

**FARRIS MATHEWS BRANAN  
BOBANGO HELLEN & DUNLAP PLC**

ATTORNEYS AT LAW

MEMPHIS DOWNTOWN:  
One Commerce Square, Suite 2000  
Memphis, Tennessee 38103  
Telephone: 901-259-7100  
Facsimile: 901-259-7150

HISTORIC CASTNER-KNOTT BUILDING  
618 CHURCH STREET, SUITE 300  
NASHVILLE, TN 37219

MEMPHIS EAST:  
1100 Ridgeway Loop Road, Suite 400  
Memphis, Tennessee 38120  
Telephone: 901-259-7120  
Facsimile: 901-259-7180

(615) 726-1200 telephone  
(615) 726-1776 facsimile

\_\_\_\_\_  
Kristi Stout  
kstout@farrismathews.com

\_\_\_\_\_  
Reply to:  
Nashville Office

August 3, 2006

Filed Electronically in Docket Office on 08/03/06 @ 2:40pm

Chairman Sara Kyle  
Attn: Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

RE: Data Request Responses of Integrated Resource Management, Inc. To Amend Its Certificate of Public Convenience To Serve An Area In Sevier County, Tennessee Known As Mountain Shangrila Subdivision (Docket No. 06-00156)

Dear Chairman Kyle: ..

Please find attached the above referenced Responses to the Tennessee Regulatory Authority's Data Requests for electronic filing. An original and five copies will be mailed to you. Please date and stamp a copy for our records and return to me in the self-addressed, stamped envelope.

Thank you for your assistance regarding this matter. If you have any questions, or if I may be of further assistance, please do not hesitate to contact me.

Very truly yours,

FARRIS MATHEWS BRANAN  
BOBANGO HELLEN & DUNLAP, PLC



Kristi Stout

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

**IN RE:**

<b>PETITION OF INTEGRATED RESOURCE</b>	<b>)</b>	
<b>MANAGEMENT, INC.</b>	<b>)</b>	
<b>TO AMEND ITS CERTIFICATE OF</b>	<b>)</b>	<b>Docket No. 06-00156</b>
<b>CONVENIENCE AND NECESSITY</b>	<b>)</b>	

**RESPONSES TO TENNESSEE REGULATORY AUTHORITY'S DATA REQUESTS**

Integrated Resource Management, Inc., d/b/a IRM Utility, Inc. ("IRM"), by and through undersigned counsel of record, hereby provides the following responses to the Tennessee Regulatory Authority's Data Requests:

- 1. What was the effective date of the Utility Services Agreement (Exhibit E of the Petition) entered into by IRM, Dudley Creek Development, LLC and Marvin T. Merritt?**

**ANSWER:** August 5, 2005

- 2. The agreement states on page 3 that "It is agreed that the Utility shall have exclusive title and ownership of the System in the subdivision..." Provide a complete description of all wastewater system components that will be owned by IRM (e.g. septic tanks, collection lines, re-circulating media filters, drip field lines, etc.).**

**ANSWER:** IRM will own the system and its components. The components of the system include service connects at the lot that include a ball valve, check valve, and valve box as well as the collection lines to the system. The treatment system also consists of the recirculation tanks, pumps, control panels, Quanics Biofilter Advanced Waste Treatment System, recirculation devices and indexing valves. Additionally, IRM will also own the slow rate land treatment (drip

fields) which consists of the dosing tank with pumps, filters, ultra violet disinfection, ultra violet building, indexing valves, manifolds, and drip lines.

**3. What is the capacity of the wastewater treatment system?**

**ANSWER:** The system is designed and permitted by the Tennessee Department of Environment and Conservation to treat 16,000 gallons per day.

**4. What is the number of residential customers and the number of commercial customers (rental units) to be served by the wastewater system?**

**ANSWER:** It is estimated that fourteen (14) homes will be billed under the residential tariff and seventeen (17) homes will be billed under the commercial tariff.

**5. What is the estimated total cost to construct the wastewater system?**

**ANSWER:** The estimated total cost to construct the wastewater system, including materials and labor, is slightly less than Two Hundred Thousand Dollars (\$200,000.00).

**6. Will the developer provide an easement or title to the land on which the wastewater treatment system (including the drip field) will be located?**

**ANSWER:** Easements will be provided by the developer to the wastewater treatment system, including the drip field and other system components.

