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VIA ELECTRONIC FILING

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

Re: Cartwright Creek, LLC – Capital Surcharge Extension
First Discovery Requests of the Consumer Advocate
Docket No. 19-00097


Please file in the above-docket the attached responses to the Consumer Advocate's First Discovery Requests.

Note that I have included a copy of the most recent "General Change Endorsement" to Cartwright Creek's insurance policy, which demonstrates that the utility has a current policy. A complete copy of the 323-page policy has been provided to the Consumer Advocate and will be provided to the Commission upon request.

The responses include exhibits containing confidential financial information. The exhibits are being filed under separate cover.

Sincerely,

BRADLEY ARANT BOULT CUMMINGS LLP

By: 
Henry Walker

HW/dbi
Attachments

CARTWRIGHT CREEK, LLC
DOCKET NO. 19-00097 - CAPITAL SURCHARGE EXTENSION
FIRST DISCOVERY REQUEST OF THE CONSUMER ADVOCATE

Question:

1. Refer to Section 218 (Proprietary Capital) of the Company's 2017 Annual Report.
 - (a) Provide a comprehensive explanation of the transaction(s) giving rise to the negative changes during year (equity conversion to debt) (\$564,687).
 - (b) Confirm that this represents a withdrawal of capital from the Company.
 - (c) Identify the recipient of the withdrawal.
 - (d) With regard to the \$564,887 first of the year balance, identify the amount of this balance that represents (a) capital provided by one or more owners of Cartwright Creek, or (b) Other transactions. If this balance, or some portion of this balance is represented by transactions other than capital injected by one or more owners, provide a comprehensive explanation of the source of these funds.
 - (e) If not provided in the response above, provide a listing of amounts and identify the source for all injections of capital into Cartwright Creek for the period 1/1/10 – current.
 - (f) Provide a copy of the Company's current property insurance policy.

Response:

- (a) In anticipation of the sale of Cartwright Creek, the Company made an adjusting entry on its books to convert substantially all of the owner's equity to debt. This adjustment was necessary to place Cartwright Creek's minority and primary owners on an equal footing for the disposition of any proceeds from the expected sale.
- (b) There was no withdrawal of capital from this transaction. Instead, this transaction only represents a reclassification of owner's equity to debt.
- (c) There was no recipient from a withdrawal of capital. Instead, this transaction only represents a reclassification of owner's equity to debt.
- (d) The opening balance of \$564,887 in proprietary capital at January 1, 2017 represents the accumulation of investment capital from the owners since the utility's acquisition.

CARTWRIGHT CREEK, LLC
DOCKET NO. 19-00097 - CAPITAL SURCHARGE EXTENSION
FIRST DISCOVERY REQUEST OF THE CONSUMER ADVOCATE

- (e) See the information provided below in Table 1.

| TABLE 1 – Proprietary Capital | | |
|--------------------------------------|-----------------------------------|----------------|
| Period | Investment/ Withdrawal | Balance |
| January 1, 2010 | | \$667,428 |
| Twelve Months Ended 12-31-2010 | \$79,916 | 747,344 |
| Twelve Months Ended 12-31-2011 | -182,457 | 564,887 |
| Twelve Months Ended 12-31-2012 | 0 | 564,887 |
| Twelve Months Ended 12-31-2013 | 0 | 564,887 |
| Twelve Months Ended 12-31-2014 | 0 | 564,887 |
| Twelve Months Ended 12-31-2015 | 0 | 564,887 |
| Twelve Months Ended 12-31-2016 | 0 | 564,887 |
| Twelve Months Ended 12-31-2017 | -564,687 | 200 |
| Twelve Months Ended 12-31-2018 | 0 | 200 |

- (f) See response to CA1-1.

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF CARTWRIGHT
CREEK, LLC TO EXTEND CAPITAL
IMPROVEMENTS SURCHARGE**

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DOCKET NO. 19-00097

**CARTWRIGHT CREEK'S RESPONSES
TO FIRST DISCOVERY REQUEST OF CONSUMER ADVOCATE**

FILED UNDER SEAL

CONFIDENTIAL EXHIBITS