

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
JOINT PETITION OF INTEGRATED)	
RESOURCE MANAGEMENT, INC.,)	DOCKET NO. 24-00073
D/B/A IRM UTILITY, INC., AND)	
COMMISSION STAFF AS A PARTY)	
TO INCREASE RATES AND CHARGES)	

PRE-FILED DIRECT TESTIMONY

OF

CRAIG COX

1 **Q. Please state your name, position and business address.**

2 A. My name is Craig Cox. I am a Financial Regulatory Analyst with the Utilities Division
3 of the Tennessee Public Utility Commission. My business address is the Andrew
4 Jackson Building, Fourth Floor, 502 Deaderick Street, Nashville, Tennessee 37243.

5 **Q. Please provide a summary of your educational background and professional**
6 **experience.**

7 A. I earned a bachelor's degree (B.B.A.) in Finance from Middle Tennessee State
8 University. I am also a Certified Public Accountant (C.P.A.) who is actively licensed in
9 the state of Tennessee (#15645). I have thirty years of professional experience, most of
10 which are in private industry. As part of my experience, I have nine years of experience
11 in both federal and state government service. I have served as a corporate financial
12 manager and in other senior-level financial and operational roles. Some of the
13 responsibilities I have had during those years are as follows: corporate budget manager
14 for a \$500 million global company; financial manager for several strategic business units,
15 including conference centers and camps; manager of projects and processes, including
16 the implementations of new accounting systems and emerging accounting
17 pronouncements; director of an accounts payable function; and instructor of finance and
18 accounting.

19 **Q. As a member of the Commission's Party Staff ("Party Staff" or "Staff") in this case,**
20 **what was the overall scope of Staff's review?**

21 A. In this case, Party Staff examined the current rates, revenues, and cost of service for
22 Integrated Resource Management, Inc. ("IRM" or "Company") in effort to determine if a
23 revision to its customer rates was needed. In addition, Party Staff evaluated the

1 Company's existing tariff for completeness and correctness and further reviewed its
2 escrow balance and charges.

3 **Q. What is the purpose of your testimony in this proceeding?**

4 A. The purpose of my testimony is to present an overview of the Company's forecasted
5 \$495,755 cost of service and related \$138,342 revenue deficiency and to discuss how
6 these attrition year amounts have been determined. In addition, I present some
7 accounting recommendations for the Company at the end of my testimony.

8 For ease of reference, I have attached the full set of Party Staff's exhibits to this
9 testimony. These exhibits include schedules and workpapers that present the
10 Company's forecasted revenues and cost of service, along with the Company's
11 computed revenue deficit. The exhibits attached to my testimony will also be
12 referenced by Party Staff witnesses Grace Marek and Cole McCormick in their
13 respective testimonies, which will address revenue, rate design, rate base, escrow, and
14 tariff revisions.

15 **Q. Briefly describe the rate-setting methodologies used to forecast IRM's cost of**
16 **service in this case.**

17 A. For ratemaking purposes, utility rates are designed to generate enough revenues
18 to cover a utility's reasonable operating expenses, depreciation on utility plant and
19 equipment, and taxes, plus a fair profit to owners or shareholders. Revenues generated
20 from all sources allowed by the Commission (i.e., service rates, late payment charges,
21 connection-related fees, etc.) that cover reasonable operating expenses, depreciation,
22 taxes, and provide a fair profit are referred to as the utility's "Revenue Requirement."

23 This ratemaking concept can be expressed by the following basic formula:

1 ***Revenue Requirement = Operating Expenses + Depreciation + Taxes + Fair Profit***

2 "Operating Expenses" include items such as labor, professional and contractor
3 services, administrative and office expenses, maintenance and repairs, and purchased
4 power. "Depreciation" recognizes the expense of consuming utility property, plant,
5 and equipment over their economic lives. "Taxes" can include payroll taxes, property
6 taxes, regulatory fees, state franchise and excise taxes, and federal income taxes.

7 In Tennessee, a "Fair Profit" for regulated wastewater companies may be determined
8 under two methods: the "Rate Base Method" and the "Operating Margin Method."

9 Under the Rate Base Method, a fair profit is deemed to be a reasonable return on
10 equity for the owners' investment in the utility system (e.g., net utility plant that is
11 used and useful in providing utility service). The method also includes an allowance
12 for the reasonable cost of debt, which may be used to help finance the utility system.

13 Under the Operating Margin Method, a fair profit is deemed to be a reasonable return
14 on (or percentage of) a utility's operating costs.

15 In this case, Party Staff recommends computing the Fair Profit component of the
16 Company's Revenue Requirement under the Operating Margin Method since the
17 substantial majority of IRM's utility plant is contributed by developers, thereby
18 resulting in a *de minimis* rate base attributable to owners' investment, on which a rate
19 of return would be computed. Party Staff witness Grace Marek will discuss the *de*
20 *minimis* nature of IRM's rate base in her testimony.

21 **Q. What operating margin percentage is Party Staff recommending in this case**
22 **for computing the Fair Profit component of the Company's Revenue**
23 **Requirement?**

1 A. In Docket No. 20-00009, which represents a Staff-assisted rate case involving
2 Tennessee Wastewater Systems, Inc., the Commission approved an operating margin
3 rate of 10.0%. More recently, the Commission approved an operating margin rate of
4 10.0% for each of Aqua Green Utility, Inc. in Docket No. 21-00128 and Superior
5 Wastewater Systems, LLC in Docket No. 22-00087, where Docket No. 22-00087 was
6 also a Staff-assisted rate case. The 10.0% operating margin established by the
7 Commission compares favorably to other jurisdictions that utilize the operating
8 margin/ratio method for determining the revenue requirement of small water and
9 wastewater utilities. For instance, in 2017, the Florida commission approved a 10.0%
10 operating margin for a water and wastewater company (see Florida Public Service
11 Commission Docket No. 20170147-WS/ Order No. PSC-2018-0389-PAA-WS) and the
12 Kentucky commission approved a 12% operating ratio (1.00/0.88) in 2018 for small
13 water and wastewater utilities (see Kentucky Public Service Commission Case Nos.
14 2018-00314 and 2018-00339).

15 Sound financial planning and ratemaking principles recognize that appropriate reserves
16 should be maintained; reserves that, in this case, could be used by the Company to help
17 meet future capital needs regarding its aging systems, extraordinary expenses, and/or
18 other unforeseen financial events that otherwise may cause financial hardship to the
19 Company and its ratepayers.

20 It is for these reasons that I support a 10.0% operating margin for IRM, which would
21 provide the Company with a reasonable level of return while establishing wastewater
22 service rates that are just and reasonable overall.

23 **Q. Briefly describe the procedure used to determine the other components of**

the Revenue Requirement in this case.

A. In Tennessee, utility rates are based on a utility's projected Revenue Requirement in a forward-looking period of time known as the "attrition period." The attrition period is typically a fiscal year subsequent to the Company's most recently completed year, which is known as the "test year." In this case, the parties have selected the twelve months ended December 31, 2024, as the Company's attrition year and the twelve months ended December 31, 2023, as the test period.

The test period's financial and operational data are studied and adjusted to reflect a typical year (i.e., normalized) by removing material non-recurring items that are deemed anomalous, out-of-period and therefore not attributable to the utility's operations during the test period, or disallowed for ratemaking purposes (e.g., lobbying expenses, charitable contributions, advertising, fines and penalties, etc.).

Once the test period has been normalized, the operational and financial data are adjusted further to account for "known and measurable changes" that are likely to occur through the attrition period. Developing an attrition year forecast requires examination of the utility's business plans, budgets, and prior performance, as well as various drivers and economic indicators of future capital investments, revenues, and expenses.

After the attrition year forecast has been derived, the computed earnings (or loss) at present rates is compared to the level of earnings that is required to achieve the Fair Profit component of the projected Revenue Requirement in order to determine the amount of any earnings surplus or deficiency. If application of the present rates results in an earnings shortfall, service rates should be increased in order to give the utility a fair opportunity to achieve its projected Revenue Requirement in the attrition period.

1 The process of determining the particular rate adjustments that are needed across its
2 customer classes to generate the projected Revenue Requirement is known as "rate
3 design" and may involve application of various rate policies and precedents. The rate
4 design recommended for this case will be discussed by Party Staff witness Cole
5 McCormick in his pre-filed testimony.

6 **Q. Explain the process Party Staff used in computing the Company's Revenue**
7 **Requirement in this case.**

8 A. First, Party Staff evaluated IRM's attrition period operating earnings position at its
9 current service rates. The Company's test period earnings and attrition period forecasted
10 earnings are summarized on TPUC Party Staff Exhibit, Schedule 3, Line 20. The attrition
11 period's net operating loss of \$56,683 represents IRM's operating shortfall for the twelve
12 months ending December 31, 2024, at its current service rates. The attrition period's net
13 operating loss is computed by the difference between forecasted operating expenses and
14 taxes of \$450,687 and the Company's projected operating revenues at present rates of
15 \$394,003.

16 Generally speaking, the calculations, adjustments, and assumptions necessary to
17 determine the Company's attrition period forecasts were based on review and examination
18 of IRM's books, records, and underlying source documents, as well as discussions with
19 Company management and its representatives.

20 **Q. Please continue summarizing how the Company's overall revenue deficiency was**
21 **computed.**

22 A. After determining the Company's attrition year net operating loss, Party Staff next
23 computed the Company's overall Revenue Requirement, which as discussed earlier

1 would cover its attrition year operating loss at current service rates, provide the Company
2 with its fair profit, and cover the incremental taxes and fees triggered by the increased
3 service rates as proposed by Party Staff. As shown on TPUC Party Staff Exhibit,
4 Schedule 1, Line 4, the attrition period's operating expenses and taxes were multiplied
5 by the recommended operating margin rate of 10% to determine the required operating
6 income (or "fair profit") of \$45,069. This amount, together with the forecasted attrition
7 period's net operating loss of \$56,683 (Line 1), results in an operating income deficiency
8 of \$101,752 (Line 5). The income deficiency was then converted to an overall revenue
9 deficiency through application of a gross revenue conversion factor of 1.359599. As
10 demonstrated in TPUC Party Staff Exhibit, Schedule 4, this conversion factor recognizes
11 the impacts of income taxes (federal and state excise) and Commission inspection fees
12 for each new \$1 of revenue. Applying the revenue conversion factor to the operating
13 income deficiency converts ("grosses up") the deficiency to an amount that covers these
14 additional taxes and fees. Consequently, Party Staff's computed overall revenue
15 deficiency is \$138,842 (Staff Exhibit, Schedule 1, Line 7), which represents the amount
16 by which IRM's service revenues need to be increased.

17 **Q. Aside from the Company's fair profit, what other components did Party Staff**
18 **consider when calculating the Company's attrition year cost of service?**

19 A. The remaining components of the Company's cost of service in this case are its operating
20 and maintenance ("O&M") expenses, depreciation and amortization expenses, general
21 taxes (also called "taxes other than income taxes" or "TOTIT"), and income taxes. In the
22 discussions that follow, I'll address these components and note their locations on Party
23 Staff's exhibits.

Schedule 3, Line 7 – Purchased Power - \$11,441.67: In examining the Company’s 2023 test period general ledger (“GL”), Party Staff observed that the Company incurred \$10,582 in overall purchased power costs from six Tennessee locations, Caney Fork, Fort Loudon, Harriman, LaFollette, Lexington, and Sevier County, that average \$1,764 per location. These are shown by month in Party Staff Workpaper 4.02. When compared to the Company’s 2020-2022 three-year average total purchased power cost of \$10,412 (ranged from \$9,397 to \$10,927), Party Staff determined the test year amount to be reasonable. Party Staff next applied its 8.12% hybrid growth factor, which is based on (a) the change in the U.S. Gross Domestic Product Price Deflator (“GDPPD”) index at September 2024 compared to one year earlier and (b) customer billing count growth (attrition year vs. test year). Based on this adjustment, the Company’s attrition year purchased power costs have been estimated at \$11,442 as shown on Party Staff Exhibit, Schedule 3, Line 7.

Schedule 3, Line 8 – Contractual Services - \$56,032.65: As shown on Staff Workpaper 4.01, the Company’s \$51,825 test period contractual services expenses consist of charges for legal, accounting, billing, and other professional services. For a wastewater utility that operates in several geographic areas, Party Staff assessed IRM’s test period level of contractual services to be reasonable. After next applying its growth rate to this test period amount, Party Staff estimated the Company’s attrition year contractual services expenses to be \$56,033 as shown on Party Staff Exhibit, Schedule 3, Line 8.

Schedule 3, Line 9 – Affiliate Charges - \$403,590.41: The Company’s GL includes charges from IRM C&C Company (“C&C”), which is an affiliate business owned by the Cox family, who owns and operates the utility. Given the utility does not have any

1 employees under contract, C&C provides various services to IRM, such as managerial,
2 office administration, clerical, system repair and maintenance, analytical monitoring, and
3 other technical support services. For these services, C&C allocates charges to the
4 Company with no markup over the affiliate's cost.

5 The test period included \$370,014 of such charges, and Party Staff has forecasted the
6 attrition year's amount to be \$403,590 after adjustments and inflationary growth.

7 As shown on Staff Workpaper 4.01, Lines 9 through 16, the attrition year amount for
8 affiliate charges includes allowances for one-half manager (i.e., 1,040 hours per year) at
9 an hourly rate for compensation and related benefits of \$75 and one full-time (i.e., 2,080
10 hours per year) clerical position at an hourly rate for compensation and related benefits
11 of \$30. These labor-related amounts total to \$140,406.

12 A reasonable charge for home office space has been included in the amount of \$14,400,
13 which matches that incurred during the Company's test year. Party Staff does not
14 recommend a growth adjustment for this amount since this charge is an estimate for the
15 cost of home office space.

16 Next, attrition year expenses of \$211,645 represent Party Staff's estimated affiliate
17 charges for routine repair and maintenance activities. This amount was derived from an
18 examination of all affiliate invoices charged to the utility for its 2023 test year. In its
19 examination of these invoices, Party Staff identified a total of \$212,534 for repair and
20 maintenance expenses, of which \$195,750 meets Staff's criteria for inclusion in base
21 service rates. After adjusting this amount for estimated attrition-year growth, the amount
22 proposed by Party Staff for routine repair and maintenance expenses is \$211,645. Also
23 of note, Party Staff identified nearly \$17,000 in affiliate test year charges for non-routine

1 repair and maintenance expenditures; these charges include expenditures for less routine
2 events, such as pump and vault replacements along with main line breaks. In Party Staff's
3 interpretation of Commission escrow rules, these types of non-routine expenditures
4 would be candidates for escrow fund usage and, consequently, should not be used to build
5 revised base service rates. These affiliate repair and maintenance adjustments are
6 reflected in Staff Workpaper 4.01, Lines 9 through 16. Concerning the issue of escrow,
7 Party Staff witness Cole McCormick discusses escrow topics in his pre-filed direct
8 testimony.

9 Finally, Party Staff recommends just over \$37,000 in affiliate pumping, technical, and
10 other maintenance services for the Company's attrition year. These services cost the
11 Company \$34,350 during its test year, and Party Staff's growth adjustment brings this
12 total to \$37,140 for the attrition year, as shown on Staff Workpaper 4.01, Lines 12 and
13 15.

14 Party Staff's recommended \$403,590 attrition year estimate for all affiliate services is
15 included on Party Staff Exhibit, Schedule 3, Line 9.

16 **Schedule 3, Line 10 – Administrative and General Expenses - \$25,966.12:** General
17 and administrative expenses for IRM primarily include such expenses as computer and
18 office equipment repair and maintenance, bank fees, phone charges, website support,
19 annual licenses and reports, and office supplies. These expenses totaled just over \$24,000
20 during the test year. To arrive at an attrition period forecast, Party Staff first adjusted the
21 test period expenses to remove some minor non-regulatory expenses. Next, Party Staff
22 applied its estimated growth factor to derive an attrition period forecast of \$25,966, which

1 is reflected in Staff Workpaper 4.01, Lines 17 through 31, and Staff Exhibit, Schedule 3,
2 Line 10.

