

**Direct Testimony**

**Of**

**William D. Marr**

Water Engineer

Water Department

Financial Analysis Division

Illinois Commerce Commission

Illinois-American Water Company

Application for a Certificate of Public Convenience and Necessity to Provide Sanitary Sewer Service to a Parcel in DuPage County, Illinois, Pursuant to Section 8-406 of the Illinois Public Utilities Act

Docket No. 05-0791

February 23, 2006

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; reviewing  
19 applications for approval of proposed reorganizations; and presenting expert  
20 witness testimony at Commission hearings.

21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41

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

A. I have been employed by the Commission since January 2, 2003. Prior to this time I worked at the Illinois Environmental Protection Agency (“Illinois EPA”) for ten years as an Environmental Protection Engineer (“EPE”) I, II, and III. My responsibilities as an EPE included the review and issuance of air pollution control permits for the Title V - Clean Air Act Permit Program, the Prevention of Significant Deterioration, and the Major Stationary Sources Construction and Modification for Non-Attainment Area New Source Review; the review and approval of Best Available Control Technology and Lowest Achievable Emission Rate determinations; the review and approval of Emissions Reduction Market System baseline emissions determinations; the review and approval of Emissions Reduction Generator proposals; the review and approval of Compliance Assurance Monitoring Plan submittals; and the determination of air pollution rule applicability and the verification of compliance of sources.

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

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

42

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

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

45

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

47 A. Yes. I have previously provided expert witness testimony in rulemaking hearings  
48 before the Illinois Pollution Control Board while working at the Illinois EPA. In  
49 addition, I have previously provided testimony before the Commission on  
50 numerous issues related to my responsibilities.

51

52 **INTRODUCTION**

53

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

55 A. The purpose of my testimony is to review (i) under Section 8-406 of the Illinois  
56 Public Utilities Act (“Act”), Illinois-American Water Company’s (“Illinois-American”,  
57 “IAWC”, or the “Company”) need for a Certificate of Public Convenience and  
58 Necessity (“Certificate”) to provide sanitary sewer service to a parcel in DuPage  
59 County, Illinois, (ii) the Company’s proposed certificated service area, and (iii) the  
60 Company’s current Rates, Rules, Regulations, and Conditions of Service tariffs  
61 for sanitary sewer service.

62

63 **PUBLIC CONVENIENCE AND NECESSITY**

64

65 **Q. What criteria did you use to review public convenience and necessity?**

66 A. I used Section 8-406(b) of the Act, which states, in part:

67 The Commission shall determine that proposed construction will promote the  
68 public convenience and necessity only if the utility demonstrates: (1) that the  
69 proposed construction is necessary to provide adequate, reliable, and efficient  
70 service to its customers and is the least-cost means of satisfying the service  
71 needs of its customers; (2) that the utility is capable of efficiently managing and  
72 supervising the construction process and has taken sufficient action to ensure  
73 adequate and efficient construction and supervision thereof;...

74

75 **Q. Is the proposed construction necessary to provide adequate, reliable, and**  
76 **efficient service to the proposed parcel?**

77 A. Yes. The Company's construction, operation, and maintenance of the proposed  
78 sanitary sewer facilities are necessary to provide adequate, reliable, and efficient  
79 sanitary sewer service to the customer to be located within the proposed area for  
80 which a Certificate is sought.<sup>1</sup> The Company currently provides adequate,  
81 reliable, and efficient sanitary sewer service to customers within its Chicago-  
82 Metro Division service area.

