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Charles B. Welch, Jr.
cwelch@farrismathews com

Reply to
Nashville Office

June 30, 2005

2005 JUN 30 PM 2:09

Chairman Pat Miller
Attn: Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

VIA HAND DELIVERY

RE: Responses to Data Requests (IRM Utility, Inc. Petition to amend Certificate of Convenience and Necessity, Docket No. 05-00055)

Dear Chairman Miller:

Please find enclosed an original and 13 copies of the above referenced responses. Please date and stamp a copy for our records.

Thank you for your assistance regarding this matter. If you have any questions, or if I may be of further assistance, please do not hesitate to contact me.

Very truly yours,

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC

Kristi Stout

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE:	)	
PETITION OF IRM UTILITY, INC. TO AMEND	)	
CERTIFICATE OF CONVENIENCE AND	)	**DOCKET NO. 05-00055**
NECESSITY TO SERVE AN AREA IN SEVIER	)	
COUNTY, TENNESSEE KNOWN AS	)	
STERLING SPRINGS SUBDIVISION	)	

RESPONSES TO TENNESSEE REGULATORY AUTHORITY'S DATA REQUESTS

IRM Utility, Inc., ("IRM"), by and through undersigned counsel of record, hereby provides the following responses to the Tennessee Regulatory Authority's Data Requests:

1. A description of the service IRM proposes to render.

ANSWER: IRM proposes to provide wastewater treatment services to serve 45 residential lots that will serve as vacation style cabins for seasonal occupation, permanent residents, and rental programs.

2. The engineering and construction plans for the proposed area.

ANSWER: The engineering and construction plans are in the final stages of preparation. These responses will be supplemented upon their completion.

3. An estimate of the number of customers to be served initially and any estimates for growth for the first five years. Please include a breakdown of the class of customers served (residential, commercial, apartments, recreational, institutional, etc.).

ANSWER: No customers will be serviced immediately. It is estimated at final build-out that twenty percent (20%) or eight (8) will be full time residences, twenty percent (20%) or eight (8) will be only occupied a part or the year as a vacation home, and sixty percent (60%) or twenty-four (24) will be on local rental programs.

The estimate for the growth for the first five years is as follows:

Year Number	New Customers	Total Customers
1	8	8
2	12	20
3	12	32
4	5	37
5	5	42

4. Financial statements for IRM Utility, Inc. for the most recent twelve (12) months.

ANSWER: The annual report for IRM Utility, Inc. was submitted to the TRA as of April 1, 2005 and is attached as Exhibit A. Also included as Exhibit B, is a financial statement prepared by the accounting firm of Cherry Bekaert and Holland.

5. A detailed estimate of the cost of construction of the system which should include all capitalized costs (construction, engineering, legal, administrative, etc.)

ANSWER: IRM Utility, Inc. will not supply the costs for the infrastructure of the system. This is managed by the developers and owners of the property, and IRM Utility, Inc. is not privileged to these costs.

6. A pro forma statement of the cost of operating the system and estimated revenues for the first five years.

ANSWER: Please see the financial statement prepared by the accounting firm of Cherry Bekaert and Holland and attached as Exhibit B.

7. The proposed depreciation rates including the estimated useful life of all treatment plant and facilities.

ANSWER: Many of the plastic and fiberglass tanks are warranted for 30 years. Components of the treatment system are warranted from ten to twenty years. Most of the small component parts, which comprise only a minimal part of the overall cost of the system, will not

need to be replaced within the initial five years. It is estimated that a reasonable depreciation would be twenty years.

8. Who will own the facility upon completion of installation? Provide copies of contracts between IRM and the owner of the facility.

ANSWER: Upon completion of the installation of the facility, the Services Agreement Contract, attached as Exhibit C, designates IRM Utility, Inc. as the owner of the facility.

9. Has the permit application for Sterling Springs subdivision been filed with the Tennessee Department of Environment and Conservation? What is the status? If the permit has been received, please provide the number.

ANSWER: The permit application has not yet been filed with the Tennessee Department of Environment and Conservation. However, the engineering plans are currently being submitted for approval and it is estimated that the State Operating Permit application will be submitted within two weeks from the date of these responses. The waste water system proposed to be used in this service area utilizes the same technology as prior approved IRM projects. The standardized design has been chosen to create familiarity between the systems IRM Utility, Inc. operates. This system is cost effective with other alternative systems in the industry.

10. A detailed map of the utility service area.

ANSWER: Please see Exhibit D for a map of the utility service area.

11. Please provide evidence that the utility owns the land has a long-term lease or a written easement where the wastewater facilities are locate.

ANSWER: The subdivision plat is currently being drafted and will be produced as a supplement to these responses upon completion. The plat will be recorded at the Sevier County Courthouse and will indicate any easements and the dedication statement specifying the owners.

Additionally, the contract, attached as Exhibit C, indicates the agreement between the owners and IRM Utility, Inc.

Respectfully submitted,

FARRIS MATHEWS BRANAN
BOBANGO HELLEN & DUNLAP, PLC

Charles B. Welch, Jr.
Kristi Stout
618 Church Street, Suite 300
Nashville, TN 37219
Tel: (615) 726-1200
Fax: (615) 726-1776

Attorneys for Petitioners

TABLE OF CONTENTS OF EXHIBITS
(STERLING SPRINGS SUBDIVISION)

Exhibit A – Annual Report

Exhibit B – Financial Statement prepared by Cherry Bekaert and Holland

Exhibit C – Services Agreement Contract

Exhibit D – Map of the Utility Service Area

EXHIBIT A

TENNESSEE REGULATORY AUTHORITY

P.O. Box 198907
NASHVILLE, TENNESSEE 37219-8907

Pat Miller, Chairman
Deborah Taylor Tate, Director
Sara Kyle, Director
Ron Jones, Director

February 10, 2005

Company ID. 128825
Integrated Resource Management Utility, Inc
P o. Box 642
3444 Saint Andrews Drive
White Pine, TN 37890-

Dear Sir / Madam:

The enclosed Statement of Gross Earnings and Computation of Inspection Fee (Form UD-20) for the year ended December 31, 2004, is due to the Authority, together with payment of the appropriate inspection fee, **on or before April 1, 2005**. Please remit the same to the following:

TENNESSEE REGULATORY AUTHORITY
P. O. Box 198907
Nashville, TN 37219-8907

If the Company is required to file an annual report with the TRA and the intrastate gross earnings reported on this statement do not correspond to the intrastate gross revenues reported on the annual report filed, please attach a reconciliation of the two amounts and forward it to this office together with the Form UD-20. **As a reminder, Tenn. Code Ann. § 65-4-308 provides for a penalty of 10% per month, or fraction thereof, for fees not received by April 1st.**

Should you have any questions concerning the statement or computation of the inspection fee, I can be reached at (615) 741-2904, extension 145.