3 **Schedule 3, Line 11 – Estimated Adjustment for Sale of Riverstone System –**

4 **(\$32,436):** Party Staff recognizes that the Company has nearly finalized the sale of its
5 Riverstone system to another wastewater operator, Limestone Water (Docket No. 23-
6 00037). Since the Company's 2023 test year expenses include expenses to support this
7 system and because these particular costs are not identifiable in its GL and other
8 supporting records, Party Staff has estimated those Riverstone support costs. Party Staff
9 used several methods for quantifying these support costs. Staff calculated the arithmetic
10 average of the Company's expenses among its various systems; it computed the
11 percentage of its customer collections received from Riverstone and applied this
12 percentage to its overall O&M expenses; it considered the overall collections from
13 Riverstone customers during the test period; and it cited Limestone Water's (acquirer's)
14 estimated incremental expenses¹ to operate Riverstone. Per Staff Workpaper 4.01,
15 reference note C/, the estimated values generated from these four approaches range from
16 \$29,000 to nearly \$33,000. Given this range, Party Staff recommends a \$30,000 test year
17 reduction adjustment to account for the expenses no longer required to operate the
18 Riverstone system. Since these support expenses are included in varying degrees among
19 the Company's other test period normalized and attrition year estimates discussed herein,
20 Party Staff applied its recommended growth factor to its \$30,000 test period estimate in
21 computing its \$32,436 attrition year adjustment to remove those costs from the other

¹ Limestone's Response to Consumer Advocate's DR 2.9 (October 13, 2023).

1 attrition year expense forecasts. This adjustment is reflected in both Party Staff Exhibit,
2 Schedule 3, Line 11, and Staff Workpaper 4.01, Line 32.

3 **Schedule 3, Line 12 – Amortization of Deferred Rate Case Costs - \$1,000:** In this
4 case, Party Staff has assumed deferred rate case costs of \$3,000 to be recovered over a
5 three-year amortization period. This assumption computes to \$1,000 annual deferred rate
6 case cost amortization expense for the attrition year and is included in Party Staff Exhibit,
7 Schedule 3, Line 12. Party Staff witness Grace Marek has included a discussion about
8 these deferred expenses and related amortization expenses in her pre-filed direct
9 testimony.

10 **Schedule 3, Line 13 – Depreciation and Amortization - \$0:** Because the annual
11 depreciation expenses associated with IRM’s Utility Plant in Service (“UPIS”) are offset
12 by the annual amortization expenses associated with its Contribution in Aid of
13 Construction (“CIAC”), there is no net depreciation or amortization expenses forecasted
14 for the attrition period. This is reflected in Party Staff Exhibit, Schedule 3, Line 13. Party
15 Staff Witness Grace Marek addresses this in connection with her discussion about the
16 Company’s rate base.

17 **Schedules 3 and 5, Lines 14 through 16 – Taxes Other Than Income Taxes (TOTIT)**
18 **- \$5,147.49 (\$5,735.44 at Proposed Rates):** The Company’s general taxes or TOTIT are
19 comprised of the following components:

- 20 • **Commission Inspection Fee:** This fee is derived by dividing a utility’s previous
21 year’s revenue in excess of \$5,000 by 1,000, then multiplying this result by \$4.25.
22 As shown on Party Staff Exhibit, Schedule 3, the computed attrition year
23 inspection fee at current service rates totals \$1,670, Line 14. When proposed

1 service rates are considered, the adjusted inspection fee becomes \$2,258, as
2 shown on Staff Exhibit, Schedule 5, Line 14.

- 3 • County Property Taxes: The actual 2023 test period property taxes paid were
4 \$7,773; however, when examining the Company's most recent property tax
5 assessment notices and removing those associated with the Riverstone system, the
6 estimated property taxes for the attrition year total \$2,003. This amount is
7 computed on Staff Workpaper 5.02 and summarized on Staff Exhibit, Schedules
8 3 and 5, Line 15 for each.

- 9 • State Franchise Tax: Party Staff Workpaper 5.01 shows the computation of the
10 Company's franchise taxes for its 2023 test year and 2024 attrition year. Based
11 on Party Staff's computation, the Company's attrition year forecasted franchise
12 tax is \$1,474 and is included on Party Staff Exhibits, Schedules 3 and 5, Line 196
13 for each.

14 Taken together, the forecasted attrition year amounts for the components above total
15 \$5,147 at the Company's current service rates and \$5,735 at the Company's proposed
16 service rates. These amounts are included on Staff Exhibits, Schedule 3 and 5,
17 respectively, Lines 14 through 16 for each.

18 **Schedule 5, Lines 17 and 18 – State Excise and Federal Income Tax – \$15,946.25 at**

19 **Proposed Rates:** As reflected on Schedule 5, the attrition year's \$3,966 state excise tax
20 and \$11,980 federal income tax estimates at proposed service rates have been determined
21 by applying the statutory tax rates of 6.5% and 21.0%, respectively, to the attrition
22 period's net operating income. These estimates properly deduct the Company's state
23 excise taxes for the computation of its federal income taxes.

1 **Q. Now that you have discussed the components of the Company's cost of service, what**
2 **does Party Staff compute as the Company's overall Revenue Requirement?**

3 A. As shown on Party's Staff's Schedule 3, Line 19, the Company's total O&M expenses,
4 depreciation, and taxes at its current service rates total \$450,687. As per Party Staff
5 Exhibit, Schedule 1, Line 4, the Company's recommended operating income is \$45,069.
6 Taken together, these amounts represent the Company's revenue requirement at current
7 rates, which is \$495,755.

8 **Q. Does this \$495,755 represent the amount of additional revenue needed by the**
9 **Company?**

10 A. No. Given the current rates and customer counts, the Company's estimated attrition year
11 revenue is \$394,003, which is \$101,752 short of covering IRM's overall cost of service;
12 this income deficiency is shown on Party Staff Exhibit, Schedule 1, Line 5. Once this
13 deficit amount is grossed up to cover incremental taxes to the utility on its proposed
14 higher rates, Party Staff's computed revenue deficit in this case is \$138,342. This amount
15 is shown on Staff's Exhibit, Schedule 1, Line 7.

16 I have focused on the Company's cost of service in my testimony. Party Staff witness
17 Cole McCormick will address Company revenues in his pre-filed direct testimony. He
18 will also address the rate design plan for collecting this \$138,342 revenue deficit.

19 **Q. Aside from Party Staff's proposed cost of service, revenue requirement, and revenue**
20 **deficit for the Company, will you be making any other recommendations in your**
21 **testimony?**

22 A. Yes. In reviewing the Company's accounting records, annual reports, responses to data
23 requests, and other supporting documentation, Party Staff noticed some inconsistencies

1 between the Company's GL and its other supporting documentation, along with incorrect
2 classification of escrow collections. Consequently, as noted earlier in my testimony,
3 Party Staff recommends the Company implement the following accounting changes:

4 1. **The escrow portion of customer collections should initially be recorded as an**
5 **escrow liability, not as revenue per the Company's current practice.** The
6 customer collections at the Company's base service rates should continue to be
7 recorded as operating revenues, but the escrow collections should be recorded as
8 an escrow liability and remain a liability until the escrow funds are ultimately
9 approved by the Commission to cover qualifying events per Commission rules.

10 2. **Escrow collections from customers should be held in a separate asset account**
11 **by the Company, and the balance in this account should equal the Company's**
12 **escrow liability.** If the Commission were to approve the Company's use of
13 escrow funds for an event permitted by rule, the escrow cash account would be
14 credited, with the associated debit to the proper expense (or asset if a capital
15 expenditure) account; further, the Company's escrow liability account should be
16 reduced (i.e., debited) by this approved amount, and the proper expense (or CIAC
17 if a capital expenditure) account would be credited. This accounting treatment
18 will ensure equal balances in the escrow asset and liability accounts, as well as
19 acknowledge the expenditure was funded by customer funds held in escrow.

20 3. **The accounting entries made to the Company's GL and balances therein**
21 **should agree with amounts reported by the Company to the Commission in**
22 **its annual reports and other requested accountings.** For example, the
23 Company's 2023 annual report demonstrates that certain UPIS organization costs

1 have been written off; however, the Company's 2023 GL does not reflect this and
2 consequently still includes those costs as components of its UPIS. For reference,
3 please see Party Staff Workpaper 2.01, footnote reference B/. Another
4 discrepancy between the Company's GL and its annual report involves its CIAC
5 balance; this is referenced in Staff Workpaper 2.01, footnote reference H/. Party
6 Staff recommends the Company correct its GL and synchronize its reporting to
7 the Commission with its corrected GL and accounting records and maintain this
8 practice going forward to more accurately reflect its financial position.

- 9 **4. The charges to the Company for affiliate services should be recorded to the**
10 **specific accounts that reflect the nature of the service provided by the affiliate**
11 **to the utility.** For example, the test year affiliate entries recorded in the
12 Company's GL were initially made to its Consulting account and then
13 subsequently reclassified to either its Routine Maintenance account or Non-
14 Routine Maintenance account. Inconsistently, in other accountings made to Party
15 Staff during this case, the Company demonstrated these charges were not all
16 routine or non-routine maintenance, but rather some represented rent charges,
17 management fees, clerical charges, and others. Party Staff recommends the
18 Company maintain its GL in such a way that it and all other of its supporting
19 documentation are consistent and agree in amounts and accounting classifications.

20 **Q. Does this conclude your testimony?**

21 A. Yes, it does.

VERIFICATION

STATE OF TENNESSEE)


COUNTY OF SUMNER)

I, Craig Cox, being duly sworn, state that I am authorized to make this verification on behalf of Commission Staff (as a Party); that I have read the foregoing Pre-filed Direct Testimony of Craig Cox and know the content thereof; and that the same are true and correct to the best of my knowledge, information, and belief.



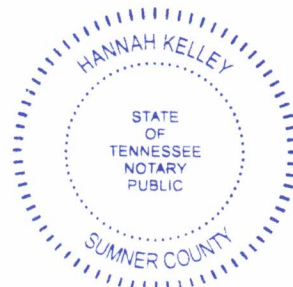
Craig Cox

Sworn to and subscribed before me on the 14th day of November 2024.



Notary Public

My Commission Expires: 06-07-2025



EXHIBITS

**BEFORE THE
TENNESSEE PUBLIC UTILITY COMMISSION**

**Staff-Assisted Rate Case for
Integrated Resource Management, Inc.**

STAFF EXHIBITS and WORKPAPERS

**Staff
Exhibit
Directory**

**Integrated Resource Management, Inc.
Exhibits Directory
For the 12 Months Attrition Period Ending December 31, 2024**

	<u>Schedule</u>
Results of Operations - Operating Margin Method	1
Average Rate Base	2
Income Statement at Current Rates	3
Revenue Conversion Factor	4
Income Statement At Proposed Rates	5
Rate Design	6

Staff
Exhibit
Schedule 1

**Integrated Resource Management, Inc.
Results of Operations - Operating Margin Method
For the 12 Months Attrition Period Ending December 31, 2024**

<u>Line</u>			
1	Operating Income At Current Rates		\$ (56,683.16) A/
2	Total Operating Expenses and Taxes	\$ 450,686.64 A/	
3	Fair Operating Margin (% of Operating Expenses and Taxes)	<u>10.00%</u> B/	
4	Required Operating Income		<u>\$ 45,068.66</u>
5	Operating Income Deficiency		\$ 101,751.82
6	Gross Revenue Conversion Factor		1.359599 C/
7	Revenue Deficiency (Operating Margin Method)		<u><u>\$ 138,341.72</u></u>

A/ Schedule 3.

B/ Staff's proposed operating margin. Consistent with recent margin-based utility rate cases.

C/ Schedule 4.

Staff
Exhibit
Schedule 2

Integrated Resource Management, Inc.
Average Rate Base
For the 12 Months Attrition Period Ending December 31, 2024

Line		Average Test Period		Test Period Adjustments	Adjusted Test Period	Adjustments	Average Attrition Period
Additions:							
1	Utility Plant in Service	\$ 1,110,707.50	A/	\$ -	\$ 1,110,707.50	\$ (44,555.46)	\$ 1,066,152.04 C/
2	CWIP	-		-	-	-	-
3	Inventories	-		-	-	-	-
4	Deferred Rate Case Expense	-		-	-	2,500.00	2,500.00 D/
5	Cash Working Capital	19,388.27	B/	-	19,388.27	41,521.30	60,909.57 E/
6	Total Additions	\$ 1,130,095.77		\$ -	\$ 1,130,095.77	\$ (534.16)	\$ 1,129,561.61
Deductions:							
7	Accumulated Depreciation	\$ 542,105.00	A/	\$ -	\$ 542,105.00	\$ 13,890.54	\$ 555,995.54 C/
8	Contributions in Aid of Construction	568,602.50	A/	-	568,602.50	(58,446.00)	510,156.50 C/
9	Escrow Deposits	12,247.89	B/	-	12,247.89	43,807.10	56,054.99 G/
10	Customer Deposits	1,898.30	B/	-	1,898.30	-	1,898.30
11	Total Deductions	\$ 1,124,853.68		\$ -	\$ 1,124,853.68	\$ (748.36)	\$ 1,124,105.32
12	Rate Base	\$ 5,242.09		\$ -	\$ 5,242.09	\$ 214.20	\$ 5,456.29 F/

A/ Average beginning and ending balance for the period per Staff Workpaper 2.02.

B/ Average beginning and ending balance for the period per General Ledger (GL).

C/ Average per Rate Base (UPIS and CIAC Forecast) Workpaper 2.01.

D/ Average of Rate Case Expense of \$3,000 amortized over three years.

E/ One-eighth (1/8) of Attrition Period Total Operating Expenses less Depreciation and Amortization and Excise and Income Taxes per Schedule 3.

F/ Due to the Company's immaterial Rate Base, rates will be set using the operating margin method.

G/ Attrition yr escrow balance equals average of end of test period 12/31/23 balance and sum of 12/31/23 balance plus estimated attrition year escrow collections, per Staff workpaper 3.03 (Proof of Revenues).

Staff
Exhibit
Schedule 3

Integrated Resource Management, Inc.
Income Statement at Current Rates
For the 12 Months Attrition Period Ending December 31, 2024

Line		2023 Test Period		Test Period Adjustments		Adjusted Test Period		Adjustments		2024 Attrition Period
1	Residential Revenue	\$ 60,754.55	B/	\$ -		\$ 60,754.55		\$ (3,130.57)		\$ 57,623.98 D/
2	Commercial incl Campgrounds Revenue	233,709.00	I/	-		233,709.00		20,244.00		253,953.00 D/
3	Other Commercial and Wild Briar Developer Revenue	42,788.75	B/	-		42,788.75		(8,240.39)		34,548.36 D/
4	Access Fee Revenue	60,766.52	B/	-		60,766.52		(12,926.52)		47,840.00 D/
5	Interest Income	38.14	I/	-		38.14		-		38.14
6	Total Operating Revenues	\$ 398,056.96		\$ -		\$ 398,056.96		\$ (4,053.48)		\$ 394,003.48
7	Purchased Power	\$ 10,582.38	I/	\$ -		\$ 10,582.38		\$ 859.29		\$ 11,441.67 C/
8	Contractual Services	51,824.50	I/	-		51,824.50		4,208.15		56,032.65 C/
9	Affiliate Charges	370,014.30	K/	4,341.95	C/	374,356.25		29,234.16		403,590.41 C/
10	Administrative & General Expense	24,027.90	I/	(11.88)	C/	24,016.02		1,950.10		25,966.12 C/
11	Removal of Expenses Related to Riverstone System	-	I/	(30,000.00)	C/	(30,000.00)		(2,436.00)		(32,436.00) C/
12	Deferred Rate Case Expense Amortization	-	I/	-		-		1,000.00		1,000.00 J/
13	Amortization & Depreciation	-	I/	-		-		-		- E/
14	TPUC Inspection Fee	1,681.61	I/	-		1,681.61		(11.12)		1,670.49 F/
15	Property Tax	7,773.00	I/	-		7,773.00		(5,770.00)		2,003.00 G/
16	State Franchise Tax	-	I/	1,653.00		1,653.00	H/	(179.00)		1,474.00 H/
17	State Excise Tax	-	I/	-		-		(4,988.03)		(4,988.03) L/
18	Federal Income Tax	-	I/	-		-		(15,067.68)		(15,067.68) L/
19	Total Operating Expenses	\$ 465,903.69		\$ (24,016.93)		\$ 441,886.76		\$ 8,799.88		\$ 450,686.64
20	Net Operating Income/(Loss)	\$ (67,846.73)		\$ 24,016.93		\$ (43,829.79)		\$ (12,853.37)		\$ (56,683.16)

A/ Revenue Workpaper 3.04.

