

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:)	
)	
PETITION OF INTEGRATED RESOURCE)	
MANAGEMENT, INC. FOR APPROVAL TO)	Docket No. 25-00023
WITHDRAW ESCROW FUNDS)	

PETITION TO INTERVENE

The Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), by and through Jonathan Skrmetti, Attorney General and Reporter for the State of Tennessee, pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility Commission (“TPUC” or the “Commission”) to grant the Consumer Advocate’s intervention into this proceeding because consumers’ interests, rights, duties, or privileges may be determined or affected by the *Petition of Integrated Resource Management, Inc. for Approval to Withdraw Escrow Funds* (“Petition”) filed by Integrated Resource Management, Inc. (“IRM” or the “Company”). For cause, the Consumer Advocate would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utility services by initiating and intervening as a party in any matter or proceeding before the Commission in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101, *et seq.*, and TPUC rules.

2. IRM, a public utility regulated by the Commission, provides wastewater service to 274 customers via 13 systems in Tennessee.¹ The principal business address of the Company is 2444 Saint Andrew Drive, White Pine, TN 37890.²

¹ Petition at 1.

² *Id.* at 2.

3. A review of both Westlaw for dockets and the public dataviewers of the Tennessee Department of Environment and Conservation (“TDEC”) show that the Company holds active 13 Standard Operating Permits (“SOPs”), one (1) new SOP, nine (9) inactive SOPs and three (3) incomplete SOPs.³ The details of the TPUC dockets and TDEC’s SOPs are as follows:

Development/ System	CCN Dkt. Nos.	TDEC Permit	Permit Expiration Date	Permit Status	County
Lost Creek Campground	07-00010	SOP-01003	11/20/2028	Reissuance	Union
Cove Mtn Realty	03-00467	SOP-02012	11/14/2029	Reissuance	Sevier
Valley Mart Exxon		SOP-03012	10/31/2029	Reissuance	Sevier
Spaulding Bed & Breakfast	Not in Westlaw	SOP-03034	8/31/2024	Reissuance	Knox
Emory Pointe Subdivision	Not in Westlaw	SOP-04012	8/31/2024	Reissuance	Roane
Compass Pointe Subdivision	04-00266	SOP-04027	4/30/2026	Reissuance	Blount
Wild Briar Ridge Subdivision	05-00056	SOP-04067	4/30/2026	Reissuance	Sevier
Sterling Springs S/D	05-00055	SOP-05054	11/30/2029	Reissuance	Sevier
Mountain Shangri-La W/W Facility	06-00156	SOP-06001	8/31/2027	Reissuance	Sevier
Flint Hollow S/D	07-00009	SOP-06039	8/31/2029	Reissuance	Campbell
	24-00073				
Cove Creek Resort	10-00122	SOP-08013	1/30/2030	Reissuance	Sevier
Waterside Douglas Lake S/D	18-00063	SOP-18012	10/31/2029	Reissuance	Jefferson
ISHA Foundation S/D - Phase II	20-00038	SOP-19016	3/31/2025	New	Warren
Paradise Pointe Subdivision	23-00053	SOP-22031	9/30/2028	Reissuance	Union
The Landing at Lackey Creek	Not in Westlaw	SOP-05049	No info.	Inactive	Blount
The Landing at Bird's Creek Subdiv.	07-00090	SOP-07004	2/28/2012	Inactive	Sevier
Ashley Meadows S/D	07-00008	SOP-07006	5/31/2018	Inactive	Blount
The Landing at River's Edge S/D	Not in Westlaw	SOP-07056	6/23/2018 Termination	Inactive	Craig
Mountainscape S/D	Not in Westlaw	SOP-07090	11/1/2017 Termination	Inactive	Sevier
COM- Cape Norris Point	Not in Westlaw	SOP-08037	5/1/2008 Appl. received	Inactive	Cherokee
Seymour Air Park S/D	Not in Westlaw	SOP-0841	1/21/2011 Termination	Inactive	Blount
Mammoth Resort Subdivision	Not in Westlaw	SOP-08042	8/17/2010 Termination	Inactive	Coke
Trolley Rock Truck Stop	Not in Westlaw	SOP-12021	11/13/2022 Appl. Recd.	Inactive	Jefferson
Jaha Enclave S/D	Not in Westlaw	SOP-22017	No info.	Incomplete	Van Buren
Seven Stones Wastewater Treatment Facility	Not in Westlaw	SOP-23013	8/15/2024 Appl. Recd.	Incomplete	Campbell
River Gorge Ranch Amenity I Sewer System	23-00072	SOP-24026	9/26/2024 Appl. Recd.	Incomplete	Marion

4. Since the Company began its operations in 2004, it has filed two rate cases. IRM’s first rate case was filed jointly with Commission Staff in December 2015.⁴ At that time, IRM had 58 residential customers and 67 commercial customers in seven counties in East Tennessee, and a

³ The Consumer Advocate searched TDEC’s Division of Water Resources’ Dataviewer for permits using the terms “Integrated Resource” (<https://dataviewers.tdec.tn.gov/dataviewers/?p=2005:34001:13596000819568:::>) and “IRM Utility” (<https://dataviewers.tdec.tn.gov/dataviewers/?p=2005:34001:13596000819568:::>). The Consumer Advocate did not include the permits for two systems that were previously owned by IRM but transferred to other utilities (the Genesis Village Estates; Riverstone Estates Development; and Lighthouse Point).

