

DIRECT TESTIMONY

OF

**WILLIAM D. MARR
WATER ENGINEER**

**WATER DEPARTMENT
FINANCIAL ANALYSIS DIVISION
ILLINOIS COMMERCE COMMISSION**

NEW LANDING UTILITY, INC.

PROPOSED GENERAL INCREASE IN WATER AND SEWER RATES

DOCKET NO. 04-0610

JANUARY 21, 2005

1 **WITNESS IDENTIFICATION AND BACKGROUND**

2

3 **Q. Please state your name and business address.**

4 A. My name is William D. Marr. My business address is 527 East Capitol Avenue,
5 Springfield, Illinois 62701.

6

7 **Q. Please describe your present position and its responsibilities.**

8 A. I am presently employed as a Water Engineer in the Water Department of the
9 Financial Analysis Division of the Illinois Commerce Commission (“ICC” or
10 “Commission”). My responsibilities have included reviewing and analyzing tariff
11 filings related to rates, rules, regulations, and conditions of utility service;
12 reviewing requests for declaratory rulings; reviewing applications for certificates
13 of public convenience and necessity; reviewing information regarding the
14 prudence of Qualifying Infrastructure Plant (“QIP”) investment costs; conducting
15 inspections of public water and sewer facilities; evaluating and performing cost of
16 service studies (“COSS”) and rate design; reviewing requests for general
17 increases in rates for water and sewer service; reviewing tariff filings related to
18 purchased water surcharge riders and information sheets; and presenting expert
19 witness testimony at Commission hearings.

20

21 **Q. Please describe your professional experience in the regulatory field.**

22 A. I have been employed by the Commission since January 2, 2003. Prior to this
23 time I worked at the Illinois Environmental Protection Agency (“Illinois EPA”) for

24 ten years as an Environmental Protection Engineer (“EPE”) I, II, and III. My
25 responsibilities as an EPE included the review and issuance of air pollution
26 control permits for the Title V - Clean Air Act Permit Program, the Prevention of
27 Significant Deterioration, and the Major Stationary Sources Construction and
28 Modification for Non-Attainment Area New Source Review; the review and
29 approval of Best Available Control Technology and Lowest Achievable Emission
30 Rate determinations; the review and approval of Emissions Reduction Market
31 System baseline emissions determinations; the review and approval of Emissions
32 Reduction Generator proposals; the review and approval of Compliance
33 Assurance Monitoring Plan submittals; and the determination of air pollution rule
34 applicability and the verification of compliance of sources.

35

36 **Q. Please describe your educational background.**

37 A. I received a Bachelor of Science Degree in Mechanical Engineering from
38 Southern Illinois University at Carbondale in December of 1991. I received an
39 Engineer-In-Training (“EIT”) professional license from the State of Illinois in April
40 of 1991.

41

42 **Q. Please describe your professional affiliations.**

43 A. I am a member of the American Water Works Association (“AWWA”).

44

45 **Q. Have you previously provided expert testimony in regulatory matters?**

46 A. Yes. I have previously provided expert witness testimony in rulemaking hearings
47 before the Illinois Pollution Control Board while working at the Illinois EPA. In
48 addition, I have previously provided testimony before the Commission in Docket
49 No. 02-0781 for Mancuso Investment Corporation, Docket No. 01-0827 for
50 Silverleaf Resorts, Inc., Docket No. 03-0069 for Consumers Illinois Water
51 Company (“CIWC”), Docket No. 03-0177 for CIWC, Docket No. 03-0365 for
52 Illinois-American Water Company (“IAWC”), Docket No. 03-0398 for Cedar Bluff
53 Utilities, Inc., Docket No. 03-0400 for Charmar Water Company, Docket No. 03-
54 0401 for Cherry Hill Water Company, Docket No. 03-0677 for South Beloit Water,
55 Gas and Electric Company, Docket No. 04-0522 for IAWC, and Docket No. 04-
56 0362 for Aqua Illinois, Inc.

57

58 **INTRODUCTION**

59

60 **Q. What is the purpose of your testimony in this proceeding?**

61 A. The purpose of my testimony is to review New Landing Utility, Inc.’s (“New
62 Landing”, “NLU”, or “Company”) proposed Rules, Regulations, and Conditions of
63 Service tariffs for water and sewer service.

