

**DIRECT TESTIMONY**

of

**Cheri L. Harden  
Rate Analyst**

**Rates Department  
Financial Analysis Division  
Illinois Commerce Commission**

**Aqua Illinois, Inc.**

**Petition for Approval of Certificate of Public Convenience and Necessity to  
Operate a Water Supply and Distribution System; and for a Variance From Main  
Extension Deposit Rules to Expand System Development Charges**

**Docket No. 06-0655**

**March 28, 2007**

1 **Q. Would you please state your name and business address?**

2 A. Cheri L. Harden, 527 East Capitol Avenue, Springfield, Illinois 62701.

3

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by the Illinois Commerce Commission (“Commission”) as a Rate  
6 Analyst in the Rates Department of the Financial Analysis Division. My  
7 responsibilities include rate design and cost-of-service analyses for electric, gas  
8 and water utilities and the preparation of testimony on rates and rate-related  
9 matters.

10

11 **Q. How long have you been employed by the Illinois Commerce Commission?**

12 A. I have been employed by the Commission since September 2000.

13

14 **Q. Will you please briefly state your qualifications?**

15 A. I graduated from the University of Maryland in 1993, with a Bachelor of Science  
16 degree in Management Studies.

17

18 Previously, I worked for the Wyoming Public Service Commission for almost  
19 seven years. The last two positions I held were as the Consumer Services  
20 Coordinator and as a Rate Analyst. I analyzed telecommunications, electric  
21 (investor-owned and cooperative), gas, water and pipeline company filings. I  
22 reviewed a variety of cases including mergers, tariff revisions, fuel adjustments,  
23 certificate applications, complaints, contracts, interconnection agreements and

24 rate cases. I also worked on special projects such as the Universal Service  
25 Fund, Annual Reports and Year 2000 Preparedness.

26

27 **Q. Have you testified in other Commission proceedings?**

28 A. Yes, I have testified on many occasions before the Illinois Commerce  
29 Commission and the Wyoming Public Service Commission.

30

31 **Q. What area does your testimony address?**

32 A. My testimony will discuss Aqua Illinois, Inc.'s ("Aqua" or "Company") filing of  
33 proposed water and sewer rates for the Will County area ("Expanded Area").

34

35 **Q. What rates is Aqua proposing for the Expanded Area?**

36 A. The Company is proposing the tariffed rates that are currently applicable to the  
37 University Park District of Aqua ("University Park") for both water and sewer  
38 customers. (Aqua Exhibit 1.0, p. 9).

39

40 **Q. What are the currently tariffed water rates for University Park?**

41 A. University Park currently has tariffed residential rates for water set at \$6.85 for a  
42 monthly customer charge for 5/8" meter water customers. Aqua's tariffed water  
43 usage charges for the first 30,000 gallons is \$1.636 per 1,000 gallons and any  
44 amount greater than 30,000 gallons would be charged \$1.222 per 1,000 gallons

45 At an average usage of 7,000 gallons per month, a residential customer's bill for  
46 water would be approximately \$27.35. (Aqua Exhibit 1.0, Exhibit D, page 1 of 2)  
47 Included in this monthly estimate is a Public Fire Protection Charge of \$5.10 per  
48 customer every month as well as a municipal and gross revenue tax.

49  
50 The Company is assuming all growth will be residential (Aqua Exhibit 1.0, Exhibit  
51 D, page 1 of 2) in the Expanded Area, however, the complete University Park  
52 tariff encompasses other customer classes as well and are attached to my  
53 testimony as Schedule 4.01. These rates would apply to all customers in the  
54 Expanded area.

55  
56 **Q. What are the currently tarriffed sewer rates for University Park?**

57 A. University Park currently has a tariffed residential sewer rate set at a flat charge  
58 of \$45.55 per month if the customer has an individually metered residential unit.

59  
60 Again, although the Company is assuming all growth will be residential (Aqua  
61 Exhibit 1.0, Exhibit D, page 1 of 2) in the Expanded Area, the complete  
62 University Park tariff encompasses other customer classes as well and are  
63 attached to my testimony as Schedule 4.02. These rates would apply to all  
64 customers in the Expanded Area.