Sincerely,

Laura J. Foreman

Laura J. Foreman, CPA
Fiscal Officer

Enclosures

Telephone (615) 741-2904, Toll-Free 1-800-342-8359, Facsimile (615) 741-5015
www.state.tn.us/tra

CLIENTS COPY

Form UD-20

TENNESSEE REGULATORY AUTHORITY
STATEMENT OF GROSS EARNINGS AND COMPUTATION OF INSPECTION FEE
DUE DATE: April 1, 2005

Company Id: 128825
Integrated Resource Management Utility, Inc

State the gross receipts from all sources of the utility for the Calendar Year 20043 as provided by Tenn Code Ann § 65-4-303:

Gross Receipts.	Entire Company	Tennessee
Energy & Water:		
Gas Revenues	$	$
Electric Revenues		
Water Revenues	8,316	8,316
Miscellaneous		
Less Uncollectibles		
TOTAL REVENUES	$ 8,316	$ 8,316

COMPUTATION OF FEE

1 Tennessee Intrastate Gross Receipts	$ 8,316
2. Less Exemptions	5,000 00
3. Net Intrastate Gross Receipts (Line 1 - Line 2)	3,316
4 3% x First $1,000,000 or line 3, if smaller	9
5 .2% x All over $1,000,000	
6 **Total Inspection Fee** (Line 4 + Line 5) or **Minimum Fee of $100 (whichever is greater)**	$ 100

I, the undersigned owner, president, or secretary of the above named public utility, doing business in the State Tennessee and subject to the control and jurisdiction of the Tennessee Regulatory Authority, for the purpose of paying the State of Tennessee, as provided by Tenn Code Ann. § 65-4-301 et seq., a fee for the inspection, control and supervision of the business, service, and rates of said public utility, being first duly sworn, on oath, state that the above figures accurately state the gross receipts from all sources of the utility for the Year 2004, and the inspection fee computed therefrom.

NAME Jeffrey W. Cox (Please Print) SIGNATURE

TITLE President TELEPHONE (865) 674-0828

Sworn to and subscribed to before me this ___ day of ___, 2005.

NOTARY PUBLIC ___ My Commission Expires ___

NOTE: A PENALTY OF 10% PER MONTH OR A FRACTION THEREOF, PURSUANT TO TENN. CODE ANN. § 65-4-308 WILL BE ASSESSED FOR LATE PAYMENT IF NOT PAID ON OR BEFORE APRIL 1st.

PS0368

OFFICE COPY

STATE OF TENNESSEE

COUNTY OF ..... Knox

We the undersigned President
and
of IRM Utility, Inc

on our oath do severally say that the foregoing return has been prepared, under our direction, from the original books, papers and records of said utility; that we have carefully examined the same, and declare the same to be a correct statement of the business and affairs of said utility for the period covered by the return in respect to each and every matter and thing therein set forth, to the best of our knowledge, information and belief.

(Chief Officer)

(Officer in charge of accounts)

Subscribed and sworn to before me this. .
day of .. ..
....
Notary Public, ... Co
My commission will expire..... .
. ...
(Seal)

TABLE OF CONTENTS

AFFIDAVIT - First page of this Report

FINANCIAL SECTION

Identification and ownership	F-2
Officers & Managers	F-2
Income Statement	F-3
Comparative Balance Sheet	F-4
Net Utility Plant	F-5
Accumulated Depreciation & Amortization of Utility Plant	F-5
Capital Stock	F-6
Retained Earnings	F-6
Proprietary Capital	F-6
Long-Term Debt	F-6
Taxes Accrued	F-7
Payments For Services Rendered By Other Than Employees	F-7
Contributions In Aid Of Construction	F-8
Additions To Contributions In Aid Of Construction (Credits)	F-8

WATER SECTION

Water Utility Plant Accounts	W-1
Analysis Of Accumulated Depreciation By Primary Account	W-2
Water Operation & Maintenance Expense	W-3
Water Customers	W-3
Pumping & Purchased Water Statistics	W-4
Sales For Resale	W-4
Wells & Well Pumps	W-5
Reservoirs	W-5
High Service Pumping	W-5
Source Of Supply	W-6
Water Treatment Facilities	W-6
Other Water System Information	W-6

SEWER SECTION

Sewer Utility Plant Accounts	S-1
Analysis Of Accumulated Depreciation By Primary Account	S-2
Sewer Operation & Maintenance Expense	S-3
Sewer Customers	S-3
Pumping Equipment	S-4
Service Connections	S-4
Collecting Mains, Force Mains, & Manholes	S-4
Treatment Plant	S-5
Master Lift Station Pumps	S-5
Other Sewer System Information	S-5

SUPPLEMENTAL FINANCIAL DATA

Rate Base	SU-1
Adjusted Net Operating Income	SU-1

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
IRM Utility, Inc	(1) X An Original (2) ___ A Resubmission	4-1-05	12 31 04

IDENTIFICATION & OWNERSHIP

Report of IRM Utility, Inc
(REPORT THE EXACT NAME OF UTILITY)

Located at P O Box 642
White Pine, TN 37890

Year Ended: 12-31-04

Date Utility was Originally Organized:
8-7-03

Location of Office Where Accounts and Records are Kept:
3444 Saint Andrews Drive
Baneberry, TN 37890

Give the Name,Title,&Office Address of the Officer of the Utility to Whom Correspondence Should be Addressed Con
Jeffrey W Cox, President Telephone: (865) 674-0828

OFFICERS & MANAGERS

NAME	TITLE	SALARY
Jeffrey W Cox	President	0
Marian Cox	Secretary	0

OWNERSHIP

Report every corporation or individual owning or holding directly or indirectly 5 percent or more of the voting securities the reporting utility.

Name	Address	Percent Ownership In Utility	Salary Charged Utility	Meetings Attended During Year
(a)	(b)	(c)	(d)	(e)
Jeffrey W Cox	Baneberry, TN		0	
W Scott Williams	Knoxville, TN		0	
Thomas C Petty, Jr	Nashville, TN		0	

Name of Respondent	This Report is:	Date of Report	Year of Report
IRM Utility, Inc.	(1) _X_ An Original (2) A Resubmission	(Mo, Da, Yr) 4 1 05	12-31-04

INCOME STATEMENT

	Account Name (a)	Ref Page (b)	Water (c)	Sewer (d)	Other (e)	Total (f)
7	**Gross Revenue:**					
8	Residential		-	-	-	
9	Commercial			8,316	-	8,316
10	Industrial			-	-	-
11	Multi-Family			-	-	-
12	Other (Please Specify)		-		-	-
13	Other (Please Specify)		-	-		-
14	Other (Please Specify)		-	-	-	
15	Other (Please Specify)		-	-	-	-
16	**Total Gross Revenue**			8,316		8,316
17						
18						
19						
20	Operation & Maint. Expense	W3/S3	-	6,660	-	6,660
21	Depreciation Expense	F-5	-	-	-	-
22	Amortization Expense			-	-	-
23	Accounting expense		-		-	-
24	Legal expense		-		-	-
25	Taxes Other Than Income	F-7	-		-	-
26	Income Taxes	F-7	-	-	1,466	1,466
27	**Total Operating Expenses**			6,660	1,466	8,126
28						
29						
30						
31	**Net Operating Income**			1,656	(1,466)	190
32						
33						
34						
35	**Other Income:**					
36	Nonutility Income		-	-	-	-
37	Interest Income		-	-	494	494
38	Development/ Consulting Fees		-		39,736	39,736
39	Other (Please Specify)		-		-	-
40	Other (Please Specify)		-	-	-	-
41	**Total Other Income**				40,230	40,230
42						
43						
44						
45	**Other Deductions:**					
46	Misc. Nonutility Expenses		-	-	2,347	2,347
47	Utilities		-	-	1,415	1,415
48	Interest Expense		-	-	2,148	2,148
49	Professional Services		-	-	9,585	9,585
50	Supplies		-	-	3,497	3,497
51	**Total Other Deductions**				18,992	18,992
52						
53						
54						
55	**Net Income**			1,656	19,772	21,428