64

65 **RULES, REGULATIONS, AND CONDITIONS OF SERVICE TARIFFS**

66

67 **Q. Did the Company propose changes to its current Rules, Regulations, and**
68 **Conditions of Service tariffs for water and sewer service in its initial filing**
69 **for this proceeding?**

70 A. Yes. The Company has proposed changes to its Rules, Regulations, and
71 Conditions of Service tariffs for water and sewer service.¹ The presently effective
72 Rules, Regulations, and Conditions of Service tariffs for water and sewer service
73 were approved by the Commission on February 6, 1980 under an Order in
74 Docket No. 79-0195.² These tariffs for water and sewer service are the original
75 Rules, Regulations, and Conditions of Service for NLU and became effective on
76 February 15, 1980.³ The current filing is the first request that NLU's Rules,
77 Regulations, and Conditions of Service tariffs for water and sewer service be
78 changed. The Company has operated under its initial Rules, Regulations, and
79 Conditions of Service tariffs for water and sewer service for over twenty years.⁴
80 The Rules, Regulations, and Conditions of Service tariffs for water and sewer
81 service proposed by NLU are based on those developed and suggested by the
82 Commission Staff, with a few differences.⁵

83

84 **Q. Have you reviewed the Company's proposed Rules, Regulations, and**
85 **Conditions of Service tariffs for water and sewer service?**

¹ Direct Testimony of Gene L. Armstrong, Pages 4, 9, 12, and 19; List of NLU Exhibits; NLU Exhibit PN; NLU Exhibit PR

² Direct Testimony of Gene L. Armstrong, Page 4; Order dated February 6, 1980

³ Direct Testimony of Gene L. Armstrong, Pages 1 and 4

⁴ Direct Testimony of Gene L. Armstrong, Page 4

⁵ Direct Testimony of Gene L. Armstrong, Page 12

86 A. Yes. I have reviewed the Company's proposed Rules, Regulations, and
87 Conditions of Service tariffs for water and sewer service.

88

89 **Q. Do you agree with the Company's assertion that most of the differences**
90 **would fall into the category of wording preferences⁶?**

91 A. No, I do not.

92

93 **Q. Do you have any changes to recommend to the Company's proposed**
94 **Rules, Regulations, and Conditions of Service tariffs for water service (ILL.**
95 **C. C. No. 7, Section No. 2)?**

96 A. Yes. I recommend that Rule 8, CROSS-CONNECTIONS⁷, be deleted to avoid
97 conflicting rules because Cross-Connection Control Regulations currently exist.
98 Effective December 1, 2004, the Company established a new Cross-Connection
99 Control Program under its Rules, Regulations, and Conditions of Service tariffs
100 for water service (ILL. C. C. No. 9, Section No. 1, Original Sheet Nos. 1-25). The
101 Company was ordered to file this Cross-Connection Control Program under the
102 terms of the Order entered by the Circuit Court for the Fifteenth Judicial Circuit,
103 Ogle County, Illinois, on September 28, 2004, in *People ex rel Illinois*
104 *Environmental Protection Agency vs. New Landing Utility, Inc., et al., Case No.*
105 *2000 CH 97.*

106

⁶ Direct Testimony of Gene L. Armstrong, Page 12

⁷ NLU Exhibit PR, Original Sheet Nos. 13-17; Rule 8, Cross-Connections, should also be deleted from the Table of Contents, NLU Exhibit PR, Original Sheet No. 2.

107 I recommend that Rule 2(N)⁸, DEFINITIONS, be deleted. The Company has
108 proposed to add the definition of a “Side Yard Lot”.⁹ ICC Staff witness Harden
109 has proposed to reject the side yard lot availability rate for water service in ICC
110 Staff Exhibit 4.0.

111
112 I recommend that Rule 10(D)¹⁰, FIRE SERVICE CONNECTIONS, be deleted.
113 Although the Company has no public fire hydrants or public fire protection service
114 rates, it cannot specify that water customers have acknowledged that the
115 Company does not need to install public fire hydrants.

116
117 I recommend that Rule 13(B), METERS REGISTERING FAST OR SLOW
118 BEYOND ALLOWABLE LIMITS, be revised to state “The error found shall be
119 considered for purpose of this Rule to have existed ~~only~~ for the six (6) months
120 preceding the test or for the time the meter has been in service at its present
121 location if less than six (6) months, unless the inaccuracy can be shown to have
122 existed for a different period.¹¹”, in accordance with 83 Ill. Adm. Code 280.75(a)
123 and the Rules, Regulations, and Conditions of Service tariffs for water service
124 developed by the Commission Staff. 83 Ill. Adm. Code 280.75(a) provides that
125 the utility shall refund the overcharge with interest from the date of overpayment
126 by the customer in the event that a customer pays a bill as submitted by a public
127 utility and the billing is later found to be incorrect due to an error in measuring the

