

Phelps Dunbar LLP 414 Union Street, Suite 1105 Nashville, TN 37219 615 726 1200 615 726 1776 Fax

Chuck Welch Chuck.welch@phelps.com

(615) 414-5619 (direct)

August 19, 2025

VIA ELECTRONIC AND U.S. MAIL:

Attention: Ectory Lawless Docket Manager Tennessee Public Utility Commission 502 Deaderick Street, 4th Floor Nashville, Tennessee 37243 Ectory.r.lawless@tn.gov Electronically Filed in TPUC Docket Room on August 19, 2025 at 11:37 a.m.

Re: Amended Petition for Withdrawal of Escrow Funds – Docket No. 25-00023

Dear Ms. Lawless,

Please find enclosed the Amended Petition of Integrated Resource Management, Inc. d/b/a IRM Utility for Approval to Withdraw Escrow Funds in Docket No. 25-00023. If you have questions or need additional information, please do not hesitate to contact me at chuck.welch@phelps.com.

Sincerely,

PHELPS DUNBAR, LLP

/s/ Chuck B. Welch, Jr. Chuck B. Welch, Jr.

cc:

tpuc.docketroom@tn.gov joshua.mayorquin@phelps.com karen.stachowski@ag.tn.gov cole.mccormick@tn.gov joe.shirley@tn.gov ryan.mcghehee@tn.gov craig.cox@tn.gov irmutility@tn.gov

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION NASHVILLE, TENNESSEE

| |) | |
|--------------------------------|---|----------------------------|
| |) | |
| AMENDED PETITION OF INTEGRATED |) | |
| RESOURCE MANAGEMENT, INC. FOR |) | DOCKET NO. <u>25-00023</u> |
| APPROVAL TO WITHDRAW ESCROW |) | |
| FUNDS |) | |
| |) | |

AMENDED PETITION OF INTEGRATED RESOURCE MANAGEMENT, INC. D/B/A IRM UTILITY FOR APPROVAL TO WITHDRAW ESCROW FUNDS

Integrated Resource Management, Inc. ("IRM") hereby submits its Amended Petition for Approval to Withdraw Escrow Funds (the "Amended Petition") to the Tennessee Public Utility Commission ("TPUC" or the "Commission") pursuant to Tenn. Rules and Regs. 1220-4-13-.07(7). To the extent applicable and consistent with this Amended Petition, IRM incorporates by reference the pre-filed testimony and exhibits of Jeffrey Cox, Jr. filed concurrently with IRM's initial Petition for Approval to Withdraw Escrow Funds on March 28, 2025, in Docket No. 25-00023 (the "Initial Petition"). In support of this Amended Petition, IRM respectfully shows unto the Commission as follows:

BACKGROUND

- 1. IRM is engaged in the business of providing wastewater service to two hundred seventy-four (274) customers via thirteen (13) wastewater systems in the State of Tennessee—one (1) in the Middle Division and twelve (12) in the East Division.
- 2. As a provider of wastewater services, IRM is subject to regulation and supervision by the Commission pursuant to Title 65, Chapter 4 of the Tennessee Code Annotated ("TCA"). IRM is a "Public Utility" within the meaning of such term as utilized in TCA § 65-4-101(6).
- 3. IRM requests that all correspondence and communication with respect to this Amended Petition be distributed as follows:

Mr. Billy Cox Integrated Resource Management, Inc 3444 Saint Andrews Drive White Pine, Tennessee 37890 Phone (865) 712-4307 Email: irmutility@gmail.com

With copies forwarded to:

Mr. Charles Welch Phelps Dunbar LLP 414 Union Street, Suite 1105 Nashville, TN 37219 Phone: (615) 726-1200

Email: Chuck. Welch@Phelps.com

Mr. Joshua Mayorquin Phelps Dunbar LLP 414 Union Street, Suite 1105 Nashville, TN 37219 Phone: (615) 687-4243

Email: Joshua.Mayorquin@Phelps.com

INITIAL PETITION AND SUBSEQUENT DEVELOPMENTS

- 4. IRM filed its Initial Petition on March 28, 2025. The Consumer Advocate Division ("CAD") filed a Petition to Intervene on April 25, 2025. Discussions ensued between the CAD and IRM regarding which costs included in the Initial Petition qualified as being reimbursable from the escrow account.
- 5. On July 15, 2025, the CAD and IRM requested that TPUC Party Staff ("Party Staff") be appointed to aid in the resolution of this Docket. The initial Notice of Designation of Staff Participating as a Party was filed on August 6, 2025, and an Amended Notice of Designation of Staff Participating as a Party was filed on August 12, 2025.
- 6. On August 14, 2024, in anticipation of a meeting between IRM's counsel, the CAD, and Party Staff (collectively, the "Parties"), Party Staff distributed a spreadsheet setting forth its position regarding which items included in IRM's Initial Petition qualified as being reimbursable from the escrow account. That spreadsheet is attached to this Amended Petition as **Exhibit 1**.

