



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

25-00072

Chuck Welch
Chuck.welch@phelps.com

(615) 414-5619 (direct)

September 3, 2025

VIA ELECTRONIC AND U.S. MAIL:

Hon. David Jones, Chairman
c/o Ectory Lawless, Docket Room Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243
TPUC.DocketRoom@tn.gov

Electronically Filed in TPUC Docket
Room on September 3, 2025 at 9:35 a.m.

Re: *Petition of Integrated Resource Management, Inc. d/b/a IRM Utility, to Adopt an Alternative Regulatory Mechanism*

Dear Chairman Jones:

Please find enclosed the Amended Petition of Integrated Resource Management, Inc. d/b/a IRM Utility to Adopt an Alternative Regulatory Mechanism.

As required, an original and four copies of this filing will be sent via U.S. Mail, along with a check for the filing fee in the amount of \$25.00. Please contact me if you have any questions concerning this filing or require additional information.

Sincerely,

PHELPS DUNBAR, LLP

/s/ Chuck B. Welch, Jr.

Chuck B. Welch, Jr.

cc: irmutility@gmail.com
joshua.mayorquin@phelps.com
ectory.r.lawless@tn.gov

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

**PETITION OF INTEGRATED RESOURCE)
MANAGEMENT, INC. TO ADOPT AN)
ALTERNATIVE REGULATORY)
MECHANISM PURSUANT TO TENN.)
CODE ANN. § 65-5-103(d)(7))**

DOCKET NO. 25-00072

**PETITION OF INTEGRATED RESOURCE MANAGEMENT, INC.
TO ADOPT AN ALTERNATIVE REGULATORY MECHANISM PURSUANT TO
TENNESSEE CODE ANNOTATED § 65-5-103 (d)(7)**

Integrated Resource Management, Inc. (“IRM” or the “Company”) petitions the Tennessee Public Utility Commission (the “Commission”), pursuant to Tennessee Code Annotated (“TCA”) § 65-5-103(d)(7), for approval of an Alternative Regulatory Mechanism (“ARM”). In support of this Petition, IRM respectfully shows unto the Commission as follows:

BACKGROUND

1. IRM is engaged in the business of providing wastewater service to approximately 273 customers in designated service territories in East Tennessee.¹

2. IRM's wastewater business in Tennessee is subject to regulation and supervision by the Commission pursuant to TCA Title 65, Chapter 4. IRM is a “Public Utility” within the meaning of such term as utilized in TCA § 65-5-103(d)(7).

3. All correspondence and communications related to this Petition should be sent to:

Charles B. Welch Jr.
Phelps Dunbar LLP
414 Union St., Ste. 1105
Nashville, TN 37219
Phone: (615) 726-1200
Email: chuck.welch@phelps.com

Mr. Jeffrey W. Cox, Jr.
President, IRM, Inc.
3444 Saint Andrews Dr.
White Pine, TN 37890
Phone: (865) 674-0828
Email: irmutility@gmail.com

¹ IRM's service territory includes Compass Pointe (04-027), Cove Creek (08-013), Cove Mountain (02-012), Emory Pointe (04-012), Flat Hollow (06-039), Grand View (05-054), Isha Enclave (19-016), Lost Creek (01-003), Mtn. Shangrila (06-001), Paradise Pointe (22-031), Valley Mart Exxon (03-012), Waterside on Douglas Lake (18-012), and Wild Briar (04-067).

NATURE OF RELIEF REQUESTED

4. IRM is seeking Commission approval of an ARM authorized by TCA § 65-5-103(d)(1)(a) and specifically, an annual adjustment of rates authorized by TCA § 65-5-103(d)(7).

5. TCA § 65-5-103(d)(7) authorizes the Commission to adopt policies or procedures that would permit a timelier revision of rates and that would further streamline the regulatory process and reduce the cost and time associated with the ratemaking process in TCA §§ 65-5-101 and 65-5-103(a).