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
IRM Utility, Inc	(1) _X An Original (2) ___ A Resubmission	4-1-05	12-31-04

COMPARATIVE BALANCE SHEET

Account Name (a)	Ref Page (b)	Current Year (c)	Previous Year (d)
ASSETS			
Utility Plant in Service (101-105)	F5/W1/S1	0	0
Accum Depreciation and Amortization (108)	F5/W2/S2	0	0
Net Utility Plant		0	0
Cash		25,684	60
Customer Accounts Receivable (141)		968	1,310
Certificates of Deposit		46,308	45,855
Other Assets (Please Specify)		0	0
Other Assets (Please Specify)		0	0
Other Assets (Please Specify)		0	0
Total Assets		72,960	47,225
LIABILITIES AND CAPITAL			
Common Stock Issued (201)	F-6	1 000	1,000
Preferred Stock Issued (204)	F-6	0	0
Other Paid-In Capital (211)		0	0
Retained Earnings (215)	F-6	6,528	182
Capital (Proprietary & Partnership-218)	F-6	0	0
Total Capital		7,528	1,182
Long-Term Debt (224)	F-6	45,000	44,969
Accounts Payable (231)		513	0
Notes Payable (232)		0	0
Customer Deposits (235)		180	0
Accrued Taxes (236)		1,466	0
Loans payable - related parties		18,273	1,074
Other Liabilities (Please Specify)		0	0
Other Liabilities (Please Specify)		0	0
Other Liabilities (Please Specify)		0	0
Other Liabilities (Please Specify)		0	0
Advances for Construction		0	0
Contributions In Aid Of Const -Net (271-2)	F-8	0	0
Total Liabilities		65,432	46,043
Total Liabilities & Capital		72,960	47,225

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
IRM Utility, Inc	(1) _X_ An Original (2) ___ A Resubmission	4-1-05	12-31-04

NET UTILITY PLANT

Plant Accounts (101-107) Inclusive (a)	Water (c)	Sewer (d)	Other (e)	Total (f)
Utility Plant in Service (101)	0	0	0	0
Construction Work in Progress (105)	0	0	0	0
Other (Please Specify)	0	0	0	0
Other (Please Specify)	0	0	0	0
Other (Please Specify)	0	0	0	0
Other (Please Specify)	0	0	0	0
Other (Please Specify)	0	0	0	0
Other (Please Specify)	0	0	0	0
Total Utility Plant	0	0	0	0

ACCUMULATED DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Account 108 (a)	Water (c)	Sewer (d)	Other (e)	Total (f)
Balance First of Year	0	0	0	0
Credits During Year:				
Accruals charged to Depreciation Account	0	0	0	0
Salvage	0	0	0	0
Other Credits (Please Specify):	0	0	0	0
Other Credits (Please Specify):	0	0	0	0
Other Credits (Please Specify):	0	0	0	0
Other Credits (Please Specify)	0	0	0	0
Total Credits	0	0	0	0
Debits During Year:				
Book/Historical Cost of Plant Retired	0	0	0	0
Cost of Removal	0	0	0	0
Other Debits (Please Specify)	0	0	0	0
Other Debits (Please Specify).	0	0	0	0
Other Debits (Please Specify)	0	0	0	0
Other Debits (Please Specify)	0	0	0	0
Total Debits	0	0	0	0
Balance End of Year	0	0	0	0

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
IRM Utility, Inc.	(1) X_ An Original (2) ___ A Resubmission	4-1-05	12-31-04

CAPITAL STOCK (201 - 204)

(a)	Common Stock (b)	Preferred Stock (c)
Par or stated value per share	1	-
Shares Authorized	2,000	-
Shares issued and outstanding	1,000	-
Total par value of stock issued	1,000	-
Dividends declared per share for year	0	0

RETAINED EARNINGS (215)

(a)	Appropriated (b)	Unappropriated (c)
Balance first of year	-	182
Changes during year NET INCOME/(NET LOSS)	-	21,428
Changes during year PRIOR YR ADJUSTMENTS (nonutility)	-	(15,082)
Changes during year (Please Specify)	-	-
Changes during year (Please Specify)		-
Changes during year (Please Specify)	-	-
Changes during year (Please Specify)	-	
Balance end of year	[illegible]	6,528

PROPRIETARY CAPITAL (218)

NONE (a)	Proprietor (b)	Partner (c)
Balance first of year	-	
Changes during year (Please Specify)	-	-
Changes during year (Please Specify)	-	-
Changes during year (Please Specify)	-	-
Changes during year (Please Specify)	-	-
Changes during year (Please Specify)		-
Changes during year (Please Specify)	-	
Balance end of year	[illegible]	[illegible]

LONG-TERM DEBT (224)

Obligation including Issue & Maturity Dates NONE (a)	Interest Rate (b)	Year End Balance (c)
Debt #1	5.00%	45,000.00
Debt #2	4.00%	-
Debt #3	0.00%	-
Debt #4	0.00%	-
Debt #5	0.00%	-
Debt #6	0.00%	-
Debt #7	0.00%	-
Debt #8	0.00%	-
Debt #9	0.00%	-
Debt #10	0.00%	
Debt #11	0.00%	-
Debt #12	0.00%	-
Total Long-Term Debt		45,000

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
IRM Utility, Inc	(1) _X_ An Original (2) ___ A Resubmission	4-1-05	12-31 04

TAXES ACCRUED (236)

Description (a)	Water (b)	Sewer (c)	Other (d)	Total (e)
Balance First of year	-		-	0
Accruals Charged:				
Federal Income Tax	-		1,466	1,466
Local Property tax	-	-	-	0
State ad valorem tax	-	-	-	0
TN State Sales Tax	-	-	-	0
Regulatory Assessment Fee		-		0
Payroll Tax		-		0
	-	-	-	0
Other Taxes (Please Specify)	-		-	0
Total Taxes Accrued	0	0	1,466	1,466
Taxes Paid				
Federal Income Tax	-	-		0
Local Property tax		-		0
State ad valorem tax		-	-	0
TN State Sales Tax	-	-	-	0
Regulatory assessment fee	-		-	0
Payroll Tax	-		-	0
	-	-	-	0
Other Taxes (Please Specify)	-	-	-	0
Total Taxes Paid	0	0	0	0
Balance End of Year	0	0	1,466	1,466

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all info concerning rate, management, construction, advertising, labor relations, or other professional services rendered to the Utility for which total payments during the year to any Corp, Ptnshp, indiv, or organization of any kind, amounted to $500 or more.