7. IRM now submits this Amended Petition to conform its request to the position taken by Party Staff and the understanding of the Parties.

NATURE OF RELIEF REQUESTED

8. Tenn. Rules and Regs. 1220-4-13-.07(7) anticipates and allows for the recovery of extraordinary and capital improvement expenses from escrow funds. Specifically, Rule 1220-4-13-.07(7) states as follows:

Reserve/escrow accounts established by a public wastewater utility shall be limited to paying for or reimbursing the utility for extraordinary expenses of the utility or for necessary capital projects, unless otherwise permitted by the Commission. Extraordinary expenses are those resulting from events which are infrequent and unusual in nature, and unrelated to the utilities' routine service or business activities. The utility must first receive authorization from the Commission via approved petition or, in emergency situations, authorization in writing from the Chairman of the Commission upon written request by a representative of the utility to use such funds. The Commission may require public wastewater utility employees having signature authority over such accounts to obtain a fidelity bond. The public wastewater utility's tariff shall set forth the specific amount charged to customers to fund the reserve/escrow account.

- 9. In June 2024, IRM incurred extraordinary, non-routine and/or capital improvement expenses including \$3,315.14 to replace the 1.5 HP dosing pump at Wild Briar Subdivision, \$4,484.38 to replace the control panels for the STEP systems at three separate locations, and \$1,445.07 for an emergency call pump replacement. These extraordinary, non-routine and/or capital improvement expenses for June 2024 totaled \$9,244.59. The itemized invoice is attached as **Exhibit A** to the Initial Petition. This Amended Petition specifically excludes the drip tube and line repairs at Grand View Subdivision (\$941.74) and the pumping of sludge at Wild Briar Subdivision (\$1,425.00) included in the Initial Petition.
- 10. In July 2024, IRM incurred extraordinary, non-routine and/or capital improvement expenses including \$1,421.43 to replace one STEP pump, \$2,006.63 to upgrade pump vaults at the

Wild Briar Subdivision, and \$1,281.66 to repair a lateral line failure at the Flat Hollow Subdivision. These extraordinary, non-routine and/or capital improvement expenses for July 2024 totaled \$4,709.72. The itemized invoice is attached as **Exhibit B** to the Initial Petition. This Amended Petition specifically excludes the valve box repair (\$137.50) and drip tube repairs (\$1,697.52) included in the Initial Petition.

- 11. In August 2024, IRM incurred extraordinary, non-routine and/or capital improvement expenses including \$1,753.65 to replace a recirculation panel at the Grand View Subdivision and \$1,294.45 to replace a dosing pump at the Flat Hollow Subdivision. These extraordinary, non-routine and/or capital improvement expenses for August 2024 totaled \$3,048.10. The itemized invoice is attached as **Exhibit C** to the Initial Petition. This Amended Petition specifically excludes the drip field repair (\$448.01) included in the Initial Petition.
- 12. In October 2024, IRM incurred extraordinary, non-routine and/or capital improvement expenses including \$1,875.00 to replace a recirculation panel at the Grand View Subdivision main plant, \$864.40 to repair damage to Lot 119's tap line caused by a delivery truck driver, \$1,673.45 for a pump replacement, and \$1,541.17 to locate and repair storm-related dripfield and line damage on October 17, 2025 (\$540.82), October 29, 2025 (\$543.45) and October 30, 2025 (\$456.90). These extraordinary, non-routine and/or capital improvement expenses for October 2024 totaled \$5,954.02. The itemized invoice is attached as **Exhibit D** to the Initial Petition. This Amended Petition specifically excludes the non-storm-related drip field repair (\$686.62) and the filter replacement (\$494.67) included in the Initial Petition.
- 13. This Amended Petition further excludes the request to recover \$636.69 for the November 2024 repair to approximately one hundred (100) feet of drip field line included in the Initial Petition.

