

**Direct Testimony**

**Of**

**William D. Marr**

Water Engineer

Water Department

Financial Analysis Division

Illinois Commerce Commission

Aqua Illinois, Inc.

Proposed General Increase in Water and Sewer Rates for the Woodhaven Division

And

Proposed General Increase in Water Rates for the Oak Run Division

Docket Nos. 05-0071/05-0072 (Consolidated)

May 5, 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 service for water and  
12 sewer service; reviewing requests for declaratory rulings; reviewing applications  
13 for certificates of public convenience and necessity; reviewing information  
14 regarding the prudence of Qualifying Infrastructure Plant (“QIP”) investment  
15 costs; conducting inspections of public water and sewer facilities; evaluating and  
16 performing cost of service studies (“COSS”) and rate design; reviewing requests  
17 for general increases in rates for water and sewer service; reviewing tariff filings  
18 related to purchased water surcharge riders and information sheets; and  
19 presenting expert 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 on  
49 numerous issues related to my responsibilities.

50

51 **INTRODUCTION**

52

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

54 A. The purpose of my testimony is to review Aqua Illinois, Inc.'s ("Aqua" or  
55 "Company") tariff filing for a proposed general increase in water and sewer rates  
56 for the Woodhaven Division and proposed general increase in water rates for the  
57 Oak Run Division. I will be presenting testimony and schedules concerning plant  
58 in service adjustments for the Company's Woodhaven Water and Sewer Division  
59 and Oak Run Water Division.

60

61 **PLANT IN SERVICE ADJUSTMENTS**

62

63 **Q. Have you reviewed the Company's Continuing Property Records?**

64 A. Yes. I have reviewed the Company's Continuing Property Records. The  
65 Company provided copies of the Continuing Property Records for the  
66 Woodhaven Water and Sewer Division and Oak Run Water Division to Staff in  
67 response to ICC Staff Data Request BCJ 5.05.

68

69 **Q. Do you have any adjustments to recommend to any of the plant items listed**  
70 **on the Company's Continuing Property Records for the Oak Run Water**  
71 **Division?**

72 A. Yes. On April 11, 2005, Mr. Raymond E. Pilapil, Manager of the Commission's  
73 Water Department, and I conducted an inspection of the Company's Oak Run  
74 Division water facilities. Mr. Thomas J. Bunosky, Vice President and Regional  
75 Manager, and Mr. Luigi Spinillo, Certified Water Operator, were present during  
76 the inspection. During the inspection, we reviewed the Company's Continuing  
77 Property Records for the Oak Run Water Division with Company personnel.

78  
79 Schedule 5.01 (ICC Staff Exhibit 5.0, Schedule 5.01) attached to my testimony  
80 lists the plant items and my proposed adjustment amounts for the Oak Run  
81 Water Division. The adjustments are proposed for plant items listed on the  
82 Company's Continuing Property Records for the Oak Run Water Division that  
83 have been removed and are no longer in service or that are no longer used and  
84 useful. During the inspection and review of the Company's Continuing Property  
85 Records for the Oak Run Water Division, Mr. Luigi Spinillo agreed that these  
86 plant items have been removed from service or that they are no longer being  
87 used. The Company was unable to verify that these plant items currently exist  
88 during the inspection. My proposed plant in service adjustments for the Oak Run  
89 Water Division are incorporated into the schedules presented by ICC Staff  
90 accounting witness Burma C. Jones (ICC Staff Exhibit 2.0, Schedule 2.05 (OR)).

91

92 **Q. Do you have any adjustments to recommend to any of the plant items listed**  
93 **on the Company's Continuing Property Records for the Woodhaven Water**  
94 **Division?**

95 A. Yes. On April 12, 2005, Mr. Raymond E. Pilapil, Manager of the Commission's  
96 Water Department, and I conducted an inspection of the Company's Woodhaven  
97 Division water and sewer facilities. Mr. Thomas J. Bunosky, Vice President and  
98 Regional Manager, and Mr. Louis Leffelman, Crew Chief, were present during  
99 the inspection. During the inspection, we reviewed the Company's Continuing  
100 Property Records for the Woodhaven Water Division with Company personnel.