DESCRIPTION OF THE ANNUAL RATE REVIEW MECHANISM REQUESTED

6. IRM proposes implementing the annual rate adjustment mechanism described in the concurrently filed testimony of Jeffrey W. Cox, Jr. and Exhibit JC-1. That mechanism anticipates an annual filing on or before November 30th of each year based upon changes in the Gross Domestic Product Implicit Price Deflator (“GDP-IPD”) Index for the preceding twelve (12) months ending September 30th of that same year. The new base rate would then be effective for wastewater services rendered on and after January 1st of the following year.

7. The proposed annual rate adjustment procedures will neither impair nor diminish the Commission's regulatory or ratemaking authority. It will, however, make the exercise of that authority more streamlined and efficient, minimizing the burdens—including costs to IRM's customers—of periodic general rate case proceedings.

8. If approved by the Commission, IRM would make its initial annual ARM filing on or before November 30, 2025, utilizing the preceding twelve months ending September 30, 2025, as the base period. New base rates would then be effective for wastewater services rendered on and after January 1, 2026.

9. IRM intends to apply the rate adjustment from the ARM to its approved service territory as of November 14, 2024.² At this time, IRM is not requesting application of the ARM to any future service territory.

10. IRM contends that for the reasons identified above, and as further discussed in the concurrently filed testimony of Jeffrey W. Cox, Jr., IRM's proposed ARM is in the public interest and should be approved by the Commission.

SUPPORTING MATERIALS

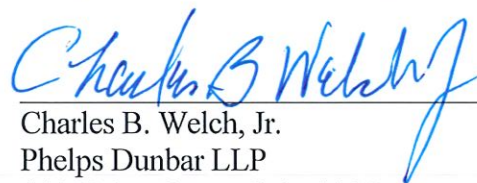
11. In support of its Petition, IRM respectfully submits concurrent herewith the pre-filed testimony of Jeffrey W. Cox, Jr. and Exhibit JC-1, which includes IRM's proposed ARM tariff.

WHEREFORE, Integrated Resource Management, Inc., requests that the Commission review and approve its Alternative Regulatory Mechanism as described herein and in the supporting testimony of Jeffrey W. Cox, Jr. within the period specified for such approval by statute.

Respectfully submitted this 27th day of August, 2025.

Integrated Resource Management, Inc.

By:



Charles B. Welch, Jr.
Phelps Dunbar LLP
414 Union Street, Suite 1105
Nashville, TN 37219
Phone: 615-726-1200
Email: chuck.welch@phelps.com
*Attorney for Integrated Resource
Management, Inc.*

² IRM's service territory includes Compass Pointe (04-027), Cove Creek (08-013), Cove Mountain (02-012), Emory Pointe (04-012), Flat Hollow (06-039), Grand View (05-054), Isha Enclave (19-016), Lost Creek (01-003), Mtn. Shangrila (06-001), Paradise Pointe (22-031), Valley Mart Exxon (03-012), Waterside on Douglas Lake (18-012), and Wild Briar (04-067).

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE

PETITION OF INTEGRATED RESOURCE
MANAGEMENT, INC. TO ADOPT AN
ALTERNATIVE REGULATORY
MECHANISM PURSUANT TO TENN.
CODE ANN. § 65-5-103(d)(7)

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DOCKET NO.

DIRECT TESTIMONY
of
JEFFREY W. COX, JR.

ON BEHALF OF INTEGRATED RESOURCE MANAGEMENT, INC.

Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.

A1. Jeffrey W. Cox, Jr., 3444 Saint Andrews Drive, White Pine, Tennessee 37890.

Q2. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A2. I am the President of Integrated Resource Management, Inc. ("IRM"), a provider of wastewater utility services regulated by the Tennessee Public Utility Commission ("TPUC" or the "Commission").

Q3. WHAT ARE YOUR RESPONSIBILITIES FOR IRM?