14. IRM Utility seeks reimbursement of <u>\$22,956.43</u> from its escrow reserve fund to recover the aforementioned extraordinary, non-routine and/or capital improvement expenses incurred in June 2024 (\$9,244.59), July 2024 (\$4,709.72), August 2024 (\$3,048.10), and October 2024 (\$5,954.02). The current balance of the escrow reserve fund exceeds \$95,000.00.

15. IRM maintains that the extraordinary, non-routine and/or capital improvement expenses sought to be recovered from escrow herein are infrequent, unusual, and unrelated to IRM's routine services or business activities.

16. In addition, IRM maintains that the cost for these extraordinary, non-routine and/or capital improvement expenses are not included in IRM's base rates; therefore, IRM has no other means to recover these costs.

SUPPORTING MATERIALS

17. In support of its Initial Petition, IRM submitted concurrent therewith the pre-filed testimony and exhibits of Jeffrey W. Cox, Jr. To the extent applicable and consistent with this Amended Petition, such pre-filed testimony and exhibits are incorporated by reference herein.

WHEREFORE, Integrated Resource Management, Inc., respectfully requests that the Commission review and approve IRM's amended request to withdraw escrow funds.

Respectfully submitted this 18th day of August, 2025.

Integrated Resource Management, Inc.,

Charles B. Welch

Phelps Dunbar LLP

414 Union Street, Suite 1105

Nashville, TN 37219

Phone: (615) 726-1200

Email: Chuck. Welch@phelps.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and exact copy of the foregoing has been sent electronically and by U.S. mail, first class, postage prepaid, to the following:

Tennessee Public Utility Commission ATTN: Ectory Lawless, Docket Manager Ectory.lawless@tn.gov Tpuc.docketroom@tn.gov 502 Deaderick Street, 4th Floor Nashville, Tennessee 37243

Office of Tennessee Attorney General Consumer Advocate Division ATTN: Karen H. Stachowski, Deputy Attorney General Karen.stachowski@ag.tn.gov P.O. Box 20207 Nashville, Tennessee 37202

Dated: August 19, 2025.

/s/ Charles B. Welch Charles B. Welch

Consumer Advocate

| Date of Work | | Amount Requested | Non-Routine O&M CA Proposed Amoun to Recover | &M nount | Routing CA Proposito Exclude Reco | Routine O&M CA Proposed Amount to Excluded from Recovery |
|--------------|----|---------------------|--|-------------|---|---|
| Jun-24 | 89 | 11,611.33 | \$ | 4,760.21 | S | 6,851.12 |
| Jul-24 | 8 | 6,544.74 | \$ | ,428.06 | \$ | 3,116.68 |
| Aug-24 | S | 3,496.11 | \$ 1,2 | ,294.45 | \$ | 2,201.66 |
| Oct-24 | S | 7,135.31 | \$ 4,0 | 4,079.02 | \$ | 3,056.29 |
| Nov-24 | S | 636.69 | 8 | | \$ | 636.69 |
| Total | S | 29,424.18 | \$ | 3,561.74 | \$ | 15,862.44 |

| , | |
|---|---|
| è | |
| | Ħ |
| 7 | 2 |

| Date of Work | Amount Requested | ted | St | Staff Escrow | | Staff O&M |
|--------------|------------------|-----------|----|--------------|----|-----------|
| Jun-24 | \$ 11,61 | 11,611.33 | 69 | 9,244.59 | 89 | 2,366.74 |
| Jul-24 | \$ 6.54 | 6,544.74 | 8 | 4,709.72 | \$ | 1,835.02 |
| Aug-24 | 3,49 | 3,496.11 | 69 | 3,048.10 | S | 448.01 |
| Oct-24 | \$ 7,135.31 | 5.31 | 69 | 5,954.02 | S | 1,181.29 |
| Nov-24 | \$ 63 | 636.69 | €9 | | €9 | 636.69 |
| Total | \$ 29,424.18 | 4.18 | 8 | 22,956.43 | 89 | 6,467.75 |

