

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

August 17, 2017

IN RE:)	
)	
INTEGRATED RESOURCE MANAGEMENT, INC.)	DOCKET NO. 17-00036
REQUEST TO UTILIZE ALTERNATIVE)	
FINANCIAL SECURITY PURSUANT TO TENN.)	
COMP. R. & REGS. 1220-4-13-.07(5))	

ORDER GRANTING PETITION OF INTEGRATED RESOURCE MANAGEMENT,
INC. FOR ALTERNATIVE FINANCIAL SECURITY

This matter came before Chairman David F. Jones, Commissioner Kenneth C. Hill and Commissioner Keith Jordan of the Tennessee Public Utility Commission (the “Commission” or “TPUC”), the voting panel assigned to this docket, during the regularly scheduled Commission Conference held on July 10, 2017, for hearing and consideration of the *Petition for Alternative Financial Security* (“*Petition*”) filed on May 2, 2017 by Integrated Resource Management, Inc. (“IRM” or the “Company”).

BACKGROUND AND PETITION

Prior to the filing of this *Petition*, the Commission denied the Company’s initial request for alternative financial security in the amount of \$50,000 in TPUC Docket No. 16-00086.¹ On April 10, 2017, the Commission approved a \$90,000 letter of credit as the Company’s alternative financial security through July 1, 2017.² On May 2, 2017, IRM filed its *Petition* with the Commission seeking approval of the Company’s posting of alternative financial security pursuant to TPUC Rule 1220-04-13-.07(5). In its *Petition*, IRM requests that an irrevocable

¹ See *In re: Petition of Integrated Resource Management, Inc. d/b/a IRM Utility, Inc. to Post Financial Security*, Docket No. 16-00086, *Order Denying Petition for Alternative Financial Security* (May 2, 2017).

² *Id.*

letter of credit of \$90,000 be approved as an alternative form of security.³ In pre-filed direct testimony in support of the Petition, Mr. Jeffrey Cox states that the Company is unable to obtain security for 100% of the revenues reported to the Commission.⁴ Mr. Cox testifies that approval of IRM's requested relief is efficient and will not add a charge to the bills of customers or expenses of the Company.⁵

STANDARD FOR COMMISSION APPROVAL

Tenn. Code Ann. § 65-4-201(e) (2015) provides:

The authority shall direct the posting of a bond or other security by a public utility providing wastewater service or for a particular project proposed by a public utility providing wastewater service. The purpose of the bond or other security shall be to ensure the proper operation and maintenance of the public utility or project. The authority shall establish by rule the form of such bond or other security, the circumstances under which a bond or other security may be required, and the manner and circumstances under which the bond or other security may be forfeited.

Pursuant to TPUC Rule 1220-04-13-.07(2), a public wastewater utility must furnish proof of financial security to the Commission in the amount of 100% of its gross annual revenue or \$20,000, whichever is greater. However, financial security in an alternative form to that noted above may be provided pursuant to TPUC Rule 1220-04-13-.07(5), which states:

If the public wastewater utility proposes to post financial security other than the type or amount permitted above, it must file with the Authority by May 1 of each year a petition requesting acceptance of the security. A hearing shall be held to determine the amount of the financial security and if the form of the proposed financial security serves the public interest. At this hearing, the burden of proof shall be on the public wastewater utility to show that the proposed financial security and the proposed amount will be in the public interest. The public wastewater utility shall comply with Rule 1220-4-13-.07(2) until the alternative financial security is approved by the Authority.

³ *Petition*, p. 1 (May 2, 2017).

⁴ Jeffrey W. Cox, Sr. Pre-filed Direct Testimony, p. 2 (May 2, 2017).

⁵ *Id.*

THE JULY 10, 2017 HEARING

A Hearing in this matter was held before the voting panel of Commissioners during the regularly scheduled Commission Conference on July 10, 2017, as noticed by the Commission on June 30, 2017. Participating in the Hearing were:

Integrated Resource Management, Inc. – Charles B. Welch, Jr., Esq., Farris Bobango, PLC, 414 Union Street, Suite 1105, Nashville, Tennessee 37219; Jeffrey W. Cox, Sr., President, Integrated Resource Management, Inc., 3434 Saint Andrews Drive, White Pine, Tennessee 37890.

Mr. Cox was made available for questions before the hearing panel and the Commission Staff.

No members of the public sought to make comments. Following the hearing, the panel deliberated.

FINDINGS AND CONCLUSIONS

In its *Petition*, IRM asked the Commission for approval of its alternative financial security under Commission Rule 1220-04-13-.07(5). Based on a review and consideration of the pleadings, pre-filed testimony and the entire administrative record, the panel found that the request to maintain alternative security through an irrevocable letter of credit in the amount of \$90,000 is in the public interest under Commission Rule 1220-4-13-.07(5). The form and amount of the \$90,000 letter of credit serves the public interest based in part on the Company's gross revenues from IRM's 2016 annual report. Based upon these findings, the panel voted unanimously to approve the institution of IRM's \$90,000 letter of credit.

IT IS THEREFORE ORDERED THAT:

1. The *Petition for Alternative Financial Security* filed on May 2, 2017, is approved.
2. Any person who is aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within fifteen days from the date of this Order.

3. Any person who is aggrieved by the Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty days from the date of this Order.

Chairman David F. Jones, Commissioner Kenneth C. Hill and Commissioner Keith Jordan concur.

ATTEST:

Earl R. Taylor, Executive Director