

TENNESSEE REGULATORY AUTHORITY



502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

September 19, 2016

Charles B. Welch, Jr., Esq.
Farris Bobango PLC
414 Union Street, Suite 1105
Nashville, TN 37219
cwelch@farris-law.com

RE: Docket No. 16-00086 – *Petition of Integrated Resource Management, Inc. for Alternative Financial Security*

Dear Mr. Welch:

To assist the Authority in its evaluation of the above-captioned matter, please provide responses to the attached First Staff Data Request. It is requested that all responses be provided no later than 4:00 p.m., September 30, 2016.

In accordance with TRA rules submit either (1) an original and thirteen written copies of your response or (2) an original and four written copies and an electronic version. Should you have any questions or need clarification regarding any requested item, please contact me at (615) 770-6884. Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. M. Foster".

David Foster, Chief
Utilities Division

cc: Docket File

Integrated Resources Management, Inc.
Docket No. 16-00086
First Staff Data Request

1. Please provide a full description of the efforts taken by the Company to obtain financial security in the amount of the Company's gross annual revenues, as well as the results of such efforts.
2. Has the Company requested/applied for financial security in the amount of the Company's gross annual revenues and been denied?
 - a. If yes, please provide the name of the financial institution denying the application/request, the date of denial, and the reason(s) for the denial.
 - b. If no, please explain why the Company has not requested/applied for a financial security in such amount.
3. The Company's current letter of credit in the amount of \$110,000 provides for automatic renewal without amendment for successive one-year periods, which may be canceled by the financial institution by giving 30 days advanced written notice of cancellation to the Authority. Does the Company intend to renew the current letter of credit for a successive one-year period? If not, please explain why the Company does not intend to renew the current letter of credit.
4. Please provide information concerning whether the proposed alternative financial security in the amount of \$50,000 is sufficient to cover the managerial, legal and operational costs of continuing wastewater utility services to IRM's customers should the Authority need to assume control of IRM's system(s) and/or petition for the appointment of a receiver to assume control, including the estimated length of time such costs would be covered by the proposed financial security. Please provide calculations supporting your estimate.
5. Please state whether the Company will provide for assignment of its account information and will allow the TRA immediate access to manage its receivables and payables in the event the TRA needs to assume control of IRM's system(s) and, if so, include a description of such receivables and payables and related records.
6. The Company's 2015 Annual Report shows gross revenue of \$123,177, total operating expenses of \$120,547, and net operating income of \$2,630. Please provide information concerning the present financial condition of the Company, including a projection of the Company's net operating income for the twelve months ended June 30, 2016.

7. Please provide a list of the Company's systems and provide information concerning the present condition and state of repair or disrepair of each system, including but not limited to, a description of the maintenance and repairs made to each system within the last year, and a projection of the maintenance and repairs anticipated for each system during the next three years.
8. Please provide information concerning the status of the Company's compliance with the permitting requirements administered by the Tennessee Department of Environment and Conservation ("TDEC"), including, but not limited to, any orders or notices of violations issued by TDEC within the last five years concerning any of the Company's systems, as well as any communications between the Company and TDEC during the last twelve months concerning any complaints or potential violations.