| Staff Rewalding | In the IRM Staff National Rate Case (Decket No. 24-60077) party staff examined all designs much to examine the first for prepares of calculating has rates and reviewing the september for prepares of calculating has rates and reviewing the september for prepares of calculating has rates and reviewing the propriet of representations that the properties of the properties of the propriet of the propriet of the content and the travels and providing weatwoater service were discovered during staff reviews. To calculate going-forward hase mass, staff categorized with chapter, recovered turning mental and chapters and the factors. (Okto) and, henclets, recovered turning mental content and chapters, some closed man, forget or proprieting and frequency former or for an extended the name (organic reporting) and frequency former or few remains) hase chapter for the second of the content of the content of the staff condedned the staff or the form the flewer Account. Thus, no provision for recovery of the content of the staff or the flewer Account. Thus, no provision for recovery of effective in a 2025. Costs to the categorized as Ook and recovered frough mentally have men included. But remaining. | Neder to the explanation in Column T; Row 2 above. | | 7 Refer to the explanation in Column 7; Row 2 above. |
|---|--|--|--|---|
| Staff Proposed Amount to Recover | 8 3315.14 | \$ 2,961.48 | | \$ 1,445.07 |
| Staff Amount Excluded | | | | |
| Staff Position | Escrow | Exerow | - | Escrow |
| Difference of Position? | ž | × | | 2 |
| CA Proposed Amount to Recover | 51315.14 | | | \$1,445.07 |
| CA Proposed Amount to Excluded from Recovery | | \$ 2.961.48 | | E. |
| Consumer Advocate Reasoning | Cing Cor Tecimory in TPUC Docklet (No. 1)— OFF Tecimory in TPUC Docklet (No. 1)— And suitements of representation of the Corporation of the Corpor | The control panels cost lacup to 10 years. The control panels cost lacup to 10 years. There is untiling about those panels thing the control cost of the cost later to the cost of the cos | in institution was and the control of the control o | Craig Cox Testimory in TPUC Dockets No. 2-4077 states that movernings require and maintenance/cractera. To include correctionings for few remotives correct such as entire and wait medicoments alone with main line. Intellecements alone with main line. Intellecements alone with main line. |
| Consumer Advocate Position | Non-routine O.E.M. | Rantine O&M | | Non-routhe O.E.M |
| Supplanto from JRM | repicking proof 120 gran LADP 220 reference and the court of parts of the court of parts of the bacter and the system listed at 120 and 120 gran LADP 220 reference and the system listed at 120 gran LADP 220 and 120 gran LADP 220 gran LADP 2 | The special position is a closed by the condition of the | To sharp the service of the state of the sta | **Emergency Cail ceplutarism is below. |
| Description | replacing 1.5 dowing pump | replacing centrol panel - location #1 | 1,600.12 panel - location #2 | 1,445,07 Replace pump with |
| Amount | S 2015.14 | s 1,361,36 | 3 1,600.12 | \$ 1,445.07 |
| Date of Work | \$ 5000 | 6/10/2024 | 6/10/2024 | 6/11/2024 |