83

84 **Q. Does the Company's sanitary sewer system currently have sufficient**  
85 **capacity to meet the estimated demand from the residence identified within**  
86 **the proposed parcel without constructing additional sanitary sewer**  
87 **facilities?**

88 A. Yes.<sup>2</sup> Illinois-American will provide sanitary sewer collection service. Sanitary  
89 sewer treatment service will be provided by the DuPage County Department of

---

<sup>1</sup> Application, Paragraph 11, Page 2

<sup>2</sup> IAWC Exhibit No. BK-1.0, Page 3

90 Public Works.<sup>3</sup> Current sanitary sewer collection system capacity for this service  
91 area is 0.9 mgd and the estimated demand for the residence is 0.00035 mgd.  
92 The sanitary sewer flow from the Illinois-American sanitary sewer collection  
93 system to the DuPage County Department of Public Works is not metered.  
94 Therefore, no historical flow data is available for this sanitary sewer collection  
95 system. Although the sanitary sewer flow to the DuPage County Department of  
96 Public Works is not metered, the additional flow from the residence is within the  
97 carrying capacity of Illinois-American's sanitary sewer collection system.<sup>4</sup>  
98 Therefore, the Company's sanitary sewer system has sufficient capacity to meet  
99 the estimated demand from the residence identified within the proposed parcel  
100 without the need to construct additional sanitary sewer facilities.

101

102 **Q. Is the proposed construction the least-cost means of satisfying the service**  
103 **needs of the customer within the proposed parcel?**

104 A. Yes. The Company's proposed construction of the sanitary sewer facilities  
105 constitutes the least-cost means of satisfying the sanitary sewer service needs of  
106 the customer within the proposed parcel.<sup>5</sup> The proposed parcel is contiguous to  
107 and surrounded by the existing Illinois-American Chicago-Metro Division,  
108 DuPage District certificated service area.<sup>6</sup> It is most cost-efficient for an existing  
109 utility in the area to extend its sanitary sewer mains rather than have a new entity  
110 come into the area to establish sanitary sewer service. Thus, duplication of

---

<sup>3</sup> IAWC Exhibit No. BK-1.0, Pages 3 and 4

<sup>4</sup> IAWC Exhibit No. BK-1.0, Page 3

<sup>5</sup> Application, Paragraph 12, Page 2

<sup>6</sup> Application, Paragraph 4, Page 1

111 sanitary sewer facilities and unnecessary costs would be avoided. No other  
112 public sanitary sewer utility is presently serving the parcel for which a Certificate  
113 is requested, or is willing and able to provide sanitary sewer service to the  
114 proposed parcel.<sup>7</sup> No municipal corporation, including the Village of Lisle, is  
115 willing to provide sanitary sewer utility service to the residence.<sup>8</sup>

116

117 **Q. Is the Company capable of efficiently managing and supervising the**  
118 **construction process incident to the provision of service to the proposed**  
119 **parcel?**

120 A. Yes.<sup>9</sup> The Company is capable of efficiently managing and supervising the  
121 construction necessary to serve the proposed parcel.<sup>10</sup> Illinois-American is the  
122 largest investor-owned public water and wastewater utility in Illinois and has  
123 many years of experience managing and supervising this type of construction.  
124 Experienced staff of the Company will manage and supervise this construction  
125 project.<sup>11</sup>

126

127 **Q. Will the sanitary sewer main extension be constructed and financed**  
128 **according to the stipulation in Docket No. 01-0645?**

129 A. Yes.<sup>12</sup>

130

---

<sup>7</sup> Application, Paragraph 7, Page 2; IAWC Exhibit No. BK-1.0, Page 4

<sup>8</sup> IAWC Exhibit No. BK-1.0, Page 4; IAWC Exhibit BK-1.1

<sup>9</sup> IAWC Exhibit No. BK-1.0, Page 3

<sup>10</sup> Application, Paragraph 13, Page 3

<sup>11</sup> IAWC Exhibit No. BK-1.0, Page 3

<sup>12</sup> IAWC Exhibit No. BK-1.0, Page 3; IAWC Exhibit No. BK-3.0, Pages 1-3; Exhibit BK 3.02

131 **Q. In your opinion, does the Company have a need for a Certificate to provide**  
132 **sanitary sewer service to the parcel in DuPage County, Illinois?**

133 A. Yes. The construction, ownership, operation, and maintenance by the Company  
134 of the sanitary sewer facilities are necessary and appropriate to serve the parcel  
135 in DuPage County for which a Certificate is requested, and the Company's  
136 provision of sanitary sewer service to the public in the proposed parcel will  
137 promote the public convenience and is necessary thereto, and the interest of the  
138 public will be served thereby.<sup>13</sup> Thus, the Company has met the requirements  
139 set forth in Sections 8-406(b)(1) and (2) of the Act.