**7. What is the estimated value of the contribution in aid of construction? How much of this amount is attributable to the appraised or estimated value of the property (or permanent easement to property) that the wastewater treatment system will occupy?**

**ANSWER:** None

**8. What is the estimated time to complete the wastewater system after all required approvals are obtained?**

**ANSWER:** It should take approximately two (2) to four (4) weeks to complete the wastewater system once all required approvals are obtained.

**9. On Exhibit G to the Petition dated June 15, 2006, there is a statement in the second to last sentence “(See commercial tariff sheet).” Provide the referenced tariff sheet that details the commercial rates to be charged to rental cabins in the development.**

**ANSWER:** See Exhibit A.

**10. Provide a letter from East Sevier Utility District regarding their willingness or ability to provide wastewater service to the proposed development.**

**ANSWER:** The Applicant avers that this subdivision is not within the service area of East Sevier Utility District, and no letter is required to be submitted.

**11. Identify all complaints filed with any state regulatory agency involving your company. Identify the nature of each complain, the governmental agency receiving the complaint, and how the complaint was resolved.**

**ANSWER:** None

**12. Please revise and re-file your pre-filed testimony attached to your petition to include the following:**

**a. A statement that IRM intends to comply with all TRA rules, statues, and orders pertaining to the provisions of wastewater services in Tennessee.**

**b. A notarized affidavit page.**

**ANSWER:** See attached as Exhibit B, Revised Pre-Filed Testimony of Jeffrey W. Cox, Sr.

Respectfully submitted,

FARRIS MATHEWS BRANAN  
BOBANGO HELLEN & DUNLAP, PLC

A handwritten signature in cursive script, appearing to read "Kristi Stout", written over a horizontal line.

Charles B. Welch, Jr.

Kristi Stout

618 Church Street, Suite 300

Nashville, TN 37219

Tel: (615) 726-1200

Fax: (615) 726-1776

Attorneys for Petitioners

## Tariff Rate Sheet

### Commercial Sewer Rates – Without Food Service

The sewer bill will be charged on a monthly basis. The customer will provide a system that has an expected design flow and quality characteristics. Special conditions such as high treatment requirement or high flows may make other systems than addressed in this initial petition necessary. IRM Utility, Inc. will need to petition for rates on a case by case basis for such systems.

A minimum service charge will be \$75.00 per month for the first 300 gallons per day of design flow expected. For each additional 1000 gallons per day an additional charge of \$15.00 per month per 100 gallons will be charged. For design flows expected over 1,000 gallons per day, up to 3000 gallons per day, the following additional monthly charges per 1,000 gallons of daily flow will apply:

Treatment	Disposal		
	Sub-surface Drip Irrigation	Point Discharge	Off-Site
Sand, Gravel, Media Filters	\$140.00	\$165.00	-
Lagoon	\$116.00	\$140.00	-
Off-site	-	-	Pass Through & \$73.00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$116.00 per 1000 gallons of daily flow.

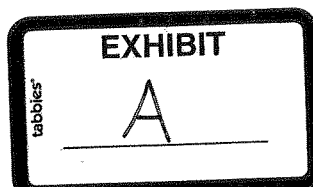
Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess Water Usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$175.00
1,001 gallons to 2,000 gallons above expected design flow	\$200.00
Over 2,000 gallons above expected design flow	\$200.00/1000 gals

If the water meter readings exceed the design flow or analysis indicates that effluent characteristics are not as indicated by the customer's design engineer, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system or upgrading the treatment for the greater loading will be paid by the customer.

Fees: Nonpayment – 5%  
Disconnection - \$10.00  
Reconnection - \$15.00  
Returned Check - \$20.00

June 28, 2004



## Tariff Rate Sheet

### Commercial Sewer Rates – With Food Service

The sewer bill will be charged on a monthly basis. The customer will provide a system that has an expected design flow and quality characteristics. Special conditions such as high treatment requirement or high flows may make other systems than addressed in this initial petition necessary. IRM Utility, Inc will need to petition for rates on a case by case basis for such systems

A minimum service charge will be \$100.00 per month for the first 300 gallons per day of design flow expected. For each additional 1000 gallons per day an additional charge of \$18.00 per month per 100 gallons will be charged. For design flows expected over 1,000 gallons per day, up to 3000 gallons per day, the following additional monthly charges per 1,000 gallons of daily flow will apply:

Treatment	Disposal		
	Sub-surface Drip Irrigation	Point Discharge	Off-Site
Sand, Gravel, Media Filters	\$170 00	\$192 00	-
Lagoon	\$142 00	\$163 00	-
Off-site	-	-	Pass Through & \$94 00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$142.00 per 1000 gallons of daily flow

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess Water Usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$210 00
1,001 gallons to 2,000 gallons above expected design flow	\$220 00
Over 2,000 gallons above expected design flow	\$220 00/1000 gals

If the water meter readings exceed the design flow or analysis indicates that effluent characteristics are not as indicated by the customer's design engineer, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system or upgrading the treatment for the greater loading will be paid by the customer.