Name of Recipient	Amount	Description of Service

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
IRM Utility, Inc.	(1) _X_ An Original (2) ___ A Resubmission	4 1-05	12-31-04

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

Description (a)	Water (b)	Sewer (c)	Total (d)
Balance First of Year	-	-	-
Add Credits During Year	-		-
Less Charges During Year	-	-	-
Balance End of Year	0	0	0
Less Accumulated Amortization	-	-	
Net Contributions in Aid of Construction	0	0	0

ITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements fr which cash or property was received during the year (a)	Indicate "Cash" or "Property" (b)	Water (c)	Sewer (d)
Contractor or Developer #1		-	-
Contractor or Developer #2		-	-
Contractor or Developer #3		-	-
Contractor or Developer #4		-	-
Contractor or Developer #5		-	-
Contractor or Developer #6		-	-
Contractor or Developer #7		-	-
Contractor or Developer #8		-	-
Contractor or Developer #9			
Contractor or Developer #10		-	-
Contractor or Developer #11		-	-
Contractor or Developer #12			
Contractor or Developer #13		-	-
Contractor or Developer #14		-	-
Contractor or Developer #15			-
Contractor or Developer #16			
Contractor or Developer #17		-	-
Contractor or Developer #18		-	-
Contractor or Developer #19		-	-
Contractor or Developer #20		-	-
Contractor or Developer #21		-	-
Contractor or Developer #22		-	
Contractor or Developer #23		-	
Contractor or Developer #24		-	-
Contractor or Developer #25			-
Contractor or Developer #26			
Contractor or Developer #27		-	-
Contractor or Developer #28		-	-
Contractor or Developer #29			
Contractor or Developer #30		-	-
Total Credits During Year		0	0

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
IRM Utility, Inc.	(1) X An Original (2) A Resubmission	4-1-05	4-1-05

SEWER UTILITY PLANT ACCOUNTS

Acct No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization	-		-	-
352	Franchises	-		-	-
353	Land & Land Rights	-	-	-	
354	Structures & Improvements		-	-	-
360	Collection Sewers - Force		-	-	
361	Collection Sewers - Gravity	-	-		-
362	Special Collecting Structures	-	-	-	-
363	Services to Customers	-		-	-
364	Flow Measuring Devices	-		-	
365	Flow Measuring Installations		-	-	
370	Receiving Wells		-		-
371	Pumping Equipment	-		-	-
380	Treatment & Disposal Equipment	-	-	-	
381	Plant Sewers	-	-	-	-
382	Outfall Sewer Lines	-	-	-	-
389	Other Plant & Miscellaneous Equipment	-	-	-	-
390	Office Furniture & Equipment		-	-	-
391	Transportation Equipment	-	-		-
392	Stores Equipment	-	-	-	-
393	Tools, Shop & Garage Equipment	-		-	-
394	Laboratory Equipment	-		-	
395	Power Operated Equipment	-	-	-	-
396	Communication Equipment	-	-	-	-
397	Miscellaneous Equipment	-	-		-
398	Other Tangible Plant	-	-	-	-
	Total Sewer Plant				

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
JRM Utility, Inc	(1) _X_ An Original (2) ___ A Resubmission	4-1-05	12-31-04

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - SEWER

Account Number (a)	Account (b)	Average Service Life in Years (c)	Average Salvage Value in Percent (d)	Depreciation Rate Applied* (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accumulated Depreciation Balance End of Year (i)
354	Structures & Improvements	-	0.00%	0.00%	-	-	-	-
360	Collection Sewers - Force	-	0.00%	0.00%	-	-	-	-
361	Collection Sewers - Gravity	-	0.00%	0.00%	-	-	-	-
362	Special Collecting Structures	-	0.00%	0.00%	-	-	-	-
363	Services to Customers	-	0.00%	0.00%	-	-	-	-
364	Flow Measuring Devices	-	0.00%	0.00%	-	-	-	-
365	Flow Measuring Installations	-	0.00%	0.00%	-	-	-	-
370	Receiving Wells	-	0.00%	0.00%	-	-	-	-
371	Pumping Equipment	-	0.00%	0.00%	-	-	-	-
380	Treatment & Disposal Equipment	-	0.00%	0.00%	-	-	-	-
381	Plant Sewers	-	0.00%	0.00%	-	-	-	-
382	Outfall Sewer Lines	-	0.00%	0.00%	-	-	-	-
389	Other Plant & Miscellaneous Equipment	-	0.00%	0.00%	-	-	-	-
390	Office Furniture & Equipment	-	0.00%	0.00%	-	-	-	-
391	Transportation Equipment	-	0.00%	0.00%	-	-	-	-
392	Stores Equipment	-	0.00%	0.00%	-	-	-	-
393	Tools, Shop & Garage Equipment	-	0.00%	0.00%	-	-	-	-
394	Laboratory Equipment	-	0.00%	0.00%	-	-	-	-
395	Power Operated Equipment	-	0.00%	0.00%	-	-	-	-
396	Communication Equipment	-	0.00%	0.00%	-	-	-	-
397	Miscellaneous Equipment	-	0.00%	0.00%	-	-	-	-
398	Other Tangible Plant	-	0.00%	0.00%	-	-	-	-
	Totals				0	0	0	0

*State basis used for percetages used in schedule

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
TRM Utility, Inc.	(1) _X_ An Original (2) ___ A Resubmission	4 1 05	12 31-04

SEWER OPERATION & MAINTENANCE EXPENSE

N/A

Acct No.	Description (a)	Amount (b)
701	Salaries & Wages - Employees	-
703	Salaries & Wages - Officers, Directors & Stockholders	-
704	Employee Pensions & Benefits	-
710	Purchased Sewage Treatment	-
711	Sludge Removal Expense	480
715	Purchased Power	
716	Fuel for Power Production	-
718	Chemicals	-
720	Materials & Supplies	960
730	Contractual Services	5,220
740	Rents	
750	Transportation Expense	-
755	Insurance Expense	-
765	Regulatory Commission Expense	-
770	Bad Debt Expense	
775	Miscellaneous Expenses	
	Total Sewer Operation & Maintenance Expense	6,660

SEWER CUSTOMERS

Description (a)	Customers First of Year (b)	Additions (c)	Disconnections (d)	Customers End of Year (e)
Metered Customers:				
5/8 Inch	-		-	-
3/4 Inch	-		-	-
1 0 Inch	-	-	-	-
1 5 Inch		-	-	
2.0 Inch	-	-	-	-
2 5 Inch	-	-		-
3 0 Inch	-	-		-
4 0 Inch	-	-		-
6 0 Inch	-	-	-	-
8 0 Inch	-	-		-
Other (Please Specify)	-	-		-
Other (Please Specify)	-	-		-
Other (Please Specify)	-	-		-
Unmetered Customers	2	1		3
Total Customers	2	1	0	3

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
IRM Utility, Inc.	(1) X An Original (2) ___ A Resubmission	4-1-05	12-31-04

PUMPING EQUIPMENT

Description*** (a)	Lift Station #1 (b)	Lift Station #2 (c)	Lift Station #3 (d)	Lift Station #4 (e)
Make, Model, or Type of Pump				
Year Installed				
Rated Capacity (GPM)				
Size (HP)				
Power (Electric/Mechanical)				
Make, Model or Type of Motor				