⁸ Direct Testimony of Gene L. Armstrong, Page 11; NLU Exhibit PR, Original Sheet Nos. 6-7

⁹ Direct Testimony of Gene L. Armstrong, Pages 11 and 12

¹⁰ NLU Exhibit PR, Original Sheet No. 19

¹¹ NLU Exhibit PR, Original Sheet No. 22

128 quantity or volume of service provided. These tariffs that were developed
129 previously by the Commission Staff were provided to other Illinois regulated
130 utilities and approved by the Commission in several different docketed
131 proceedings, most recently in Docket No. 03-0402 for Northern Hills Water and
132 Sewer Company.

133

134 I recommend that Rule 14, METERS NOT REGISTERING, be revised to state “If
135 a meter fails to register, or if the Company is unable to gain access to a
136 customer’s property, the customer shall pay at a rate estimated by the Company
137 a) based on the record of meter readings for a reasonable prior period, ~~or b) on~~
138 ~~the assumption that 6,000 gallons per month was used, whichever is greater.~~

139 The first charge after a meter reading is obtained ~~may~~ shall be adjusted to reflect
140 previous estimated charges and the most recent actual meter reading.”¹², in
141 accordance with the Rules, Regulations, and Conditions of Service tariffs for
142 water service developed by the Commission Staff.

143

144 I recommend that Rule 17(F), DISCONTINUANCE OF WATER SERVICE, be
145 revised to state “The Company reserves the right at any time to shut off the water
146 in the distribution mains as is necessary to cooperate with civil authorities, in
147 case of accident or emergency, for the purpose of making connections,
148 extensions, improvements, alterations, repairs, changes, or for other proper
149 business or utility reasons, and may restrict the use of water to reserve a

¹² NLU Exhibit PR, Original Sheet No. 23

150 sufficient supply in its reservoirs for emergencies or whenever ~~it determines that~~
151 the public health, safety or welfare may so require.¹³, in accordance with the
152 Rules, Regulations, and Conditions of Service tariffs for water service developed
153 by the Commission Staff.

154
155 I recommend that Rule 21(A), BILLS FOR WATER SERVICE, be revised to state
156 ~~“At the Company’s election, bills~~ Bills for metered water service and/or bills for
157 the availability of water service ~~may~~ will be rendered quarterly to all customers of
158 the Company ~~monthly, bi-monthly or quarterly. The Company will not change its-~~
159 ~~billing schedule except on no less than six (6) months’ prior notice to-~~
160 ~~customers.”~~¹⁴, in accordance with Section 9-201(a) of the Illinois Public Utilities
161 Act (“Act”). Section 9-201(a) of the Act provides that no change shall be made
162 by any public utility in any rule or regulation, except after 45 days’ notice to the
163 Commission and to the public as herein provided. Such notice shall be given by
164 filing with the Commission and keeping open for public inspection new schedules
165 or supplements stating plainly the change or changes to be made in the schedule
166 or schedules then in force, and the time when the change or changes will go into
167 effect, and by publication in a newspaper of general circulation or such other
168 notice to persons affected by such change as may be prescribed by rule of the
169 Commission. The Company decided that it will not be converting from a
170 quarterly billing cycle to a monthly billing cycle.¹⁵ Thus, a monthly or bi-monthly
171 billing cycle as provided by the Company in Rule 21(A) is inappropriate. The

¹³ NLU Exhibit PR, Original Sheet No. 26

172 Company's Rules, Regulations, and Conditions of Service tariffs for water service
173 should reflect which billing method will be used rather than retain the option to bill
174 monthly, bi-monthly, or quarterly.¹⁶

175
176 I recommend that Rule 22(A), TERMS OF PAYMENT, be revised to state "All
177 bills rendered by the Company are due and payable at the Company's rates on
178 or before the twenty-eighth (28th) calendar day following the date of the postmark
179 of the bill: the past due date. All bills for utility service not paid on or before the
180 past due date shall be subject to a late payment charge of one and one-half
181 percent (1 ½%) per month on the entire amount, including previously-imposed
182 late payment charges, then past due."¹⁷, in accordance with 83 Ill. Adm. Code
183 280.90(d) and (g). 83 Ill. Adm. Code 280.90(d) provides that such late payment
184 charge shall be set at an amount equal to 1 1/2% per month on any amount,
185 including amounts previously past due, for utility service which is considered past
186 due under 83 Ill. Adm. Code 280.90. 83 Ill. Adm. Code 280.90(g) provides that
187 no utility shall assess a late payment charge bill for any amount billed which is
188 not for utility service.