B/ Company's 2023 Customer Bill Data.

C/ Expense Workpaper 4.01.

D/ Revenue Workpaper 3.02.

E/ Staff workpaper 2.02 (Depreciation).

F/ Tax Workpaper 5.03.

G/ Tax Workpaper 5.02.

H/ Tax Workpaper 5.01.

**Staff
Exhibit
Schedule 4**

**Integrated Resource Management, Inc.
Revenue Conversion Factor
For the 12 Months Attrition Period Ending December 31, 2024**

<u>Line</u>		<u>Amount</u>	<u>Balance</u>
1	Operating Revenues		1.000000
2	Tennessee Public Utility Commission Inspection Fee	0.425% A/	<u>0.004250</u>
3	Balance		0.995750
4	State Excise Tax	6.500% A/	<u>0.064724</u>
5	Balance		<u>0.931026</u>
6	Federal Income Tax	21.000% A/	<u>0.195516</u>
7	Balance		<u>0.735511</u>
8	Revenue Conversion Factor (Line 1 / Line 7)		<u><u>1.359599</u></u>

A/ Statutory rate.

**Staff
Exhibit
Schedule 5**

**Integrated Resource Management, Inc.
Income Statement at Proposed Rates
For the 12 Months Attrition Period Ending December 31, 2024**

Line	Operating Margin Method	Current Rates		Rate Increase		Proposed/ Required Rates
1	Residential Revenue	\$ 57,623.98	A/	\$ 20,234.78	B/	\$ 77,858.76
2	Commercial incl Campgrounds Revenue	253,953.00	A/	89,176.10	B/	343,129.10
3	Other Commercial and Wild Briar Developer Revenue	34,548.36	A/	12,131.73	B/	46,680.09
4	Access Fee Revenue	47,840.00	A/	16,799.11	B/	64,639.11
5	Interest Income	38.14		-		38.14
6	Total Operating Revenues	\$ 394,003.48	A/	\$ 138,341.72		\$ 532,345.20
7	Purchased Power	\$ 11,441.67	A/	\$ -		\$ 11,441.67
8	Contractual Services	56,032.65	A/	-		56,032.65
9	Affiliate Charges	403,590.41	A/	-		403,590.41
10	Administrative & General Expense	25,966.12	A/	-		25,966.12
11	Removal of Expenses Related to Riverstone System	(32,436.00)	A/	-		(32,436.00)
12	Rate Case Expense	1,000.00	A/	-		1,000.00
13	Amortization & Depreciation	-	A/	-		-
14	TPUC Inspection Fees	1,670.49	A/	587.95	C/	2,258.44
15	Property Taxes	2,003.00	A/	-		2,003.00
16	State Franchise Tax	1,474.00	A/	-		1,474.00 F/
17	State Excise Tax	(4,988.03)	A/	8,953.99	D/	3,965.97
18	Federal Income Tax	(15,067.68)	A/	27,047.95	D/	11,980.28
19	Total Operating Expenses	\$ 450,686.64	A/	\$ 36,589.90		\$ 487,276.54
20	Net Operating Income	\$ (56,683.16)	A/	\$ 101,751.82		\$ 45,068.66 E/

A/ Schedule 3.

B/ Schedule 1, Line 7 Revenue Deficiency of:

\$138,342

C/ Schedule 1, Line 7 times Schedule 4, Line 2.

D/ Schedule 1, Line 7 times Schedule 4, Lines 4 and 6, respectively.

E/ Traced to Schedule 1, Line 4.

F/ Workpaper 5.01, Franchise Taxes.

Integrated Resource Management, Inc.
Rate Design
For the 12 Months Attrition Period Ending December 31, 2024

Staff
Exhibit
Schedule 6

<u>Line</u>	<u>Residential</u>	<u>No. Bills</u>	<u>Present Service Rates**</u>	<u>Present Escrow Rates</u>	<u>Overall Rates Current</u>	<u>Current Operating Revenues</u>	<u>Proposed Service Rates</u>	<u>Proposed Escrow Rates</u>	<u>Overall Rates Proposed</u>	<u>Proposed Revenues</u>	<u>Increase / (Decrease)</u>	<u>Overall Rate Increase</u>
1	Total Residential Revenue	1201 A/	\$ 47.98 A/	\$ 10.13 A/	\$ 58.11	<u>\$ 57,623.98</u>	\$ 64.83	\$ 10.13	\$ 74.96	<u>\$ 77,858.76</u>	<u>\$ 20,234.78</u>	29.0%
2	<u>Commercial Without Food:</u>											
3	Commercial Without Food (0-300 gallons)	752 A/	\$ 93.00 A/	\$ 21.64 A/	\$ 114.64	\$ 69,936.00	\$ 125.66	\$ 21.64	\$ 147.30	\$ 94,494.17	\$ 24,558.17	28.5%
4	Commercial Without Food (301-400 gallons)	397 A/	\$ 119.00 A/	\$ 25.97 A/	\$ 144.97	\$ 47,243.00	\$ 160.79	\$ 25.97	\$ 186.76	\$ 63,832.47	\$ 16,589.47	28.8%
5	Commercial Without Food (401-500 gallons)	240 A/	\$ 144.00 A/	\$ 30.29 A/	\$ 174.29	\$ 34,560.00	\$ 194.57	\$ 30.29	\$ 224.86	\$ 46,695.81	\$ 12,135.81	29.0%
6	Commercial Without Food (501-600 gallons)	56 A/	\$ 169.00 A/	\$ 34.62 A/	\$ 203.62	\$ 9,464.00	\$ 228.34	\$ 34.62	\$ 262.96	\$ 12,787.30	\$ 3,323.30	29.1%
7	Commercial Without Food (601-700 gallons)	53 A/	\$ 199.00 A/	\$ 38.95 A/	\$ 237.95	\$ 10,547.00	\$ 268.88	\$ 38.95	\$ 307.83	\$ 14,250.60	\$ 3,703.60	29.4%
8	Commercial Without Food (701-800 gallons)	24 A/	\$ 229.00 A/	\$ 43.28 A/	\$ 272.28	\$ 5,496.00	\$ 309.41	\$ 43.28	\$ 352.69	\$ 7,425.93	\$ 1,929.93	29.5%
9	Commercial Without Food (801-900 gallons)	0 A/	\$ 259.00 A/	\$ 47.60 A/	\$ 306.60	\$ -	\$ 349.95	\$ 47.60	\$ 397.55	\$ -	\$ -	29.7%
10	Commercial Without Food (901-1,000 gallons)	80 A/	\$ 289.00 A/	\$ 51.93 A/	\$ 340.93	\$ 23,120.00	\$ 390.48	\$ 51.93	\$ 442.41	\$ 31,238.63	\$ 8,118.63	29.8%
11	Commercial Without Food (1,001-1,100 gallons)	12 A/	\$ 320.50 A/	\$ 55.97 A/	\$ 376.47	\$ 3,846.00	\$ 433.04	\$ 55.97	\$ 489.01	\$ 5,196.53	\$ 1,350.53	29.9%
12	Commercial Without Food (1,101-1,200 gallons)	52 A/	\$ 352.00 A/	\$ 60.00 A/	\$ 412.00	\$ 18,304.00	\$ 475.61	\$ 60.00	\$ 535.61	\$ 24,731.49	\$ 6,427.49	30.0%
13	Commercial Without Food (1,201-1,300 gallons)	12 A/	\$ 383.50 A/	\$ 64.05 A/	\$ 447.55	\$ 4,602.00	\$ 518.17	\$ 64.05	\$ 582.22	\$ 6,218.00	\$ 1,616.00	30.1%
14	Commercial Without Food (1,301-1,400 gallons)	0 A/	\$ 415.00 A/	\$ 68.09 A/	\$ 483.09	\$ -	\$ 560.73	\$ 68.09	\$ 628.82	\$ -	\$ -	30.2%
15	Commercial Without Food (1,401-1,500 gallons)	0 A/	\$ 446.25 A/	\$ 72.13 A/	\$ 518.38	\$ -	\$ 602.95	\$ 72.13	\$ 675.08	\$ -	\$ -	30.2%
16	Commercial Without Food (1,501-1,600 gallons)	12 A/	\$ 477.50 A/	\$ 76.14 A/	\$ 553.64	\$ 5,730.00	\$ 645.18	\$ 76.14	\$ 721.32	\$ 7,742.10	\$ 2,012.10	30.3%
17	Commercial Without Food (1,601-1,700 gallons)	12 A/	\$ 508.75 A/	\$ 80.20 A/	\$ 588.95	\$ 6,105.00	\$ 687.40	\$ 80.20	\$ 767.60	\$ 8,248.78	\$ 2,143.78	30.3%
18	Total Commercial Without Food Revenue					<u>\$ 238,953.00</u>				<u>\$ 322,861.82</u>	<u>\$ 83,908.82</u>	
19	<u>Campgrounds</u>											
20	Total Campgrounds Revenue	24 A/	\$ 625.00 A/	\$ 199.64 A/	\$ 824.64	<u>\$ 15,000.00</u>	\$ 844.47	\$ 199.64	\$ 1,044.11	<u>\$ 20,267.28</u>	<u>\$ 5,267.28</u>	26.6%
21	<u>Other Commercial and Wild Briar Developer</u>											
22	Wild Briar - Developer Rate - Lot 20	4 A/	\$ 92.87 A/	\$ 10.32 A/	\$ 103.19	\$ 371.48	\$ 125.48	\$ 10.32	\$ 135.80	\$ 501.93	\$ 130.45	31.6%
23	Wild Briar - Developer Rate - Lots 21 & 22	4 A/	\$ 213.64 A/	\$ 23.74 A/	\$ 237.38	\$ 854.56	\$ 288.66	\$ 23.74	\$ 312.40	\$ 1,154.64	\$ 300.08	31.6%
24	Wild Briar - Developer Rate - Lots 30 & 31	8 A/	\$ 306.84 A/	\$ 34.09 A/	\$ 340.93	\$ 2,454.72	\$ 414.59	\$ 34.09	\$ 448.68	\$ 3,316.70	\$ 861.98	31.6%
25	Wild Briar - Developer Rate - Lots 14 & 17	24 A/	\$ 374.67 A/	\$ 41.63 A/	\$ 416.30	\$ 8,992.08	\$ 506.24	\$ 41.63	\$ 547.87	\$ 12,149.67	\$ 3,157.59	31.6%
26	Wild Briar - Developer Rate - Lots 33R & 39R	24 A/	\$ 459.00 A/	\$ 51.00 A/	\$ 510.00	\$ 11,016.00	\$ 620.18	\$ 51.00	\$ 671.18	\$ 14,884.29	\$ 3,868.29	31.6%
27	Wild Briar - Developer Rate - Pool	12 A/	\$ 47.26 A/	\$ 5.25 A/	\$ 52.51	\$ 567.12	\$ 63.86	\$ 5.25	\$ 69.11	\$ 766.27	\$ 199.15	31.6%
28	Grand View (Sterling Springs) HOA Clubhouse	12 A/	\$ 154.51 A/	\$ 50.49 A/	\$ 205.00	\$ 1,854.12	\$ 208.77	\$ 50.49	\$ 259.26	\$ 2,505.20	\$ 651.08	26.5%
29	Cove Mountain Realty	12 A/	\$ 291.75 A/	\$ 41.83 A/	\$ 333.58	\$ 3,501.00	\$ 394.20	\$ 41.83	\$ 436.03	\$ 4,730.38	\$ 1,229.38	30.7%
30	Valley Mart Exxon	12 A/	\$ 311.75 A/	\$ 114.25 A/	\$ 426.00	\$ 3,741.00	\$ 421.22	\$ 114.25	\$ 535.47	\$ 5,054.66	\$ 1,313.66	25.7%
31	River Club	2 A/	\$ 598.14 A/	\$ 193.86 A/	\$ 792.00	\$ 1,196.28	\$ 808.18	\$ 193.86	\$ 1,002.04	\$ 1,616.36	\$ 420.08	26.5%
32	Total Other Commerical and Developer Revenue					<u>\$ 34,548.36</u>				<u>\$ 46,680.09</u>	<u>\$ 12,131.73</u>	
33	<u>Access</u>											
34	At Standard Rate	299 A/	\$ 160.00 A/	\$ - A/	\$ 160.00	\$ 47,840.00	\$ 216.18	\$ -	\$ 216.18	\$ 64,639.11	\$ 16,799.11	35.1%
35	At Other Rate	0 A/	\$ 160.00 A/	\$ - A/	\$ 160.00	\$ -	\$ 216.18	\$ -	\$ 216.18	\$ -	\$ -	35.1%
36	Total Access Fee Revenue					<u>\$ 47,840.00</u>			\$ -	<u>\$ 64,639.11</u>	<u>\$ 16,799.11</u>	
37	TOTAL					<u>\$ 393,965.34</u>				<u>\$ 532,307.06</u>	<u>\$138,341.72</u>	

** Present Rates represent service revenue and therefore do **not** include escrow amount.
A/ Revenue Workpaper 3.01

Integrated Resource Management, Inc.
Workpaper Directory
For the 12 Months Attrition Period Ending December 31, 2024

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Integrated Resource Management, Inc.
General Ledger Account Balances at 12/31/2023
For the 12 Months Attrition Period Ending December 31, 2024

Line	Account	Description	Amount	
1	REVENUE ACCOUNTS, PER COMPANY GL			
2	212	Commercial Revenues		
3		Commercial Without Food	\$ 297,794.56	
4	212	Total Commercial Collections		\$ 297,794.56
5				
6	521	Residential Revenues		
7		Emory Pointe	\$ 15,145.64	
8		Compass Pointe	6,210.55	
9		Wild Briar	1,928.00	
10		Sterling Springs/Grand View	8,728.80	
11		Flat Hollow	5,052.67	
12		Cove Mountain Realty	4,336.54	
13		Valley Mart Exxon	5,538.00	
14		Lost Creek Campground	11,544.96	
15		Mountain Shangrila	400.00	
16		Cove Creek	8579.98	
17		Riverstone Estates	29,228.64	
18		Waterside on Douglas Lake	28,690.20	
19		Subtotal	\$ 125,383.98	
20		Residential Revenues, Other	43,918.94	
21	521	Total Residential Collections		169,302.92
22				
23	400	Total Customer Collections		\$ 467,097.48
24	Adjustment	Remove Estimated Escrow Collections		(69,078.66) A/
25	400	Total Service Revenues		\$ 398,018.82
26				
27	403	Other Income - Interest Income		\$ 38.14
28				
29		TOTAL OPERATING REVENUES		\$ 398,056.96
30				
31	EXPENSE ACCOUNTS, PER COMPANY GL			
32	715	Purchased Power	\$ 10,582.38	\$ 10,582.38
33	720	Office Supplies	\$ 1,658.55	\$ 1,658.55
34	731.95	Contractual Services-Billing	\$ 7,340.05	
35	731.91/66700	Contractual Services-Professional	8,287.45	
36	731.92	Legal Fees	19,500.00	
37	731.93	Accounting	12,737.00	
38	731.94	Consulting	132,790.00	B/
39	736.02	Computer Repairs	6,385.64	
40	736.xx	Other	1,160.00	
41	731-736	Contractual Services	\$ 188,200.14	\$ 188,200.14
42	740	Rents	\$ -	\$ - C/
43	750.2	Auto Maintenance	\$ 210.59	
44	750.xx	Other	-	
45	750	Vehicle and Travel Expense	\$ 210.59	\$ 210.59
46	755.1	Business Insurance Policy	\$ 207.00	
47	755.xx	Other	187.00	
48	755	Insurance Expense	\$ 394.00	\$ 394.00
49	775.1/68400	Travel/Meals/Entertainment	\$ 362.88	
50	775.13	Entertainment, Other	11.88	D/
51	775.15	Telephone Expense	3,223.19	
52	775.18	Maintenance Expense Routine	155,650.57	E/
53	775.19	Maintenance Expense Nonroutine	81,573.73	F/
54	775.2	Pumping Expense	2,800.00	
55	775.25/60400	Bank Service Charge	3,455.26	
56	775.251/63400	Interest Expenses	1,836.53	G/
57	775.35	Dues & Subscription	-	
58	775.38	Penalties	40.00	H/
59	775.4	Postage & Delivery	-	
60	775.45	Office Machine Maintenance	229.78	
61	775.551	Annual Report	20.95	I/
62	775.55	Licenses & Permits (St Op Permit, SOP)	1,450.00	J/
63	775.84/60000	Advertising/Promotional	1,645.69	K/
64	775.91	Miscellaneous Expense	1,218.07	L/
65	778	City/County Business Tax	758.00	
66	700	Operating Expenses - Other	1,092.45	
67	775.99	Uncategorized Expenses	34.44	M/
68	775	Miscellaneous Expenses	\$ 255,403.42	\$ 255,403.42
69	401	Operating Expenses		\$ 456,449.08

Integrated Resource Management, Inc.
UPIS and CIAC Forecast
For the 12 Months Attrition Period Ending December 31, 2024

Line		12/31/2022 Balance		Additions		Sales/ Retirements		12/31/2023 Balance		Additions		Sales/ Retirements		12/31/2024 Balance		Average Attrition Yr
1	CIAC, gross	\$ 1,115,340.00	A/	\$ -		\$ 9,265.00	B/	\$ 1,106,075.00		\$ -		#####		\$ 1,026,229.08		\$ 1,066,152.04 E/
2	UPIS, gross	\$ 1,115,340.00	A/	\$ -		\$ 9,265.00	B/	\$ 1,106,075.00		\$ -		#####		\$ 1,026,229.08		\$ 1,066,152.04 E/
		12/31/2022 Balance		Amortization/ Depreciation		Deductions		12/31/2023 Balance		Amortization/ Depreciation		Deductions		12/31/2024 Balance		Average Attrition Yr
3	Accumulated CIAC Amort	\$ 524,106.00	A/	\$ 35,998.00	C/	\$ -		\$ 560,104.00		\$ 34,553.96	C/	#####		\$ 551,887.08		\$ 555,995.54 E/
4	Accumulated UPIS Depr	\$ 524,106.00	A/	\$ 35,998.00	D/	\$ -		\$ 560,104.00		\$ 34,553.96	D/	#####		\$ 551,887.08		\$ 555,995.54 E/
		12/31/2022 Balance						12/31/2023 Balance						12/31/2024 Balance		Average Attrition Yr
5	Net CIAC	\$ 591,234.00	F/, H/					\$ 545,971.00	F/, H/					\$ 474,342.00	F/	\$ 510,156.50 E/
6	Net UPIS	\$ 591,234.00	G/					\$ 545,971.00	G/					\$ 474,342.00	G/	\$ 510,156.50 E/

A/ Amts from respective years' GL data.