SERVICE CONNECTIONS

Description*** (a)	Service Connection #1 (b)	Service Connection #2 (c)	Service Connection #3 (d)	Service Connection #4 (e)
Size (Inches)	4.0			
Type (PVC, VCP, etc)	PVC			
Average Length (Feet)	35			
Connections-Beginning of Year	2	-	-	-
Connections-Added during Year	1	-	-	
Connection-Retired during Year	-	-	-	-
Connections-End of Year	3	0	0	0
Number of Inactive Connections	-			-

COLLECTING MAINS, FORCE MAINS, & MANHOLES

Description (a)	Collecting Mains (b)	Force Mains (c)	Manholes (d)
Size (Inches)			
Type			
Length/Number-Beginning of Year	-	-	-
Length/Number-Added During Year			-
Length/Number-Retired During Year	-	-	-
Length/Number-End of Year	0	0	0

***If more space is needed to list equipment please attach additional sheets as necessary.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
IRM Utility, Inc	(1) X An Original (2) ___ A Resubmission	4-1 05	12-31-04

TREATMENT PLANT

Description*** (a)	Treatment Facility #1 (b)	Treatment Facility #2 (c)	Treatment Facility #3 (d)	Treatment Facility #4 (e)
Manufacturer				
Type				
Steel or Concrete				
Total Capacity				
Average Daily Flow				
Effluent Disposal				
Total Gallons of Sewage Treated				

MASTER LIFT STATION PUMPS

Description*** (a)	Master Pump #1 (b)	Master Pump #2 (c)	Master Pump #3 (d)	Master Pump #4 (e)
Manufacturer				
Capacity (GPM)				
Size (HP)				
Power (Electric/Mechanical)				
Make, Model, or Type of Motor				

OTHER SEWER SYSTEM INFORMATION

Present Number of Equivalent Residential Customer's * being served	
Maximum Number of Equivalent Residential Customer's * that the system can efficiently serve	
Estimated Annual Increase in Equivalent Residential Customers *	

* Equivalent Residential Customers = (Total Gallons Treated / 365 Days) / 2/5 Gallons Per Day.
Total Gallons Treated includes both sewage treated and purchased sewage treatment.

State any plans and estimated completion dates for any enlargements of this system:

If the present systems do not meet environmental requirements, please submit the following

A An evaluation of the present plant or plants in regard to meeting the requirements

B Plans for funding and construction of the required upgrading.

C. The date construction will begin

What is the percent of the certificated area that have service connections installed?

100%

***If more space is needed to list equipment please attach additional sheets as necessary

W 1

Name of Respondent	This Report is:	Date of Report	Year of Report
IRM Utility, Inc.	(1) _X_ An Original (2) ___ A Resubmission	(Mo, Da, Yr) 4-1-05	12-31-04

WATER UTILITY PLANT ACCOUNTS

Acct No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization		-	-	0
302	Franchises	-	-		0
303	Land & Land Rights	-	-	-	0
304	Structures & Improvements	-	-	-	0
305	Collecting & Impounding Reservoirs	-	-		0
306	Lake, River & Other Intakes	-	-		0
307	Wells & Springs	-		-	0
308	Infiltration Galleries & Tunnels	-	-	-	0
309	Supply Mains	-	-	-	0
310	Power Generation Equipment	-		-	0
311	Pumping Equipment	-	-	-	0
320	Water Treatment Equipment	-	-	-	0
330	Distribution Reservoirs & Standpipes	-	-	-	0
331	Transmission & Distribution Mains		-		0
333	Services	-		-	0
334	Meters & Meter Installations	-	-	-	0
335	Hydrants	-	-		0
339	Other Plant & Miscellaneous Equipment	-	-	-	0
340	Office Furniture & Equipment	-	-	-	0
341	Transportation Equipment	-	-	-	0
342	Stores Equipment	-	-	-	0
343	Tools, Shop & Garage Equipment	-		-	0
344	Laboratory Equipment	-	-	-	0
345	Power Operated Equipment		-	-	0
346	Communication Equipment	-		-	0
347	Miscellaneous Equipment	-	-	-	0
348	Other Tangible Plant	-	-	-	0
	Total Water Plant	[illegible]	[illegible]	[illegible]	[illegible]

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
IRM Utility, Inc	(1) _X_ An Original (2) ___ A Resubmission	4-1-05	12-31-04

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

Account Number (a)	Account (b)	Average Service Life in Years (c)	Average Salvage Value in Percent (d)	Depreciation Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accumulated Depreciation Balance End of Year (i)
304	Structures & Improvements	-	0.00%	0.00%	-	-	-	-
305	Collecting & Impounding Reservoirs	-	0.00%	0.00%	-	-	-	-
306	Lake River & Other Intakes	-	0.00%	0.00%	-	-	-	-
307	Wells & Springs	-	0.00%	0.00%	-	-	-	-
308	Infiltration Galleries & Tunnels	-	0.00%	0.00%	-	-	-	-
309	Supply Mains	-	0.00%	0.00%	-	-	-	-
310	Power Generating Equipment	-	0.00%	0.00%	-	-	-	-
311	Pumping Equipment	-	0.00%	0.00%	-	-	-	-
320	Water Treatment Equipment	-	0.00%	0.00%	-	-	-	-
330	Distribution Reservoirs & Standpipes	-	0.00%	0.00%	-	-	-	-
331	Transmission & Distribution Mains	-	0.00%	0.00%	-	-	-	-
333	Services	-	0.00%	0.00%	-	-	-	-
334	Meter & Meter Installations	-	0.00%	0.00%	-	-	-	-
335	Hydrants	-	0.00%	0.00%	-	-	-	-
339	Other Plant & Miscellaneous Equipment	-	0.00%	0.00%	-	-	-	-
340	Office Furniture & Equipment	-	0.00%	0.00%	-	-	-	-
341	Transportation Equipment	-	0.00%	0.00%	-	-	-	-
342	Stores Equipment	-	0.00%	0.00%	-	-	-	-
343	Tools, Shop & Garage Equipment	-	0.00%	0.00%	-	-	-	-
344	Laboratory Equipment	-	0.00%	0.00%	-	-	-	-
345	Power Operated Equipment	-	0.00%	0.00%	-	-	-	-
346	Communication Equipment	-	0.00%	0.00%	-	-	-	-
347	Miscellaneous Equipment	-	0.00%	0.00%	-	-	-	-
348	Other Tangible Plant	-	0.00%	0.00%	-	-	-	-
	Totals							

*State basis used for percetages used in schedule.