| Refer to the explanation in Column 7; Row 2 above. | | Refer to the cepturation in Column 7.; Row 2 above. | Refer to the explanation in Column T. Row 2 above. | | |
|--|--|--|--|--|--------------|
| | | \$ 1,522.90 | | | S 9,244.59 |
| \$ 941.74 | | | \$1,425,00 | | \$2,366.74 |
| Operating & Maintenanc c Expense | | Escrow | Operating & Maintenanc e Expense | | |
| o Z | | , K | ž | | |
| | | | | | \$4,760.21 |
| \$ 941.74 | | s 1,522,50 | \$ 1,425.00 | | \$ 6,851.12 |
| an an an an an an | looks door not make It non-routine. | The control panels can last up to 10 years. There is confined to the effect of the panels falled to the effect of | Removing sludge from dosing unik is expected and routine | | |
| Routine O&M | | Routine O&M | Routine O&M | | |
| The Binockeip table repairs. A thin is consistent to the constraint of the constraint of the constraint of the blocker in the 2 thin at Grand View, October 14th at Grand View, October 14th at Grand View, October 15th & 25th at Grand View, October 15th Action View, October 15th at Grand View, October 15th Action View, October 15th A | A. How many deep fields are at Cenned View subdivishing? 5 bods of approximately 2,350° cach. 4. How large is the deep field(s) at Grand View subdivishing? 5 bods of approximately 2,350° cach. | **-Imagency Cell equalmint is below. Perpleter, Coursel Fanol. John (1902) and M.K. Shangilat, & Grand. Varyer, East Fals at Grand Virey) John (1902) and M.K. Shangilat, & Grand. When Cell and Grand Virey) John (1903) and M.K. Shangilat, & Grand. When Cell and Grand Virey) John (1903) and M.K. Shangilat, & Grand. When Cell and Grand May of Many States I are a marked or Conspired to Many of Many States I are a marked or Conspired to Many of Many States I are a marked by Many States I are an are a marked by Many States and marked for all product when there is marked by Many States I are a marked by Many States I are a marked by Many States I are an are a marked by Many States I are a marked I are a constrained by Many States I are a marked Many States I are a marked by Many States I are a marked Many States I are a marked By Many States I are a marked I are a marked Many States I are a marked Many States I are a marked for the are and an are a marked Many States I are a marke | Repicing Control Panel (June 10th a Mt. Shangita, & Cimad Vive.) Lun & In Cimad Vives. For side the annex of the theorem andior foreman who worked on replacing the central panels on the dates and the systems litted by revealing the security panels of the theorem andior foreman who worked on replacing the central panels who can be a secure of the theorem andior foreman who worked the secure of panels. The panels is the panels of the central panels who can be a marked by 1RM-C&C Company to 1RM for worked panels. I Provide the secure of panels of company for the central panel, Was there a marked by 1RM-C&C Company to 1RM for worked to the panels of the central panels who can be a marked by 1RM-C&C Company to 1RM for worked the central panels of the central panels who can be a marked by 1RM-C&C Company to 1RM for worked to the central panels of the central panels. No. IRM Units has never for the form to complete change in opening practices and would require update there is complete change in opening practices and would require update there is complete change in opening practices and would require update there is complete change in opening practices and would require update there is complete change in opening practices and would require update there are not one panels to the very represent the work of the complete change in opening practices and would require update there are not of the systems of an opening in begin large to the control panels and the central panel and was replaced. Note that the control panels which were represented and the systems of the systems of the systems and balles to the central panels which were the panels of the control panels two there are the panels which were the panels of the control panels two there are the panels of the systems that the central panels were replaced. Note that the control panels have been represented the control panels to exercit the panels of the present of the systems of t | The importy of the day was spent handling non-routine maintenance. The day this reput was a smaller part of the day, but was mentioned as the last least the be led-25 mones may appeal at 10 med 10 m | |
| fixing broken drip lines, Part 1 | fixing broken drip lines, Part 2 | replacing control panel - location // | olpani dipulican dosing and | repairing drip tube | |
| \$03.60 | S 438.14 | s 1,522.00 | 5 1,425.00 | | \$ 11.611.33 |
| 6/12/2024 S | 6/13/2024 S | S FOOTHING | +000H39 | June 2024 | June 2024 |

| Staff Reasoning | In the IRN Staff Name Case (Docket No. 24-00073) party staff camined all charges and to see the Case (Docket No. 24-00073) party staff camined all charges and to ecopy during the test period for purposes of calculating base rates and to evicewing the propriety of eactive activity. No unreasonable charges or charges unrelated to providing wastewater service were discovered during staffs review. To calculating going-forward base rates, staff entegorized such charges into (1) costs that should see treated as Operations and Maintenance Expense (ORAM) and, therefore, recovered through monthly base rates and (2) costs that should cominue to be funded from the Excert Accordance and (2) costs that should encounted the material and (2) of intripated charges, as well as the enteringing opicie that analysis, sufferended the mature (capital or operating) and frequency (more release to the interesting opicie of maintaining lower monthly base rates. Coing (neward it was determined that charges for line breaks, panel failures, panel upgrades, plant tuggrades, vault replacements, and pump replacements should be fained from the Excert we cannot have a included in IRA's monthly base rates that because effective In 2015. Costs to be entegorized as ORAM and recovered through monthly base rates and trimming. 2015. To sake to be entegorized as ORAM and recovered through monthly base rates and trimming. | \$ 2,006.63 Refer to the explanation in Column T. Row 2 above. | Refer to the explanation in Column T. Row 2 above. | | |
|---|---|--|---|-------------------|--|
| Staff Proposed Amount to Recover | \$ 1,421.43 | \$ 2,006.63 | | | |
| Staff Amount Excluded | · | | s 137.50 | | |
| Staff Position | Escrow | Escrow | Operating & Maintenance Expense | | |
| Difference of Position? | °Z | 8 Z | Ž | | |
| CA Proposed Amount to Recover | \$ 1,421.43 | \$ 2,006.63 | | | |
| CA Proposed Amount to Excluded from Recovery | | | s 137.50 | | |
| Consumer Advocate Reasoning | Craig Cox Testimony in TPUC Docks No. 2-4.0073 states that non-routine repairs and a maintenance expenses "include expenditues for fless constitues exertis, such as tummental funitions. Service, such as tummental funitions are a constituent and continuit replacements along with main line breaks." pp. 10-11. | Craig Cox Testimony in TPUC Docker No. 24-0073 states that mon-routine repairs and maintenance expenses, "include expenditure." [for less routine expenditure.] in particular pa | This repair appears to be due to normal wear and care and therefore is routine maintenance. | | |
| Consumer Advocate Position | Non-routine O&M | Non-routine O.E.M | Routine O&M | | |
| Description | Replace STEP Pump | Upgrading pump vaults | Repairs at valve box betwn lots 28*32 | Main line repairs | |
| Amount Requested | S 1,421,43 | s | \$ 137.50 | | |
| Date of Work | 7/1/2024 \$ | 473/2024 | 7/4/2024 | 7/4/2024 | |