B/ Per Company's 2023 annual report. Company wrote of Organization Costs (UPIS) for Mtn Reflection, Birds Beak, and Ashley Meadows systems. These adjustments are not reflected in Company's 2023 GL. In addition, no adjustments were shown on the Company's annual report for its accumulated depreciation/amortization associated with these removals.

C/ Annual CIAC amortization, per Workpaper 2.02.

D/ Annual UPIS depreciation, per Workpaper 2.02.

E/ Average of beginning and ending balances for the period.

F/ Line 1 minus Line 3.

G/ Line 2 minus Line 4.

H/ A portion of the Company's net CIAC is shown as "other paid-in capital" per its annual report. Adjustment made to include the full amount as CIAC for this analysis, which matches the Company's GL amts. The Company's GL includes the full amount as CIAC.

Integrated Resource Management, Inc.
Depreciation Expense Forecast
For the 12 Months Attrition Period Ending December 31, 2024

<u>CIAC Amortization Rate of 3.2410%:</u>		Attrition Period 2024		Actual 2023		Actual 2022		Actual 2021	
Line	Description								
1	CIAC Ending Balance, Gross	\$ 1,026,229.08	D/	\$ 1,106,075.00	C/	\$ 1,115,340.00	A/	\$ 1,115,340.00	A/
2	Accumulated CIAC Amortization	551,887.08	D/	560,104.00	A/	524,106.00	A/	488,108.00	A/
3	Net CIAC Ending Balance	<u>\$ 474,342.00</u>		<u>\$ 545,971.00</u>	A/	<u>\$ 591,234.00</u>	A/	<u>\$ 627,232.00</u>	A/
4	CIAC Average Balance, Gross	\$ 1,066,152.04		\$ 1,110,707.50		\$ 1,115,340.00			
5	Annual CIAC Amortization Rate	3.2410%		3.2410%		3.2275%			
6	Annual CIAC Amortization	<u>\$ 34,553.96</u>		<u>\$ 35,998.00</u>	A/	<u>\$ 35,998.00</u>	A/		

<u>Depreciation Composite Rate of 3.5252%:</u>		Attrition Period 2024		Actual 2023		Actual 2022		Actual 2021	
Line	Description								
7	UPIS Ending Balance	\$ 1,026,229.08	D/	\$ 1,106,075.00	C/	\$ 1,115,340.00	A/	\$ 1,115,340.00	A/
8	Less Land	82,525.85	D/	89,403.00	A/	89,403.00	A/	89,403.00	A/
9	UPIS Depreciable Gross Plant	\$ 943,703.23		\$ 1,016,672.00		\$ 1,025,937.00		\$ 1,025,937.00	
10	UPIS Accumulated Depr	551,887.08	D/	560,104.00	A/	524,106.00	A/	488,108.00	A/
11	Net UPIS Ending Balance	<u>\$ 474,342.00</u>		<u>\$ 545,971.00</u>	A/	<u>\$ 591,234.00</u>	A/	<u>\$ 627,232.00</u>	A/
12	Depreciable UPIS Average Balance, Gross	\$ 980,187.62		\$ 1,021,304.50		\$ 1,025,937.00			
13	Composite Rate	3.5252%		3.5247%		3.5088%			
14	Annual Depreciation Expense	<u>\$ 34,553.96</u>		<u>\$ 35,998.00</u>	A/	<u>\$ 35,998.00</u>	A/		

15	Net Annual Depreciation/Amortization Expense	\$ -	B/	\$ -	B/	\$ -	B/		
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A/ Amts from respective years' GL data.

B/ Line 14 minus Line 6.

C/ Per Company's 2023 annual report. Company removed Organization Costs (UPIS) for Mtn Reflection, Birds Beak, and Ashley Meadows systems during 2023.

The Company did not adjust its associated Accumulated Depreciation for UPIS or Accumulated Amortization for CIAC for these removed UPIS Organization Costs.

Staff notes that none of these adjustments are reflected in Company's 2023 GL.

D/ Adjustments reflect the estimated sale of Riverstone system by Limestone (Docket No. 23-00037) per Exhibit 30.

Integrated Resource Management, Inc.
Revenue Leadsheet at Present Rates
For the 12 Months Attrition Period Ending December 31, 2024

Staff
Workpaper
3.01

Line	Operating Margin Method	Attrition Period Determinants	A/	Current Rates	B/	Current Collections	Escrow Rate	B/	Escrow Collections	Operating Rate	Operating Revenues
1	Emory Pointe										
2	Residential	213		\$ 58.11	\$	12,377.43	\$ 10.13	\$	2,157.69	\$ 47.98	\$ 10,219.74
3	Commercial Without Food (0-300 gallons)	0		\$ 114.64	\$	-	\$ 21.64	\$	-	\$ 93.00	\$ -
4	Access	34		\$ 160.00	\$	5,440.00	\$ -	\$	-	\$ 160.00	\$ 5,440.00
5	Compass Pointe										
6	Residential	97		\$ 58.11	\$	5,636.67	\$ 10.13	\$	982.61	\$ 47.98	\$ 4,654.06
7	Access	4		\$ 160.00	\$	640.00	\$ -	\$	-	\$ 160.00	\$ 640.00
8	Riverstone										
9	Residential	0		\$ 58.11	\$	-	\$ 10.13	\$	-	\$ 47.98	\$ -
10	Access	0		\$ 160.00	\$	-	\$ -	\$	-	\$ 160.00	\$ -
11	Mountain Shangrila										
12	Residential	0		\$ 58.11	\$	-	\$ 10.13	\$	-	\$ 47.98	\$ -
13	Commercial Without Food (0-300 gallons)	192		\$ 114.64	\$	22,010.88	\$ 21.64	\$	4,154.88	\$ 93.00	\$ 17,856.00
14	Commercial Without Food (301-400 gallons)	109		\$ 144.97	\$	15,801.73	\$ 25.97	\$	2,830.73	\$ 119.00	\$ 12,971.00
15	Commercial Without Food (401-500 gallons)	108		\$ 174.29	\$	18,823.32	\$ 30.29	\$	3,271.32	\$ 144.00	\$ 15,552.00
16	Commercial Without Food (501-600 gallons)	0		\$ 203.62	\$	-	\$ 34.62	\$	-	\$ 169.00	\$ -
17	Commercial Without Food (601-700 gallons)	10		\$ 237.95	\$	2,379.50	\$ 38.95	\$	389.50	\$ 199.00	\$ 1,990.00
18	Access - Special Rate	0		\$ 160.00	\$	-	\$ -	\$	-	\$ 160.00	\$ -
19	Isha Enclave										
20	Residential	487		\$ 58.11	\$	28,299.57	\$ 10.13	\$	4,933.31	\$ 47.98	\$ 23,366.26
21	Access	119		\$ 160.00	\$	19,040.00	\$ -	\$	-	\$ 160.00	\$ 19,040.00
22	Flat Hollow										
23	Residential	76		\$ 58.11	\$	4,416.36	\$ 10.13	\$	769.88	\$ 47.98	\$ 3,646.48
24	Commercial Without Food (0-300 gallons)	12		\$ 114.64	\$	1,375.68	\$ 21.64	\$	259.68	\$ 93.00	\$ 1,116.00
25	Commercial Without Food (301-400 gallons)	12		\$ 144.97	\$	1,739.64	\$ 25.97	\$	311.64	\$ 119.00	\$ 1,428.00
26	Commercial Without Food (401-500 gallons)	60		\$ 174.29	\$	10,457.40	\$ 30.29	\$	1,817.40	\$ 144.00	\$ 8,640.00
27	Commercial Without Food (501-600 gallons)	36		\$ 203.62	\$	7,330.32	\$ 34.62	\$	1,246.32	\$ 169.00	\$ 6,084.00
28	Commercial Without Food (601-700 gallons)	21		\$ 237.95	\$	4,996.95	\$ 38.95	\$	817.95	\$ 199.00	\$ 4,179.00
29	Access	1		\$ 160.00	\$	160.00	\$ -	\$	-	\$ 160.00	\$ 160.00
30	Wild Briar										
31	Residential	0		\$ 58.11	\$	-	\$ 10.13	\$	-	\$ 47.98	\$ -
32	Commercial Without Food (0-300 gallons)	0		\$ 114.64	\$	-	\$ 21.64	\$	-	\$ 93.00	\$ -
33	Commercial Without Food (301-400 gallons)	0		\$ 144.97	\$	-	\$ 25.97	\$	-	\$ 119.00	\$ -
34	Commercial Without Food (401-500 gallons)	12		\$ 174.29	\$	2,091.48	\$ 30.29	\$	363.48	\$ 144.00	\$ 1,728.00
35	Commercial Without Food (501-600 gallons)	20		\$ 203.62	\$	4,072.40	\$ 34.62	\$	692.40	\$ 169.00	\$ 3,380.00
36	Commercial Without Food (601-700 gallons)	20		\$ 237.95	\$	4,759.00	\$ 38.95	\$	779.00	\$ 199.00	\$ 3,980.00
37	Commercial Without Food (701-800 gallons)	12		\$ 272.28	\$	3,267.36	\$ 43.28	\$	519.36	\$ 229.00	\$ 2,748.00
38	Commercial Without Food (801-900 gallons)	0		\$ 306.60	\$	-	\$ 47.60	\$	-	\$ 259.00	\$ -
39	Commercial Without Food (901-1,000 gallons)	68		\$ 340.93	\$	23,183.24	\$ 51.93	\$	3,531.24	\$ 289.00	\$ 19,652.00
40	Commercial Without Food (1,001-1,100 gallons)	12		\$ 376.47	\$	4,517.64	\$ 55.97	\$	671.64	\$ 320.50	\$ 3,846.00
41	Commercial Without Food (1,101-1,200 gallons)	52		\$ 412.00	\$	21,424.00	\$ 60.00	\$	3,120.00	\$ 352.00	\$ 18,304.00
42	Commercial Without Food (1,201-1,300 gallons)	12		\$ 447.55	\$	5,370.60	\$ 64.05	\$	768.60	\$ 383.50	\$ 4,602.00
43	Commercial Without Food (1,301-1,400 gallons)	0		\$ 483.09	\$	-	\$ 68.09	\$	-	\$ 415.00	\$ -
44	Commercial Without Food (1,401-1,500 gallons)	0		\$ 518.38	\$	-	\$ 72.13	\$	-	\$ 446.25	\$ -
45	Commercial Without Food (1,501-1,600 gallons)	12		\$ 553.64	\$	6,643.68	\$ 76.14	\$	913.68	\$ 477.50	\$ 5,730.00
46	Commercial Without Food (1,601-1,700 gallons)	12		\$ 588.95	\$	7,067.40	\$ 80.20	\$	962.40	\$ 508.75	\$ 6,105.00
47	Developer Rate - Lot 20	4		\$ 103.19	\$	412.76	\$ 10.32	D/	41.28	\$ 92.87	\$ 371.48
48	Developer Rate - Lots 21 & 22	4		\$ 237.38	\$	949.52	\$ 23.74	D/	94.96	\$ 213.64	\$ 854.56
49	Developer Rate - Lots 30 & 31	8		\$ 340.93	\$	2,727.44	\$ 34.09	D/	272.72	\$ 306.84	\$ 2,454.72
50	Developer Rate - Lots 14 & 17	24		\$ 416.30	\$	9,991.20	\$ 41.63	D/	999.12	\$ 374.67	\$ 8,992.08
51	Developer Rate - Lots 33R & 39R	24		\$ 510.00	\$	12,240.00	\$ 51.00	D/	1,224.00	\$ 459.00	\$ 11,016.00
52	Pool Area Rate	12		\$ 52.51	E/	630.12	\$ 5.25	D/	63.00	\$ 47.26	\$ 567.12
53	Access	11		\$ 160.00	\$	1,760.00	\$ -	\$	-	\$ 160.00	\$ 1,760.00
54	Waterside on Douglas Lake										
55	Residential	256		\$ 58.11	\$	14,876.16	\$ 10.13	\$	2,593.28	\$ 47.98	\$ 12,282.88
56	Commercial Without Food (0-300 gallons)	26		\$ 114.64	\$	2,980.64	\$ 21.64	\$	562.64	\$ 93.00	\$ 2,418.00
57	Commercial Without Food (301-400 gallons)	0		\$ 144.97	\$	-	\$ 25.97	\$	-	\$ 119.00	\$ -
58	Commercial Without Food (401-500 gallons)	12		\$ 174.29	\$	2,091.48	\$ 30.29	\$	363.48	\$ 144.00	\$ 1,728.00
59	Commercial Without Food (501-600 gallons)	0		\$ 203.62	\$	-	\$ 34.62	\$	-	\$ 169.00	\$ -
60	Access	115		\$ 160.00	\$	18,400.00	\$ -	\$	-	\$ 160.00	\$ 18,400.00
61	Sterling Springs/Grant View Resort										
62	Residential	72		\$ 58.11	\$	4,183.92	\$ 10.13	\$	729.36	\$ 47.98	\$ 3,454.56
63	HOA Clubhouse	12		\$ 205.00	\$	2,460.00	\$ 50.49	\$	605.88	\$ 154.51	\$ 1,854.12
64	Commercial Without Food (0-300 gallons)	522		\$ 114.64	\$	59,842.08	\$ 21.64	\$	11,296.08	\$ 93.00	\$ 48,546.00
65	Commercial Without Food (301-400 gallons)	276		\$ 144.97	\$	40,011.72	\$ 25.97	\$	7,167.72	\$ 119.00	\$ 32,844.00
66	Commercial Without Food (401-500 gallons)	48		\$ 174.29	\$	8,365.92	\$ 30.29	\$	1,453.92	\$ 144.00	\$ 6,912.00
67	Commercial Without Food (501-600 gallons)	0		\$ 203.62	\$	-	\$ 34.62	\$	-	\$ 169.00	\$ -
68	Commercial Without Food (601-700 gallons)	2		\$ 237.95	\$	475.90	\$ 38.95	\$	77.90	\$ 199.00	\$ 398.00
69	Commercial Without Food (701-800 gallons)	12		\$ 272.28	\$	3,267.36	\$ 43.28	\$	519.36	\$ 229.00	\$ 2,748.00
70	Commercial Without Food (801-900 gallons)	0		\$ 306.60	\$	-	\$ 47.60	\$	-	\$ 259.00	\$ -
71	Commercial Without Food (901-1,000 gallons)	12		\$ 340.93	\$	4,091.16	\$ 51.93	\$	623.16	\$ 289.00	\$ 3,468.00
72	Access	15		\$ 160.00	\$	2,400.00	\$ -	\$	-	\$ 160.00	\$ 2,400.00
73	Cove Creek										
74	Campgrounds	12		\$ 824.64	\$	9,895.68	\$ 199.64	\$	2,395.68	\$ 625.00	\$ 7,500.00
75	Lost Creek										
76	Campgrounds	12		\$ 824.64	\$	9,895.68	\$ 199.64	\$	2,395.68	\$ 625.00	\$ 7,500.00
77	Cove Mountain Realty										
78	Commercial Rate	12		\$ 333.58	\$	4,002.96	\$ 41.83	C/	501.96	\$ 291.75	\$ 3,501.00
79	Valley Mart Exxon										
80	Commercial Rate	12		\$ 426.00	\$	5,112.00	\$ 114.25	\$	1,371.00	\$ 311.75	\$ 3,741.00
81	River Club										
82	Commercial Rate	2		\$ 792.00	F/	1,584.00	\$ 193.86	F/	387.72	\$ 598.14	\$ 1,196.28
83	Total Customer Collections and Operating Revenues					<u>\$ 465,969.95</u>			<u>\$ 72,004.61</u>		<u>\$ 393,965.34</u>

A/ Per Staff revenue workpaper 3.02.

