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November 6, 2025

VIA ELECTRONIC AND U.S. MAIL:

Mr. Vance L. Broemel, Esq.
Office of the Tennessee Attorney General
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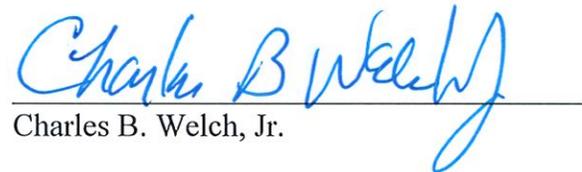
Re: *Integrated Resource Management, Inc.'s First Data Requests to the Consumer Advocate Division in TPUC Docket No. 25-00072.*

Dear Mr. Broemel,

Enclosed is IRM's first set of data requests. A hard copy of this letter and the enclosed requests will be deposited in the U.S. Mail, First Class, postage prepaid. Please contact me if you have any questions concerning this filing or require additional information.

Sincerely,

PHELPS DUNBAR LLP


Charles B. Welch, Jr.

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

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

**INTEGRATED RESOURCE MANAGEMENT, INC.’S FIRST SET OF DISCOVERY
REQUESTS TO THE CONSUMER ADVOCATE DIVISION**

Integrated Resource Management, Inc., d/b/a IRM Utility, Inc. (“IRM”), by and through counsel, pursuant to Rules 26, 33, 34, and 36 of the Tennessee Rules of Civil Procedure, and Tenn. Comp. R. & Regs. 1220-1-2-.11, hereby submits its First Set of Discovery Requests to the Consumer Advocate Division of the Tennessee Attorney General’s Office (the “Consumer Advocate Division”). Pursuant to the scheduling order in this Docket, responses are to be produced on or before 2:00 p.m. (CST), November 11, 2025. The following instructions and definitions shall apply to this First Set Discovery Requests:

INSTRUCTIONS & DEFINITIONS

1. These requests shall be continuing in nature. If the Consumer Advocate Division receives, discovers, or otherwise becomes aware of new or additional information making a prior response inaccurate, incomplete, or incorrect, the Consumer Advocate Division shall supplement its response.
2. If the Consumer Advocate Division objects to any request on the basis of privilege or otherwise, provide an explanation of the privilege or basis asserted, and any facts supporting the claim that such privilege or basis applies.
3. References to the singular shall include the plural, and references to the plural shall include the singular.

4. References to the masculine shall include the feminine, and references to the feminine shall include the masculine.

5. Definitions:

a. "Document" shall have the broadest meaning permitted under the Tennessee Rules of Civil Procedure, and shall include any written, typed, printed, drawn, filmed, photographed, recorded, captured, or electronic materials, including but not limited to emails, books, letters, reports, notes, memoranda, diaries, calendars, spreadsheets, court papers, text messages, photographs, videos, data files, program files, and data compilations, regardless of format or medium, and encompasses both originals and copies.

b. "Identify" and its cognates:

i. When referring to a natural person, means to state the full name, and to provide the current or last-known home address, telephone number, email address, employer, business address, and position/job title.

ii. When referring to a legal person, entity, or association, means to state the full legal name, address of the principal place of business, state of formation, organization, or incorporation, and name, phone number, and email address of the Consumer Advocate Division's primary contact.

iii. When referring to a situation or fact, or an occurrence or object, means to state each and every fact known concerning the information requested including, without limitation, (a) the identity of each person having knowledge of each fact or opinion relating to the information requested, (b) the identity of each document showing or relating to the answer given or any part of the answer given, and (c) all relevant dates and time periods.

iv. When referring to a document, means to identify each author, recipient, addressee or copy recipient of the document, indicate the date of the document, and describe the nature and substance of the document.

c. "Docket" refers to TPUC Docket No. 25-00072.

d. "ARM" shall mean alternative regulatory mechanism.

e. "Superior Docket" refers to TPUC Docket No. 23-00069, wherein Superior Wastewater Systems LLC filed its Petition to Adopt an Alternative Regulatory Mechanism Pursuant to Tenn. Code Ann. § 65-5-103(d)(7).

f. "Including" shall be construed to mean "including but not limited to."

g. "GDP-IPD" and "IPD" shall each refer to the Gross Domestic Product Implicit Price Deflator Index.

h. “Commission” and “TPUC” shall refer to the Tennessee Public Utility Commission.

i. “Petitioner” shall refer to Integrated Resource Management, Inc.