65

66 **Q. Do you have an opinion about what rates should be applied in the**  
67 **Expanded Area?**

68 A. Yes. I believe the rates currently in effect for University Park should be applied  
69 to the Expanded Area.

70  
71 **Q. Please describe how you came to the conclusion that the University Park**  
72 **rates should be applied to the Expanded Area.**

73 A. My recommendation that the University Park rates should apply to the Expanded  
74 Area is based upon the fact that the Expanded Area will be connected to the  
75 University Park system and incorporated into the service territory. Because the  
76 Expanded Area will become a part of the University Park system, I believe it is  
77 appropriate that the Expanded Area should have the same rates. My review in  
78 this docket did not include an analysis of the University Park rates. The  
79 University Park rates were reviewed in the context of its most recent rate case  
80 and the rates were determined to be just and reasonable at that time.

81  
82 Therefore, I agree with the Company's proposal for water and sewer rates, which  
83 is that the University Park tariff, in its entirety apply to the Expanded Area in this  
84 docket.

85  
86 **Q. Does the Company propose any tariff revisions in this docket?**

87 A. Yes. In response to Data Request CLH 1.01 the Company listed the tariff pages  
88 it intends to file if the certificate is granted for the proposed Expanded Area. The  
89 only change to the existing University Park tariff sheets would be to add the  
90 proposed Expanded Area to the “applies to” section of each tariff sheet.

91

92 **Q. Do you agree with the Company’s proposed change to the water tariff?**

93 A. Yes I do agree with the change as proposed by the Company. Staff  
94 requests the Commission order the Company to file the necessary revised  
95 tariffs for University Park within ten (10) days of the final Order if the  
96 certificate is approved for the Expanded Area, with an effective date of not  
97 less than five (5) working days after the date of filing, for service rendered  
98 on and after their effective date, with individual tariff sheets to be  
99 corrected if necessary, within that time period.

100

101 **Q. Do you agree with the Company’s proposed changes to the sewer tariff?**

102 A. Yes I do agree with the change as proposed by the Company. Staff requests  
103 the Commission order the Company to file the necessary revised tariffs for  
104 University Park within ten (10) days of the final Order if the certificate is approved  
105 for the Expanded Area, with an effective date of not less than five (5) working  
106 days after the date of filing, for service rendered on and after their effective date,  
107 with individual tariff sheets to be corrected, if necessary, within that time period.

108

109 **Q. What is your recommendation regarding rates for the Expanded Area?**

110 A. If the Commission approves Aqua's request for a certificate of public  
111 convenience and necessity, based on the information provided by the Company,  
112 I recommend that the Commission find that the Company's University Park  
113 District water and sewer rates for the Expanded Area should be applied to the  
114 Expanded Area. Staff recommends the Company file the necessary revised  
115 tariffs for University Park within ten (10) days of the final Order if the certificate is  
116 approved for the Expanded Area, with an effective date of not less than five (5)  
117 working days after the date of filing, for service rendered on and after their  
118 effective date, with individual tariff sheets to be corrected within that time period,  
119 if necessary.

120

121 **Q. Does this conclude your direct testimony in this proceeding?**

122 A. Yes.

AQUA ILLINOIS, INC.  
UNIVERSITY PARK  
WILL COUNTY, ILLINOIS

Docket No. 06-0655  
ICC Staff Exhibit 4.00  
Schedule 4.01  
**ILL. C.C. No. 47**  
**Section No. 4**  
**Second Revised Sheet No. 1**  
**Canceling First Revised Sheet No. 1**

AQUA ILLINOIS, INC.  
SCHEDULE OF RATES  
FOR  
WATER SERVICE

Applying to the following Territory:

FILED IN COMPLIANCE WITH	
X Order No. 03-0379	
<input type="checkbox"/> Law	<input type="checkbox"/> For Prov.
Date	Check Date 04/20/04
PUBLIC UTILITIES DEPARTMENT	
ENGINEERING DEPARTMENT	