Thursday, June 30, 2005 8:10 AM Jeffrey W. Cox, Sr 865-674-2552 p.06

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
IRM Utility, Inc	(1) X An Original (2) A Resubmission	4-1-05	12-31-04

WATER OPERATION & MAINTENANCE EXPENSE

Acct No.	Description (a)	Amount (b)
601	Salaries & Wages - Employees	-
603	Salaries & Wages - Officers, Directors & Stockholders	
604	Employee Pensions & Benefits	-
610	Purchased Water	-
615	Purchased Power	-
616	Fuel for Power Production	-
618	Chemicals	-
620	Materials & Supplies	-
630	Contractual Services	-
640	Rents	-
650	Transportation Expense	-
655	Insurance Expense	-
665	Regulatory Commission Expense	
670	Bad Debt Expense	-
672	Miscellaneous Expenses	-
	Total Water Operation & Maintenance Expense	0

WATER CUSTOMERS

Description (a)	Customers First of Year (b)	Additions (c)	Disconnections (d)	Customers End of Year (e)
Metered Customers:				
5/8 Inch	-	-	-	-
3/4 Inch	-	-	-	-
1.0 Inch		-		-
1.5 Inch		-	-	-
2.0 Inch	-	-	-	-
2.5 Inch	-	-	-	-
3.0 Inch	-	-	-	-
4.0 Inch	-	-	-	-
6.0 Inch	-	-	-	-
8.0 Inch	-	-	-	-
Other (Please Specify)	-	-	-	-
Other (Please Specify)	-	-	-	-
Other (Please Specify)	-	-	-	-
Unmetered Customers	-	-	-	-
Total Customers	0	0	0	0

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
IRM Utility, Inc	(1) _X_ An Original (2) ___ A Resubmission	4-1 05	12 31-04

PUMPING AND PURCHASED WATER STATISTICS

Description (1) (a)	Water Purchased for Resale (b) in thousands	Water Pumped from Wells (c) in thousands	Total Water Pumped and Purchased (d) in millions	Water Sold To Customers (e)
January	-	-	-	-
February		-	-	-
March	-			-
April	-	-	-	-
May	-	-		-
June	-	-	-	-
July	-	-	-	-
August		-	-	-
September	-	-	-	-
October			-	-
November	-	-	-	-
December			-	-
Total for the Year				

SALES FOR RESALE

Indicate below the identity of any utilities or vendors purchasing water for resale

(1) Please state measurement of units sold (i. e gallons)

Name of Respondent	This Report is:	Date of Report	Year of Report
JRM Utility, Inc.	(1) _X_ An Original (2) ___ A Resubmission	(Mo, Da, Yr) 4-1-05	12-31-04

WELLS AND WELL PUMPS

Description*** (a)	Well #1 (b)	Well #2 (c)	Well #3 (d)	Well #4 (e)
Year Constructed				
Type of Well Construction				
Type of Well Casing				
Depth of Well (Feet)				
Diameter of Well (Feet				
Pumping Capacity (GPM)				
Motor Size (HP)				
Yields of Well (GPD)				
Auxilary Power				

RESERVOIRS

Description*** (a)	Reservoir #1 (b)	Reservoir #2 (c)	Reservoir #3 (d)	Reservoir #4 (e)
Construction (Steel, Concrete, Pneumatic)				
Capacity (Gallons)				
Ground or Elevated				

HIGH SERVICE PUMPING

Motor Description*** (a)	Motor #1 (b)	Motor #2 (c)	Motor #3 (d)	Motor #4 (e)
Manufacturer				
Type				
Rated Horsepower				

Pump Description*** (a)	Pump #1 (b)	Pump #2 (c)	Pump #3 (d)	Pump #4 (e)
Manufacturer				
Type				
Capacity in Gallons per Minute				
Average Number of Hours Operated Per Day				
Auxilary Power				

***If more space is needed to list equipment please attach additional sheets as necessary

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
JRM Utility, Inc	(1) _X_ An Original (2) ___ A Resubmission	4 1 05	12-31-04

SOURCE OF SUPPLY

List for each source of supply:

Description	Source #1	Source #2	Source #3	Source #4
Gallons per day of source				
Type of Source				

WATER TREATMENT FACILITIES

List for each water treatment facility:

Description	Facility #1	Facility #2	Facility #3	Facility #4
Type				
Make				
Gallons per day capacity				
Method of Measurement				

OTHER WATER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility.

Present Equivalent Residential Customer's * now being served	
Maximum Equivalent Residential Customer's * that the system can efficiently serve	
Estimated annual increase in Equivalent Residential Customers *	
* Equivalent Residential Customer= (Total Gallons Sold / 365 days) / 350 Gallons Per Day	

List fire fighting facilities and capacities:

_____

_____

List percent of certificated area where service connections are installed

_____

_____

What are the current needs and plans for system upgrading and/or expansion

_____

_____

State the name and address of any engineers that plans for system upgrading and/or expansion have been discussed with

_____

_____

Name of Respondent	This Report is:	Date of Report	Year of Report
IRM Utility, Inc.	(1) X An Original (2) ___ A Resubmission	(Mo, Da, Yr) 4-1-05	12-31-04

SUPPLEMENTAL FINANCIAL DATA TO THE ANNUAL REPORT

Rate Base

3	Additions	
4	Plant In Service	
5	Construction Work in Progress	
6	Property Held For Future Use	
7	Materials & Supplies	
8	Working Capital Allowance	
9	Other Additions Common Plant Alloc from Parent Company	
10	Other Additions (Please Specify)	
11	**Total Additions to Rate Base**	0
12		
13		
14	Deductions:	
15	Accumulated Depreciation	
16	Accumulated Deferred Income Taxes	
17	Pre 1971 Unamortized Investment Tax Credit	
18	Customer Deposits	
19	Contributions in Aid of Construction	
20	Other Deductions (Please Specify)	
21	Other Deductions (Please Specify)	
22	**Total Deductions to Rate Base**	0
23		
24		
25	**Rate Base**	0
26		

Adjusted Net Operating Income

27		
28	Operating Revenues	
29	Residential	
30	Commercial	8,316
31	Industrial	
32	Public Authorities	
33	Multiple Family	
34	Fire Protection	
35	All Other	
36	**Total Operating Revenues**	8,316
37		
38	Operating Expenses	
39	Operation	6,660
40	Depreciation	
41	Amortization	
42	Taxes Other Than Income Taxes	
43	Income Taxes	
44	**Total Operating Expense**	6,660
45		
46	**Net Operating Income**	1,656
47	Other (Please Specify)	
48	Other (Please Specify)	
49	**Adjusted Net Operating Income**	1,656
50		
51	**Rate of Return (Line 49 / Line 25)**	0.00%
52		
53		
54		
55	All amounts should be calculated in a manner consistent with the last Rate Order issued by the Commission for this Company	

EXHIBIT B

Cherry, Bekaert & Holland, L.L.P.
The Firm of Choice.

www.cbh.com

Two Centre Square – Suite 550
625 South Gay Street
Knoxville Tennessee 37902
phone 865 523 3125
fax 865 521 6211

June 29, 2005

Mr Jeffrey W Cox, Sr
IRM Utility, Inc
P O Box 642
White Pine, TN 37890

Dear Jeffrey

Enclosed is a copy of the five-year pro forma for Wild Briar Ridge and Sterling Springs for the benefit of IRM Utility, Inc Also enclosed is a copy of the balance sheet of IRM Utility, Inc as of December 31, 2004 and 2003 We have prepared the pro forma based on your assumptions and past history

Please also note that we expect to reach the stage where we can fund escrow balances in the fourth year of each project The first three years represent the start-up stage for the projects

Please contact me if you have any questions regarding the financial information provided