A3. I am entrusted with overseeing the day-to-day operations, permitting processes, and long-term strategic planning for IRM. My responsibilities encompass, but are not limited to, the supervision of systems and personnel, the review and approval of expenditures, and the resolution of customer issues. Additionally, I am involved in scoping and securing proposals for maintenance work, establishing contracts, liaising with regulatory personnel regarding existing and prospective permit requirements and issues, preparing and reviewing tariff documents, investigating the physical and operational conditions of the distribution systems, and evaluating proposals for plant upgrades and replacements.

Q4. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A4. The objective of my testimony is to provide the Commission with pertinent information in support of IRM's Petition for the adoption of an Alternative Regulatory Mechanism ("ARM"), as authorized by Tennessee Code Annotated ("TCA") § 65-5-103(d).

Q5. MR. COX, HAVE YOU REVIEWED AND ARE YOU FAMILIAR WITH THE DIFFERENT COMPONENTS OF TCA § 65-5-103(d)?

A5. Yes. Based on my review and understanding of TCA § 65-5-103(d), it authorizes the Commission to implement ARMs which provide for public utility rate reviews and cost recovery in lieu of a general rate case proceeding. TCA § 65-5-103(d) authorizes the Commission to establish ARMs in the following categories:

Table 1—TCA § 65-5-103(d) Categories	
65-5-103(d)(2)	Safety, Reliability, Plant Upgrades & Weather-Related Disasters
65-5-103(d)(3)	Infrastructure Expansion for Economic Development
65-5-103(d)(4)	Promotion of Economic Development
65-5-103(d)(5)	Programs in the Public Interest
65-5-103(d)(6)	Updates to Calculations Adopted in the Utility's Most Recent Rate Case
65-5-103(d)(7)	Other Methodologies

Q6. WHICH OF THE CATEGORIES LISTED ABOVE ARE YOU ASKING THE COMMISSION TO ADOPT FOR IRM?

A6. IRM requests the Commission adopt TCA § 65-5-103(d)(7) to authorize IRM to annually adjust its rates to reflect changes in the Gross Domestic Product Implicit Price Deflator (“GDP-IPD”) Index.

Q7. WHY IS IRM SEEKING THIS RELIEF?

A7. IRM is seeking this relief to establish an ARM that would facilitate regular and timely rate adjustments, reduce the costs of rate cases, enhance the efficiency of base rate adjustments, and address concerns of its customers by avoiding significant one-time increases.

The initial tariff rates for IRM, sanctioned by the Commission in 2004, established a monthly base charge of \$35.11, of which \$10.13 was allocated to escrow. These initial rates remained in effect

until February 23, 2016, when the Commission authorized a rate increase in Docket No. 15-000130, adjusting the monthly base rate from \$35.11 to \$58.11.

As service costs escalated, the revenue generated by IRM under the \$58.11 monthly base rate proved inadequate to cover reasonable operating expenses and yield a fair and reasonable net operating income. IRM delayed initiating a rate case due to the financial and logistical challenges associated with such a proceeding for a small utility. This deferral of the rate case resulted in a substantial shortfall of revenue.

To remedy this cash-flow deficiency, IRM approached the Commission Staff in 2024 regarding a staff-assisted rate case. However, due to unanticipated delays, IRM was unable to present its staff-assisted rate case before the Commission until December 16, 2024. By that time, IRM was experiencing a revenue deficit every month. Ultimately, the Commission approved an increase in IRM's monthly base rate from \$58.11 to \$74.96 in Docket No. 24-00073. Despite rates having remained consistent for nearly a decade, IRM's customers expressed understandable dissatisfaction with the significant one-time increase.

IRM now seeks approval for an ARM that would facilitate regular and timely rate adjustments, thereby reducing the costs of rate cases ultimately borne by consumers and enhancing the efficiency of base rate adjustments. Moreover, IRM's proposed ARM would benefit its customers by implementing rate increases incrementally, thus avoiding significant one-time increases and addressing the concerns articulated by IRM's customers during its recent rate case.

