

**IN THE TENNESSEE REGULATORY AUTHORITY  
AT NASHVILLE, TENNESSEE**

**IN RE:** )  
 )  
**JOINT PETITION OF INTEGRATED** )  
**RESOURCE MANAGEMENT, INC.** ) **DOCKET NO. 15-00130**  
**AND TRA STAFF (AS A PARTY) TO** )  
**INCREASE RATES AND CHARGES** )

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**JOINT PETITION**

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Integrated Resource Management, Inc. ("IRM" or "Company") and TRA Staff (As a Party) ("Party Staff") (collectively, the "Parties"), pursuant to Tenn. Code Ann. § 65-5-103, jointly petition the Tennessee Regulatory Authority ("Authority") for an increase to IRM's rates and charges for the purpose of recovering IRM's costs of providing wastewater service to its customers and for authority to place such rates and charges into effect through a revised tariff.

In support of the Joint Petition, the Parties submit the following:

1. Integrated Resource Management, Inc. is a public utility as defined in Tenn. Code Ann. § 65-4-101 and is engaged in providing wastewater services to approximately 58 residential customers and 67 commercial customers located in the counties of Blount, Campbell, Decatur, Knox, Roane, Sevier, and Union. The name and principal business address of the Company are:

Integrated Resource Management, Inc.  
Jeffrey W. Cox, Sr., President  
3444 Saint Andrews Drive  
White Pine, TN 37890

2. The names and principal business address of the Party Staff are:

Joe Shirley, Deputy Chief of Utilities  
Tiffany Underwood, Utilities Consultant  
Daniel Ray, Utility Rate Specialist  
Tennessee Regulatory Authority  
502 Deaderick Street, Fourth Floor  
Nashville, TN 37243

3. IRM presently owns and operates the following certificated wastewater systems:

<u>Wastewater System</u>	<u>Docket No</u>	<u>CCN Date</u>
Cove Mountain Realty	03-00467	3-16-04
Valley Mart Exxon	03-00467	3-16-04
Emory Pointe	04-00101	8-19-04
The River Club	04-00152	10-7-04
Compass Pointe	04-00266	2-16-05
Sterling Springs	05-00055	10-27-05
Wild Briar Ridge	05-00056	10-27-05
Mountain Shangrila	06-00156	1-23-07
Lost Creek Campground	07-00010	6-8-07
Flat Hollow	07-00009	6-13-07
Riverstone Estates	09-00099	4-5-10
Cove Creek	10-00122	10-5-10

4. IRM has never filed a rate case petition since it began operations over eleven years ago in 2004. The currently-tariffed rates and charges of IRM were approved by the Authority as part of its granting of IRM's Certificate of Public Convenience and Necessity. Under the current rates and charges, the Company's revenues and revenue projections are not sufficient to allow the Company a fair opportunity to recover its reasonable operating costs and to provide a fair and reasonable net operating income. In 2014, the Company reported a net operating loss of \$82,633 in its Annual Report to the Tennessee Regulatory Authority.

5. As shown by the Exhibits to the Pre-filed Direct Testimony of Tiffany Underwood filed in support of this Joint Petition, the Company is projected to experience a net operating loss of \$80,424 for the Twelve Month Attrition Period Ending December 31, 2016. Using the operating margin method to establish a fair margin of 6.5% of operating expenses, IRM is projected to incur a revenue deficiency of \$93,456 during the attrition period absent any rate relief.

6. In order for the Company to adequately maintain its wastewater utility systems and provide safe and reliable services to its customers in accordance with Authority requirements and applicable wastewater regulations, an increase to its rates and charges should be granted.

7. The Parties propose to eliminate the projected revenue deficiency by increasing certain rates and charges for wastewater services as follows:

<u>Customer Class</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
Residential:			
Emory Point	\$34.95	\$58.11	66.3%
All other systems	\$35.11	\$58.11	65.5%
Commercial Without Food:			
300 GPD or less	\$75.00	\$114.64	52.8%
301-400 GPD	\$90.00	\$144.97	61.1%
401-500 GPD	\$105.00	\$174.29	66.0%
501-600 GPD	\$120.00	\$203.62	69.7%
601-700 GPD	\$135.00	\$237.95	76.3%
701-800 GPD	\$150.00	\$272.28	81.5%
801-900 GPD	\$165.00	\$306.60	85.8%
901-1000 GPD	\$180.00	\$340.93	89.4%
1,500 GPD	\$320.00	\$538.57	68.3%
5,000 GPD	\$692.00	\$824.64	19.2%
Commercial With Food:			
700 GPD	\$175.00	\$205.00	17.1%
1,000 GPD	\$226.00	\$256.00	13.3%
2,000 GPD	\$396.00	\$426.00	7.6%
Special Contracts:			
River Club	\$112.00	\$132.00	17.9%
Cove Mtn	\$145.00	\$333.58	130.1%
Access Fees	\$84.00	\$160.00	90.5%

8. In accordance with Authority Rule 1220-4-1-.05, IRM will notify its customers of the proposed increase to rates and charges by direct mail to the customers' billing addresses on file with the Company.