189
190 I recommend that Rule 22(E)¹⁸, TERMS OF PAYMENT, be deleted. The
191 Company has proposed that it has the right to recover attorney's fees from the
192 defendant-customer if it should file a collection lawsuit against a customer who

¹⁴ NLU Exhibit PR, Original Sheet No. 28

¹⁵ Company response to ICC Staff data request WD 1.01

¹⁶ Order, Docket No. 79-0195, Page 10

¹⁷ NLU Exhibit PR, Original Sheet No. 29

193 refuses to pay the amounts due under the rates for water service or persists in a
194 violation of the rules. NLU feels that the cost to collect should be borne by those
195 who refuse to pay rather than spread to the other customers who keep current on
196 their bills.¹⁹ The Company has not filed any lawsuits against its customers to
197 recover amounts past due on water bills since January 1, 1999.²⁰ The Company
198 has never disconnected a customer for non-payment of water service.²¹ The
199 Declaration of Covenants, Conditions, and Restrictions of Subdivision provide
200 that unpaid utility charges are a lien on the customer's property, but the
201 Company has not considered pursuing a lien foreclosure action against its
202 availability customers to collect amounts past due for water service.²² No other
203 public utility under the Commission's jurisdiction has a tariff that provides for
204 recovery of such costs. On March 12, 2003, the Commission entered an Order
205 in Docket No. 02-0155 in which it denied a similar situation regarding the
206 recovery of court costs and attorney's fees incurred by Consumers Illinois Water
207 Company ("CIWC") in sustaining and enforcing a lien against real property
208 owners with delinquent water and sewer accounts. The Commission concluded
209 that CIWC had not fully exploited all available collection mechanisms before
210 requesting the Commission's facilitation of extraordinary means.²³

211

¹⁸ Direct Testimony of Gene L. Armstrong, Page 12; NLU Exhibit PR, Original Sheet No. 30

¹⁹ Direct Testimony of Gene L. Armstrong, Page 12

²⁰ Company response to Attorney General data request AG 2.17

²¹ Direct Testimony of Gene L. Armstrong, Pages 11-12; Company response to Attorney General data request AG 2.17

²² Company response to ICC Staff data requests WD 1.08 and 1.12

²³ Order, Docket No. 02-0155, Pages 16, 21, and 25

212 Similar to CIWC in Docket No. 02-0155, New Landing has not fully exploited all
213 available collection mechanisms before requesting recovery of attorney's fees
214 and costs incurred in collection lawsuits against its customers with delinquent
215 water and sewer accounts. The Company needs to utilize other collection
216 mechanisms before requesting recovery of such costs. Other collection
217 mechanisms that the Company may utilize are to file collection lawsuits,
218 disconnect services, file liens, pursue foreclosures, report delinquent customers
219 to credit reporting agencies, demand deposits from delinquent customers, and
220 refer accounts to collection agencies. Additionally, the Company should make an
221 effort to educate its customers through the property owners associations about
222 the adverse consequences of non-payment in relationship to the Company's
223 base rates.

224
225 I recommend that Rule 26(A), LIABILITY OF COMPANY, be revised to state
226 "The Company shall in no event ~~be obligate to repair, or~~ be liable for any damage
227 or inconvenience caused by reason of any break, leak or defect in, ~~any lines,~~
228 ~~pipes, appurtenances or fixtures that are not owned by the Company~~ the
229 customer's service pipe or fixtures.²⁴", in accordance with the Rules, Regulations,
230 and Conditions of Service tariffs for water service developed by the Commission
231 Staff. The Company is required to operate and maintain a public water supply
232 and distribution system in the service area pursuant to its Certificate of Public

²⁴ NLU Exhibit PR, Original Sheet No. 31

233 Convenience and Necessity under an Order in Docket No. 57952 entered by the
234 Commission on November 14, 1973.²⁵

235

236 **Q. Do you have any changes to recommend to the Company's proposed**
237 **Rules, Regulations, and Conditions of Service tariffs for sewer service (ILL.**
238 **C. C. No. 8, Section No. 2)?**

239 A. Yes. I recommend that the second sentence of Rule I(F)²⁶, DEFINITIONS, be
240 deleted. The Company cannot deny sewer service to a customer not receiving
241 water service when the Company has a Certificate of Public Convenience and
242 Necessity to provide water and sewer services to the area.