Q8. HAVE YOU REVIEWED THE ALTERNATIVE REGULATORY MECHANISMS APPROVED BY THE COMMISSION FOR OTHER UTILITIES?

A8. Yes, albeit at a very high level. To my knowledge, the Commission has either approved or is considering ARMs for the following utilities:

Table 2 — TPUC-Approved Alternative Rate Mechanisms	
<u>TPUC Docket No.</u>	<u>TCA Subpart</u>
13-00130	§ 65-5-103(d)(2)-(5)
14-00146	§ 65-5-103(d)(6)
17-00032	§ 65-5-103(d)(2)
19-00047	§ 65-5-103(d)(6)
21-00135	§ 65-5-103(d)(6)
23-00046	§ 65-5-103(d)(6)
23-00069	§ 65-5-103(d)(7)

Q9. PLEASE EXPLAIN YOUR UNDERSTANDING OF TCA § 65-5-103(d)(7) AND HOW IRM PROPOSES TO IMPLEMENT AN ALTERNATIVE REGULATORY MECHANISM.

A9. TCA § 65-5-103(d)(7) reads as follows:

7. In addition to the alternative regulatory methods described in this subsection (d), a public utility may opt to file for other alternative regulatory methods. Upon a filing by a public utility for an alternative method not prescribed, the commission is empowered to adopt policies or procedures, that would permit a more timely review and revisions of the rates, tolls, fares, charges, schedules, classifications or rate structures of public utilities, and that would further streamline the regulatory process and reduce the cost and time associated with the ratemaking processes in § 65-5-101 and subsection (a).

Based on my understanding, TCA § 65-5-103(d)(7) authorizes the Commission to approve an ARM not explicitly delineated within the statute. IRM contends that its proposed utilization of the GDP-IPD Index to compute annual rate adjustments constitutes a suitable ARM pursuant to TCA § 65-5-103(d)(7).

Upon approval of the proposed ARM, IRM would be obligated to submit annual filings by November 30th of each calendar year. These filings will ascertain the percentage increase in the GDP-IPD Index from the third quarter of the preceding year to the third quarter of the current year

(i.e., the twelve-month period ending September 30th of the same year). This calculated percentage increase in the GDP-IPD Index will subsequently be applied to IRM's current base charge to determine the new base rates, which would take effect on January 1st of the subsequent year.

Q10. MR. COX, CAN YOU PROVIDE AN EXAMPLE CALCULATION OF YOUR PROPOSED USE OF THE GDP-IPD INDEX AS AN ALTERNATIVE REGULATORY MECHANISM?

A10. Yes. The following pro forma calculation will employ the GDP-IPD Index Factors from the years 2023 and 2024 to ascertain the GDP-IPD Percentage Increase Factor for 2024. This factor will subsequently be applied to IRM's then current monthly base charge of \$58.11 to determine the pro forma adjusted rate for 2024.

The initial step in this pro forma calculation involves collecting the GDP-IPD Index Factors for 2023 and 2024, which are derived from Table 1.1.9, titled "Implicit Price Deflators for Gross Domestic Product," as published by the Bureau of Economic Analysis of the United States Department of Commerce via the [BEA Interactive Data Application](https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=survey&_gl=1*ksrcnk*_ga*NDYxODM4NDQwLjE3NDkwNjU2MzU.*_ga_J4698JNNFT*cze3NDkxNTMwNzUkbzMkZzEkdDE3NDkxNTM1NTYkajUxJGwWJGgw#eyJhcHBpZCI6MTksInN0ZXBzIjpbMSwyLDNdLCJkYXRhIjpbWyJjYXRlZ29yaWVzIiwU3VydM3V5Iiw3sWyJOSVBBX1RhYmxlX0xpc3QiLCIxMyJdXX0=).³ These figures are presented on Lines 1 and 2 in Table 3 below.