| \$ 1,281.66 Refer to the explanation in Column T. Row 2 above. | Refer to the explanation in Column T; Row 2 above. | Refer to the explanation in Column T. Row 2 above. | |
|---|--|---|-------------|
| \$ 1,281.66 | | 3 | \$ 4,709.72 |
| | 1,254.12 | 443.40 | 1,835.02 |
| | ↔ | ₩ | 69 |
| Escrow | Operating & Maintenance Expense | Operating & Maintenance Expense | |
| Ycs | Ž | ž | |
| | | | \$ 3,428.06 |
| 1,281.66 | \$ 1,254.12 | \$ 443.40 | \$ 3,116.68 |
| Craig Cox Testimony in TPUC Poscels No. 2-40075 states that non-routine require and mutinenance expenses "include expenditures for less routine events, sach as pump and vault propolecentus along with immin line besides, pp. 10-11. Mr. Cax could have listed out must line heads, pp. 10-11. Mr. Cax could have listed out must line besides, pp. 10-11. Mr. Cax could have listed out must line besides, pp. 10-11. Mr. Cax could have listed out must line besides, pp. 10-11. Mr. Cax could have listed out must line besides, pp. 10-11. Mr. Cax could have listed out must line for sear or elightle for must line for a care expected to ocear with lateral lines so this is routine O&M. | IRM acknowledges that "simple dep field repairs are not generally billed as non-routine" but this was addressing series leaks on multiple points. It is still routine Okkl. The amount of leaks for not make it non-routine. | IRM acknowledges that "simple drip field requires are not generally for graphs are to the field on the country field as non-routine but this was addressing actions. It is still routine O&M. The amount of leaks does not make It non-routine. | |
| Routine O&M | Routine O&M | Routine O&M | |
| 1.281.66 Lateral line failure | Repair drip tube | 443.40 Lower bed fixing breaks drip tube | |
| | \$ 1.254.12 | \$ 443,40 | \$ 6,544.74 |
| \$ \$ \$200.747 | 7162024 | 1/9/2024 | July 2024 |