243

244 I recommend that Rule I(L)²⁷, DEFINITIONS, be deleted. The Company has
245 proposed to add the definition of a "Side Yard Lot".²⁸ ICC Staff witness Harden
246 has proposed to reject the side yard lot availability rate for sewer service in ICC
247 Staff Exhibit 4.0.

248

249 I recommend that Rule IV(B), BILLS AND PAYMENT FOR SERVICES, be
250 revised to state "All bills rendered by the Company are due and payable at the
251 Company's rates on or before the twenty-eighth (28th) calendar day following the
252 date of the postmark of the bill: the past due date. All bills for utility service not
253 paid on or before the past due date shall be subject to a late payment charge of

²⁵ Company response to Attorney General data request AG 3.1

²⁶ NLU Exhibit PR, Original Sheet No. 3

²⁷ NLU Exhibit PR, Original Sheet No. 5

²⁸ Direct Testimony of Gene L. Armstrong, Page 12

254 one and one-half percent (1 ½%) per month on the entire amount, including
255 previously-imposed late payment charges, then past due.”²⁹, in accordance with
256 83 Ill. Adm. Code 280.90(d) and (g). 83 Ill. Adm. Code 280.90(d) provides that
257 such late payment charge shall be set at an amount equal to 1 1/2% per month
258 on any amount, including amounts previously past due, for utility service which is
259 considered past due under 83 Ill. Adm. Code 280.90. 83 Ill. Adm. Code
260 280.90(g) provides that no utility shall assess a late payment charge bill for any
261 amount billed which is not for utility service.

262
263 I recommend that Rule IV(C), BILLS AND PAYMENT FOR SERVICES, be
264 revised to state “Bills automatically become delinquent after said past due date.
265 Water and/or sewer service may be discontinued after eight (8) days from the
266 receipt of written notice that the bill is delinquent unless the bill is paid according
267 to said notice.”³⁰, in accordance with 83 Ill. Adm. Code 280.90(i),
268 280.130(a)(1)(B), 280.130(a)(2), and the Rules, Regulations, and Conditions of
269 Service tariffs for sewer service developed by the Commission Staff. 83 Ill. Adm.
270 Code 280.90(i) provides that nothing in 83 Ill. Adm. Code 280.90 shall deny a
271 utility the ability to disconnect service for nonpayment of a bill for utility service.
272 83 Ill. Adm. Code 280.130(a)(1)(B) provides that a utility may discontinue service
273 when any customer fails to pay a past due bill owed to the utility. This provision
274 provides further that a utility may discontinue service if the current customer is
275 liable for a past due bill for utility service, unless the customer pays any past due

²⁹ NLU Exhibit PR, Original Sheet No. 9

276 bill and/or provides a deposit pursuant to 83 Ill. Adm. Code 280.70 and/or enters
277 into a deferred payment agreement pursuant to 83 Ill. Adm. Code 280.110. 83 Ill.
278 Adm. Code 280.130(a)(2) provides that the utility can discontinue service only
279 after it has mailed a written notice of discontinuance. This provision provides
280 further that service shall not be discontinued until at least eight days after the
281 mailing of this notice. These tariffs that were developed previously by the
282 Commission Staff were provided to other Illinois regulated utilities and approved
283 by the Commission in several different docketed proceedings, most recently in
284 Docket No. 03-0402 for Northern Hills Water and Sewer Company.

285

286 I recommend that Rule IV(F)³¹, BILLS AND PAYMENT FOR SERVICES, be
287 deleted. The Company has proposed that it has the right to recover attorney's
288 fees from the defendant-customer if it should file a collection lawsuit against a
289 customer who refuses to pay the amounts due under the rates for sewer service
290 or persists in a violation of the rules. NLU feels that the cost to collect should be
291 borne by those who refuse to pay rather than spread to the other customers who
292 keep current on their bills.³² The Company has not filed any lawsuits against its
293 customers to recover amounts past due on sewer bills since January 1, 1999.³³
294 The Company has never disconnected a customer for non-payment of sewer
295 service.³⁴ The Declaration of Covenants, Conditions, and Restrictions of

³⁰ NLU Exhibit PR, Original Sheet No. 9

³¹ Direct Testimony of Gene L. Armstrong, Page 12; NLU Exhibit PR, Original Sheet No. 10

³² Direct Testimony of Gene L. Armstrong, Page 12

³³ Company response to Attorney General data request AG 2.17

³⁴ Direct Testimony of Gene L. Armstrong, Pages 11-12; Company response to Attorney General data request AG 2.17