101  
102 Schedule 5.02 (ICC Staff Exhibit 5.0, Schedule 5.02) attached to my testimony  
103 lists the plant items and my proposed adjustment amounts for the Woodhaven  
104 Water Division. The adjustments are proposed for plant items listed on the  
105 Company's Continuing Property Records for the Woodhaven Water Division that  
106 have been removed and are no longer in service. During the inspection and  
107 review of the Company's Continuing Property Records for the Woodhaven Water  
108 Division, Mr. Louis Leffelman agreed that these plant items have been removed  
109 from service. Also during the inspection, Mr. Leffelman provided Retirement  
110 Work Orders (ICC Staff Exhibit 5.0, Attachments 5.01-5.04) for some of the plant  
111 items that have been retired for the Woodhaven Water Division. The Company  
112 was unable to verify that these plant items currently exist during the inspection.  
113 My proposed plant in service adjustments for the Woodhaven Water Division are

114 incorporated into the schedules presented by ICC Staff accounting witness  
115 Burma C. Jones (ICC Staff Exhibit 2.0, Schedule 2.05 (WW)).

116

117 **Q. Do you have any adjustments to recommend to any of the plant items listed**  
118 **on the Company's Continuing Property Records for the Woodhaven Sewer**  
119 **Division?**

120 A. Yes. On April 12, 2005, Mr. Raymond E. Pilapil, Manager of the Commission's  
121 Water Department, and I conducted an inspection of the Company's Woodhaven  
122 Division water and sewer facilities. Mr. Thomas J. Bunosky, Vice President and  
123 Regional Manager, and Mr. Louis Leffelman, Crew Chief, were present during  
124 the inspection. During the inspection, we reviewed the Company's Continuing  
125 Property Records for the Woodhaven Sewer Division with Company personnel.

126

127 Schedule 5.03 (ICC Staff Exhibit 5.0, Schedule 5.03) attached to my testimony  
128 lists the plant items and my proposed adjustment amounts for the Woodhaven  
129 Sewer Division. The adjustments are proposed for plant items listed on the  
130 Company's Continuing Property Records for the Woodhaven Sewer Division that  
131 have been removed and are no longer in service. During the inspection and  
132 review of the Company's Continuing Property Records for the Woodhaven Sewer  
133 Division, Mr. Louis Leffelman agreed that these plant items have been removed  
134 from service. The Company was unable to verify that these plant items currently  
135 exist during the inspection. My proposed plant in service adjustments for the  
136 Woodhaven Sewer Division are incorporated into the schedules presented by

137 ICC Staff accounting witness Burma C. Jones (ICC Staff Exhibit 2.0, Schedule  
138 2.05 (WS)).

139

140 **Q. What is your recommendation to the Commission?**

141 A. I recommend that the Commission approve my proposed plant in service  
142 adjustments for the Company's Woodhaven Water and Sewer Division and Oak  
143 Run Water Division as discussed above.

144

145 **CONCLUSION**

146

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

148 A. Yes.

**PLANT IN SERVICE ADJUSTMENTS**  
**Aqua Illinois, Inc.**  
**Oak Run Division - Water Service**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>Line No.</b>	<b>Account No.</b>	<b>Account Description</b>	<b>Property Description</b>	<b>Date</b>	<b>Gross Plant Per Company</b>	<b>Staff Adjustment</b>	<b>Reason for Staff Adjustment</b>
1	320	Water Treatment Equipment	Chlorine Booster Pump-Franklin Motor	1991	\$ 896.69	\$ (896.69)	Removed - out of service
2	320	Water Treatment Equipment	Chlorinator & Master Control	1992	\$ 2,245.96	\$ (2,245.96)	Removed - out of service
3	320	Water Treatment Equipment	Pressure Filter Tank	2000	\$ 2,400.00	\$ (2,400.00)	No longer used and useful
4	340	Office Furniture and Equipment	Photo Copier	2000	\$ 1,277.51	\$ (1,277.51)	Removed - out of service
5	343	Tools Shop and Garage Equipment	Rockwell Gun & Adapter	1989	\$ 803.00	\$ (803.00)	Removed - out of service
6	343	Tools Shop and Garage Equipment	Senus Model 3096 Touch Reader II	1997	\$ 354.61	\$ (354.61)	Removed - out of service
7							
8	Totals				\$ 7,977.77	\$ (7,977.77)	

Source:

Columns (a)-(e): Per Continuing Property Records provided by the Company in response to ICC Staff Data Request BCJ 5.05

Columns (f)-(g): Per Luigi Spinillo, Certified Water Operator, during ICC inspection of water facilities on April 11, 2005