| Staff Reasoning | BACKGROUIND FROM 24-00073 In the IRM Smff Assisted Rate Case (Docket No. 24-00073) parry smff examined all actages made to escrow during the test period for purposes of calculating base rates and recovering the propriety of escrow activity. No unreasonable charges or charges unrelated to providing wastewater service were discovered during smff's review. To calculate going-forward base rates, smff entegorized such charges into (1) costs that should be trended so Operations and Maintenance Expense (ORA) and, therefore, recovered through monthly base rates and (2) costs that should continue to be funded from the Escrow Account and, therefore, recovered through Escrow Reimbursements. To guide this amalysis, smff considered the mature (capital or operating) and frequency (more or less routine) of anticipated charges, as well as the raternaking objective of maintaining lower monthly base rates. Going forward it was determined that charges for line breaks, panel failures, panel upgrades, plant upgrades, vault replacements, and pump replacements should be funded from the Escrow Account. Thus, no provision for recovery of such charged in IRMs monthly base rates that became effective and 2025. Costs to be categorized as O&M and recovered through monthly base rates included in the repract Account. Thus, remaining. | \$ 1,753.65 Refer to the explanation in Column T; Row 2 above. | \$ 1,294.45 Refer to the explanation in Column T. Row 2 above. |
|---|---|---|---|
| Staff Proposed Amount to Recover | | \$ 1,753.65 | \$ 1,294.45 |
| Staff Amount Excluded | \$ 448.01 | | |
| Staff Position | Operating & Maintenance Expense | Escrow | Escrow |
| Difference of Position? | 2 Z | Yes | Ž |
| CA Proposed Amount to Recover | | | \$ 1,294.45 |
| CA Proposed Amount to Excluded from Recovery | \$ 448.01 | \$ 1,753.65 | |
| Consumer Advocate Reasoning | IRM acknowledges that "simple drip field repairs are not generally billed as non-routine" but this was addressing serious leaks on multiple points. It is still routine O&M. The amount of leaks does not make it non-routine. | The recirculation panels can last up to 15 years. There is nothing about these panels failing for something other than normal was and lear (to storm damage, damage, from a delivery truck, etc.) | Craig Cox Testimony in TPUC Docker No. 2-40073 states that non-routine repairs and maintenance expenses "include expenditures for less routine events, such as pump and vault replacements along with main line breaks." pp. 10-11. |
| Consumer Advocate Position | Routine O&M | Routine O&M | Non-Routine O&M |
| Description | drip field repair (7 leaks) | replaced recirculation panel | replaced dosing |
| Amount Requested | S 448.01 | \$ 1,753.65 | s 1,294,45 |
| Date of Work | 8/5/2024 | 873/2024 | 8/27/2024 |

| \$ 448.01 \$ 3,048.10 |
|-------------------------|
| \$ 2,201.66 \$ 1,294.45 |
| Aug 2024 S 3,496.11 |

| Staff Reasoning | In the IRM Staff Assisted Rate Case (Docket No. 24-00073) party staff examined all charges made to exerow during the test period for purposes of calculating base rates and reviewing the propriety of estrown activity. No unreasonable charges or charges unrelated to providing wastewater service were discovered during staff? steview. To calculate going-forward base rates, staff entegorized such charges into (1) costs that should be received as operations and Maintenance Expense (O&N) and, therefore, recovered through monthly base rates and (2) costs that should continue to be funded from the Escrow Account and, therefore, recovered through Escrow Reinbursements. To guide this analysis, staff considered the nature (capital or operating) and feequency (more or less routino) of anticipated charges, as well as the ratemaking objective of maintaining lower monthly base rates. Going forward it was determined that charges for line breaks, panel failures, panel upgrades, plant upgrades, vault replacements and pump replacements should be funded from the Escrow Account. Thus, no provision for recovery of such expeditioners as included in IRM's monthly base rates that these medicative Jan 202s. Costs to be categorized as O&M and recovered through monthly base rates that imming. | Refer to the explanation in Column T; Row 2 above. | Refer to the explanation in Column T; Row 2 above. |
|--|--|--|--|
| Staff Proposed Amount to Recover | \$ 1,875.00 | | |
| Staff Amount Excluded | | \$ 686.62 | \$ 494.67 |
| Staff Position | Escrow | Operating & Maintenan ce Expense | Operating & Maintenan ce Expense |
| Difference of Position? | Yes | N | Š |
| CA Proposed Amount to Recover | | | |
| CA Proposed Amount to Excluded from Recovery | \$ 1,875.00 | \$ 686.62 | \$ 494.67 |
| Consumer Advocate Reasoning | The recirculation panels can last up to 15 years. There is nothing about these panels fulling for something other than normal wear and tear (no storm damage, damage from a delivory truck. etc.) | IRM acknowledges that "simple drip field repairs are not depending belief as non-routine" but this was addressing serious leaks on multiple points. It is still routine O&M. The amount of leaks does not make it non-routine. | Filters to last approximately 15 years. The replacement of filters is anticipated and the utility should be able to prepare to cover the cost in its O&M due to the lifespan of the filters. Routine does not necessarily mean frequent. |
| Consumer Advocate Position | Routine O&M | Routine O&M | Routine O&M |
| Description | replaced recirculation panel | drip field repair (7 leaks) | 494.67 replaced new filter |
| Amount Requested | 1.875.00 | 086.62 | \$ 494.67 |
| Date of Work | 10/4/2024 \$ | 10/14/2024 \$ | 10/17/2024 |