Upon identifying the GDP-IPD Index Factors for both the preceding and current years, the second step is to compute the GDP-IPD Percentage Increase Factor. This is accomplished by dividing the GDP-IPD Index Factor for 2024 (L2 below) by the GDP-IPD Index Factor for 2023 (L1 below). The resulting GDP-IPD Percentage Increase Factor for 2024 is displayed on L3 below.

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https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=survey&_gl=1*ksrcnk*_ga*NDYxODM4NDQwLjE3NDkwNjU2MzU.*_ga_J4698JNNFT*cze3NDkxNTMwNzUkbzMkZzEkdDE3NDkxNTM1NTYkajUxJGwWJGgw#eyJhcHBpZCI6MTksInN0ZXBzIjpbMSwyLDNdLCJkYXRhIjpbWyJjYXRlZ29yaWVzIiwU3VydM3V5Iiw3sWyJOSVBBX1RhYmxlX0xpc3QiLCIxMyJdXX0=

The final step in this pro forma involves determining the Pro Forma Adjusted Base Charge (L5 below) by multiplying the GDP-IPD Increase Factor (L3 below) by the existing monthly base charge for the third quarter of 2023 (L4 below).

Table 3 — Pro Forma GDP-IPD Rate Adjustment Calculation		
Line	Item	Amount
1	GDP-IPD Index Factor at Q3 of 2023	122.768 (L1)
2	GDP-IPD Index Factor at Q3 of 2024	125.532 (L2)
3	GDP-IPD Percentage Increase Factor (L2/L1=L3)	1.0225 (L3)
4	Existing Base Charge at Q3 of 2023	\$58.11 (L4)
5	Pro Forma Adjusted Base Charge (L3*L4=L5)	\$59.42 (L5)

In this pro forma calculation, the base charge is adjusted from \$58.11 to \$59.42. The additional charges—escrow, bonding, and rate case fees—remain unaffected by the GDP-IPD Index adjustment. IRM would subsequently submit a tariff filing to the Commission by November 30th each year to reflect this rate modification, with the new rate taking effect January 1st of the subsequent year. The total pro forma adjustment resulting from the rate change in this instance amounts to \$4,684.56, as detailed in Table 4 below. IRM intends to incorporate this calculation into its annual ARM filing.

Table 4 — Total Pro Forma Revenue Adjustment		
Line	Item	Amount
1	Pro Forma New Adjusted Base Charge	\$59.42 (L1)
2	Existing Base Charge at Q3 of 2023	\$58.11 (L2)
3	Base Charge Adjustment (L1–L2=L3)	\$1.31 (L3)
4	Number of Customers at December 31, 2022	298 (L4)
5	Typical Number of Annual Bills Per Customer	12 (L5)
6	Total Revenue Adjustment (L3*L4*L5=L6)	\$4,684.56 (L6)

Q11. DO ANY OTHER WASTEWATER UTILITIES HAVE AN ALTERNATIVE REGULATORY ADJUSTMENT PLAN SIMILAR TO THE ONE THAT YOU ARE PROPOSING HERE FOR IRM?

A11. Yes. The Commission approved an application to adopt this exact ARM in Docket No. 23-00069.

Q12. MR. COX, HOW DO YOU KNOW THAT AN ANNUAL GDP-IPD INDEX ADJUSTMENT WOULD BE AN APPROPRIATE SUBSTITUTE TO USE AS AN ALTERNATIVE REGULATORY MECHANISM?

A12. A prudent approach to addressing this inquiry is to furnish an additional example. As previously noted, in Docket No. 24-00073, the Commission sanctioned an increase in IRM's monthly base charge from \$58.11 to \$74.96, with the latter rate becoming effective on January 1, 2025. The ensuing example illustrates that implementation of the proposed ARM would yield base rates substantially equivalent to those endorsed by this Commission.