**PLANT IN SERVICE ADJUSTMENTS**  
**Aqua Illinois, Inc.**  
**Woodhaven Division - Water Service**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line No.	Account No.	Account Description	Property Description	Date	Gross Plant Per Company	Staff Adjustment	Reason for Staff Adjustment
1	311	Pumping Equipment	Gould 4 Stage Submersible Turbine/Pump	1985	\$ 1,795.18	\$ (1,795.18)	Removed - out of service
2	311	Pumping Equipment	Upgrade Well #1	1996	\$ 45,557.09	\$ (16,399.00)	Removed - out of service
3	311	Pumping Equipment	Replace Well #1 Pump and Motor	2002	\$ 51,007.21	\$ (24,950.00)	Removed - out of service
4	311	Pumping Equipment	Replace Motor Leads	2003	\$ 7,808.21	\$ (1,200.00)	Removed - out of service
5	320	Water Treatment Equipment	Additional Programmable Logic Controller	1995	\$ 4,197.70	\$ (4,197.70)	Removed - out of service
6	320	Water Treatment Equipment	PLC Program @ WTP	1997	\$ 2,703.18	\$ (2,703.18)	Removed - out of service
7	320	Water Treatment Equipment	PLC Programming	1999	\$ 2,000.00	\$ (2,000.00)	Removed - out of service
8	334-10	Meters	PLC Programming for Plant	2000	\$ 2,000.00	\$ (2,000.00)	Removed - out of service
9	341	Transportation Equipment	Chevrolet IT Cab Chassis Utility Truck	1992	\$ 19,546.93	\$ (19,546.93)	Removed - out of service
10	341	Transportation Equipment	89 Chevrolet Station Wagon	1994	\$ 33.37	\$ (33.37)	Removed - out of service
11	341	Transportation Equipment	88 Chevrolet Pick-Up	1994	\$ 302.12	\$ (302.12)	Removed - out of service
12	343	Tools Shop and Garage Equipment	Ford 550 Backhoe Enloader	1985	\$ 20,926.83	\$ (20,926.83)	Removed - out of service
13	346	Communication Equipment	Souther VIP Siren W/PA w/Ext Speaker	1985	\$ 214.17	\$ (214.17)	Removed - out of service
14	346	Communication Equipment	2-Motorola P50 Port2-Channel	1992	\$ 2,342.81	\$ (2,342.81)	Removed - out of service
15	346	Communication Equipment	Control System	1992	\$ 3,000.00	\$ (3,000.00)	Removed - out of service
16	346	Communication Equipment	Control System @ Booster Pump Station	1992	\$ 25,906.01	\$ (25,906.01)	Removed - out of service
17	346	Communication Equipment	Communication Link WTP Scada System	1993	\$ 977.65	\$ (977.65)	Removed - out of service
18	346	Communication Equipment	Purchase Large Processor	1998	\$ 2,144.92	\$ (2,144.92)	Removed - out of service
19							
20	Totals				\$ 192,463.38	\$ (130,639.87)	

## Source:

Columns (a)-(e): Per Continuing Property Records provided by the Company in response to ICC Staff Data Request BCJ 5.05

Columns (f)-(g): Per Louis Leffelman, Crew Chief, during ICC inspection of water and sewer facilities on April 12, 2005

Columns (f)-(g), Lines 1-2: Per Attachment 5.01 - Retirement Work Order

Columns (f)-(g), Line 3: Per Attachment 5.02 - Retirement Work Order

Columns (f)-(g), Line 4: Per Attachment 5.03 - Retirement Work Order

Columns (f)-(g), Lines 5-8, 15-18: Per Attachment 5.04 - Retirement Work Order

**PLANT IN SERVICE ADJUSTMENTS**  
**Aqua Illinois, Inc.**  
**Woodhaven Division - Sewer Service**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>Line No.</b>	<b>Account No.</b>	<b>Account Description</b>	<b>Property Description</b>	<b>Date</b>	<b>Gross Plant Per Company</b>	<b>Staff Adjustment</b>	<b>Reason for Staff Adjustment</b>
1	390	Office Furniture and Equipment	Carpet	1994	\$ 2,363.54	\$ (2,363.54)	Removed - out of service
2	391	Transportation Equipment	74 International Tanker Truck	1994	\$ 2,126.50	\$ (2,126.50)	Removed - out of service
3							
4	Totals				\$ 4,490.04	\$ (4,490.04)	

## Source:

Columns (a)-(e): Per Continuing Property Records provided by the Company in response to ICC Staff Data Request BCJ 5.05

Columns (f)-(g): Per Louis Leffelman, Crew Chief, during ICC inspection of water and sewer facilities on April 12, 2005



## RETIREMENT WORK ORDER

Aqua Illinois Inc.

