

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

ILLINOIS-AMERICAN WATER COMPANY)
)
Application for a Temporary and) **07-0407**
Permanent Certificate of Public)
Convenience and Necessity to Provide)
Water Service to a Parcel in Cook County,)
Illinois, Pursuant to Section 8-406 Of the)
Illinois Public Utilities Act.)

VERIFIED STATEMENT OF BILL ATWOOD

My name is William Atwood, I am employed by the Illinois Commerce Commission (“ICC” or the “Commission”) as a Water Engineer in the Water Department of the Financial Analysis Division. I hold a Bachelor’s of Science Degree in Civil Engineering from the University of Illinois at Urbana/Champaign. My duties at the Commission include the review of applications for certificates of public convenience and necessity, and the provision of recommendations to the Commission regarding my reviews.

SYNOPSIS OF THE PETITION FOR A TEMPORARY CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

On July 11, 2007, Illinois-American Water Company (“Illinois-American”, “IAWC”, or the “Company”), pursuant to Section 8-406 of the Illinois Public Utilities Act (“Act”), filed in Docket No. 07-0407 an Application for a Certificate of Public Convenience and Necessity (“Certificate”) to provide water service to a parcel located in Cook County,

Illinois (“Application”). Illinois-American subsequently filed a Verified Amended Application for a Certificate of Public Convenience and Necessity and for a Temporary Certificate of Public Convenience and Necessity (“Temporary Certificate”) on August 10, 2007 to provide water service to a parcel identified and legally described in Revised Exhibits A and B of the Amended Application.

In its Amended Application, Illinois-American requested that the Commission grant a Temporary Certificate pursuant to Section 8-406(e) of the Act, for authority to serve the parcel identified in the Amended Application for no longer than one year or until the Commission approves a final Order in this proceeding in which it seeks a permanent Certificate (Amended Application, ¶16; pp. 3 and 4).

The parcel for which a Temporary Certificate is requested is contiguous to IAWC’s existing Chicago-Metro Division, Chicago Suburban District certificated service area. (Amended Application, ¶4; p. 1; and Revised Exhibit A). The parcel is currently occupied by a single commercial customer, Accent Café, and located at 700 North River Road, Mount Prospect, Illinois. Accent Café is an existing restaurant, and currently is provided water service from a private well. (IAWC Exhibit No. BK-1.0, pp. 2 lines 43 to 44, and 4 line 102). The Cook County Department of Buildings and Zoning (“Cook County”) has informed the owner of Accent Café that its commercial building does not meet existing fire protection codes because it does not have an adequate water supply for fire suppression. (IAWC Exhibit No. BK-2.0, p. 2; IAWC Exhibit No. BK-1.0, p. 2 lines 44 to 45). Cook County will force Accent Café to close its existing business unless construction of a new water supply has commenced within the next few weeks. (IAWC Exhibit No. BK-2.0, pp. 2 to 3 lines 23 to 26). Therefore, the owner of

Accent Café has requested that Illinois-American provide it with water service because it does not have another means of obtaining water service for its commercial building. (IAWC Exhibit No. BK-1.0, p. 2, lines 46 to 47; Amended Petition, ¶18 and 19, pp. 3 and 4). Therefore, the Company requested that a Temporary Certificate be issued to allow construction on the water main extension to begin. (IAWC Exhibit No. BK-2.0, p. 1; Amended Application, ¶16, p. 3).

No other public water utility presently serves the parcel for which a Certificate is requested. (Amended Application, ¶7, p. 2). Currently, no other public water utility, municipal corporation, or other entity is willing or able to provide water service to this commercial customer (IAWC Exhibit No. BK-1.0, p. 4).

Illinois-American proposes to serve the commercial customer located within the parcel under its Rates, Rules, Regulations, and Conditions of Service tariffs for water service for the Chicago-Metro Division (IAWC Exhibit No. BK-1.0, pp. 3, lines 74 to 75, and p. 4 lines 81 to 85; Amended Application, ¶10, p. 2; and IAWC Exhibit No. BK-2.0, p. 3 lines 52 to 53).

STATUTORY AUTHORITY

Section 8-406(e) of the Act states in relevant part:

Sec. 8-406. Certificate of public convenience and necessity...

(e) The Commission may issue a temporary certificate which shall remain in force not to exceed one year in cases of emergency, to assure maintenance of adequate service or to serve particular customers, without notice or hearing, pending the determination of an application for a certificate, and may by regulation exempt from the requirements of this Section temporary acts or operations for which the issuance of a certificate will not be required in the public interest...

APPROVAL UNDER SECTION 8-406(e) OF THE ACT

The purpose of Staff of the Commission's ("Staff") verified statement is to detail Staff's understanding of the Amended Application based on the requirements specified in Section 8-406(e) of the Act. Section 8-406(e) of the Act provides that "[t]he Commission may issue a temporary certificate...in cases of emergency, to assure maintenance of adequate service or to serve particular customers, without notice or hearing, pending the determination of an application for a certificate." 220 ILCS 5/8-406(e). Accordingly, I conclude that based on the requirements of Section 8-406(e) of the Act and the facts as recited above, an emergency condition exists with respect to the provision of water service to the parcel depicted and legally described in Revised Exhibits A and B of the Amended Application. The Company has adequate water facilities and is capable of providing water service to the above described area on a temporary basis. The Company is capable of efficiently managing and supervising the expedited construction of the water main extension requested under the Temporary Certificate.

STAFF'S RECOMMENDATIONS

I recommend that Illinois-American be:

- 1) granted a Temporary Certificate to provide water service to the parcel depicted and legally described in Revised Exhibits A and B of the Amended Application.

2) ordered to charge the rates that are currently in effect for water service in the Chicago-Metro Division to the commercial customer until such time that the Commission orders that replacement water rates be established. For typical commercial water service, those water rates appear to be a customer charge of \$18.25 per month (assuming a 1-inch water meter), plus a distribution charge of \$3.5117 per 1,000 gallons for the first 20,000 gallons of lake water; plus purchased water surcharge costs consisting of a fixed charge of \$9.67 per month plus a variable charge of \$1.72 per 1,000 gallons;

3) ordered to provide water service according to the Rules, Regulations, and Conditions of Service Tariffs for Water Service currently in effect in the Company's Chicago-Metro Division.