Fees: Nonpayment – 5%  
Disconnection - \$10.00  
Reconnection - \$15.00  
Returned Check - \$20.00

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

**IN RE:**

<b>PETITION OF INTEGRATED RESOURCE</b>	)	
<b>MANAGEMENT, INC.</b>	)	
<b>TO AMEND ITS CERTIFICATE OF</b>	)	
<b>CONVENIENCE AND NECESSITY</b>	)	<b>Docket No. <u>06-00156</u></b>
<b>TO SERVE AN AREA IN SEVIER</b>	)	
<b>COUNTY, TENNESSEE KNOWN AS</b>	)	
<b>MOUNTAIN SHANGRILA SUBDIVISION</b>	)	

---

**REVISED PRE-FILED DIRECT TESTIMONY OF JEFFREY W. COX, SR.**

---

**Q: State your name for the record and your position with the Petitioner, Integrated Resource Management, Inc. ("IRM").**

A: Jeffrey W. Cox, Sr. I am the President of IRM.

**Q: Are you presenting testimony on behalf of IRM?**

A: Yes.

**Q: Did you assist and cause to filed the Petition in this proceeding requesting an expansion of service area and an extension of authority for IRM to provide waste water sewer services in Sevier County to a residential subdivision known as Mountain Shangrila?**

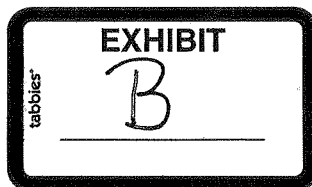
A: Yes.

**Q: Can you describe the service you will be providing?**

A: Yes, the service will be the same as we have petitioned for in the past. We will be operating an on site wastewater treatment facility that beneficially reuses the water in subsurface drip irrigation systems.

**Q: How many customers will be served by the proposed system?**

A: 31 Residential and/or Rental Cabins.



**Q: Do you operate any systems in this area?**

A: Yes we do. We operate systems servicing Compass Pointe, Emory Pointe, Cove Mountain Realty, Valley Mart Exxon, Lot 23, The River Club and Sterling Springs. We also have the Wild Briar Subdivision that is within 3 miles of Mountain Shangrila.

**Q. When did the company receive its first certificate from the Authority to operate a sewer system in Tennessee?**

A. After a hearing in October 2003 in Docket 03-00467 and pursuant to this Authority's final order dated March 16, 2004, IRM was granted a CCN.

**Q. Does IRM have the management, technical and financial ability to provide wastewater service in the area referred to in this Petition?**

A. Yes.

**Q: Have you contacted other potential utility service providers in the area to determine whether they might have any plans to service the area?**

A: Yes. They have provided letters indicating that they do not intend to provide wastewater service. These letters are included in the petition.

**Q: Is there a public need for wastewater service to this area?**

A: Yes.

**Q: Is all of the information in the petition accurate to the best of your knowledge.**

A: Yes, it is.

**Q: Have you submitted plans to the Tennessee Department of Environment and Conservation for approval?**

A: Yes. The plans were submitted in January 2006 to the Tennessee Department of Environment and Conservation. A State Operating Permit has been issued in the name of IRM, SOP #060001.

**Q: Does IRM intend on complying with all TRA rules, statutes, and orders pertaining to the provision of wastewater services in Tennessee?**

A: Yes.

**Q: Does this conclude your testimony?**

A: Yes.

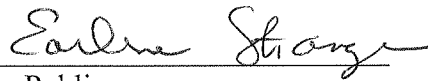
STATE OF TENNESSEE  
COUNTY OF Jefferson

JEFFREY W. COX, SR. having been first duly sworn, makes oath that the statements contained in the foregoing Revised Pre-Filed Direct Testimony are true to the best of his knowledge, information and belief.



JEFFREY W. COX, SR.

SWORN TO AND SUBSCRIBED before me, on this the 1st day of August, 2006.



Notary Public

My Commission Expires: 1/24/2009