IRM’S FIRST SET OF DISCOVERY REQUESTS

1. State whether the Consumer Advocate Division is familiar with and has reviewed the petition, testimony, order, and other filings in the Superior Docket.

RESPONSE:

2. Describe how the ARM proposed in this Docket differs from the ARM that was proposed and approved in the Superior Docket.

RESPONSE:

3. Referring to Q9/A9 of the Direct Testimony of David Dittmore in the Superior Docket: State whether the Consumer Advocate Division now rejects the position submitted by Mr. Dittmore on behalf of the Consumer Advocate Division that the adoption of the GDP-IPD as an inflation index is appropriate for a small utility.¹ If so, why?

RESPONSE:

4. Describe whether the Consumer Advocate Division’s objections to the ARM in the Superior Docket differ from its objections to the ARM in the present Docket. If so, explain how.

RESPONSE:

¹ See *Direct Testimony of David N. Dittmore* at 4:5-10, TPUC Docket No. 23-00069 (Nov. 1, 2023).

5. Confirm that the Consumer Advocate Division had a full and fair opportunity to litigate its objections to the ARM in the Superior Docket.

RESPONSE:

6. Confirm that the Commission had a full and fair opportunity to consider the Consumer Advocate Division's objections to the ARM in the Superior Docket.

RESPONSE:

7. Does the Consumer Advocate Division agree that the proposed ARM in this Docket would provide for gradual rate increases or decreases tied to a general inflation rate, representing a proxy for actual costs incurred by IRM in operating its system? If not, please provide an explanation.

RESPONSE:

8. Does the Consumer Advocate Division contend that approval of this ARM would limit the Commission's ability to monitor, modify, or otherwise terminate the ARM? If so, please provide an explanation.

RESPONSE:

9. Does the Consumer Advocate Division agree that an increase in inflation generally results in increased operating costs? If not, please provide an explanation.

RESPONSE:

10. Referring to the nine conditions listed in A25 of the Direct Testimony of Clark Kaml in this Docket:² Confirm or deny that the Commission, in its Order approving the ARM in the Superior Docket, explicitly rejected the application of these nine conditions, stating that their adoption would only serve to complicate the mechanism without providing any measurable benefit or increased accountability.³ If denied, please explain.

RESPONSE:

11. Describe how the conditions listed in A25 of Clark Kaml's testimony in this Docket would provide measurable benefits or increased accountability to justify the complications to the mechanism that would result from their application.

RESPONSE:

12. Referring to Q28/A28 of the Direct Testimony of Clark Kaml's in this Docket: Confirm that IRM's payroll information is included in its annual reports.

RESPONSE:

13. Does the Consumer Advocate Division agree that IRM is a small public wastewater utility?

RESPONSE:

² *Direct Testimony of Clark Kaml* at 10:11-28, 11:1-9, TPUC Docket No. 25-00072 (Oct. 30, 2025).

³ *See Order Approving Initial Annual Rate Review Mechanism for Superior Wastewater Systems, LLC*, pp. 9-10 TPUC Docket No. 23-00069 (March 4, 2025).

14. State any and all reasons why the Commission should treat the Petitioner in this Docket any different than in its Order approving the ARM petition in the Superior Docket.

RESPONSE:

15. Does the Consumer Advocate Division agree that the ARM proposed in this Docket would permit more timely review and revision of rates, streamline the regulatory process, and reduce the cost and time associated with the ratemaking process? If not, please provide an explanation.

RESPONSE:

16. Referring to Q12/A12 of the Direct Testimony of Clark Kaml in this Docket: Can the National Regulatory Research Institute (“NRRI”) report cited and included as Exhibit CDK-1, which was published over eleven years ago, still be relied upon as accurate for purposes of this proceeding?