Village of University Park, Portions of the Village of Monee, Oak Highlands Subdivision (Oakview Avenue) and Portions of Crete, Joliet, Monee and Green Garden Townships in Will County, Illinois

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Filed in Compliance with Order of ILLINOIS COMMERCE COMMISSION  
Illinois Commerce Commission in Docket No. 03-0379 CHIEF CLERK'S OFFICE

Issued: April 8, 2004

Effective: April 22, 2004

Issued By: Terry J. Rakocy, President

1000 S. Schuyler Ave., Kankakee, IL 60901

CONSUMERS ILLINOIS WATER COMPANY  
UNIVERSITY PARK  
WILL COUNTY, ILLINOIS

ILL. C.C. No. 47  
Section No. 4  
Original Sheet No. 2

Applies To: Village of University Park, Portions of the Village of Monee and Portions of Crete  
and Monee Townships in Will County, Illinois

WATER SERVICE

CUSTOMER CHARGES

All metered general water service customers shall pay a customer charge based on the size of meter or meters installed regardless of the amount of water used.

-----Monthly Charge-----

FILED WITHOUT  
SUSPENSION  
DEC 06 2000  
BY COMMISSION ACTION

Meter Size	Positive Displacement Meter	Turbine Meter
5/8"	6.85	
3/4"	8.25	
1"	11.50	
1-1/2"	19.50	
2"	29.00	
3"	51.00	58.00
4"	82.00	95.00
6"	160.00	192.00
8"	255.00	275.00
10"	364.00	441.00
12"	531.00	

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ILLINOIS COMMERCE COMMISSION  
CHIEF CLERK'S OFFICE

Water Service Customers located in the Meadow Creek Development will pay a surcharge of \$7.50/month in addition to above charges.

When two or more meters are installed in parallel, the customer charges will be based on one meter size larger.

Service to Multiple Units

If, at the request of, and for the convenience of the Owner of a premises containing more than one residential or commercial unit (other than hotels or motels), water is furnished to said premises through a single meter for the purpose of redistribution to the several residential or commercial units, the size of each block in the applicable rate schedule shall be multiplied by the number of residential or commercial units served through such single meter.

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1000 S. Schuyler Ave., Illinois 60901

CONSUMERS ILLINOIS WATER COMPANY  
UNIVERSITY PARK  
WILL COUNTY, ILLINOIS

ILL. C.C. No. 47  
Section No. 4  
Original Sheet No. 3

Applies To: Village of University Park, Portions of the Village of Monee and Portions of Crete  
and Monee Townships in Will County, Illinois

WATER SERVICE

CUSTOMER CHARGES

Usage Charges

The following shall be the rates for water usage and are in addition to the customer charge and public fire protection charge.

Available for all residential, commercial and industrial water service (except for the irrigation water service and private fire protection).

<u>Monthly Usage, 1,000 Gallons</u>	<u>Rates per 1,000 Gallons</u>
First 30	1.636
Next 170	1.222
Next 800	1.222
Over 1,000	1.222

Irrigation Water Service

Where water service is rendered to customer for irrigation, the monthly bill will be computed at the rate of \$.78 per 1,000 gallons. Minimum annual bill for such customer shall be \$6,500. Irrigation water consists of water delivered directly to the customer from the aquifer without chemical treatment.

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CHIEF CLERK'S OFFICE

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CONSUMERS ILLINOIS WATER COMPANY  
UNIVERSITY PARK  
WILL COUNTY, ILLINOIS

ILL. C.C. No. 47  
Section No. 4  
Original Sheet No. 4

Applies To: Village of University Park, Portions of the Village of Monee and Portions of Crete  
and Monee Townships in Will County, Illinois

WATER SERVICE

CUSTOMER CHARGES

PUBLIC FIRE PROTECTION CHARGES

Available for all residential, commercial and industrial water service (except for private fire protection) in areas where a municipality pays no fire protection charge. The rates are for fire protection facilities and are in addition to the customer charge, and usage charge.

