

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

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|----------------------------------------|---|----------------------------|
| IN RE: |) | |
| |) | |
| PETITION OF INTEGRATED RESOURCE |) | |
| MANAGEMENT, INC. TO ADOPT AN |) | |
| ALTERNATIVE REGULATORY |) | DOCKET NO. 25-00072 |
| MECHANISM PURSUANT TO TENN. |) | |
| CODE ANN. § 65-5-103(d)(7) |) | |
| |) | |

**CONSUMER ADVOCATE’S FIRST DISCOVERY REQUEST
TO INTEGRATED RESOURCE MANAGEMENT, INC.**

This First Discovery Request is hereby served upon Integrated Resource Management, Inc. (“IRM” or the “Company”), pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. The Consumer Advocate Division of the Attorney General’s Office (“Consumer Advocate”) requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Vance L. Broemel, on or before 2:00 p.m. (CDT), October 9, 2025, as in the proposed procedural schedule.

PRELIMINARY MATTERS AND DEFINITIONS

1. **Continuing Request.** These discovery requests are to be considered continuing in nature and are to be supplemented from time to time as information is received by the Producing Party and any of its affiliates which would make a prior response inaccurate, incomplete, or incorrect.

2. **Clear References.** To the extent that the data or information requested is incorporated or contained in a document, identify the document including page/line number if applicable.

3. **Format of Responses.** Provide all responses in the format in which they were created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.

4. **Objections.** If any objections to this discovery are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document, and state the basis for the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

5. **Singular/Plural.** The singular includes the plural, and vice-versa, where appropriate.

6. **Questions.** Any questions regarding this discovery request should be directed to the attorneys listed as issuing this Request.

7. **Definitions.** For the purposes of this Request, the following terms have the following meanings:

(a) “You,” “Your,” “Company,” or “IRM,” shall mean Integrated Resource Management, Inc. and all employees, agents, attorneys, representatives, or any other person acting or purporting to act on its behalf.

(b) “Affiliate” shall mean any entity who, directly or indirectly, is in control of, is controlled by, or is under common control with the Company. For greater clarification, “control” is the ownership of 20% or more of the shares of stock entitled to vote for the election of directors in the case of a corporation, or 20% or more of the equity interest in the case of any other type of entity, or status as a director or officer of a corporation or limited liability company, or status as a partner of a partnership, or status as an owner of a sole proprietorship, or any other arrangement whereby a person has the power to choose, direct, or manage the board of directors or equivalent governing body, officers, managers, employees, proxies, or agents of another person. In addition, the term “Affiliate” shall mean any entity that directly or indirectly provides management or operational services to the Company or any affiliate (as defined in the preceding sentence) of the Company, or to which the Company provides management or operational services. Further, the payment of money to the Company or receipt by the Company of money from an entity with which the Company has any relationship, other than such payment or receipt, shall include the payor or recipient of such money as an “Affiliate.”

(c) “Communication” shall mean any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings, and personal conversations, or otherwise.

(d) “Document” shall have the broadest possible meaning under applicable law. “Document” shall mean any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), work paper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, state what disposition was made of the document and when it was made.

(e) “Person” shall mean any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.

(f) “Identify” with respect to:

- i. Any natural person, means to state the full name, telephone number, email address and the current or last known business address of the person (if no business address or email address is available provide any address known to you) and that person's relationship, whether business, commercial, professional, or personal with you;
- ii. Any legal person, business entity or association, means to state the full name, the name of your contact person with the entity, all trade name(s), doing business as name(s), telephone number(s), email address(es), and current or last known business address of such person or entity (if no business address is available provide any address known to you);
- iii. Any document, means to state the type of document (e.g., letter), the title, identify the author, the subject matter, the date the document bears and the date it was written; and
- iv. Any oral communication, means to state the date when and the place where it was made, identify the person who made it, identify the person or persons who were present or who heard it, and the substance of it.

(g) "And" and "or" shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.

