

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

October 28, 2025

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

**ORDER GRANTING THE PETITION TO INTERVENE FILED BY THE
CONSUMER ADVOCATE**

This matter is before the Administrative Judge of the Tennessee Public Utility Commission (“Commission” or “TPUC”) to consider the *Petition to Intervene* filed by the Consumer Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”) on September 24, 2025.

RELEVANT BACKGROUND

Integrated Resource Management, Inc. (“IRM”) is a public utility regulated by the Commission, provides wastewater service to approximately 273 customers in East Tennessee. IRM’s last general rate case was considered in Commission Docket No. 24-00073. On September 3, 2025, IRM filed a Petition seeking approval to implement an alternative regulatory mechanism (“ARM”).

CONSUMER ADVOCATE’S *PETITION TO INTERVENE*

On September 24, 2025, the Consumer Advocate filed a *Petition to Intervene* seeking to intervene in the docket pursuant to Tenn. Code Ann. § 65-4-118, which qualifies the Consumer

Advocate to represent the interests of Tennessee consumers of public utility services in proceedings before the Commission. The Consumer Advocate asserts:

The interests of consumers, including without limitation the proposed increase in rates to be paid by IRM's consumers, may be affected by determinations and orders made by the Commission with respect to: (1) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-103(d)(7) and other relevant statutory and regulatory provisions; and (z) the review and analysis of the supporting schedules and other documentation, financial spreadsheets, and materials provided by the Company.¹

Further, the Consumer Advocate asserts that only by participating in this docket can it adequately represent the interests of Tennessee consumers.² IRM filed *Integrated Resource Management, Inc.'s Response in Opposition to the Consumer Advocate Division's Petition to Intervene*. (“IRM’s Response”).

IRM’S RESPONSE

On October 1, 2025, IRM filed *IRM’s Response* opposing the Consumer Advocate’s *Petition to Intervene*. IRM states that granting the Consumer Advocate’s intervention would impair the interests of justice and the prompt and orderly conduct of the proceedings.³ IRM argues the ARM it is proposing is identical to the one approved for Superior by the Commission in Docket No. 23-00069. In that docket the Consumer Advocate was allowed to intervene and proposed seven conditions be placed on Superior. The Commission rejected all the proposed conditions stating they would not add measurable benefit or increased accountability and would only complicate the mechanism.⁴ According to IRM granting the intervention would “impair judicial economy, resulting in unnecessary administrative and legal expenses to IRM.”⁵ IRM also

¹ *Petition*, p. 2 (September 24, 2025).

² *Id.* at 5.

³ *IRM’s Response*, p. 3 (October 1, 2025).

⁴ *Id.* at 4-5.

⁵ *Id.* at 5.

argued the Consumer Advocate should be collaterally estopped from intervening in this docket because it was a party in the Superior ARM docket with identical issues and had a fully opportunity to litigate the issues in that docket and that ARM was approved.⁶ In the alternative, IRM requests that if the intervention is granted, the Consumer Advocate’s participation in the docket be limited to issues not considered or resolved in the Superior docket.⁷

CONSUMER ADVOCATE’S RESPONSE

The Consumer Advocate filed the *Consumer Advocate’s Response to Integrated Resource Management Inc.’s Response in Opposition to the Consumer Advocate’s Petition to Intervene* (“*Consumer Advocate’s Response*”)⁸ on October 9, 2025. The Consumer Advocate argues that “[i]n light of the fact that ARMs and other alterative mechanisms can and have been changed or modified, IRM’s argument that the Consumer Advocate’s intervention would ‘impair’ the ‘interests of justice and the orderly and prompt conduct of the proceedings’ is without merit.”⁹ The Consumer Advocate points out that it has already submitted a proposed procedural schedule and filed its first discovery requests. According to the Consumer Advocate, “[i]t is the Consumer Advocate who has pushed ahead in this case, filing a Procedural Schedule as well as discovery even though IRM has not responded to the Proposed Procedural Schedule other than to request a change in the hearing date.”¹⁰ Further, the Consumer Advocate maintains that the doctrine of collateral estoppel is not appropriate for most ratemaking issues. According to the Consumer Advocate, “... there is a real difference in possible issues in this case ... [W]hat might be appropriate in an ARM for a utility of the size, capital resources, management, and plant-in-

⁶ *Id.* at 5-6.

⁷ *Id.* at 6-7.

⁸ The Administrative Judge will waive Commission Rule 1220-01-02-.06(3) and allow the *Consumer Advocate’s Response* because a response was appropriate in light of the arguments raised in *IRM’s Response*.

⁹ *Consumer Advocate’s Response*, p. 3 (October 9, 2025).