Sincerely,

CHERRY, BEKAERT & HOLLAND, L L P

A Ted Hotz

A Ted Hotz, CPA
Partner

an independent member of
BAKER TILLY
INTERNATIONAL

Petition of a Wastewater Company, IRM Utility, Inc.,
for a
Certificate of Public Convenience and Necessity
for an Investor Owned Utility

Pro Forma Financial Statements
Residential Service for Sterling
Sevier County

Account No.	Account Description	Year 1	Year 2	Year 3	Year 4	Year 5
521 1	Flat Rate Revenue - Residential Revenues	$ 1,686	$ 5,899	$ 10,955	$ 14,537	$ 16,644
530 1	Guaranteed Revenues - Sewer Access Fees	3,108	2,100	1,092	672	252
536 1	Other Wastewater Revenues - Tap Fees	-	-	-	-	-
536 2	Other Wastewater Revenues - Deposits	480	720	720	300	300
400	Operating Revenues	5,274	8,719	12,767	15,509	17,196
711 6	Sludge Removal Expense - Treat & Disposal	-	-	-	-	-
715 3	Purchased Power	181	720	1,320	1,560	1,680
720 4	Materials and Supplies - Pumping Expenses Mntce	424	444	464	484	524
731 3	Contractual Services - Engineering (Pumping Exp)	530	1,102	1,147	1,193	1,275
732 8	Contractual Services - Accounting	300	320	340	360	400
733 8	Contractual Services - Legal	200	220	240	260	300
734 3	Contractual Services - Management Fees	660	1,180	1,200	1,220	1,240
734 5	Contractual Services - Testing	640	1,280	1,344	1,411	1,482
734 8	Contractual Services - Management Fees	500	870	890	910	930
736 1	Contractual Services - Other (Tap Fee Inspections)	-	-	-	-	-
736 2	Contractual Services - Other (Refund Tap Fees to Developer)	-	-	-	-	-
736 3	Contractual Services - Grounds Maintenance	650	1,300	1,365	1,433	1,505
736 4	Contractual Services - Other	350	600	620	640	660
757 8	Insurance - Liability	425	650	670	690	710
759 8	Insurance - Other (Bonding Cost)	-	-	-	-	-
775 3	Miscellaneous Expenses - Telephone	660	693	728	764	802
775 5	Miscellaneous Expenses - Treat & Disposal	52	54	58	62	66
775 8	Miscellaneous Expenses - A&G	75	100	125	150	175
401	Operating Expenses	5,647	9,533	10,511	11,137	11,749
408 13	Taxes Other than Income - Other Taxes and Licenses	200	200	316	316	302
409 10	Income Taxes - Utility Operating Income	(37)	(66)	126	264	334
	Total Taxes and License Fees	163	134	442	580	636
26	Net Operating Income	$ (536)	$ (948)	$ 1,814	$ 3,792	$ 4,811
27	Cumulative Net Operating Income (Escrow Totals)	$ (536)	$ (1,484)	$ 330	$ 4,122	$ 8,933

	Year 1	Year 2	Year 3	Year 4	Year 5
Tax Calculation					
Ad valorem tax					
Appraised property value (water treatment facilities)	$0	$0	$20,000	$20,000	$20,000
Assessment ratio	40%	40%	40%	40%	40%
Assessed value	$ -	$ -	$ 8,000	$ 8,000	$ 8,000
2003 County tax rate (no city rates apply)	1 45	1 45	1 45	1 45	1 45
Ad valorem tax	$ -	$ -	$ 116	$ 116	$ 116
Franchise tax					
Outstanding capital stock, surplus, and profits	$ -	$ 20,000	$ 20,000	$ 20,000	$ 20,000
State of Tennessee franchise tax rate	0 25	0 25	0 25	0 25	0 25
Franchise tax (minimum of $100)	$ 100	$ 100	$ 100	$ 100	$ 100
Excise tax					
Operating income before excise tax	$ (573)	$ (1,014)	$ 1,940	$ 4,056	$ 5,145
Excise tax rate	6 5%	6 5%	6 5%	6 5%	6 5%
Excise tax	$ (37)	$ (66)	$ 126	$ 264	$ 334
Tennessee Regulatory Assessment Fee					
0 5% of gross receipts or $100 minimum	$ 100	100	100	100	86
Total Taxes	$ 163	$ 134	$ 442	$ 580	$ 636

Petition of a Wastewater Company, IRM Utility, Inc.,
for a
Certificate of Public Convenience and Necessity
for an Investor Owned Utility

IRM Utility, Inc.
Pro Forma Balance Sheets

Line No.	Description	As of Dec 31, 2003	As of Dec 31, 2004
	Assets:		
131 2	Cash on hand	60	25,684
135	Temporary Cash Investments	45,855	46,308
141	Customer Accounts Receivable	1,310	968
	Total current assets	47,225	72,960
101	Utility Plant in Service	-	-
108	Accumulated Depreciation of Utility Plant in Service	-	-
271	Contributions in Aid of Construction	-	-
272	Accumulated Amortization of Contributions in Aid of Construction	-	-
186	Miscellaneous Deferred Debits	-	-
	Total Assets	$ 47,225	$ 72,960
	Liabilities and Stockholders' Equity:		
	Liabilities		
231	Accounts payable	-	513
236	Accrued liabilities	-	1,646
232 1	Loans - related parties	1,074	18,273
224	Long-term debt	44,969	45,000
	Total liabilities	46,043	65,432
	Stockholders' Equity		
201	Common stock, par value $100	1,000	1,000
211	Additional paid-in capital	-	-
215	Retained earnings (beginning of period)	-	182
	Current period net income of commercial properties	182	6,346
215	Retained earnings (end of period)	182	6,528
	Total stockholders equity	1,182	7,528
	Total Liabilities and Stockholders' Equity	$ 47,225	$ 72,960

EXHIBIT C

P.O. Box 642
3444 Saint Andrews Drive
White Pine, Tennessee 37890
Phone (Vol) 674-0828
Facsimile (Vol) 674-2352
Toll Free (877) 746-2910

This Agreement made and entered into this_____day of _____, 2005, by and between IRM Utilities, Inc., a Tennessee Corporation, hereinafter referred to as "Utility" and **Sterling Springs, L.L.C. & Sterling Webb**, hereinafter referred to as "Developer"

For and in consideration of valuable consideration, the receipt of all which is acknowledged, the parties hereto enter into the following agreement:

TERMS

Particularly that the Utility will in the future be responsible for the repair, maintenance, and replacement of the sewage collection, treatment, and disposal system to be installed to serve this development and to maintain the total system, and other good, and the Developer shall install a sewage collection, treatment, and disposal system (hereinafter "System") to serve the **Sterling Springs** Development, hereinafter referred to as the "Development", and shall do so in accordance with those drawings, plans, and specifications as approved by the Utility's engineers or representatives.

The Developer shall provide a Performance Bond, Irrevocable Letter of Credit or appropriate surety for construction of the system. The surety shall be made in the name of the Utility. The amount will be ten% more than a reasonable responsible estimate.

The Developer shall, at its sole expense (including all fees necessary engineering and construction costs), perform all of the necessary work for the

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installation of said System in accordance with the drawings, plans, and specifications referred to hereinbefore.