140

141 **PROPOSED CERTIFICATED SERVICE AREA**

142

143 **Q. Why is the Company presently seeking a Certificate to serve this area?**

144 A. The property owner of 708 Kohley Road, Lisle, Illinois, has entered into a  
145 sanitary sewer service connection agreement requesting the Company to serve  
146 the proposed parcel for which a Certificate is requested because the residence  
147 used to be on a septic tank system and does not have another means of  
148 obtaining sanitary sewer service for its residence.<sup>14</sup>

149

150 **Q. Please describe the Company's proposed certificated service area.**

151 A. The property owner has requested sanitary sewer service for a single-family

---

<sup>13</sup> Application, Paragraph 15, Page 3

<sup>14</sup> Application, Paragraph 5, Page 2; IAWC Exhibit No. BK-1.0, Pages 2 and 4; IAWC Exhibit No. BK-3.0, Page 1; Company Response to ICC Staff Data Request WD 1.08

152 residence at 708 Kohley Road in Lisle, Illinois.<sup>15</sup> The total acreage for the  
153 proposed certificated service area is 0.497 acres.<sup>16</sup>

154

155 **Q. In your opinion, should the Company's proposed certificated service area**  
156 **be approved?**

157 A. Yes. I recommend that the Commission approve the Company's proposed  
158 certificated service area, which is legally described in Revised Exhibit B of the  
159 Application. On January 26, 2006, I inspected and reviewed the Company's  
160 proposed certificated service area and it appears to be properly defined.

161

162 **RATES, RULES, REGULATIONS, AND CONDITIONS OF SERVICE TARIFFS**

163

164 **Q. What Rates, Rules, Regulations, and Conditions of Service tariffs does the**  
165 **Company propose to be applied to the customer within the proposed**  
166 **certificated service area for sanitary sewer service?**

167 A. The Company has proposed that the customer will be subject to the Rates,  
168 Rules, Regulations, and Conditions of Service tariffs for sanitary sewer service  
169 on file with the Commission and in effect and applicable to the Chicago-Metro  
170 Division of Illinois-American.<sup>17</sup>

171

---

<sup>15</sup> IAWC Exhibit No. BK-1.0, Page 2

<sup>16</sup> IAWC Exhibit No. BK-1.0, Page 5

<sup>17</sup> Application, Paragraph 10, Page 2; IAWC Exhibit No. BK-1.0, Pages 3-4

172 **Q. Have you reviewed the Company's current Rates, Rules, Regulations, and**  
173 **Conditions of Service tariffs for sanitary sewer service?**

174 A. Yes. I have reviewed the Company's current Rates, Rules, Regulations, and  
175 Conditions of Service tariffs for sanitary sewer service for the Chicago-Metro  
176 Division.

177

178 **Q. Do you have any changes to recommend to the Company's current Rates,**  
179 **Rules, Regulations, and Conditions of Service tariffs for sanitary sewer**  
180 **service for the Chicago-Metro Division?**

181 A. No.

182

183 **CONCLUSION**

184

185 **Q. Please summarize your conclusions.**

186 A. In my opinion, the Company has a need for a Certificate to provide sanitary  
187 sewer service to the parcel in DuPage County, Illinois. The Company has met  
188 the requirements set forth in Sections 8-406(b)(1) and (2) of the Act.

189

190 I recommend that the Commission approve the Company's proposed certificated  
191 service area, which is legally described in Revised Exhibit B of the Application.

192

193 I further recommend that the Commission approve that the customer will be  
194 subject to the Company's current Rates, Rules, Regulations, and Conditions of

195 Service tariffs for sanitary sewer service applicable to the Chicago-Metro

196 Division.

197

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

199 A. Yes.