| 540.82 Refer to the explanation in Column T; Row 2 above. | 864.40 Refer to the explanation in Column T; Row 2 above. | 543.45 Refer to the explanation in Column T; Row 2 above. | 456,90 Refer to the explanation in Column T; Row 2 above. |
|---|--|---|---|
| 540.82 | | | |
| vs | v s | 9 | 9 |
| Escrow | Escrow | Escrow | Escrow |
| Š. | Š | °Z | ž |
| 540.82 | 864.40 | 543.45 | 456.90 |
| % | W | 69 | S |
| | | | |
| Dumage to dripfield caused by storms so not routine maintenance | The damage done to the Tap Line by a delivery truck is not normal wear and tear. | Dumage to dripfield caused by storms so not routine maintenance | Damage to dripfield caused by storms so not routine maintenance |
| Non-routine O&M | Non-routine O&M | Non-routine O&M | Non-routine O&M |
| Lower beds - brush & tree removal; finding and repairing leaks | 864.40 Lot 119 Tap Repair | Repairing drip leaks/line breaks | finding and repairing leake, brush & tree removal |
| 540.82 | 864,40 | 543.45 | 456.90 |
| 10/17/2024 S | 10/21/2024 \$ | 10/29/2024 \$ | 10/30/2024 \$ |

| \$ 1,673.45 Refer to the explanation in Column T. Row 2 above. | |
|---|-------------------------|
| \$ 1,673.45 | \$ 5,954.02 |
| | \$1,181.29 \$ 5,954.02 |
| Escrow | |
| °Z | |
| \$ 1,673,45 | \$ 4,079.02 |
| | \$ 3,056.29 \$ 4,079.02 |
| Craig Cox Testimony in TPUC Docket No. 2-4073 states that non-routine amintenance expenses. "include expendiance for less routine events, such as pump and wall replacements along with main into breaks." pp. 10-11. | 3. |
| Non-routine O&M | |
| replacing pump | |
| 10/31/2024 S 1.673.45 replacing pump | Oct 2024 \$ 7,135.31 |
| 10.31/2024 | Oct 2024 |

| | | be thly ore, | unt, ily d | |
|--|---|---|--|--------------------|
| Staff Reasoning | BACKGROUND FROM 24-00073 In the IRM Staff Assisted Rate Case (Docket No. 24-00073) party staff examined all charges made to secrow during the test period for purposes of calculating base rates and reviewing the propriety of service were discovered during staff service. | To calculate going-forward base rates, staff categorized such charges into (1) costs that should be trented as Operations and Maintenance Expense (O&M) and, therefore, recovered through monthly base rates and (2) costs that should continue to be funded from the Escrew Account and, therefore, recovered through Escrew Reinshussements. To goide this analysis, staff considered the nature (captain or operating) and frequency (more or less routino) of anticipated charges, as well as the ratemaking objective of maintaining lower monthly base rates. | Going forward it was determined that charges for line breaks, panel failures, panel upgrades, plant upgrades, vault replacements, and pump replacements should be funded from the Escrow Account. Thus, no provision for recovery of such expenditures was induced in EMX monthly base raises that became effective Jan 2025. Costs to be eategorized as O&M and recovered through monthly base raises included: float repairs, minor pump repairs, sludge pumping, and regular mowing and trimming. | |
| Staff Proposed Amount to Recover | | | | |
| Staff Amount Excluded | | s 63.69 | | \$ 636.69 |
| Staff Position | | Operating & Maintenance Expense | | |
| Difference of Position? | | Š | | |
| CA Proposed Amount to Recover | | | | |
| CA Proposed Amount to Excluded from Recovery | | \$ 636.69 | | \$ 636.69 |
| Consumer Advocate Reasoning | Repairing drip field lines seems like general maintenance although it seems this was a large amt at one time. | | | |
| Consumer Advocate Position | | Routine O&M | | |
| Description | | 11/1/2024 \$ 636.69 reparing 100 ft of drp field | | |
| Amount | | \$ 636.69 | | \$ 636.69 |
| Date of Work | | 11/1/2024 | | Nov 2024 \$ 636.69 |