

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC

ATTORNEYS AT LAW

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

Jamie R. Hollin
jhollin@farrismathews.com

Telephone: (615) 726-1200
Facsimile: (615) 726-1776

Writers Direct Dial:
615-687-4243

August 8, 2007

Chairman Eddie Roberson
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

VIA ELECTRONIC DELIVERY

filed electronically in docket office on 08/08/07

**Re: Data Responses for Integrated Resource Management, Inc. in
Docket No. 07-00061—Reserve/Escrow Requirement Pursuant to
Tenn. Comp. R. & Regs. 1220-4-13-.07(8).**

Dear Chairman Roberson:

Please find the Data Responses for Integrated Resource Management, Inc. in the referenced docket enclosed herewith.

Thank you for your assistance regarding this matter. If we can be of further assistance, please do not hesitate to contact us.

Very truly yours,

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC



Jamie R. Hollin

Enclosure

1. Please complete the following table for the composite collection and treatment systems owned by your Company.¹

Average Service Life - Expected service life in years that the Company uses to calculate depreciation for each category of plant in service as reflected in the annual report filed with the Authority.

Remaining Service Life - The weighted average remaining service life of the collection system plant and the treatment system plant whose individual components may have a different remaining service life based on the year the component was placed into service.²

Original Cost - The total booked cost of all components associated with the system.

Other Systems - Other plant accounts maintained by the Company that are not part of either the Collection System or Treatment System.

| | Average Service Life (Yrs.) | Remaining Service Life (Yrs.) | Original Cost (\$) |
|-------------------|--------------------------------|----------------------------------|-----------------------|
| | | | |
| Collection System | | | |
| | | | |
| Treatment System | | | |
| | | | |
| Other Systems | | | |

Example

ABC Utility has a collection system comprised of 3 components. Each component in that plant account has an average service life of 50 years. Component 1 with original cost of \$50,000 has just been placed in service. Component 2 with an original cost of \$100,000 has been in service 2 years. And Component 3 with an original cost of \$75,000 has been in service 5 years. Weighted average remaining service life of the collection system is calculated as follows:

$$((\$50,000 * 50 \text{ yrs.}) + (\$100,000 * 48 \text{ yrs.}) + (\$75,000 * 45 \text{ yrs.})) / \$225,000 = \mathbf{47.4 \text{ years}}$$

This information is entered into the table as follows:

¹ Information regarding service life and original total booked cost should be provided only for those systems that are completed and currently serving customers. Information requested is for total company, not by separate wastewater system territories.

² See example provided.

| | Average Service Life (Yrs.) | Remaining Service Life (Yrs.) | Original Cost (\$) |
|-------------------|--------------------------------|----------------------------------|-----------------------|
| Collection System | 50 | 47.4 | \$225,000 |

Company Response:

| | Average Service Life | Remaining Service Life (Yrs.) | Original Cost (\$) |
|-------------------|-------------------------|----------------------------------|-----------------------|
| Collection System | 50 | 49.5 | \$45,000 |
| Treatment System | 24 | 23.5 | \$720,000 |
| Other Systems | 24 | 23.5 | \$71,984 |

2. Please complete the table below showing the total³ number of residential wastewater customers at the points in time as indicated.

| | Total Currently Served | Total Projected 12/31/07 | Total Projected 12/31/08 | Total Projected 12/31/09 | Maximum Projected To Serve With Existing Systems |
|---------------------------------------|---------------------------------------|---|---|---|---|
| Number of Residential Customers | | | | | |

Company Response:

| | Total Currently Served | Total Projected 12/31/07 | Total Projected 12/31/08 | Total Projected 12/31/09 | Maximum Projected To Serve With Existing Systems |
|---------------------------------------|---------------------------------------|---|---|---|---|
| Number of Residential Customers | 15 | 15+43=58 | 58+50+108 | 108+53=161 | 263 |

³ Number of customers is for the total company, not each separate wastewater system territory.

3. If the Company's tariff contains a commercial rate, does that commercial rate include an escrow amount for capital plant replacement?

Company Response:

No. The Company's commercial tariff does not include an escrow amount for capital plant replacement.

4. If the answer above is yes:
- (a) What is the monthly escrow amount?
 - (b) How was this amount determined?
 - (c) For what purpose can the escrow funds be used?
 - (d) Are the escrow funds segregated into a separate account for reporting purposes?

Company Response:

Not applicable. The Company's commercial tariff does not include an escrow amount for capital plant replacement.

5. How many total commercial customers does the Company have?

Company Response:

The Company has 3 commercial customers that are all served by special contracts approved by the TRA. The Company has no (0) commercial customers that are served under its existing commercial tariffs.