B/ Per Company tariff.

C/ Escrow rate supplied by IRM in response received 9/26/24.

D/ Per IRM in 9/26/24 response, 10% of overall rate represents escrow.

E/ Rate corrected from \$52.21 to \$52.51. IRM in its 9/26/24 response indicated this was simply a billing error.

F/ Per IRM's 9/30/24 response, River Club has a monthly rate of \$132.00, incl. \$32.31 escrow. River Club charged semiannually at \$792, incl. \$193.86 escrow.

Integrated Resource Management, Inc.
Revenue Forecast at Present Rates
For the 12 Months Attrition Period Ending December 31, 2024

Staff
Worksheet
3.02

Line No.	Emory Pointe (52 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Bills	Charge	B/	Annual Collections	Escrow	Service Revenue
1	Residential Customers	17	17	17	17	17	17	17	18	19	19	19	19	213	A/ \$ 58.11		\$ 12,377.43	\$ 2,157.69	\$ 10,219.74
2	Commercial (300 gallons or less)													0	A/ \$ 114.64		\$ -	\$ -	\$ -
3	Access Customers													34	A/ \$ 160.00		\$ 5,440.00	\$ -	\$ 5,440.00
4	Total																\$ 17,817.43	\$ 2,157.69	\$ 15,659.74
5	Compass Pointe (12 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Bills	Charge		Annual Collections	Escrow	Service Revenue
6	Residential Customers	9	8	8	8	8	8	8	8	8	8	8	8	97	A/ \$ 58.11		\$ 5,636.67	\$ 982.61	\$ 4,654.06
7	Access Customers													4	A/ \$ 160.00		\$ 640.00	\$ -	\$ 640.00
8	Total																\$ 6,276.67	\$ 982.61	\$ 5,294.06
9	Riverstone Estates (92 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Bills	Charge		Annual Collections	Escrow	Service Revenue
10	Residential Customers													0	A/ \$ 58.11		\$ -	\$ -	\$ -
11	Access Customers													0	A/ \$ 160.00		\$ -	\$ -	\$ -
12	Total																\$ -	\$ -	\$ -
13	Mountain Shangrila (35 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Bills	Charge		Annual Collections	Escrow	Service Revenue
14	Residential Customers	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 58.11		\$ -	\$ -	\$ -
15	Commercial (300 gallons or less)	16	16	16	16	16	16	16	16	16	16	16	16	192	A/ \$ 114.64		\$ 22,010.88	\$ 4,154.88	\$ 17,856.00
16	Commercial (300 to 400 gallons)	10	10	9	9	9	9	9	8	9	9	9	9	109	A/ \$ 144.97		\$ 15,801.73	\$ 2,830.73	\$ 12,971.00
17	Commercial (400 to 500 gallons)	9	9	9	9	9	9	9	9	9	9	9	9	108	A/ \$ 174.29		\$ 18,823.32	\$ 3,271.32	\$ 15,552.00
18	Commercial (500 to 600 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 203.62		\$ -	\$ -	\$ -
19	Commercial (600 to 700 gallons)	0	0	1	1	1	1	1	1	1	1	1	1	10	A/ \$ 237.95		\$ 2,379.50	\$ 389.50	\$ 1,990.00
20	Access Customers													0	A/ \$ 160.00		\$ -	\$ -	\$ -
21	Total																\$ 59,015.43	\$ 10,646.43	\$ 48,369.00
22	Flat Hollow (19 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Bills	Charge		Annual Collections	Escrow	Service Revenue
23	Residential Customers	7	7	7	7	6	6	6	6	6	6	6	6	76	A/ \$ 58.11		\$ 4,416.36	\$ 769.88	\$ 3,646.48
24	Commercial (300 gallons or less)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 114.64		\$ 1,375.68	\$ 259.68	\$ 1,116.00
25	Commercial (300 to 400 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 144.97		\$ 1,739.64	\$ 311.64	\$ 1,428.00
26	Commercial (400 to 500 gallons)	5	5	5	5	5	5	5	5	5	5	5	5	60	A/ \$ 174.29		\$ 10,457.40	\$ 1,817.40	\$ 8,640.00
27	Commercial (500 to 600 gallons)	3	3	3	3	3	3	3	3	3	3	3	3	36	A/ \$ 203.62		\$ 7,330.32	\$ 1,246.32	\$ 6,084.00
28	Commercial (600 to 700 gallons)	1	1	1	2	2	2	2	2	2	2	2	2	21	A/ \$ 237.95		\$ 4,996.95	\$ 817.95	\$ 4,179.00
29	Access Customers													1	A/ \$ 160.00		\$ 160.00	\$ -	\$ 160.00
30	Total																\$ 30,476.35	\$ 5,222.87	\$ 25,253.48
31	Isha Enclave (161 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Bills	Charge		Annual Collections	Escrow	Service Revenue
32	Residential Customers	35	35	35	35	35	36	46	46	46	46	46	46	487	A/ \$ 58.11		\$ 28,299.57	\$ 4,933.31	\$ 23,366.26
33	Access Customers													119	A/ \$ 160.00		\$ 19,040.00	\$ -	\$ 19,040.00
34	Total																\$ 47,339.57	\$ 4,933.31	\$ 42,406.26
35	Wild Briar (47 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Bills	Charge		Annual Collections	Escrow	Service Revenue
36	Residential Customers	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 58.11		\$ -	\$ -	\$ -
37	Commercial (300 gallons or less)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 114.64		\$ -	\$ -	\$ -
38	Commercial (300 to 400 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 144.97		\$ -	\$ -	\$ -
39	Commercial (400 to 500 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 174.29		\$ 2,091.48	\$ 363.48	\$ 1,728.00
40	Commercial (500 to 600 gallons)	1	1	1	1	2	2	2	2	2	2	2	2	20	A/ \$ 203.62		\$ 4,072.40	\$ 692.40	\$ 3,380.00
41	Commercial (600 to 700 gallons)	1	1	1	1	2	2	2	2	2	2	2	2	20	A/ \$ 237.95		\$ 4,759.00	\$ 779.00	\$ 3,980.00
42	Commercial (700 to 800 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 272.28		\$ 3,267.36	\$ 519.36	\$ 2,748.00
43	Commercial (800 to 900 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 306.60		\$ -	\$ -	\$ -
44	Commercial (900 to 1000 gallons)	4	4	6	6	6	6	6	6	6	6	6	6	68	A/ \$ 340.93		\$ 23,183.24	\$ 3,531.24	\$ 19,652.00
45	Commercial (1,001 to 1,100 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 376.47		\$ 4,517.64	\$ 671.64	\$ 3,846.00
46	Commercial (1,101 to 1,200 gallons)	3	3	3	3	5	5	5	5	5	5	5	5	52	A/ \$ 412.00		\$ 21,424.00	\$ 3,120.00	\$ 18,304.00
47	Commercial (1,201 to 1,300 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 447.55		\$ 5,370.60	\$ 768.60	\$ 4,602.00
48	Commercial (1,301 to 1,400 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 483.09		\$ -	\$ -	\$ -
49	Commercial (1,401 to 1,500 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 518.38		\$ -	\$ -	\$ -
50	Commercial (1,501 to 1,600 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 553.64		\$ 6,643.68	\$ 913.68	\$ 5,730.00
51	Commercial (1,601 to 1,700 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 588.95		\$ 7,067.40	\$ 962.40	\$ 6,105.00
52	Developer Rate - Lot 20	1	1	1	1	0	0	0	0	0	0	0	0	4	A/ \$ 103.19	C/	\$ 413.76	\$ 41.28	\$ 371.48
53	Developer Rate - Lots 21 & 22	2	2	0	0	0	0	0	0	0	0	0	0	4	A/ \$ 237.38	D/	\$ 949.52	\$ 94.96	\$ 854.56
54	Developer Rate - Lots 30 & 31	2	2	2	2	0	0	0	0	0	0	0	0	8	A/ \$ 340.93	E/	\$ 2,727.44	\$ 272.72	\$ 2,454.72
55	Developer Rate - Lots 14 & 17	2	2	2	2	2	2	2	2	2	2	2	2	24	A/ \$ 416.30		\$ 9,991.20	\$ 999.12	\$ 8,992.08
56	Developer Rate - Lots 33R & 39R	2	2	2	2	2	2	2	2	2	2	2	2	24	A/ \$ 510.00		\$ 12,240.00	\$ 1,224.00	\$ 11,016.00
57	Pool Area Rate	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 52.51		\$ 630.12	\$ 63.00	\$ 567.12
58	Access Customers													11	A/ \$ 160.00		\$ 1,760.00	\$ -	\$ 1,760.00
59	Total																\$ 111,107.84	\$ 15,016.88	\$ 96,090.96
60	WaterSide on Douglas Lake (133 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Bills	Charge		Annual Collections	Escrow	Service Revenue
61	Residential Customers	21	21	21	22	22	22	22	21	21	21	21	21	256	A/ \$ 58.11		\$ 14,876.16	\$ 2,593.28	\$ 12,282.88
62	Commercial (300 gallons or less)	1	1	1	2	2	2	2	3	3	3	3	3	26	A/ \$ 114.64		\$ 2,980.64	\$ 562.64	\$ 2,418.00
63	Commercial (300 to 400 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 144.97		\$ -	\$ -	\$ -
64	Commercial (400 to 500 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 174.29		\$ 2,091.48	\$ 363.48	\$ 1,728.00
65	Commercial (500 to 600 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 203.62		\$ -	\$ -	\$ -
66	Access Customers													115	A/ \$ 160.00		\$ 18,400.00	\$ -	\$ 18,400.00
67	Total																\$ 38,348.28	\$ 3,519.40	\$ 34,828.88
68	Sterling Springs/Grand View (95 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Bills	Charge		Annual Collections	Escrow	Service Revenue
69	Residential Customers	6	6	6	6	6	6	6	6	6	6	6	6	72	A/ \$ 58.11		\$ 4,183.92	\$ 729.36	\$ 3,454.56
70	HOA Clubhouse	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 205.00		\$ 2,460.00	\$ 605.88	\$ 1,854.12
71	Commercial (300 gallons or less)	42	42	42	44	44	44	44	44	44	44	44	44	522	A/ \$ 114.64		\$ 59,842.08	\$ 11,296.08	\$ 48,546.00
72	Commercial (300 to 400 gallons)	23	23	23	23	23	23	23	23	23	23	23	23	276	A/ \$ 144.97		\$ 40,011.72	\$ 7,167.72	\$ 32,844.00
73	Commercial (400 to 500 gallons)	4	4	4	4	4	4	4	4	4	4	4	4	48	A/ \$ 174.29		\$ 8,365.92	\$ 1,453.92	\$ 6,912.00
74	Commercial (500 to 600 gallons)													0	A/ \$ 203.62		\$ -	\$ -	\$ -
75	Commercial (600 to 700 gallons)	1	1											2	A/ \$ 237.95		\$ 475.90	\$ 77.90	\$ 398.00
76	Commercial (700 to 800 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 272.28		\$ 3,267.36	\$ 519.36	\$ 2,748.00
77	Commercial (800 to 900 gallons)													0	A/ \$ 306.60		\$ -	\$ -	\$ -
78	Commercial (900 to 1000 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 340.93		\$ 4,091.16	\$ 623.16	\$ 3,468.00
79	Access Customers													15	A/ \$ 160.00		\$ 2,400.00	\$ -	\$ 2,400.00
80	Total																\$ 125,098.06	\$ 22,473.38	\$ 102,624.68
81	Cove Creek Campground (1 Total Lot)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24							

Integrated Resource Management, Inc.
Proof of Revenue
For the 12 Months Attrition Period Ending December 31, 2024

