10,000			Yes	2017	John Deere Zero Turn
		Totals Items 1 through 21	\$448,000	\$134,000							
22	GL	Collection System Infiltration Reduction	\$0.5 million for major reduction in I&I				Schedule to be determined once funds are available				The scope and cost of collection system repairs were identified in # 4 above.
23	GL	Treatment System Replacement	\$3-\$4 million								