

**ILLINOIS COMMERCE COMMISSION**

**DOCKET NO. 08-0491**

**EXHIBIT NO. 1.0 EG**

**DIRECT TESTIMONY OF ARTHUR R. OLSON**

**RME ILLINOIS, LLC**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46

Q. State your name for the record and your position with the Petitioner, RME Illinois, LLC.

A. Arthur R. Olson. I am managing member of RME Illinois, LLC, an Illinois Limited Liability Company

Q. What is the business of RME Illinois, LLC?

A. Providing affordable wastewater service in communities where such services are presently unavailable.

Q. Please discuss your educational and professional background.

A. I am a graduate civil engineer from the University of Wisconsin with further study at Midwest College of Engineering and the University of Minnesota. I also am a professional land surveyor, a registered septic designer in Lake County, Illinois, an advanced septic installer with certification from the National Environmental Health Association and have taken courses specific to onsite wastewater dispersal in the following areas: Large Systems Hydrogeology, Large Systems Commercial, Large Systems High Strength Waste, Large Systems Cluster, Inspecting Onsite Systems, Management and Operation of Pressure Sewers and Management and Operation of media filters.

Q. Are you familiar with the Application for a Certificate of Public Convenience and Necessity which has been filed in this Proceeding?

A. Yes. Through this proceeding the Petitioner is seeking to obtain a Certificate of Public Convenience and Necessity to provide onsite wastewater service to a single-family development known as Eastgate Estates in Long Grove, Illinois.

Q. Could you identify Exhibit EG-A to the Application?

A. Exhibit EG-A is the map of the area for which RME Illinois, LLC seeks authority to provide onsite wastewater services in this proceeding.

Q. Could you Identify Exhibit EG-B to the Application?

A. Exhibit EG-B is the Legal Description of the area for which RME Illinois, LLC seeks authority to provide onsite wastewater services in this proceeding.

Q. Is there a stated public need for onsite wastewater services in this area?

A. Yes the public need is reflected in the letter from the developer Greg Sommers Vice president of Fidelity Wes attached to this testimony as Exhibit 1.01 EG and in a letter from Tom Copenhaver, the Individual Sewage Disposal Coordinator for

47 the Lake County Health Department attached to this testimony as Exhibit 1.02  
48 EG.

49

50 Q. How many customers will be served in this development?

51

52 A. Our company expects to serve 9 residential lots.

53

54 Q. Are there any other public sanitary sewer systems, which are willing and able to  
55 provide service to this development?

56

57 A. Not to the Company's knowledge.

58

59 Q. What are the "Voluntary National Guidelines for Management of Onsite and  
60 Clustered (decentralized) Wastewater Treatment Systems" specified in the  
61 Application?

62

63 A. The "Voluntary National Guidelines for Management of Onsite and Clustered  
64 (decentralized) Wastewater Treatment Systems" is a manual published by the  
65 Environmental Protection Agency (EPA) in 2003 which describes the five  
66 management model approaches that may be utilized to enhance the performance  
67 and reliability of decentralized wastewater systems through improved  
68 management programs.

69

70 Q. Why is "Management Model 5: RME Ownership" specified in this Application?

71

72 A. "Management Model 5: RME Ownership" is specified in this application based  
73 on a letter from Tom Copenhaver the Individual Sewage Disposal Coordinator for  
74 the Lake County Health Department said letter is attached to this testimony as  
75 Exhibit 1.02 EG.

76

77 Q. What is "Management Model 5: RME Ownership"?

78

79 A. "Management Model 5: RME Ownership" is the highest management level and  
80 specifies that program elements and activities for treatment systems are owned,  
81 operated, and managed by the Responsible Management Entity which removes  
82 the property owner from responsibility for the system. The program is analogous  
83 to central sewage and provides the greatest assurance of system performance in  
84 the most sensitive of environments.

85

86 Q. Can you describe the typical application of "Management Model 5: RME  
87 Ownership"?

88

89 A. The most typical application are in areas of greatest environmental sensitivity  
90 where reliable management is required and is the preferred management program  
91 for clustered systems serving multiple properties under different ownership (e.g.  
92 subdivisions)