In Table 6 below, the \$58.11 base rate is adjusted to reflect historical changes in the GDP-IPD Index from the first quarter of 2016, when the \$58.11 base rate was initially implemented, to the third quarter of 2024. This period represents the actual GDP-IPD Index Factor that would have been employed had the new rate approved in Docket No. 24-00073 been calculated using the proposed ARM. The pro forma adjusted rate, derived by retroactively applying the GDP-IPD Index to the \$58.11 base rate, is \$74.82, merely \$.14 less than the rate sanctioned by this Commission in IRM's recent rate case. Clearly, the proposed ARM results in reasonable and modest rate increases, consistent with the approvals granted by this Commission. In addition to the above, this exact ARM was approved by this Commission as an appropriate substitute to use as an ARM in Docket No. 23-00069.

Table 6 — IRM Rates Adjusted for GDP-IPD Index				
Effective Date	Prior Base Rate	Base GDP-IPD	Actual GDP-IPD	Adjusted Rate
February 23, 2016	\$58.11	97.496 (Q1-2016)	97.496 (Q1-2016)	\$58.11
January 1, 2025	\$58.11	97.496 (Q1-2016)	125.532 (Q3-2016)	\$74.82 ⁴

⁴ Divide the GDP-IPD Index Factor for 2024 by the GDP-IPD Index Factor for 2016 to get the GDP-IPD Percentage Increase Factor. Then, multiply the GDP-IPD Percentage Increase Factor by the Base Rate to get the Adjusted Rate.

Q13. WHAT WOULD HAPPEN IF IRM OR THE COMMISSION DETERMINES THAT THE RATES PRODUCED BY THE ARM ARE NO LONGER APPROPRIATE OR ADEQUATE?

A13. The proposed ARM does not, in any manner, constrain the Commission's authority in matters of ratemaking. Should the Commission determine that the ARM no longer yields appropriate outcomes, it retains the authority to suspend the ARM and conduct a rate review through a traditional rate case. Similarly, should IRM ascertain that the rates generated by the ARM are inadequate to cover service costs, it may submit a new petition to the Commission to initiate a traditional rate case.

Q14. ARE YOU RECOMMENDING THAT THE PROPOSED ARM BE APPLIED TO ALL SERVICE TERRITORY OF IRM?

A14. No. At this time, IRM proposes to apply the ARM to IRM's existing service territory as described in our current approved tariff as of November 14, 2024.⁵

Q15. MR. COX, PLEASE SUMMARIZE IRM'S REQUEST TO IMPLEMENT AN ARM.

A15. IRM is requesting to implement an ARM to expedite the review of rates in an efficient and timely manner. Adopting an ARM for IRM is a prudent course of action in that it allows IRM to substantially recover future projected service costs on a continuing and incremental basis, reduces the costs associated with the ratemaking process, and allows for modest and incremental increases rather than significant one-time increases.

⁵ IRM's service territory includes Compass Pointe (04-027), Cove Creek (08-013), Cove Mountain (02-012), Emory Pointe (04-012), Flat Hollow (06-039), Grand View (05-054), Isha Enclave (19-016), Lost Creek (01-003), Mtn. Shangrila (06-001), Paradise Pointe (22-031), Valley Mart Exxon (03-012), Waterside on Douglas Lake (18-012), and Wild Briar (04-067).

Q16. MR. COX, PLEASE DESCRIBE HOW THE ALTERNATIVE REGULATORY MECHANISM PROPOSED BY IRM WOULD BENEFIT THE PUBLIC INTEREST.

A16. The laws of this State were adopted to serve the public interests of utility customers. The proposed ARM is both appropriate and aligned with TCA § 65-5-103(d)(7), thereby serving the public interest. Furthermore, this ARM addresses feedback received by IRM from its customers following its recent rate case. Although recognizing that IRM had not adjusted its rates since 2016, customers expressed understandable concerns regarding the immediate \$16.85 rate increase. The proposed ARM serves the interests of IRM's customers and the public by facilitating modest and incremental adjustments annually, thereby enhancing predictability while ensuring the quality and continuity of service to which IRM's customers are accustomed.