(h) "Including" shall be construed to mean including but not limited to.

FIRST SET OF DISCOVERY REQUESTS

1-1. GDP-IPD Index. Refer to the Petition, Direct Testimony of Jeffrey Cox, p. 6, Q6/A6. Mr. Cox states, "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."

- a. Confirm that the GDP-IPD index is a measure of the current value (price) of all new domestic goods and services in an economy relative to the value (price) of a base year.
- b. Confirm that there are subcategories of the GDP-IPD that are more specific to utility industries.
- c. Confirm that rate base is comprised of historic capital investments with an amortization of rate base when setting rates.

- d. Explain how a rate increase based on the general inflation of goods and services is an accurate representation of rates based on a historic rate base.
- e. What subcategories of the GDP-IPD were considered by IRM? List any subcategories that were rejected and explain why the subcategories were rejected.
- f. What other indexes were considered by IRM? Why were they rejected?
- g. What percentage of IRM's revenue requirement (annual costs) is variable costs?
- h. What is IRM's current rate base?
- i. What percentage of IRM's revenue requirement (annual cost) is from the cost of capital (weighed average cost of capital multiplied by rate base)?
- j. What percentage of IRM's revenue requirement (annual cost) is from the amortization of rate base?
- k. What capital investments are IRM projecting for each of the next 5 years?

RESPONSE:

- 1-2. Existing ARMs. Refer to the Petition, Direct Testimony of Jeffrey Cox, pp 7-8, Q8/A8. Mr. Cox states that “the Commission has either approved or is considering ARMs for the following utilities.,” and he provides a table of specific dockets (Table 2 – TPUC Approved Alternative Rate Mechanisms). Referring to Table 2, answer the following:
- a. Explain how the ARM approved or requested in each docket is the same (using the same formula and index) as the mechanism being requested by IRM.
 - b. Explain how each Commission's decision applies to IRM's requested ARM.

RESPONSE:

- 1-3. Existing ARMs. Refer to the Petition, Direct Testimony of Jeffrey Cox, p. 10, Q11/A11. Mr. Cox states, “The Commission approved an application to adopt this exact ARM in Docket No. 23-00069.” Respond to the following:
- a. Confirm that in TPUC Docket No. 23-00069 the Consumer Advocate stated that it was not endorsing use of the GDP-IPD for setting utility rates.¹

¹ *Direct Testimony of David N. Dittmore* at 4:1-8, TPUC Docket No. 23-00069 (Nov. 1, 2025).

- b. Confirm that in TPUC Docket No. 23-00069 the Consumer Advocate stated that a detriment of adopting GDP-IPD was that rates would no longer be tied to costs.²
- c. Confirm that the Consumer Advocate’s support of the proposed ARM in TPUC Docket No. 23-00069 was subject to nine conditions that were explained in detail.³

RESPONSE:

1-4. Statistical Correlation. Refer to the Petition, Direct Testimony of Jeffrey Cox, p. 11, Table 6 – IRM Rates Adjusted for GDP0-IPD Index. Mr. Cox discussed “that an annual GDP-IPD index adjustment would be an appropriate substitute to use as an alternative regulatory mechanism.” Respond to the following:

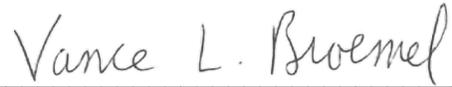
- a. Confirm that the comparison, in Table 6, uses only two data points;
- b. Confirm that generally no statistical evidence can be proven with only two data points; and
- c. Confirm that generally 30 data points per group is considered the minimum number necessary for basic statistical tests.

RESPONSE:

² *Id* at 5:12-16.

³ *Id* at 8:10 – 14:4.

RESPECTFULLY SUBMITTED,



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TPUC Docket No. 25-00072

Consumer Advocate's DR 1 to IRM

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 the 25th day of September 2025.



VANCE L. BROEMEL
Senior Assistant Attorney General