Construction of the System shall be subject to the supervision and approval of the Utility's engineers and representatives, who shall have a right of inspection throughout the progress of the work. Developer agrees that it shall not backfill soils over or cover any pipe, fittings, or connections until first inspected and approved by the Utility.

For services to be performed by Utility hereunder, the Developer hereby agrees to pay to the Utility a non-refundable amount equal to 10% of the estimated construction cost of the System (hereinafter the "Estimated Compensation Amount").

The Utility will petition the Tennessee Regulatory Authority for a Certificate of Public Convenience and Necessity (CCN) for the Development and apply for approvals from the appropriate Division of the Tennessee Department of Environment and Conservation. The funds paid to the Utility will be used at the discretion of the Utility to perform this function. The funds are non-refundable in the event the petition or approvals are not granted for any reason whatsoever The Utility does not guarantee that a CCN will be granted for the Development. The Utility will be held harmless for any and all prior and future financial obligations the Developer incurs related to this Development.

The Developer shall have the duty to immediately repair, at its own cost and expense, all breaks, leaks, or defects in the System, of any type-whatsoever, which occur within one (1) year from the date the System is accepted by the Utility. In the event that Developer shall fail to make such immediate repairs then the Utility shall be authorized to make such repairs at the sole expense of the Developer

The developer will facilitate and execute Restrictive Covenants and Bi-Laws (Bi-Laws) of the Development that provide or indicate: a service agreement or contract between the owner and the Utility will be required by each homeowner to establish wastewater service, the Utility will charge an initial fee or tap fee and a monthly fee, the fee is to be determined and will be established by a proposal to the Tennessee Regulatory Authority (TRA), and a description of the Septic Tank Effluent Pumping system that is approved by the engineers of the Utility It will be stipulated that only the approved system or equal that is approved by the Utility can be utilized.

Upon the granting of the petition for the Certificate of Convenience and Necessity, the developer will turn over any POA monies that are collected for the purpose of operation of the wastewater system as spelled out in the initial Bi-Laws

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Nothing herein contained shall abridge the Utility's right to extend this System as it deems appropriate.

The Developer hereby represents and warrants that all materials incorporated into the System, and all of its subcontractors, shall be paid for in full upon completion of the installation of the System and that no liens or encumbrances shall remain for the installation of said work

The Developer hereby represents and warrants that the System will be in conformance with the foregoing provisions, and the plans and specifications above mentioned, and that written easements will be provided five feet (5') in width on each side of the center line of all sewers installed hereunder, other than sewers along public right-of-way

It is agreed that the Utility shall have exclusive title and ownership of the System in the subdivision and the Developer shall convey to the Utility, free and clear of all encumbrances The Developer shall, upon request of the Utility, execute and deliver a Deed of Conveyance of of the system, suitably acknowledged for registration

In Witness Whereof, the parties hereto have entered into this agreement as of the day and date first written above

Utility – IRM Utility, Inc	Developer
Scott Williams, VP	President
Name/Title	Name/Title
2/22/05	2-22-05
Date	Date

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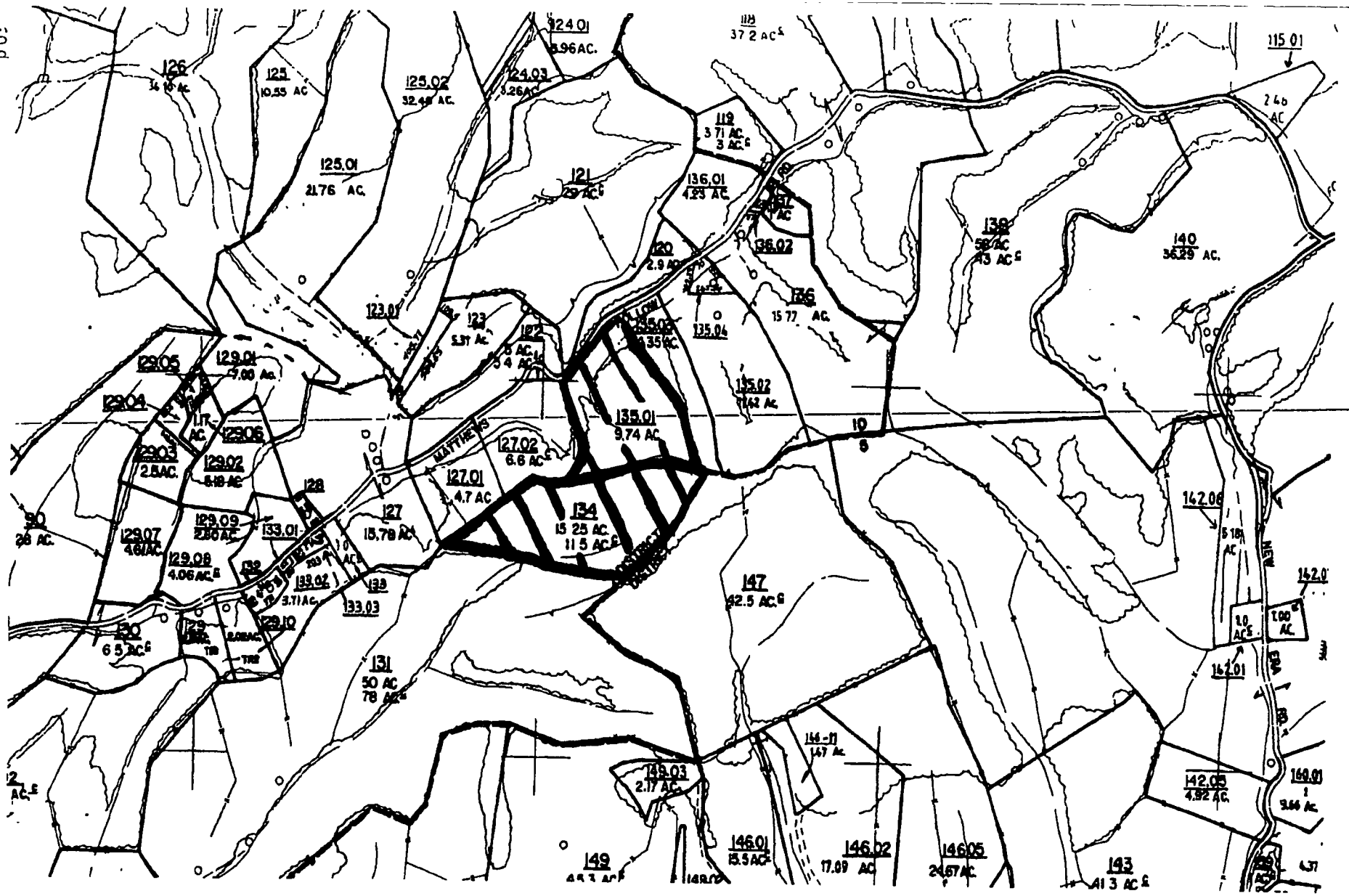
EXHIBIT D

Scott Williams 865-692-9809

Wednesday, December 15, 2004 10 16 AM

12/15/04 WED 10.02 [TX/RX NO 9697]



MAP 60 PAR 134 + 135.01

"Sterling Springs"

Matthews Hollow Rd. Sevier Co.