⁴ *Joint Petition, In re: Joint Petition of Integrated Management, Inc. and TRA Staff (As a Party) to Increase Rates and Charges*, TRA Docket No. 15-00130 (December 30, 2015).

projected revenue deficiency of \$93,456.⁵ The proposed rate increases⁶ which were approved⁷ by the Commission are as follows:

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

5. The Company's second rate case was also jointly filed with Commission Staff in November 2024.⁸ It then had 158 residential customers and 140 commercial customers in East Tennessee,⁹ and a projected revenue deficiency of \$138,342 for the attrition period.¹⁰ In December 2024, the Commission verbally approved the Joint Petition's proposed 35% increase¹¹ on rates for both residential and commercial customers.¹²

⁵ *Id.* at 2, ¶5.

⁶ *Id.* at 3, ¶7.

⁷ *Order Approving Joint Petition, In re: Joint Petition of Integrated Management, Inc. and TRA Staff (As a Party) to Increase Rates and Charges*, at 5, TRA Docket No. 15-00130 (February 23, 2016).

⁸ *Joint Petition, In re: Joint Petition of Integrated Management, Inc. and TPUC Staff (As a Party) to Increase Rates and Charges*, at 1, TPUC Docket No. 24-00073 (November 14, 2024).

⁹ *Id.* at 1, ¶1.

¹⁰ *Id.* at 2, ¶4.

¹¹ There is a discrepancy between the Petition (30%) and Cole McCormick's testimony (35%). The Commission's order did not clarify which percentage was correct. *Id.*, and *Pre-filed Direct Testimony of Cole McCormick* at 7:16-19, TPUC Docket No. 24-00073 (November 14, 2024).

¹² *Order Approving Joint Petition, In re: Joint Petition of Integrated Management, Inc. and TRA Staff (As a Party) to Increase Rates and Charges*, at 5, TPUC Docket No. 24-00073 (January 29, 2025), and *Pre-filed Direct Testimony of Cole McCormick* at 7:16-19, TPUC Docket No. 24-00073 (November 14, 2024).

6. In the second rate case, the Commission Staff determined that IRM used the escrow funds to support its wastewater service operations and not for extraordinary expenses or for necessary capital projects. Specifically, Cole McCormick stated:¹³

Staff examined escrow expenditures during the test year and also reviewed expenditures from the escrow account back to 2019. Staff found that all escrow withdrawals were used to fund provisioning of wastewater service to customers. Further, upon close examination of escrow deposits and withdrawals, Staff did not detect any uses of escrow for any other purpose besides the payment of reasonable expenditures associated with providing services to customers. It is clear to Staff that without using the escrow funds to support wastewater service operations.

In a review of the information in the current filing and in annual reports, the Consumer Advocate estimates that approximately 97.8% of the escrow funds that were collected by the Company were used to avoid operating losses for its wastewater service operations for the years 2017-2023.

7. On March 28, 2025, the Company filed its current Petition to request approval to use escrow funds for non-routine maintenance and necessary equipment replacement on an expedited basis.¹⁴ The total “maintenance”¹⁵ costs incurred from June – November 2024 amount to \$29,504.18.¹⁶ In addition to the maintenance costs, the Company is seeking to recover the legal costs associated with the filing of this petition which amount to \$4,250.¹⁷ In total, IRM is seeking to withdraw a total of \$33,754.18 from its escrow account.¹⁸ The Company claims the costs for the described maintenance, including the associated legal and administrative costs for the Petition,

¹³ *Pre-filed Direct Testimony of Cole McCormick* at 11:13-20, TPUC Docket No. 24-00073 (November 14, 2024).

¹⁴ Petition at 1.

¹⁵ The Consumer Advocate uses the term “maintenance” as it is the term used by the Company’s expert witness, Jeffrey Cox, in Table 1 of his testimony. *Direct Testimony of Jeffrey W. Cox, Jr.*, at 4, A.9, Table 1, TPUC Docket No. 25-00023 (March 31, 2025).

¹⁶ *Id.*

¹⁷ *Petition of Integrated Resource Management, Inc. D/B/A IRM Utility for Approval to Withdraw Escrow Funds*, at 4, ¶10, TPUC Docket No. 25-00023 (March 28, 2025).

¹⁸ *Id.*


“are not included in the Company’s base rates and the utility has no other means to recover the costs.”¹⁹ The Consumer Advocate estimates that the Company is seeking approximately 61% of the escrow funds it has collected to cover maintenance costs incurred from June – November 2024.

8. The interests of consumers, including without limitation the determination of whether the proposed maintenance costs and legal costs associated with the filing qualify as “extraordinary expenses” or “for necessary capital projects,” may be affected by the determinations and orders made by the Commission with respect to: (1) the interpretation, application, and implementation of TPUC Rule 1220-04-13-.07(7) and other relevant statutory and regulatory provisions; and (2) the review and analysis of the documentation, financial spreadsheets, and materials provided by the Company.

9. Only by participating as a party to this proceeding can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

Wherefore, the Consumer Advocate requests the Commission grant the Consumer Advocate’s Petition to Intervene.

RESPECTFULLY SUBMITTED,


JONATHAN SKRMETTI (BPR No. 031551)
Attorney General and Reporter
State of Tennessee

¹⁹ *Id.* at 4, ¶12.

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TPUC Docket No. 25-00023

CA's Petition to Intervene

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via electronic mail,


upon:

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This 25th day of April 2025.



KAREN H. STACHOWSKI
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