RESPONSE:

17. Referring to the statement contained in Q12/A12 of the Direct Testimony of Clark Kaml in this Docket that “alternative regulation methods often shift utility performance risk to taxpayers”:⁴ Does this statement apply to the ARM proposed *in this docket*, or rather, to alternative regulation methods generally? If applicable to the ARM in this docket, please explain how.

RESPONSE:

⁴ *Direct Testimony of Clark Kaml* at 4:18-19, TPUC Docket No. 25-00072 (Oct. 30, 2025).

18. Referring to the statement contained in Q12/A12 of the Direct Testimony of Clark Kaml in this Docket that “benefits to ratepayers only result if two conditions exist: (1) operating efficiencies result from the alternative methods through operating or capital efficiencies, and (2) that the efficiencies are captured for customers”:⁵

a. Does this statement apply to the ARM proposed *in this docket*, or rather, to alternative regulation methods generally? If applicable to the ARM in this docket, please explain how.

b. Does the Consumer Advocate Division agree that a mechanism which provides for gradual rate changes increases predictability for customers? If not, please provide an explanation.

c. Does the Consumer Advocate Division agree that increased predictability is a benefit to customers? If not, please provide an explanation.

d. Does the Consumer Advocate Division agree that reducing the regulatory costs ultimately distributed across a utility’s customer base constitutes a benefit to customers of that utility? If not, please provide an explanation.

RESPONSE:

19. Regarding escrow charges:

a. Does the Consumer Advocate Division agree that an increase in customer escrow charges results in higher rates for customers and does not increase the revenue of the utility? If not, please provide an explanation.

b. Has the Consumer Advocate Division analyzed the balance held in the IRM escrow account?

⁵ *Id.* at 4:19-21, 5:1.

c. Is there any reason to believe the balance in IRM's escrow account is not sufficient for its intended purpose?

d. Is there any benefit to the utility or customers for escrow balances to increase to a level beyond an amount necessary to cover extraordinary expenses?

RESPONSE:

20. Referring to Q14/A14 of the Direct Testimony of Clark Kaml's in this Docket: Explain how an approach that allows an increase equal to a portion of the index, such as 50% of the index, benefits residential customers, but an approach that allows an increase equal to 100% of the index, does not.⁶

RESPONSE:

21. Referring to Q15/A15 of the Direct Testimony of Clark Kaml's in this Docket, and specifically to the alleged "financial incentive to avoid capital expenditures under an inflation index mechanism that does not differentiate between operating costs and capital expenditures":⁷ Confirm that a decrease in costs and the avoidance of capital expenditures would be apparent upon review of a utility's annual reports.

RESPONSE:

22. Referring to Q17/A17 of the Direct Testimony of Clark Kaml in this Docket wherein Mr. Kaml states that IRM has not changed its escrow rate since October 22, 2007, and did

⁶ *Id.* at 5:6-15.

⁷ *Id.* at 5:16-23, 6:1-2.

not increase the escrow rate when there were general rate increases in February 2016 and January 2025;⁸

a. Confirm that IRM's most recent rate case in TPUC Docket No. 24-00073 was a *staff-assisted* rate case.

b. Confirm that despite increasing base rates in TPUC Docket No. 24-00073, there was no indication that an increase to IRM's escrow charge was necessary.

RESPONSE:

23. Confirm that the gradual rate increases provided for by IRM's proposed ARM would address the concerns expressed by IRM's customers in response to its most recent rate case regarding significant increases at once.⁹

RESPONSE:

Respectfully submitted,

PHELPS DUNBAR LLP



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Resource Management, Inc.*

⁸ See *Id.* at 6:8-18.

⁹ See TPUC Docket No. 24-00074 for the public comments submitted by the following IRM customers: Mark Kirshe, Beverly Ahn, David and Sheryl Lambdin, Michael Albury, Jeffrey Schmidt, and Laura Earl.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served electronically and by U.S. Mail, First Class, postage prepaid, to the following:

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This the 6th Day of November, 2025.


Charles B. Welch, Jr.