¹⁰ *Id.*

service such as Superior Wastewater might not work for a company which is different in all these categories.” Lastly, the Consumer Advocate argues that many utility ARMs have been modified and changed, and the Consumer Advocate should not be limited in its ability to present its case. According to the consumer Advocate, “[l]imiting the discovery, testimony, and cross-examination of the Consumer Advocate in such a proceeding prior to intervention would only work a hardship on the opportunity of IRM's customers to be fairly represented and would have no consequential impact on IRM's legal and administrative burden.”¹¹ Therefore, the Consumer Advocate requests that its Petition to Intervene be granted without limitation.

FINDINGS & CONCLUSIONS

Tenn. Code Ann. § 4-5-310 establishes the following criteria for granting petitions to intervene:

(a) The administrative judge or hearing officer shall grant one (1) or more petitions for intervention if:

(1) The petition is submitted in writing to the administrative judge or hearing officer, with copies mailed to all parties named in the notice of the hearing, at least seven (7) days before the hearing;

(2) The petition states facts demonstrating that the petitioner's legal rights, duties, privileges, immunities or other legal interest may be determined in the proceeding or that the petitioner qualifies as an intervenor under any provision of law; and

(3) The administrative judge or hearing officer determines that the interests of justice and the orderly and prompt conduct of the proceedings shall not be impaired by allowing the intervention.

(b) The agency may grant one (1) or more petitions for intervention at any time, upon determining that the intervention sought is in the

¹¹ *Id.* at 6.

interests of justice and shall not impair the orderly and prompt conduct of the proceedings.¹²

Although it is not an automatic or absolute right to participate in proceedings before the Commission, Tenn. Code Ann. § 65-4-118(b)(1) provides a general basis for the qualification of the Consumer Advocate to be permitted to intervene as a party to represent the interests of Tennessee public utility consumers. It provides as follows:

The consumer advocate division has the duty and authority to represent the interests of Tennessee consumers of public utilities services. The division may, with the approval of the attorney general and reporter, participate or intervene as a party in any matter or proceeding before the commission or any other administrative, legislative or judicial body and initiate such proceeding, in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, and the rules of the commission.¹³

The Administrative Judge is not persuaded by the arguments of IRM that the Consumer Advocate should not be allowed to intervene in this docket. The Consumer Advocate filed a timely intervention and promptly submitted a proposed procedural schedule for consideration. The Administrative Judge also finds that it would not be appropriate to deny the Consumer Advocate's *Petition to Intervene* based on collateral estoppel. As the Administrative Judge pointed out in a previous docket, "[o]ne size does not fit all when it comes to alternative regulatory methods and there is not a specific formula or method for implementing alternative regulatory methods, including an annual rate review, set forth in statute. A utility is free to propose the type of alternative regulatory method that would work best for its business, and the Commission will then make a determination based on evidence presented and vote accordingly."¹⁴ Although IRM seeks to implement an ARM similar to one previously approved by the Commission for another

¹² Tenn. Code Ann. § 4-5-310 (2021).

¹³ Tenn. Code Ann. § 65-4-118(b)(1) (2022).

¹⁴ *In re: Docket to Investigate and Consider Modifications to Atmos Energy Corporation's Annual Rate Review Mechanism Under Tenn. Code Ann. 65-5-103(6)*, Docket No. 18-00112, *Order Denying the Petition to Intervene Filed by Chattanooga Gas Company*, p. 7 (April 8, 2019).

utility in a docket in which the Consumer Advocate was a party, the Consumer Advocate should not be precluded from evaluating IRM's Petition and presenting a case relative to this docket on behalf of the IRM customers. For these same reasons, the Administrative Judge finds that it would not be appropriate to limit the scope of the Consumer Advocate's participation as an Intervenor in this docket.

IRM's Petition seeks to implement an initial ARM which will update and refresh the Company's rates each year. Based on these facts, Administrative Judge finds there is a sufficient factual basis to find that the legal rights or interests held by those consumers may be determined in this proceeding.

THEREFORE, upon due consideration, the Administrative Judge concludes that the legal rights, duties, privileges, immunities, or other legal interest of Tennessee consumers may be determined in this proceeding. Further, the Administrative Judge finds that the Consumer Advocate qualifies under law as an intervenor for the purpose of representing those consumer interests, and its *Petition to Intervene* was timely-filed and should not impair the interests of justice or the orderly and prompt conduct of the proceedings. For these reasons, the Administrative Judge concludes that the Consumer Advocate's *Petition to Intervene* should be granted.

IT IS THEREFORE ORDERED THAT:

The *Petition to Intervene* filed by the Consumer Advocate Division of the Office of the Tennessee Attorney General is granted. The Consumer Advocate Division of the Office of the Tennessee Attorney General may intervene and participate as a party in this proceeding and, as such, shall receive copies of any notices, orders, or other documents filed herein.


Monica Smith-Ashford, Administrative Judge