

**AQUA ILLINOIS, INC.  
SURREBUTTAL TESTIMONY  
OF  
TERRY J. RAKOCY  
(DOCKET 06-0655)**



23 **Q 6. Does the Company accept Mr. Johnson's recommendation that Aqua perform a**  
24 **depreciation study prior to its next University Park rate case?**

25 A. Yes.

26  
27 **RESPONSE TO V3 REBUTTAL**

28 **Q 7. What documentation has Aqua received from the Illinois Environmental Protection**  
29 **Agency ("IEPA") concerning the capacity at the University Park WWTP?**

30 A. The only documentation that Aqua has received from the IEPA is a January 25, 2006  
31 letter notifying Aqua that the WWTP had reached 89% of its permitted capacity and was  
32 therefore being placed on critical review status. There have been no subsequent  
33 communications from the IEPA concerning capacity at the WWTP.

34 **Q 8. Prior to receiving his rebuttal testimony, have you ever seen the document attached**  
35 **to Mr. Flanagan's testimony as Attachment DF 2.1?**

36 A. No. The first time I saw this document was when I reviewed Mr. Flanagan's rebuttal  
37 testimony. I have researched the Company's records and have not located a copy of this  
38 document. I have consulted with the pertinent Company employees and none of them  
39 have previously seen this document.

40 **Q 9. Does Attachment DF 2.1 accurately reflect the permits issued by the IEPA in the**  
41 **last two years, as of March 20, 2007?**

42 A. No, it does not. The third chart in this document, titled "Permits Issued in Last 2 Years,"  
43 lists 10 permits allegedly issued by the IEPA for the University Park WWTP. The 10<sup>th</sup>  
44 permit listed on the chart, No. 2005-HB-4117, dated June 23, 2005, states that the permit  
45 was issued for 1448 PE of capacity. This is not correct. Permit No. 2005-HB-4117 was

46 issued for 207 PE of capacity for the Palmino Trace PUD. A copy of this permit is  
47 included in Attachment TJR 4.1.

48 **Q 10. On Attachment DF 2.1, Permit No. 2005-HB-4117 is noted with three asterisks,**  
49 **which appear to reference four dates where permits were issued for 207, 105, 667**  
50 **and 469 PE of capacity, respectively. DID IEPA issue the permits noted in asterisks**  
51 **at the bottom of the attachment?**

52 A. The only permit for which Aqua has a record is the permit for 207 PE of capacity for the  
53 Palmino Trace PUD, referenced above. Aqua has no record of issuance for the other  
54 three permits.

55 **Q 11. Would Aqua normally receive a copy of these permits?**

56 A. Yes. As the owner and operator of wastewater facilities, Aqua receives a copy of all  
57 IEPA construction permits for facilities connecting to Aqua's system. All permits  
58 received by Aqua from the IEPA during the past two years were provided in response to  
59 Staff WD 8. The responses and attachments to this data request are attached to my  
60 testimony as Attachment TJR 4.1.

61 **Q 12. Has the IEPA issued construction permits subsequent to March 20, 2007?**

62 A. Yes. The IEPA issued Permit No. 2007-HB-3545, dated May 2, 2007, and Permit No.  
63 2007 HB-3202, dated March 21, 2007. Both of these permits are included in Attachment  
64 TJR 4.1.

65 **Q 13. Are these permits referenced in Attachment DF 2.1?**

66 A. No.

67 **Q 14. Is the University Park WWTP currently at 104% of rated hydraulic load?**

68 A. No. Because Attachment DF 2.1 is based on faulty data, the calculation of hydraulic load  
69 shown in Attachment DF 2.1 is incorrect. The current hydraulic load, using the same  
70 formula shown in Attachment DF 2.1 but using correct data, is 98.9%. This calculation is  
71 shown in Attachment Data Response WD 8.01(1)(d), which is included in Attachment  
72 TJR 4.1. Accordingly, Mr. Flanagan's statement that "Aqua is already operating beyond  
73 its allowed capacity" is contrary to fact.

74 **Q 15. Please respond to Mr. Flanagan's statement, beginning at page 2, line 47 of his**  
75 **testimony, that "Aqua seeks to defer resolution of these [capacity] problems to some**  
76 **point in the future . . ."**

77 A. Mr. Flanagan's statement is incorrect. In my Supplemental Direct Testimony (Aqua  
78 Exhibit 2.0), I identified five potential long-term solutions to address capacity issues at  
79 the WWTP. Subsequently, Aqua has proceeded to implement the option involving the  
80 sale of part of its system to Thorn Creek Basin Sanitary District ("Thorn Creek"). The  
81 negotiations with Thorn Creek are ongoing. Even if those negotiations ultimately fall  
82 through, and there is no indication that they will, Aqua still has the option of expanding  
83 the WWTP to meet capacity demands. Aqua has also requested a rerating from IEPA.  
84 Aqua has no ability to dictate when IEPA must act on this request. The Company  
85 recognizes the need to address capacity issues at the WWTP and has acted responsibly in  
86 identifying and implementing a solution. Staff Witness Johnson has recognized the  
87 Company's efforts by indicating that "Aqua seems to be taking a proactive approach in  
88 its planning process for the sewer capacity shortage." (ICC Staff Exhibit 1.0, p. 10, line  
89 259-60.)

90 **Q 16. Has Mr. Flanagan disputed that a need for service exists in the Expanded Area?**

91 A. No.

92 **Q 17. Has Mr. Flanagan disputed that granting a Certificate to serve the Expanded Area**  
93 **will allow the cost of capacity upgrades for the WWTP to be spread across a larger**  
94 **customer base?**

95 A. No.

96 **Q 18. Has Mr. Flanagan established that V3 has a right to receive service from Aqua?**

97 A. No. Mr. Flanagan has never disputed that V3 is located outside of Aqua's certificated  
98 area. He has admitted that V3 is not seeking retail service from Aqua. And he has not  
99 rebutted the fact that V3 was never a party to the now-expired wholesale Wastewater  
100 Agreement between Aqua and the Village of Monee.

101 **Q 19. Does this conclude your testimony?**

102 A. Yes.