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8"	5.10
3/4"	7.65
1"	12.75
1-1/2" or Larger	25.50

PRIVATE FIRE PROTECTION CHARGE

Available to customers on a separate fire service installed in accordance with the Company's Rules and Regulations on file with the Illinois Commerce Commission on the date of application for this service. This service shall be metered (meter supplied at the expense of the customer) except on a "Dry System."

MONTHLY PRIVATE FIRE PROTECTION RATE

<u>Size of Service</u>	<u>Monthly Rate</u>
Less than 3"	5.00
3"	8.00
4"	13.00
6"	30.00
8"	60.00
10"	105.00
12"	167.00

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AQUA ILLINOIS, INC.  
UNIVERSITY PARK  
WILL COUNTY, ILLINOIS

ILL. C.C No. 48  
Section No. 3  
First Revised Sheet No. 1  
Canceling Original Sheet No. 1

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X Order No. 03-0379  
 Low  Tank-Only  
Check for Compliance  
Date 04/20/04  
PUBLIC UTILITIES COMMISSION  
ENGINEERING DEPARTMENT

AQUA ILLINOIS, INC.  
SCHEDULE OF RATES  
FOR  
SEWER SERVICE

Applying to the Following Territory:

Village of University Park, Portions of the Village of Monee and Portions of Crete and Monee and Green Garden Townships in Will County, Illinois

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CONSUMERS ILLINOIS WATER COMPANY  
UNIVERSITY PARK  
WILL COUNTY, ILLINOIS

ILL. C.C No. 48  
Section No. 3  
Original Sheet No. 2

Applies To: Village of University Park, Portions of the Village of Monee and Portions of Crete and Monee Townships in Will County, Illinois

### SANITARY SEWER SERVICE

#### CLASSIFICATION NO. 1

#### GENERAL SANITARY SEWER SERVICE

Available to residential customers.

#### Individually Metered Residential Units

The rate to residential units with individual water meters shall be \$45.55 per month.

#### Multiple Residential Units With Common Water Meter

The rate to multiple residential units when water service is provided through a common water meter shall be \$29.50 per month multiplied by number of units served through such common meter.

#### Mobile Homes

The rate to mobile homes shall be \$18.64.

#### MEADOWCREEK DEVELOPMENT

Sewer Service Customers located in the Meadowcreek Development will pay a surcharge of \$2.50/month in addition to above charges.

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CONSUMERS ILLINOIS WATER COMPANY  
UNIVERSITY PARK  
WILL COUNTY, ILLINOIS

ILL. C.C No. 48  
Section No. 3  
Original Sheet No. 3

Applies To: Village of University Park, Portions of the Village of Monee and Portions of  
Crete and Monee Townships in Will County, Illinois

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**SANITARY SEWER SERVICE**

Monthly Rates

**BY COMMISSION ACTION  
CLASSIFICATION NO. 2**



COMMERCIAL PUBLIC AND INDUSTRIAL SERVICE

Applicable to commercial, public, and industrial customers whose flows are less than 250,000 gallons per day and whose load is less than 1,000 lbs. of B.O.D. per day.

Individually Metered Customers

For customers who receive all of their water supply by metered water service from the Company, or have installed a device to measure the volume of their discharge to the sanitary sewer system.

The usage rate shall be \$4.81 per 1,000 gallons. In addition to the usage charge, each customer shall pay a customer charge of \$23.00.

Bulk Service Customers

Applicable to customers who own and operate sewer collection systems and collect waste from and bill their own individual customers.

The usage rate shall be \$3.58 per 1,000 gallons. In addition to the usage charge, each customer shall pay a customer charge of \$7.50.

Multiple Units

For commercial, public or industrial service which includes service to multiple residential units which are not provided with water service, metered or measured as described above, the rate shall be \$29.50 multiplied by the number of units.