Staff
Worksheet
3.03

Line No.	Emory Pointe (52 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge	B/	Price-out Collections	Escrow	Service Revenue
1	Residential Customers	17	17	17	17	17	17	17	18	19	19	19	19	213	A/ \$ 74.96		\$ 15,966.11	\$ 2,157.69	\$ 13,808.42
2	Commercial (300 gallons or less)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 147.30		\$ -	\$ -	\$ -
3	Access Customers	0	0	0	0	0	0	0	0	0	0	0	34	34	A/ \$ 216.18		\$ 7,350.27	\$ -	\$ 7,350.27
4	Total																\$ 23,316.38	\$ 2,157.69	\$ 21,158.69
5	Compass Pointe (12 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge		Price-out Collections	Escrow	Service Revenue
6	Residential Customers	9	8	8	8	8	8	8	8	8	8	8	8	97	A/ \$ 74.96		\$ 7,270.95	\$ 982.61	\$ 6,288.34
7	Access Customers	0	0	0	0	0	0	0	0	0	0	0	4	4	A/ \$ 216.18		\$ 864.74	\$ -	\$ 864.74
8	Total																\$ 8,135.69	\$ 982.61	\$ 7,153.08
9	Riverstone Estates (92 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge		Price-out Collections	Escrow	Service Revenue
10	Residential Customers	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 74.96		\$ -	\$ -	\$ -
11	Access Customers	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 216.18		\$ -	\$ -	\$ -
12	Total																\$ -	\$ -	\$ -
13	Mountain Shangrila (35 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge		Price-out Collections	Escrow	Service Revenue
14	Residential Customers	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 74.96		\$ -	\$ -	\$ -
15	Commercial (300 gallons or less)	16	16	16	16	16	16	16	16	16	16	16	16	192	A/ \$ 147.30		\$ 28,281.05	\$ 4,154.88	\$ 24,126.17
16	Commercial (300 to 400 gallons)	10	10	9	9	9	9	9	8	9	9	9	9	109	A/ \$ 186.76		\$ 20,356.52	\$ 2,830.73	\$ 17,525.79
17	Commercial (400 to 500 gallons)	9	9	9	9	9	9	9	9	9	9	9	9	108	A/ \$ 224.86		\$ 24,284.44	\$ 3,271.32	\$ 21,013.12
18	Commercial (500 to 600 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 262.96		\$ -	\$ -	\$ -
19	Commercial (600 to 700 gallons)	0	0	1	1	1	1	1	1	1	1	1	1	10	A/ \$ 307.83		\$ 3,078.29	\$ 389.50	\$ 2,688.79
20	Access Customers	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 160.00		\$ -	\$ -	\$ -
21	Total																\$ 76,000.30	\$ 10,646.43	\$ 65,353.87
22	Flint Hollow (19 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge		Price-out Collections	Escrow	Service Revenue
23	Residential Customers	7	7	7	7	6	6	6	6	6	6	6	6	76	A/ \$ 74.96		\$ 5,696.83	\$ 769.88	\$ 4,926.95
24	Commercial (300 gallons or less)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 147.30		\$ 1,767.57	\$ 259.68	\$ 1,507.89
25	Commercial (300 to 400 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 186.76		\$ 2,241.09	\$ 311.64	\$ 1,929.45
26	Commercial (400 to 500 gallons)	5	5	5	5	5	5	5	5	5	5	5	5	60	A/ \$ 224.86		\$ 13,491.35	\$ 1,817.40	\$ 11,673.95
27	Commercial (500 to 600 gallons)	3	3	3	3	3	3	3	3	3	3	3	3	36	A/ \$ 262.96		\$ 9,466.73	\$ 1,246.32	\$ 8,220.41
28	Commercial (600 to 700 gallons)	1	1	1	2	2	2	2	2	2	2	2	2	21	A/ \$ 307.83		\$ 6,464.41	\$ 817.95	\$ 5,646.46
29	Access Customers	0	0	0	0	0	0	0	0	0	0	0	1	1	A/ \$ 216.18		\$ 216.18	\$ -	\$ 216.18
30	Total																\$ 39,344.16	\$ 5,222.87	\$ 34,121.29
31	Isha Enclave (161 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge		Price-out Collections	Escrow	Service Revenue
32	Residential Customers	35	35	35	35	35	36	46	46	46	46	46	46	487	A/ \$ 74.96		\$ 36,504.68	\$ 4,933.31	\$ 31,571.37
33	Access Customers	0	0	0	0	0	0	0	0	0	0	0	119	119	A/ \$ 216.18		\$ 25,725.93	\$ -	\$ 25,725.93
34	Total																\$ 62,230.61	\$ 4,933.31	\$ 57,297.30
35	Wild Briar (47 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge		Price-out Collections	Escrow	Service Revenue
36	Residential Customers	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 74.96		\$ -	\$ -	\$ -
37	Commercial (300 gallons or less)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 147.30		\$ -	\$ -	\$ -
38	Commercial (300 to 400 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 186.76		\$ -	\$ -	\$ -
39	Commercial (400 to 500 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 224.86		\$ 2,698.27	\$ 363.48	\$ 2,334.79
40	Commercial (500 to 600 gallons)	1	1	1	1	2	2	2	2	2	2	2	2	20	A/ \$ 262.96		\$ 5,259.29	\$ 692.40	\$ 4,566.89
41	Commercial (600 to 700 gallons)	1	1	1	1	2	2	2	2	2	2	2	2	20	A/ \$ 307.83		\$ 6,156.58	\$ 779.00	\$ 5,377.58
42	Commercial (700 to 800 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 352.69		\$ 4,232.33	\$ 519.36	\$ 3,712.97
43	Commercial (800 to 900 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 397.55		\$ -	\$ -	\$ -
44	Commercial (900 to 1000 gallons)	4	4	6	6	6	6	6	6	6	6	6	6	68	A/ \$ 442.41		\$ 30,084.08	\$ 3,531.24	\$ 26,552.84
45	Commercial (1,001 to 1,100 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 489.01		\$ 5,868.17	\$ 671.64	\$ 5,196.53
46	Commercial (1,101 to 1,200 gallons)	3	3	3	5	5	5	5	5	5	5	5	5	52	A/ \$ 535.61		\$ 27,851.49	\$ 3,120.00	\$ 24,731.49
47	Commercial (1,201 to 1,300 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 582.22		\$ 6,986.60	\$ 768.60	\$ 6,218.00
48	Commercial (1,301 to 1,400 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 628.82		\$ -	\$ -	\$ -
49	Commercial (1,401 to 1,500 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 675.08		\$ -	\$ -	\$ -
50	Commercial (1,501 to 1,600 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 721.32		\$ 8,655.78	\$ 913.68	\$ 7,742.10
51	Commercial (1,601 to 1,700 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 767.60		\$ 9,211.18	\$ 962.40	\$ 8,248.78
52	Developer Rate - Lot 20	1	1	1	1	0	0	0	0	0	0	0	0	4	A/ \$ 135.80		\$ 543.21	\$ 41.28	\$ 501.93
53	Developer Rate - Lots 21 & 22	2	2	0	0	0	0	0	0	0	0	0	0	4	A/ \$ 312.40		\$ 1,249.60	\$ 94.96	\$ 1,154.64
54	Developer Rate - Lots 30 & 31	2	2	2	2	2	0	0	0	0	0	0	0	8	A/ \$ 448.68		\$ 3,589.42	\$ 272.72	\$ 3,316.70
55	Developer Rate - Lots 14 & 17	2	2	2	2	2	2	2	2	2	2	2	2	24	A/ \$ 547.87		\$ 13,148.79	\$ 999.12	\$ 12,149.67
56	Developer Rate - Lots 33R & 39R	2	2	2	2	2	2	2	2	2	2	2	2	24	A/ \$ 671.18		\$ 16,108.29	\$ 1,224.00	\$ 14,884.29
57	Pool Area Rate	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 69.11		\$ 829.27	\$ 63.00	\$ 766.27
58	Access Customers	0	0	0	0	0	0	0	0	0	0	0	11	11	A/ \$ 216.18		\$ 2,378.03	\$ -	\$ 2,378.03
59	Total																\$ 144,850.37	\$ 15,016.88	\$ 129,833.49
60	Waterside on Douglas Lake (133 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge		Price-out Collections	Escrow	Service Revenue
61	Residential Customers	21	21	21	22	22	22	22	21	21	21	21	21	256	A/ \$ 74.96		\$ 19,189.32	\$ 2,593.28	\$ 16,596.04
62	Commercial (300 gallons or less)	0	0	0	2	2	2	2	3	3	3	3	3	26	A/ \$ 147.30		\$ 3,829.73	\$ 562.64	\$ 3,267.09
63	Commercial (300 to 400 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 186.76		\$ -	\$ -	\$ -
64	Commercial (400 to 500 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 224.86		\$ 2,698.27	\$ 363.48	\$ 2,334.79
65	Commercial (500 to 600 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 262.96		\$ -	\$ -	\$ -
66	Access Customers	0	0	0	0	0	0	0	0	0	0	0	115	115	A/ \$ 216.18		\$ 24,861.20	\$ -	\$ 24,861.20
67	Total																\$ 50,578.51	\$ 3,519.40	\$ 47,059.11
68	Sterling Springs Grand View (95 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge		Price-out Collections	Escrow	Service Revenue
69	Residential Customers	6	6	6	6	6	6	6	6	6	6	6	6	72	A/ \$ 74.96		\$ 5,397.00	\$ 729.36	\$ 4,667.64
70	HOA Clubhouse	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 259.26		\$ 3,111.08	\$ 605.88	\$ 2,505.20
71	Commercial (300 gallons or less)	42	42	42	44	44	44	44	44	44	44	44	44	522	A/ \$ 147.30		\$ 76,889.10	\$ 11,296.08	\$ 65,593.02
72	Commercial (300 to 400 gallons)	23	23	23	23	23	23	23	23	23	23	23	23	276	A/ \$ 186.76		\$ 51,544.96	\$ 7,167.72	\$ 44,377.24
73	Commercial (400 to 500 gallons)	4	4	4	4	4	4	4	4	4	4	4	4	48	A/ \$ 224.86		\$ 10,793.08	\$ 1,453.92	\$ 9,339.16
74	Commercial (500 to 600 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 262.96		\$ -	\$ -	\$ -
75	Commercial (600 to 700 gallons)	1	1	0	0	0	0	0	0	0	0	0	0	2	A/ \$ 307.83		\$ 615.66	\$ 77.90	\$ 537.76
76	Commercial (700 to 800 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 352.69		\$ 4,232.33	\$ 519.36	\$ 3,712.97
77	Commercial (800 to 900 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 397.55		\$ -	\$ -	\$ -
78	Commercial (900 to 1000 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 442.41		\$ 5,308.96	\$ 623.16	\$ 4,685.80
79	Access Customers	0																	

Integrated Resource Management, Inc. Revenue per 2023 General Ledger For the 12 Months Attrition Period Ending December 31, 2024													Staff Worksheet 3.04
<u>Emory Pointe</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ (249.39)	\$ (166.76)	\$ (142.66)	\$ (76.92)	\$ (243.80)	\$ (92.44)	\$ (212.73)	\$ (265.34)	\$ (141.82)	\$ (131.69)	\$ (136.17)	\$ (136.11)	\$ (1,995.82)
Collections	\$ 1,430.58	\$ 956.63	\$ 818.34	\$ 441.22	\$ 1,398.52	\$ 2,071.41	\$ 1,220.31	\$ 1,522.09	\$ 813.54	\$ 755.43	\$ 781.10	\$ 2,936.47	\$ 15,145.64
Revenue	\$ 1,181.19	\$ 789.87	\$ 675.68	\$ 364.30	\$ 1,154.72	\$ 1,978.97	\$ 1,007.58	\$ 1,256.75	\$ 671.72	\$ 623.74	\$ 644.93	\$ 2,800.36	\$ 13,149.82
<u>Compass Pointe</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ (101.30)	\$ (70.91)	\$ (107.54)	\$ (91.17)	\$ (108.93)	\$ (44.24)	\$ (101.30)	\$ (70.91)	\$ (108.93)	\$ (91.17)	\$ (81.04)	\$ (29.30)	\$ (1,006.75)
Collections	\$ 581.10	\$ 406.77	\$ 616.88	\$ 522.99	\$ 624.87	\$ 486.77	\$ 581.10	\$ 406.77	\$ 624.88	\$ 522.99	\$ 464.88	\$ 370.55	\$ 6,210.55
Revenue	\$ 479.80	\$ 335.86	\$ 509.34	\$ 431.82	\$ 515.94	\$ 442.53	\$ 479.80	\$ 335.86	\$ 515.95	\$ 431.82	\$ 383.84	\$ 341.25	\$ 5,203.80
<u>Riverstone Estates</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ (528.83)	\$ (644.94)	\$ (221.34)	\$ (318.78)	\$ (449.39)	\$ (132.84)	\$ (417.08)	\$ (218.97)	\$ (223.95)	\$ (536.28)	\$ (275.49)	\$ (188.07)	\$ (4,155.97)
Collections	\$ 3,033.60	\$ 3,699.66	\$ 1,269.69	\$ 1,838.66	\$ 2,577.87	\$ 2,896.41	\$ 2,392.53	\$ 1,256.09	\$ 1,284.67	\$ 3,076.34	\$ 1,580.31	\$ 4,332.81	\$ 29,228.64
Revenue	\$ 2,504.77	\$ 3,054.72	\$ 1,048.35	\$ 1,509.88	\$ 2,128.48	\$ 2,763.57	\$ 1,975.45	\$ 1,037.12	\$ 1,060.72	\$ 2,540.06	\$ 1,304.82	\$ 4,144.74	\$ 25,072.67
<u>Mountain Shangrila</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collections	\$ -	\$ -	\$ -	\$ -	\$ 400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400.00
Revenue	\$ -	\$ -	\$ -	\$ -	\$ 400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400.00
<u>Flat Hollow</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ (81.04)	\$ (50.65)	\$ (81.04)	\$ (40.32)	\$ (112.44)	\$ (50.65)	\$ (73.68)	\$ (91.17)	\$ (50.65)	\$ (71.42)	\$ (82.56)	\$ (94.99)	\$ (880.81)
Collections	\$ 464.88	\$ 290.55	\$ 464.88	\$ 232.44	\$ 645.03	\$ 290.55	\$ 422.64	\$ 522.99	\$ 290.55	\$ 409.68	\$ 473.60	\$ 544.88	\$ 5,052.67
Revenue	\$ 383.84	\$ 239.90	\$ 383.84	\$ 191.92	\$ 532.59	\$ 239.90	\$ 348.96	\$ 431.82	\$ 239.90	\$ 338.26	\$ 391.04	\$ 449.89	\$ 4,171.86
<u>Wild Briar</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collections	\$ 84.00	\$ 320.00	\$ 320.00	\$ 320.00	\$ 156.00	\$ 160.00	\$ -	\$ -	\$ -	\$ 168.00	\$ -	\$ 400.00	\$ 1,928.00
Revenue	\$ 84.00	\$ 320.00	\$ 320.00	\$ 320.00	\$ 156.00	\$ 160.00	\$ -	\$ -	\$ -	\$ 168.00	\$ -	\$ 400.00	\$ 1,928.00
<u>Sterling Springs/Grand View Resort</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ (90.71)	\$ (96.52)	\$ (86.39)	\$ (75.75)	\$ (201.44)	\$ (47.93)	\$ (157.30)	\$ (76.26)	\$ (86.39)	\$ (86.39)	\$ (76.26)	\$ (103.00)	\$ (1,184.31)
Collections	\$ 520.35	\$ 553.66	\$ 495.55	\$ 434.53	\$ 1,155.55	\$ 815.55	\$ 902.32	\$ 437.44	\$ 495.55	\$ 495.55	\$ 437.44	\$ 1,985.31	\$ 8,728.80
Revenue	\$ 429.64	\$ 457.14	\$ 409.16	\$ 358.78	\$ 954.11	\$ 767.62	\$ 745.02	\$ 361.18	\$ 409.16	\$ 409.16	\$ 361.18	\$ 1,882.31	\$ 7,544.49
<u>Cove Creek</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ (143.76)	\$ (143.76)	\$ -	\$ -	\$ (143.76)	\$ (143.76)	\$ (143.76)	\$ (143.76)	\$ (143.76)	\$ (143.76)	\$ (143.76)	\$ (143.76)	\$ (1,437.55)
Collections	\$ 824.64	\$ 824.64	\$ -	\$ -	\$ 824.64	\$ 824.64	\$ 824.64	\$ 824.64	\$ 824.64	\$ 824.64	\$ 824.64	\$ 1,158.22	\$ 8,579.98
Revenue	\$ 680.88	\$ 680.88	\$ -	\$ -	\$ 680.88	\$ 680.88	\$ 680.88	\$ 680.88	\$ 680.88	\$ 680.88	\$ 680.88	\$ 1,014.46	\$ 7,142.43
<u>Lost Creek</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ (199.56)	\$ (199.56)	\$ (399.13)	\$ (399.13)	\$ (199.56)	\$ (199.56)	\$ (199.56)	\$ (199.56)	\$ (199.56)	\$ (199.56)	\$ (199.56)	\$ (199.56)	\$ (2,793.88)
Collections	\$ 824.64	\$ 824.64	\$ 1,649.28	\$ 1,649.28	\$ 824.64	\$ 824.64	\$ 824.64	\$ 824.64	\$ 824.64	\$ 824.64	\$ 824.64	\$ 824.64	\$ 11,544.96
Revenue	\$ 625.08	\$ 625.08	\$ 1,250.15	\$ 1,250.15	\$ 625.08	\$ 625.08	\$ 625.08	\$ 625.08	\$ 625.08	\$ 625.08	\$ 625.08	\$ 625.08	\$ 8,751.08
<u>Cove Mountain Realty</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collections	\$ 333.58	\$ 333.58	\$ -	\$ -	\$ 333.58	\$ 1,334.32	\$ 333.58	\$ 333.58	\$ 333.58	\$ 667.16	\$ 333.58	\$ -	\$ 4,336.54
Revenue	\$ 333.58	\$ 333.58	\$ -	\$ -	\$ 333.58	\$ 1,334.32	\$ 333.58	\$ 333.58	\$ 333.58	\$ 667.16	\$ 333.58	\$ -	\$ 4,336.54
<u>Valley Mart Exxon</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ -	\$ (342.76)	\$ -	\$ -	\$ (342.76)	\$ -	\$ -	\$ (457.01)	\$ -	\$ (114.25)	\$ -	\$ (228.51)	\$ (1,485.29)
Collections	\$ -	\$ 1,278.00	\$ -	\$ -	\$ 1,278.00	\$ -	\$ -	\$ 1,704.00	\$ -	\$ 426.00	\$ -	\$ 852.00	\$ 5,538.00
Revenue	\$ -	\$ 935.24	\$ -	\$ -	\$ 935.24	\$ -	\$ -	\$ 1,246.99	\$ -	\$ 311.75	\$ -	\$ 623.49	\$ 4,052.71
<u>Waterside on Douglas Lake</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ (480.42)	\$ (477.13)	\$ (160.13)	\$ (100.29)	\$ (340.20)	\$ (84.94)	\$ (323.71)	\$ (292.11)	\$ (182.34)	\$ (124.06)	\$ (184.29)	\$ (109.58)	\$ (2,859.19)
Collections	\$ 2,755.91	\$ 2,737.02	\$ 918.59	\$ 575.29	\$ 1,951.54	\$ 6,120.92	\$ 1,856.92	\$ 1,675.67	\$ 1,045.98	\$ 711.65	\$ 1,057.14	\$ 7,283.57	\$ 28,690.20
Revenue	\$ 2,275.49	\$ 2,259.89	\$ 758.46	\$ 475.00	\$ 1,611.34	\$ 6,035.98	\$ 1,533.21	\$ 1,383.56	\$ 863.64	\$ 587.59	\$ 872.85	\$ 7,173.99	\$ 25,831.01
<u>Other Residential Rev - Isha</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ (335.23)	\$ (275.51)	\$ (1,552.24)	\$ (343.91)	\$ (923.62)	\$ (148.73)	\$ (373.92)	\$ (493.02)	\$ (229.62)	\$ (379.62)	\$ (188.23)	\$ -	\$ (5,243.66)
Collections	\$ 1,923.03	\$ 1,580.46	\$ 8,904.31	\$ 1,972.83	\$ 5,298.28	\$ 7,995.89	\$ 2,144.97	\$ 2,828.19	\$ 1,317.20	\$ 2,177.63	\$ 1,079.76	\$ 6,696.39	\$ 43,918.94
Revenue	\$ 1,587.80	\$ 1,304.95	\$ 7,352.07	\$ 1,628.92	\$ 4,374.66	\$ 7,847.16	\$ 1,771.05	\$ 2,335.17	\$ 1,087.58	\$ 1,798.01	\$ 891.53	\$ 6,696.39	\$ 38,675.28
<u>Other Commercial</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ (5,869.47)	\$ (4,284.14)	\$ (3,737.23)	\$ (3,503.32)	\$ (3,984.54)	\$ (1,409.08)	\$ (5,206.63)	\$ (4,431.42)	\$ (3,821.01)	\$ (4,175.39)	\$ (3,610.04)	\$ (2,003.17)	\$ (46,035.42)
Collections	\$34,526.29	\$25,200.80	\$21,983.69	\$20,607.75	#####	\$20,361.09	\$30,627.23	#####	\$22,476.51	\$24,561.10	\$ 21,235.52	\$ 26,708.94	\$ 297,794.56
Revenue	\$28,656.82	\$20,916.66	\$18,246.46	\$17,104.43	#####	\$18,952.01	\$25,420.60	#####	\$18,655.50	\$20,385.71	\$ 17,625.48	\$ 24,705.77	\$ 251,759.14
<u>TOTAL 2023 TEST YEAR SERVICE REVENUES</u>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Escrow A/	\$ (8,079.71)	\$ (6,752.64)	\$ (6,487.69)	\$ (4,949.78)	\$ (7,050.45)	\$ (2,354.17)	\$ (7,209.66)	\$ (6,739.53)	\$ (5,188.03)	\$ (6,053.58)	\$ (4,977.38)	\$ (3,236.04)	\$ (69,078.66)
Collections	\$47,302.60	\$39,006.41	\$37,441.21	\$28,584.99	#####	\$44,182.19	\$42,130.88	#####	\$30,331.74	\$35,620.81	\$ 29,092.61	\$ 54,093.78	\$ 467,097.48
Revenue	\$39,222.89	\$32,253.77	\$30,953.52	\$23,635.21	#####	\$41,828.02	\$34,921.22	#####	\$25,143.71	\$29,567.23	\$ 24,115.23	\$ 50,857.74	\$ 398,018.82

