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June 4, 2008

Via Electronic Delivery

Ms. Darlene Standley, Chief
Utilities Division

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37219

FILED ELECTRONICALLY IN DOCKET OFFICE ON 06/04/08

**Re: Docket to Determine the Reserve/Escrow Requirement for Integrated
Resources Management, Inc. Pursuant to TRA Rule 1220-4-13-.07(8)
Docket No. 07-00061.**

Dear Ms. Standley:

We are in receipt of your letter dated May 20, 2008 requesting additional information from Integrated Resources Management, Inc. d/b/a IRM Utility, Inc. ("IRM" or the "Company") on its accounting of escrow transactions for calendar year 2007. On behalf of IRM, please accept the following responses:

Request No. 1: Please reconcile the December 31, 2007 balance of \$5,698.48 as shown on the annual report Schedule SU-2 with the US Bank Savings account balance of \$4,192.16 at December 26, 2007.

Response: In September 2004, IRM created a separate checking account (secondary checking account #0066) for the purpose of retaining cash related to the Company's liability for customer deposits and escrows.¹ In May 2007, IRM transferred its funds reserved for the escrow liability from this secondary checking account into a separate savings account (savings account #5435).

¹ The Company's secondary checking account is only used to receive payments from customers. Funds from this secondary account are then periodically transferred to the escrow savings account.

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As you may be aware, IRM records its transactions on the utility books using the cash basis of accounting. As such, the Company's revenues and expenses are not recognized until actually received or paid. Therefore, there is two to three month lag between the time that revenues are received from IRM's customers, and the corresponding escrow liability is calculated and funds are transferred into the escrow savings account to cover the liability. As such, the amount of IRM's escrow liability (\$5,698.48) at December 31, 2007 was not calculated or known until March 2008. IRM then transferred additional funds in March 2008 into the escrow savings account to cover the liability at December 31, 2007.

Request No. 2: On November 26, 2007, Mr. Jamie Hollin, attorney for IRM, submitted a copy of the escrow bank statement for the period September 27, 2007 through October 24, 2007. The balance at October 24 was \$4,192.10. Based on the bank statement provided with the annual report, it would appear that the October balance was increased by \$0.03 interest in November and December, resulting in a balance at December 26, 2007 of \$4,192.16. Did IRM make deposits of \$154.70 and \$1,201.30 for November 2007 and December 2007 as shown on Schedule SU-2 to the annual report?

Response: No. IRM did not make deposits of \$154.70 and \$1,201.30 for November and December 2007. As mentioned in our response to Item #1 above, there is a two to three month lag between the time that revenues are received from IRM's customers, and the corresponding escrow liability is calculated and funds transferred into the escrow savings account to cover the liability. At that time, IRM retroactively records the escrow liability calculation on its books, but transfers funds to cover the liability in the current month.

Request No. 3: According to the December 14, 2007 Authority Order, you were also required to file a tariff to collect an escrow amount of 29% of the billed rate from commercial customers, including special contract customers. Please advise the date the TRA can expect this tariff to be filed.

Response: The Company is currently working on this tariff and expects to complete the filing by July 15, 2008.

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If you have any questions or concerns relative to IRM's response, please do not hesitate to contact me. I am

Very truly yours,

FARRIS MATHEWS BOBANGO, PLC

A handwritten signature in black ink, appearing to read "J. Hollin", written in a cursive style.

Jamie R. Hollin

Cc: Jeffrey Cox (via email)
William H. Novak (via email)