296 Subdivision provide that unpaid utility charges are a lien on the customer's
297 property, but the Company has not considered pursuing a lien foreclosure action
298 against its availability customers to collect amounts past due for sewer service.³⁵
299 No other public utility under the Commission's jurisdiction has a tariff that
300 provides for recovery of such costs. On March 12, 2003, the Commission
301 entered an Order in Docket No. 02-0155 in which it denied a similar situation
302 regarding the recovery of court costs and attorney's fees incurred by CIWC in
303 sustaining and enforcing a lien against real property owners with delinquent
304 water and sewer accounts. The Commission concluded that CIWC had not fully
305 exploited all available collection mechanisms before requesting the
306 Commission's facilitation of extraordinary means.³⁶

307
308 Similar to CIWC in Docket No. 02-0155, New Landing has not fully exploited all
309 available collection mechanisms before requesting recovery of attorney's fees
310 and costs incurred in collection lawsuits against its customers with delinquent
311 water and sewer accounts. The Company needs to utilize other collection
312 mechanisms before requesting recovery of such costs. Other collection
313 mechanisms that the Company may utilize are to file collection lawsuits,
314 disconnect services, file liens, pursue foreclosures, report delinquent customers
315 to credit reporting agencies, demand deposits from delinquent customers, and
316 refer accounts to collection agencies. Additionally, the Company should make an
317 effort to educate its customers through the property owners associations about

³⁵ Company response to ICC Staff data requests WD 1.08 and 1.12

318 the adverse consequences of non-payment in relationship to the Company's
319 base rates.

320
321 I recommend that the sentence "Bills for sewer service will be mailed or delivered
322 to the Customer's last address as shown by the records of the Company when
323 due, but failure to receive a bill will not relieve the Customer from the obligation
324 to pay the same." be added as Rule IV(F), BILLS AND PAYMENT FOR
325 SERVICES, in accordance with the Rules, Regulations, and Conditions of
326 Service tariffs for sewer service developed by the Commission Staff.

327
328 I recommend that Rule IV(G), BILLS AND PAYMENT FOR SERVICES, be
329 revised to state "Sewer bills will be rendered ~~either monthly or~~ quarterly to all
330 Customers of the Company.³⁷". The Company decided that it will not be
331 converting from a quarterly billing cycle to a monthly billing cycle.³⁸ The
332 Company's Rules, Regulations, and Conditions of Service tariffs for sewer
333 service should reflect which billing method will be used rather than retain the
334 option to bill monthly or quarterly.³⁹

335

³⁶ Order, Docket No. 02-0155, Pages 16, 21, and 25

³⁷ NLU Exhibit PR, Original Sheet No. 10

³⁸ Company response to ICC Staff data request WD 1.01

³⁹ Order, Docket No. 79-0195, Page 10

336 I recommend that Rule IV(I)⁴⁰, BILLS AND PAYMENT FOR SERVICES, be
337 deleted. This rule is a duplicate of Rule IV(E)⁴¹, BILLS AND PAYMENT FOR
338 SERVICES.

339

340 I recommend that Rule XII(D)⁴², GENERAL CONDITIONS, be deleted. ICC Staff
341 witness Harden has proposed a flat rate for sewer service in ICC Staff Exhibit
342 4.0. Therefore, bills for sewer service will no longer be based on water bills. In
343 the event the Commission were to reject ICC Staff witness Harden's proposal of
344 a flat rate for sewer service, then the Company should consider installing
345 additional water meters to measure water usage at residences with swimming
346 pools and lawn sprinkler systems to account for water usage that is unlikely to
347 flow into the Company's sewer collection system. As a result, the customer will
348 not be billed for sewer service because of its abnormally high water usage.

349

350 **Q. Do you have any further recommendations to the Commission?**

351 A. Yes. I recommend that the Commission order the Company to file revised Rules,
352 Regulations, and Conditions of Service tariffs for water and sewer service, within
353 ten (10) days of the final Order, with an effective date of not less than ten (10)
354 working days after the date of filing, for service rendered on and after their
355 effective date, with individual tariff sheets to be corrected within that time period,
356 if necessary.

⁴⁰ NLU Exhibit PR, Original Sheet No. 10

⁴¹ NLU Exhibit PR, Original Sheet No. 9

⁴² NLU Exhibit PR, Original Sheet No. 23

357

358 **CONCLUSION**

359

360 **Q. Does this conclude your direct testimony?**

361 **A. Yes.**