A/ Company incorrectly records all customer collections - which include escrow collections - as revenue in GL. Escrow amounts estimated on a prorata basis for presentation to match amount transferred into Company's escrow account, per its 2023 GL.
This estimated \$69,078.66 escrow amount is less than 1% different than that estimated via customer counts on Staff worksheet 3.05, lines 95 through 98.

Source of Data: Company's 2023 GL

Integrated Resource Management, Inc.
2023 Test Period Customer Bill Data Price Out vs. Revenue per 2023 General Ledger
For the 12 Months Attrition Period Ending December 31, 2024

Staff
Worksheet
3.05

Line No.	Entity Points (52 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge	B/	Price-out Collections	Escrow	Service Revenue
1	Residential Customers	17	17											205	A/ \$ 58.11		\$ 11,912.55	\$ 2,076.65	\$ 9,835.90
2	Commercial (300 gallons or less)													0	A/ \$ 114.64		\$ -	\$ -	\$ -
3	Access Customers													32	A/ \$ 160.00		\$ 5,120.00	\$ -	\$ 5,120.00
4	Total																\$ 17,032.55	\$ 2,076.65	\$ 14,955.90
5	Compass Pointe (12 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge	B/	Price-out Collections	Escrow	Service Revenue
6	Residential Customers	8	8	8		8	8	8	8	8	8	8	8	96	A/ \$ 58.11		\$ 5,578.56	\$ 972.48	\$ 4,606.08
7	Access Customers													4	A/ \$ 160.00		\$ -	\$ -	\$ -
8	Total																\$ 6,218.56	\$ 972.48	\$ 5,246.08
9	Riverstone Estates (92 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge	B/	Price-out Collections	Escrow	Service Revenue
10	Residential Customers	28	28	28	28	28	28	28	28	28	27	27	27	333	A/ \$ 58.11		\$ 19,350.63	\$ 3,373.29	\$ 15,977.34
11	Access Customers													61	A/ \$ 160.00		\$ 9,760.00	\$ -	\$ 9,760.00
12	Total																\$ 29,110.63	\$ 3,373.29	\$ 25,737.34
13	Mountain Shangrila (35 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge	B/	Price-out Collections	Escrow	Service Revenue
14	Residential Customers	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 58.11		\$ -	\$ -	\$ -
15	Commercial (300 gallons or less)	13	13	14	15	15	15	16	16	16	16	17	16	182	A/ \$ 114.64		\$ 20,864.48	\$ 3,938.48	\$ 16,926.00
16	Commercial (300 to 400 gallons)	9	9	9	9	9	9	9	10	10	10	10	10	113	A/ \$ 144.97		\$ 16,381.61	\$ 2,934.61	\$ 13,447.00
17	Commercial (400 to 500 gallons)	7	7	7	7	7	7	7	7	7	9	9	9	90	A/ \$ 174.29		\$ 15,686.10	\$ 2,726.10	\$ 12,960.00
18	Access Customers													1	A/ \$ 800.00		\$ 800.00	\$ -	\$ 800.00
19	Total																\$ 53,732.19	\$ 9,599.19	\$ 44,133.00
20	Flat Hollow (19 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge	B/	Price-out Collections	Escrow	Service Revenue
21	Residential Customers	7	7	7	7	7	7	7	7	7	7	7	7	84	A/ \$ 58.11		\$ 4,881.24	\$ 850.92	\$ 4,030.32
22	Commercial (300 gallons or less)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 114.64		\$ 1,375.68	\$ 259.68	\$ 1,116.00
23	Commercial (300 to 400 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 144.97		\$ 1,739.64	\$ 311.64	\$ 1,428.00
24	Commercial (400 to 500 gallons)	5	5	5	5	5	5	5	5	5	5	5	5	60	A/ \$ 174.29		\$ 10,457.40	\$ 1,817.40	\$ 8,640.00
25	Commercial (500 to 600 gallons)	3	3	3	3	3	3	3	3	3	3	3	3	36	A/ \$ 203.62		\$ 7,330.32	\$ 1,246.32	\$ 6,084.00
26	Commercial (600 to 700 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 237.95		\$ 2,855.40	\$ 467.40	\$ 2,388.00
27	Access Customers													1	A/ \$ 160.00		\$ 160.00	\$ -	\$ 160.00
28	Total																\$ 28,799.68	\$ 4,953.36	\$ 23,846.32
29	Isha Enclave (161 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge	B/	Price-out Collections	Escrow	Service Revenue
30	Residential Customers	14	17	19	19	21	22	26	31	33	35	35	35	307	A/ \$ 58.11		\$ 17,839.77	\$ 3,109.91	\$ 14,729.86
31	Access Customers													138	A/ \$ 160.00		\$ 22,080.00	\$ -	\$ 22,080.00
32	Total																\$ 39,919.77	\$ 3,109.91	\$ 36,809.86
33	Wild Briar (47 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge	B/	Price-out Collections	Escrow	Service Revenue
34	Residential Customers	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 58.11		\$ -	\$ -	\$ -
35	Commercial (300 gallons or less)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 114.64		\$ -	\$ -	\$ -
36	Commercial (300 to 400 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 144.97		\$ -	\$ -	\$ -
37	Commercial (400 to 500 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 174.29		\$ 2,091.48	\$ 363.48	\$ 1,728.00
38	Commercial (500 to 600 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 203.62		\$ 2,443.44	\$ 415.44	\$ 2,028.00
39	Commercial (600 to 700 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 237.95		\$ 2,855.40	\$ 467.40	\$ 2,388.00
40	Commercial (700 to 800 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 272.28		\$ 3,267.36	\$ 519.36	\$ 2,748.00
41	Commercial (800 to 900 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 306.60		\$ -	\$ -	\$ -
42	Commercial (900 to 1000 gallons)	4	4	4	4	4	4	4	4	4	4	4	4	48	A/ \$ 340.93		\$ 16,364.64	\$ 2,492.64	\$ 13,872.00
43	Commercial (1,001 to 1,100 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 376.47		\$ 4,517.64	\$ 671.64	\$ 3,846.00
44	Commercial (1,101 to 1,200 gallons)	3	3	3	3	3	3	3	3	3	3	3	3	36	A/ \$ 412.00		\$ 14,832.00	\$ 2,160.00	\$ 12,672.00
45	Commercial (1,201 to 1,300 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 447.55		\$ 5,370.60	\$ 768.60	\$ 4,602.00
46	Commercial (1,301 to 1,400 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 483.09		\$ -	\$ -	\$ -
47	Commercial (1,401 to 1,500 gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0	A/ \$ 518.38		\$ -	\$ -	\$ -
48	Commercial (1,501 to 1,600 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 553.64		\$ 6,643.68	\$ 913.68	\$ 5,730.00
49	Commercial (1,601 to 1,700 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 588.95		\$ 7,067.40	\$ 962.40	\$ 6,105.00
50	Developer Rate - Lot 20	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 103.19		\$ 1,238.28	\$ 123.84	\$ 1,114.44
51	Developer Rate - Lots 21 & 22	2	2	2	2	2	2	2	2	2	2	2	2	24	A/ \$ 237.38		\$ 5,697.12	\$ 569.76	\$ 5,127.36
52	Developer Rate - Lots 20 & 31	2	2	2	2	2	2	2	2	2	2	2	2	24	A/ \$ 340.93		\$ 8,182.32	\$ 818.16	\$ 7,364.16
53	Developer Rate - Lots 14 & 17	2	2	2	2	2	2	2	2	2	2	2	2	24	A/ \$ 416.30		\$ 9,991.20	\$ 999.12	\$ 8,992.08
54	Developer Rate - Lots 33R & 39R	2	2	2	2	2	2	3	2	2	2	2	2	25	A/ \$ 510.00		\$ 12,750.00	\$ 1,275.00	\$ 11,475.00
55	Pool Area Rate	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 52.21		\$ 626.52	\$ 630.12	\$ (3.60)
56	Access Customers													10	A/ \$ 160.00		\$ 1,600.00	\$ -	\$ 1,600.00
57	Total																\$ 105,539.08	\$ 14,150.64	\$ 91,388.44
58	Waterside on Douglas Lake (133 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge	B/	Price-out Collections	Escrow	Service Revenue
59	Residential Customers	10	10	11	11	12	12	15	17	17	18	20	20	173	A/ \$ 58.11		\$ 10,053.03	\$ 1,752.49	\$ 8,300.54
60	Commercial (300 gallons or less)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 114.64		\$ 1,375.68	\$ 259.68	\$ 1,116.00
61	Commercial (300 to 400 gallons)													0	A/ \$ 144.97		\$ -	\$ -	\$ -
62	Commercial (400 to 500 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 174.29		\$ 2,091.48	\$ 363.48	\$ 1,728.00
63	Commercial (500 to 600 gallons)													0	A/ \$ 203.62		\$ -	\$ -	\$ -
64	Access Customers													122	A/ \$ 160.00		\$ 19,520.00	\$ -	\$ 19,520.00
65	Total																\$ 33,040.19	\$ 2,375.65	\$ 30,664.54
66	Sterling Springs/Grand View (95 Total Lots)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge	B/	Price-out Collections	Escrow	Service Revenue
67	Residential Customers	9	7	6	6	6	6	6	6	6	6	6	6	76	A/ \$ 58.11		\$ 4,416.36	\$ 560.88	\$ 3,845.48
68	HOA Clubhouse	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 205.00		\$ 2,460.00	\$ 605.88	\$ 1,854.12
69	Commercial (300 gallons or less)	40	41	42	43	42	42	42	42	42	42	42	42	502	A/ \$ 114.64		\$ 57,549.28	\$ 10,863.28	\$ 46,686.00
70	Commercial (300 to 400 gallons)	21	21	22	22	22	22	23	23	23	23	23	23	267	A/ \$ 144.97		\$ 38,706.99	\$ 6,933.99	\$ 31,773.00
71	Commercial (400 to 500 gallons)	4	4	4	4	4	4	4	4	4	4	4	4	48	A/ \$ 174.29		\$ 8,365.92	\$ 1,453.92	\$ 6,912.00
72	Commercial (500 to 600 gallons)													0	A/ \$ 203.62		\$ -	\$ -	\$ -
73	Commercial (600 to 700 gallons)	1	1											12	A/ \$ 237.95		\$ 2,855.40	\$ 467.40	\$ 2,388.00
74	Commercial (700 to 800 gallons)			1	1	1	1	1	1	1	1	1	1	10	A/ \$ 272.28		\$ 2,722.80	\$ 432.80	\$ 2,290.00
75	Commercial (800 to 900 gallons)													0	A/ \$ 306.60		\$ -	\$ -	\$ -
76	Commercial (900 to 1000 gallons)	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 340.93		\$ 4,091.16	\$ 623.16	\$ 3,468.00
77	Access Customers													16	A/ \$ 160.00		\$ 2,560.00	\$ -	\$ 2,560.00
78	Total																\$ 121,348.41	\$ 21,760.81	\$ 99,587.60
79	Cove Creek Campground (1 Total Lot)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Yearly Customers Bills	Charge	B/	Price-out Collections	Escrow	Service Revenue
80	Total	1	1	1	1	1	1	1	1	1	1	1	1	12	A/ \$ 824.64		\$ 9,895.68	\$ 2,395.68	\$ 7,500.00

Integrated Resource Management, Inc.
Estimated Growth Rates
For the 12 Months Attrition Period Ending December 31, 2024

I. Billing-related Counts:

Line No.				
1	Test Period Counts, excl Riverstone Estates' counts	3,010	A/,C/	
2	Attrition Year Counts	3,340	B/	
3	Customer Growth	330		
4	Growth Rate	10.96%		

II. U.S. Gross Domestic Product (GDP) Deflator, Test Pd Q2 v Attrition Pd Q2:

5	GDP Deflator Index at Q2 of 2024	124.984	D/	
6	GDP Deflator Index at Q2 of 2023	121.766	D/	
7	Change in Index	3.218		
8	Growth Rate	2.64%		

A/ Company-provided 2023 customer billing data as of 9/12/2024, per Staff workpaper 3.05.

B/ Based on Company-provided 2024 customer billing data as of 9/12/2024, per Staff workpaper 3.02.

C/ Reduced test period's counts for those associated with Riverstone Estates due to the sale of that system to Limestone, Docket No. 23-00037, for the Company's attrition forecast.

D/ Per U.S. Bureau of Labor Statistics, as of September 2024.