Department: Woodhaven Div.(Water)  
 County: Lee  
 Submitted By: Louie Leffelman

Retirement  
 Work Order No.R: \_\_\_\_\_  
 Related Ca NO.: \_\_\_\_\_  
 Budget No.: \_\_\_\_\_

Description of Property to be Retired:  
 100 HP- 480 V- 3 Phase -1750 RPM - Exodine Electric Submersible Motor

**Purpose:**

The motor has been pulled and new pigtail connection replaced in 2003 and the connection has failed again within one year. It was decided to purchase a new motor and have this receive a "pass through" wire installed instead of an exterior bolt on connection.

Acct. No.	Description of Work (Quantity-Unit-Size-Etc.)	Year Instal.	Auth. Or W.O. Nos.	Basis of Value	Dispo- sition	Retire. Amt.	Cost Value	Salvage Value
3113	100 HP Exodine Submersible 480 Volt -3 Phase- 1750 RPM Model A3HE Serial 3027147	2002		Cost	2	\$23,550		
3113	Connecting Pigtail	2003		Cost	3	\$1,400		
<b>TOTAL(s)</b>						<b>\$24,950</b>		

Indicate proposed disposition by use of symbols:      [1] Abandon in Place      [3] Scrap  
    [2] Return to stock      [4] Sell

Indicate Basis of Value      Cost = COST  
    Index = IX    Estimate = EST    Appraisal = APP

Political Subdivision \_\_\_\_\_  
 Township \_\_\_\_\_

Date started      7/13/2004  
 Date completed \_\_\_\_\_

### APPROVALS

\_\_\_\_\_  
 Vice President/Operation      Date

\_\_\_\_\_  
 President

\_\_\_\_\_  
 CWC-Vice President/Engineering

\_\_\_\_\_  
 CWC-President

### FINAL ACCOUNTING

Actual retirement amount      \$      \_\_\_\_\_

Actual cost to remove      \$      \_\_\_\_\_

Actual salvage value      \$      \_\_\_\_\_ 0

1st Copy       Accounting  
 2nd Copy       Engineering  
 3rd Copy       File



## RETIREMENT WORK ORDER

Aqua Illinois Inc.

Retirement

Department: Woodhaven Div.(Water)  
 County: Lee  
 Submitted By: Louie Leffelman

Work Order No.R: \_\_\_\_\_  
 Related Ca NO.: \_\_\_\_\_  
 Budget No.: \_\_\_\_\_

**Description of Property to be Retired:**

Square D equipment & componants used for the water & booster system SCADA. Including Programming  
 Short Haul modems for communications  
 Programming upgrades for the water system SCADA

**Purpose:**

The equipment is being discontinued at the factory. It is getting harder to purchase. The cost of the items are now 10 times the original purchase price.

Acct. No.	Description of Work (Quantity-Unit-Size-Etc.)	Year Instal.	Auth. Or W.O. Nos.	Basis of Value	Dispo-sition	Retire. Amt.	Cost Value	Salvage Value
346 3204	Sq. D equipment & componants Corsair program & install & license	1992		IX	3	\$29,686.00	-	
3466	Communication Link	1993		IX	3	\$977.65	-	
3204	Additional PLC Controls Installation	1995		IX	3	\$4,197.70	-	
3204	Additional PLC Controls Installation	1997		IX	3	\$2,703.18	-	
3466	Additional PLC Controls Installation	1998		IX	3	\$2,144.92	-	
3204	Additional PLC Controls Installation	1999		IX	3	\$2,000.00	-	
334	Additional PLC Controls Installation	2000		IX	3	\$2,000.00	-	
<b>TOTAL(s)</b>						<b>\$43,709.45</b>		

Indicate proposed disposition by use of symbols:

[1] Abandon in Place      [3] Scrap  
 [2] Return to stock      [4] Sell

Cost = COST

Indicate Basis of Value      Index = IX      Estimate = EST      Appraisal = APP

Political Subdivision \_\_\_\_\_  
 Township \_\_\_\_\_

Date started 3/6/2004  
 Date completed \_\_\_\_\_

### APPROVALS

\_\_\_\_\_  
 Vice President/Operation      Date

\_\_\_\_\_  
 President

\_\_\_\_\_  
 CWC-Vice President/Engineering

\_\_\_\_\_  
 CWC-President

### FINAL ACCOUNTING

Actual retirement amount      \$      \_\_\_\_\_

Actual cost to remove      \$      \_\_\_\_\_

Actual salvage value      \$      0

1st Copy       Accounting  
 2nd Copy       Engineering  
 3rd Copy       File