9. In light of the Company's present financial condition, the Parties request the Joint Petition be heard and approved at the regularly-scheduled Authority Conference on February 8, 2016, thereby providing the immediate rate relief needed for IRM to continue providing safe and reliable services.

10. In further support of this Joint Petition, the Parties will file seasonably herewith the following:

a. Pre-filed Direct Testimony of Jeffrey W. Cox, Sr. regarding a general overview of IRM's operations and a summary of the rate relief requested;

b. Pre-filed Direct Testimony, Exhibits and Workpapers of Tiffany Underwood regarding the ratemaking principles, methodologies and calculations used to project the revenue deficiency for the attrition period; a recommended rate design to eliminate the projected revenue deficiency; and the forecast of operating revenue for the attrition period;

c. Pre-filed Direct Testimony and Workpapers of Daniel Ray regarding the forecast of operating expenses for the attrition period; and

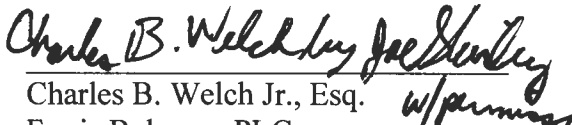
d. Pre-filed Direct Testimony and Workpapers of Joe Shirley regarding rate base, depreciation and amortization, rate case expense, and taxes.

WHEREFORE, the Parties jointly request the Authority to:

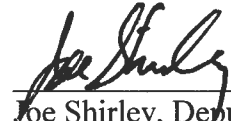
1. Schedule the Joint Petition for hearing on February 8, 2016, upon proper notice;
2. Find that the rates and charges proposed by the Parties are just and reasonable and in the public interest;
3. Approve the Company's filing of a revised tariff implementing the proposed rates and charges effective February 8, 2016; and
4. Grant such other and further relief as circumstances may warrant.

RESPECTFULLY SUBMITTED,

**For Integrated Resource Management, Inc.:**

  
Charles B. Welch Jr., Esq. *w/permission*  
Farris Bobango PLC  
618 Church Street, Suite 300  
Nashville, TN 37219  
(615) 726-1200  
cwelch@farris-law.com

**For TRA Staff (As a Party):**


  
Joe Shirley, Deputy Chief of Utilities  
Tennessee Regulatory Authority  
502 Deaderick Street, Fourth Floor  
Nashville, TN 37243  
(615) 770-6888  
joe.shirley@tn.gov

# VERIFICATION

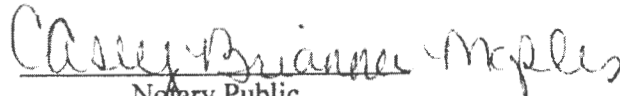
STATE OF (TENNESSEE)

COUNTY OF (JEFFERSON)

I, Jeffrey W. Cox, Sr. hereby declare under penalty of perjury, that I am President of Integrated Resource Management, Inc.; that I am authorized to make this verification on behalf of Integrated Resource Management, Inc.; that I have read the foregoing Joint Petition; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.

  
Jeffrey W. Cox, Sr.

Sworn to and subscribed before me the 29<sup>th</sup> day of December, 2015.

  
Notary Public

My commission expires: Sept 25, 2016



CERTIFICATE OF SERVICE

I hereby certify that on the 30<sup>th</sup> day of December, 2015 a true and correct copy of the foregoing Joint Petition was served by electronic mail upon the following:

Cynthia Kinser, Esq. (Cynthia.Kinser@ag.tn.gov)  
Vance Broemel, Esq. (Vance.Broemel@ag.tn.gov)  
Wayne Irvin, Esq. (Wayne.Irvin@ag.tn.gov)  
Erin Merrick, Esq. (Erin.Merric@ag.tn.gov)  
Office of the Attorney General  
Consumer Protection and Advocate Division  
P.O. Box 20207  
Nashville, TN 37202

  
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Joe Shirley