Integrated Resource Management, Inc.
Operation and Maintenance Expense Analysis and Forecast
For the 12 Months Attrition Period Ending December 31, 2024

Line		Test Period	Adjustments	Adjusted Test Period	Growth Factor B/	Attrition Period
1	Purchased Power	\$ 10,582 A/	\$ -	\$ 10,582	\$ 859	\$ 11,442
2	Legal Fees	\$ 19,500 A/	\$ -	\$ 19,500	\$ 1,583	\$ 21,083
3	Accounting and Finance Fees	12,737 A/	-	12,737	1,034	13,771
4	Billing Service Expenses	7,340 A/	-	7,340	596	7,936
5	Professional Services Fees	8,287 A/	-	8,287	673	8,960
6	Pumping Expense	2,800 A/	-	2,800	227	3,027
7	Other	1,160 A/	-	1,160	94	1,254
8	Contractual Services	\$ 51,825	\$ -	\$ 51,825	\$ 4,208	\$ 56,033
9	Clerical Allocation	\$ 28,200 E/	\$ 29,514 G/	\$ 57,714	\$ 4,690 G/	\$ 62,404 G/
10	Management Allocation	80,530 E/	(8,388) G/	72,142	5,860 G/	78,002 G/
11	Rent Allocation	14,400 E/	-	14,400	0	14,400
12	Pumping, incl Technical Assistance	32,190 E/	-	32,190	2,614	34,804
13	Routine Maintenance	130,960 E/	64,790 D/	195,750	15,895	211,645
14	Non-Routine Maintenance	81,574 E/	(81,574) D/	0	0	0
15	Other Maintenance	2,160 E/	-	2,160	175	2,335
16	Affiliate Charges from C&C Co.	\$ 370,014	\$ 4,342	\$ 374,356	\$ 29,234	\$ 403,590
17	Insurance	\$ 394 A/	\$ -	\$ 394	\$ 32	\$ 426
18	Website support and Logo Shirts for Field Employees	1,646 A/	(45) F/	1,600	130	1,730
19	Bank-Service Charge	3,455 A/	-	3,455	281	3,736
20	Interest Expenses	1,837 A/	-	1,837	149	1,986
21	Vehicle Maintenance and Travel	211 A/	-	211	17	228
22	Management Fee	0 A/	-	0	0	0
23	Office Supplies and Administration	1,659 A/	45 F/	1,704	138	1,842
24	Computer and Office Equipment Maint and Repair	6,615 A/	-	6,615	537	7,153
25	Postage & Delivery	0 A/	-	0	0	0
26	Cell Phone Expenses	3,223 A/	-	3,223	262	3,485
27	Annual Reports, Licenses/Permits, and Penalties	1,511 A/	-	1,511	123	1,634
28	Dues & Subscriptions	0 A/	-	0	0	0
29	Travel, Meals, and Entertainment	375 A/	(12) H/	363	29	392
30	Miscellaneous	3,103 A/	-	3,103	252	3,355
31	Administrative & General:	\$ 24,028	\$ (12)	\$ 24,016	\$ 1,950	\$ 25,966
32	Removal of Expenses Related to Riverstone System	C/ \$ - A/	\$ (30,000) C/	\$ (30,000)	\$ (2,436)	\$ (32,436)
33	Total Operations and Maintenance Expense	\$ 456,449	\$ (25,670)	\$ 430,779	\$ 33,816	\$ 464,595

A/ Per Staff workpaper 1.01.

B/ Adjusted Test Period Expense multiplied by Attrition Period Growth Factor computed as follows:

GDP Price Deflator for 2024, Q2. See Staff workpaper 3.06.	124.984	
GDP Price Deflator for 2023, Q2. See Staff workpaper 3.06.	121.766	
Annual Percentage Increase in GDP Price Deflator	2.64%	2.64%
Total Attrition Period Billing determinant growth, per Revenue workpaper 3.06	10.96%	
One-half of Attrition Period Bill Determinant Growth, per Staff workpaper 3.06.	0.5	5.48% *
		8.12%

* 50% factor employed since not all costs will increase with increases in customers or billing determinants.

C/ Reduction in overall test period expenses due to sale of the Riverstone Estates system to Limestone (Docket No. 23-00037) estimated via the following methods:

1. Revenue collected from Riverstone Estates' customers in test period was 6.4% of total, per Staff workpaper 3.05. 6.4% of O&M equates to \$29,213.
2. During the test period, the Company had 14 different billable service areas, per Staff worksheet 3.05. Simply taking 1/14th of O&M equates to \$32,604.
3. Per Docket No. 23-00037, the acquirer (Limestone) estimated the Riverstone system would require \$30,000 in incremental O&M to operate.
4. Total collections by the Company from Riverstone Estates' customers was between \$29 and 30 thousand during the test period.

Given the narrow range provided by the results of these approaches, Staff opts to use \$30,000 as the 2023 estimated reduction in associated O&M expenses.

D/ Removed Company's \$81,574 self-described non-routine test period expenses. Of those removed, added \$64,790 back as routine maintenance items. The remaining \$16,784 deemed appropriate for escrow funding. Staff considers pump & vault replacements, along with broken service lines, as escrowable items. However, Staff considers tank pumping & sludge removal as routine maintenance items and therefore included in base rates.

E/ Per Staff workpaper 4.04, Affiliate Charge Analysis.

F/ Adjustment for printing reclassified from website/uniform expenses to office expenses.

G/ Proposed affiliate managerial and clerical allowances for recovery from customers consist of 1.0 FT clerical position at \$30/hr. for 2,080 hours/yr. and 0.5 managerial position at \$75/hr. for 1,040 hours/yr.

H/ Non-regulatory purchases: (12) iTunes purchases @ \$0.99.

Integrated Resource Management, Inc.
Analysis of Purchased Power Per 2023 General Ledger
For the 12 Months Attrition Period Ending December 31, 2024

Line	2023 Month	Lexington	Sevier	Harriman	Ft Loudon	Caney Fork	Lafollette	
1	Jan	\$ 97.63 A/	\$ 446.00 A/	\$ 70.64 A/	\$ 47.76 A/	\$ 38.17 A/	\$ 39.07 A/	
2	Feb	89.86 A/	593.00 A/	120.41 A/	40.62 A/	38.07 A/	37.81 A/	
3	Mar	77.34 A/	597.00 A/	101.56 A/	41.30 A/	33.52 A/	36.39 A/	
4	Apr	82.34 A/	671.46 A/	119.03 A/	41.87 A/	37.39 A/	39.78 A/	
5	May	72.48 A/	554.00 A/	156.32 A/	39.59 A/	34.39 A/	45.57 A/	
6	Jun	82.91 A/	760.00 A/	138.29 A/	42.73 A/	33.03 A/	62.43 A/	
7	Jul	77.31 A/	416.00 A/	114.97 A/	45.74 A/	32.69 A/	76.74 A/	
8	Aug	97.03 A/	722.00 A/	53.84 A/	42.02 A/	44.77 A/	81.68 A/	
9	Sep	198.97 A/	324.00 A/	44.45 A/	47.37 A/	34.79 A/	66.29 A/	
10	Oct	160.12 A/	470.58 A/	42.21 A/	47.69 A/	36.01 A/	67.80 A/	
11	Nov	71.52 A/	482.00 A/	41.98 A/	59.35 A/	36.37 A/	65.46 A/	
12	Dec	72.39 A/	638.00 A/	42.08 A/	96.20 A/	36.80 A/	35.40 A/	
13	Total	<u>\$ 1,179.90</u>	<u>\$ 6,674.04</u>	<u>\$ 1,045.78</u>	<u>\$ 592.24</u>	<u>\$ 436.00</u>	<u>\$ 654.42</u>	\$ 10,582.38
14	Adjustment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-
15	Total Adjusted Test Period							<u>\$ 10,582.38</u>

A/ Per Company's 2023 GL.

Integrated Resource Management, Inc.
Analysis of Telephone & Telemetry Expense Per 2023 General Ledger
For the 12 Months Attrition Period Ending December 31, 2024

Line	Month	2023 Verizon		
1	Jan	\$ 243.60	A/	
2	Feb	247.74	A/	
3	Mar	247.74	A/	
4	Apr	247.74	A/	
5	May	247.50	A/	
6	Jun	247.50	A/	
7	Jul	299.88	A/	
8	Aug	261.71	A/	
9	Sep	261.71	A/	
10	Oct	383.91	A/	
11	Nov	267.08	A/	
12	Dec	267.08	A/	
13	Total per 2023 GL	<u>\$ 3,223.19</u>	B/	\$ 3,223.19
14	Adjustments			<u>-</u>
15	Total Adjusted Test Period			<u><u>\$ 3,223.19</u></u>

A/ Per Company's 2023 GL.

B/ Per Company's response to Staff DR on 10/10/24, Verizon bill includes 5 lines:

- 1 Business line (865-674-0828)
- 2 Marian Cox
- 3 Krissy Cox
- 4 Billy Cox
- 5 Cory, field technician

Staff
Workpaper
4.04

Integrated Resource Management, Inc.
Analysis of Affiliate Expenses
For the 12 Months Attrition Period Ending December 31, 2024

Line	Month	Charges to 731.94 - Consulting Expenses	2023		2022		2021	
1	Jan	Charges by IRM C&C - Affiliate	\$ 54,500.00	D/	\$ 27,500.00	D/	\$ -	D/
2	Feb	Charges by IRM C&C - Affiliate	24,000.00	D/	15,000.00	D/	-	D/
3	Mar	Charges by IRM C&C - Affiliate	40,000.00	D/	26,500.00	D/	-	D/
4	Apr	Charges by IRM C&C - Affiliate	16,000.00	D/	15,000.00	D/	-	D/
5	May	Charges by IRM C&C - Affiliate	33,000.00	D/	32,500.00	D/	-	D/
6	Jun	Charges by IRM C&C - Affiliate	32,000.00	D/	9,000.00	D/	17,666.49	D/
7	Jul	Charges by IRM C&C - Affiliate	33,500.00	D/	40,000.00	D/	38,000.00	D/
8	Aug	Charges by IRM C&C - Affiliate	29,000.00	D/	18,500.00	D/	33,000.00	D/
9	Sep	Charges by IRM C&C - Affiliate	38,000.00	D/	29,000.00	D/	-	D/
10	Oct	Charges by IRM C&C - Affiliate	9,000.00	D/	10,000.00	D/	24,000.00	D/
11	Nov	Charges by IRM C&C - Affiliate	25,000.00	D/	52,500.00	D/	37,000.00	D/
12	Dec	Charges by IRM C&C - Affiliate	17,000.00	D/	29,000.00	D/	46,000.00	D/
13	Subtotal		\$ 351,000.00		\$ 304,500.00		\$ 195,666.49	
14	December accruals - affiliate charges		19,014.30	D/	9,087.42	D/	-	D/
15	"Due from Affiliate" (AR) credit w debit to expense		-		54,944.25	A/	(31,117.12)	B/
16	Affiliate Chgs for Consulting, Acct 731.94		\$ 370,014.30		\$ 368,531.67		\$ 164,549.37	
17	Affiliate Chgs for Routine Maintenance, Acct 775.18		-		-		76,000.00	
18	Total Affiliate Charges to Utility		\$ 370,014.30		\$ 368,531.67		\$ 240,549.37	
19	<i>Distribution of Affiliate Charges</i>							
20	731.94 Consulting		\$ -	C/	\$ -	D/	\$ -	D/
21	736.00 Contractual Svcs - Clerical and Administrative		28,200.00	C/	-	D/	-	D/
22	736.00 Contractual Svcs - Management fees		80,530.00	C/	-	D/	-	D/
23	775.18 Other Maintenance		2,160.00	C/	-	D/	-	D/
24	775.18 Routine Maintenance		130,960.14	C/	136,270.13	D/	41,533.19	D/
25	775.19 Non-routine Maintenance		81,573.73	C/	74,546.63	D/	44,018.79	D/
26	736 Contractual Svcs - Other		-		122,020.00	D/	131,158.92	D/
27	740 Rents		14,400.00		14,400.00	D/	12,660.00	D/
28	775.22 Technical Assistance - Pumping		7,500.00	C/	-	D/	-	D/
29	775.20 Pumping		24,690.43	C/	21,294.91	D/	11,178.47	D/
32	Total Affiliate Charges to Utility		\$ 370,014.30		\$ 368,531.67		\$ 240,549.37	

A/ Company's 2022 GL shows entry debiting affiliate consulting service expenses used to satisfy outstanding receivable from affiliate (IRM C&C).

B/ Company's 2021 GL shows entry crediting affiliate consulting service expenses in exchange for establishing a "due from affiliate" receivable.

C/ Amts per Company's 2023 escrow bank stmts package, page SU-3. Company's 2023 GL didn't classify at this level; GL only incl amounts in 731.94 Consulting (\$132,790), 775.18 Routine Maint (\$155,650.57), and 775.19 Non-routine Maint (\$81,573.73).

D/ Per Company's respective year's GL.

Integrated Resource Management, Inc.
Franchise Tax Forecast
For the 12 Months Attrition Period Ending December 31, 2024

<u>Line</u>		<u>Attrition Period</u>		<u>FYE 2023</u>	
1	Net Shareholder Equity	\$ 50,011.66	A/	\$ 4,943.00	C/
2	Net Contributions in Aid of Construction	474,342.00	B/	545,971.00	C/
3	Taxable Net Worth	\$ 524,353.67	D/	\$ 550,914.00	D/
4	Net Utility Plant in Service (UPIS)	474,342.00	B/	545,971.00	C/
5	Valuation Allowance for Rental Space	115,200.00	F/	115,200.00	F/
6	Estimated Taxable Real and Personal Property	\$ 589,542.00		\$ 661,171.00	
7	Statutory Rate	0.250%		0.250%	
8	Franchise Tax	\$ 1,474.00	E/	\$ 1,653.00	E/

- A/ Net Shareholder Equity estimated by adding approved attrition yr return to previous year's Shareholder Equity amount.
- B/ Per Staff workpaper 2.01 (UPIS and CIAC).
- C/ Amts per 2023 annual report. CIAC and Shareholder Equity adjusted to reclassify Other Paid-in Capital as CIAC to match Company's GL.
- D/ For its recent franchise tax returns, Company has been adding year-end CIAC to total Shareholder Equity for its Net Worth. Attrition period modeled consistently here.
- E/ Per Statute, franchise tax is computed on larger of net worth OR real & tangible personal property in TN.
- F/ Valuation allowance for rented space not owned by utility computed by taking annual rental expense and dividing by 12.5%. Company has been using the 12.5% perpetuity valuation rate in its tax returns.

Staff
Workpaper
5.02

Integrated Resource Management, Inc.
Property Tax Forecast
For the 12 Months Attrition Period Ending December 31, 2024

<u>Line</u>		<u>Attrition Period</u>	
1	Decatur County	\$ 150.00	A/
2	Sevier County	377.00	B/
3	Roane County	1,243.00	B/
4	Blount County	<u>233.00</u>	B/
5	Total Property Taxes	<u><u>\$ 2,003.00</u></u>	

A/ Traced to 2024 property tax notices. Tax notices for \$107 and \$528 re: Riverstone Estates and Cabins at Riverstone, respectively, have been excluded due to sale of Riverstone system to Limestone.

B/ Traced to 2023 property tax notices. 2024 tax notices unavailable.

**Staff
Workpaper
5.03**

**Integrated Resource Management, Inc.
Tennessee Public Utility Commission (TPUC) Inspection Fee Forecast at Current Rates
For the 12 Months Attrition Period Ending December 31, 2024**

<u>Line</u>		<u>Attrition Period</u>	
1	Total Gross Collections, per TCA 65-4-303	\$ 398,056.96	A/
2	Less Exemption	<u>5,000.00</u>	B/
3	Net Revenue	\$ 393,056.96	
4	Statutory Rate	<u>0.425%</u>	B/
5	TPUC Inspection Fee	<u>\$ 1,670.49</u>	

A/ Per Staff Schedule 3.

B/ Tennessee Public Utility Commission Inspection Fee Statute TCA 65-4-303.

**Integrated Resource Management, Inc.
Federal Income and State Excise Tax Forecast at Current Rates
For the 12 Months Attrition Period Ending December 31, 2024**

<u>Line</u>		<u>Attrition Period</u>	
1	Taxable Operating Income	\$ (76,738.86)	A/
2	State Corporate Excise Tax Rate	<u>6.500%</u>	B/
3	State Corporate Excise Taxes	<u>\$ (4,988.03)</u>	
4	Net Operating Income, net of State Tax	<u>\$ (71,750.83)</u>	
5	Federal Corporate Income Tax Rate	<u>21.000%</u>	B/
6	Federal Income Taxes	<u>\$ (15,067.68)</u>	
7	Net Operating Income	<u>\$ (56,683.16)</u>	

A/ Staff Schedule 3.

B/ Staff Schedule 4. Statutory Rate.