Q17. DOES THIS COMPLETE YOUR TESTIMONY?

A17. Yes, it does.

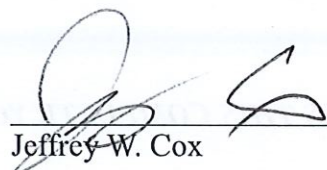
BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE

PETITION OF INTEGRATED RESOURCE)
MANAGEMENT, INC. TO ADOPT AN)
ALTERNATIVE REGULATORY)
MECHANISM PURSUANT TO TENN.)
CODE ANN. § 65-5-103(D)(7))


DOCKET NO.

AFFIDAVIT

I, Jeffrey W. Cox, Jr., on behalf of Integrated Resource Management, Inc. hereby certify that the attached direct testimony represents my opinion in the above referenced case.


Jeffrey W. Cox

Sworn to and subscribed before me this 26th day of AUGUST, 2025.


Notary Public

My Commission Expires:

My Commission Expires Sep. 29, 2027



EXHIBIT JC-1: Proposed ARM Tariff

Integrated Resource Management Alternative Regulatory Mechanism (ARM)

Applicable: This Alternative Regulatory Mechanism (“ARM”) is applicable to service provided to customers in IRM’s service territories as of November 14, 2024, including the service territories of Compass Pointe (04-027), Cove Creek (08-013), Cove Mountain (02-012), Emory Pointe (04-012), Flat Hollow (06-039), Grand View (05-054), Isha Enclave (19-016), Lost Creek (01-003), Mtn. Shangrila (06-001), Paradise Pointe (22-031), Valley Mart Exxon (03-012), Waterside on Douglas Lake (18-012), and Wild Briar (04-067).

Purpose: This ARM is implemented under the provisions of Tenn. Code Ann. § 65-5-103(d)(7), which authorizes the Company to elect operation under an annual adjustment of the Company’s rates. Pursuant to this ARM and the annual filings described herein, the Company’s rates shall be annually reset to reflect the impact of changes in the Gross Domestic Product Implicit Price Deflator (“GDP-IPD”) Index from the third quarter of the preceding year to the third quarter of the current year.

Implementation: By November 30th of each year beginning in 2025, IRM shall make a filing with the Tennessee Public Utility Commission calculating the increase in the GDP-IPD Index from the third quarter of the preceding year to the third quarter of the current year. The GDP-IPD Index Factors shall be gathered from Table 1.1.9, titled “Implicit Price Deflators for Gross Domestic Product,” published by the Bureau of Economic Analysis of the United States Department of Commerce.⁶ The GDP-IPD Percentage Increase Factor for the current year shall be based on the GDP-IPD Index value for the third quarter of the current year divided by the GDP-IPD Index Factor for the third quarter of the previous year.

The percentage change in the GDP-IPD will be applied to IRM’s current base rate to produce the new base rate. The ARM will only be applied to the base rates of IRM and will NOT be applied to escrow rates, bond rates or temporary surcharges or refunds. The new base rate will be implemented for wastewater service on and after January 1st of the following year. In addition, the Company will also provide a pro forma revenue adjustment calculation as well as a Pro Forma Net Operating Income calculation in its annual filing.

Issued By:

Jeffrey W. Cox, Jr., President & General Manager

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https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=survey&_gl=1*ksrck*_ga*NDYxODM4NDQwLjE3NDkwNjU2MzU.*_ga_J4698JNNFT*cZ3NDkxNTMwNzUkbzMkZzEkdDE3NDkxNTM1NTYkajUxJGwWJGgw#eyJhcHBpZCI6MTksInN0ZXBzIjpbMSwyLDNdLCJkYXRhIjpbWyJjYXRIZ29yaWVzIiwU3VydM5Ii0sWyJOSVBBX1RhYmxlX0xpc3QiLCIxMyJdXX0=