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CONSUMERS ILLINOIS WATER COMPANY  
UNIVERSITY PARK  
WILL COUNTY, ILLINOIS

ILL. C.C No. 48  
Section No. 3  
Original Sheet No. 4

Applies To: Village of University Park, Portions of the Village of Monee and Portions of  
Crete and Monee Townships in Will County, Illinois

**SANITARY SEWER SERVICE**

Monthly Rates

COMMERCIAL, PUBLIC AND INDUSTRIAL SERVICE (Continued)

Surcharge

When the strength of commercial, public, or industrial wastes discharged to the Company sanitary sewer system exceeds a monthly average BOD/5 of 300 mg/l or a monthly average SS of 175 mg/l, the base rate charged for service shall have a surcharge added as follows:

BOD: \$0.53 per lb. in excess of 300 mg/l.

SS: \$0.40 per lb. in excess of 175 mg/l.

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CONSUMERS ILLINOIS WATER COMPANY  
UNIVERSITY PARK  
WILL COUNTY, ILLINOIS

ILL. C.C No. 48  
Section No. 3  
Original Sheet No. 5

Applies To: Village of University Park, Portions of the Village of Monee and Portions of  
Crete and Monee Townships in Will County, Illinois

SANITARY SEWER SERVICE

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CLASSIFICATION NO. 3

LARGE COMMERCIAL, PUBLIC AND INDUSTRIAL SERVICE

ILLINOIS COMMERCE COMMISSION  
CHIEF CLERK'S OFFICE

Applicable to large commercial, public and industrial customers not covered by a separate service agreement approved by the Illinois Commerce Commission whose waste load exceeds any one of the following parameters on any day during the 12 calendar months prior to the billing period: a) 1,000 lbs. of biological oxygen demand ("BOD"); b) 1,000 lbs. of suspended solids ("SS"); or c) 250,000 gallons. The strength of the customer's discharge shall be determined by averaging the results of at least two independent certified labs, the cost of sampling by one lab to be paid by the customer. The flow quantity shall be determined based on the flows registered by the Company's meter.

Monthly Rates

A customer under this tariff shall, at its cost, make available to the Company a sampling and metering facility at the point of discharge of the waste to the Company at the customer's property line, which facility shall continuously meter and record flow and sample water effluent. The facility shall be accessible to the Company for no-notice inspection and sampling of waste discharge. The customer shall also provide for proper storage of samples prior to collection and shall maintain the facility in proper operating condition and good working order.

<u>Customer Charge</u>	\$12.00
<u>Flow Charge</u>	\$3.97 per 1,000 gallons

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Strength Surcharge

If, during the billing period, the strength of the customer's discharge to the Company exceeds an average of 250 mg/l of BOD/5 or an average of 250 mg/l of suspended solids ("SS"), the base rate charged for service shall have a surcharge added as indicated below. The strength of the customer's discharge shall be determined by averaging the results of at least two independent certified labs, the cost of sampling by one lab to be paid by the customer.

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CONSUMERS ILLINOIS WATER COMPANY  
UNIVERSITY PARK  
WILL COUNTY, ILLINOIS

ILL. C.C No. 48  
Section No. 3  
Original Sheet No. 6

Applies To: Village of University Park, Portions of the Village of Monee and Portions of  
Crete and Monee Townships in Will County, Illinois

SANITARY SEWER SERVICE

LARGE COMMERCIAL, PUBLIC AND INDUSTRIAL SERVICE (CONTINUED)

BOD/5

First 2,080 lbs. per 1,000,000 gallons - No charge  
All over 2,080 lbs. per 1,000,000 gallons - \$0.53 per lb.

SS

First 2,080 lbs. per 1,000,000 gallons - No charge  
All over 2,080 lbs. per 1,000,000 gallons - \$0.40 per lb.

Penalty

A penalty rate shall apply if BOD/5 exceeds 90,000 lbs. per month. The penalty rate which shall be charged in addition to the above rates is \$1.06 per lb. for all BOD/5 in excess of 90,000 lbs. per month.

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