93 Q. What is the total amount of acreage for the area for which a Certificate is being  
94 requested in this proceeding  
95  
96 A. The area for which the Certificate is being requested in this proceeding is 22.5  
97 acres.  
98  
99 Q. What is a breakdown by acreage, of the current use of the total acreage for the  
100 area that is the subject of this proceeding  
101  
102 A. The property is mostly scrub second growth with some wetlands. The property  
103 was farmed in excess of ten years ago. No buildings remain from the farm.  
104  
105 Q. What is the amount of acreage that may be removed from current use due to the  
106 construction of the subdivision  
107  
108 A. The entire site is being developed with approximately 10.51 acres in lots and  
109 roadway right-of-way and 12.5 acres in open space which includes the onsite drip  
110 dispersal system which will have a prairie grass and prairie wildflower cover.  
111  
112 Q. Give a brief description of the sewer facilities including statements of the design  
113 capacities of the components of the sewer facilities and the maximum hourly and  
114 average inflows which are anticipated  
115  
116 A. For the decentralized community/cluster wastewater system, the developer will  
117 construct the entire system including the backbone plant. The system is  
118 composed of a 1500 gallon Orenco fiberglass septic tank CW style with pump  
119 vault (step assembly), Biotube filter, Orenco Effluent Pump Model PF100511 and  
120 a Vericom Remote Telemetry System on each lot. The septic tank treated effluent  
121 is pumped under pressure in a main line used by all residences of the subdivision  
122 to a 6,000 gallon fiberglass recirculation-blend tank, manufactured by Xerxes,  
123 with associated pumps and remote telemetry controls in conjunction with six  
124 Orenco AdvanTex AX100 Media Filters for Advanced Treatment. The advanced  
125 treated effluent is forwarded to a 4,000 gallon pump tank manufactured by Xerxes  
126 with associated pumps and remote telemetry controls. The effluent is pumped  
127 through an American Manufacturing multizone drip dispersal system control unit  
128 with associated telemetry into three drip zones utilizing Bioline drip tubing for in  
129 ground dispersal. The average residence will use approximately 200 gallons of  
130 water per day or 1800 gallons for the entire proposed system. The two advanced  
131 AdvanTex AX100 media filters, pumps and tanks have an average capacity to  
132 process 5,000 gallons per day and a maximum capacity of 10,000 gallons per day.  
133 The subsurface dispersal system is designed for a capability of 4,320 gallons per  
134 day. The system has a safety factor of over 2.3 for the entire system.  
135  
136 Q. What type of pipe is being used in the sewer collection system include the type of  
137 material from which the pipe will be manufactured?  
138

- 139 A. The sewer lateral from the septic tank to the main line shall utilize 1" HDPE  
140 SDR-11 PE 3408 pressure rated for 160 psi butt or fusion welded and the main  
141 line sewer shall utilize 2" HDPE DR-11 PE 3408 pressure rated for 160 psi butt or  
142 fusion welded.  
143
- 144 Q. Provide a statement evidencing that the sewer mains and sewer laterals proposed  
145 are of adequate size and are to be laid to permit an expeditious flow from point of  
146 origin at the customer's premises to the point of sewer treatment or disposal and if  
147 land contours are not such as to permit transport of the outflow by gravity, will  
148 adequate lift stations or other adequate sewer facilities be provided as a part of the  
149 Company's sewer system and if, in lieu of or as adjunct to such lift stations, force  
150 pumps are proposed to be installed to move sewage away from a customer's  
151 premises, a full description of the equipment and of the manner and means of its  
152 operation shall be stated.  
153
- 154 A. The system shall be composed of a 4" Customer sewer lateral from the customer's  
155 premises to the STEP (Septic Tank Effluent Pump) tank. This sewer shall be a  
156 gravity sewer and shall be installed according to the plumbing code. From the  
157 STEP tank to the Collection sewer a 1" lateral shall be installed. The sewer  
158 lateral shall be manufactured of HDPE DR11 PE 3408 pressure rated at 160 psi.  
159 The lateral shall be pressurized by means of the STEP system located in the septic  
160 tank. A high head effluent pump, Orenco Model PF100511, is utilized to  
161 pressurize the system. The pump is sized and performs within the manufactures  
162 published pump curve for the system as designed. Typical effluent sewer mains  
163 are two inches in diameter for up to 100 equivalent dwelling units and four inches  
164 in diameter for up to 500 equivalent dwelling units. The peak flow rate for the  
165 proposed subdivision is 19.5 GPM which is well within the acceptable flow  
166 parameters for a 2" sewer main. The pump selected for each residence is based  
167 on the flow in gallons per minute and the TDH (total dynamic head). The pump  
168 selected for this installation is the Orenco PF100511 pump with a 1/4" flow  
169 controller which limits the flow from the tank to 5 GPM. The pump selected is  
170 well within the manufactures pump curve based on flow and TDH. Backflow  
171 preventers are installed in the septic tank and at the service connection to the main  
172 line to prevent wastewater from backing up into the residence. A roll seal valve is  
173 to be installed in the main line to keep the main sewer full at all times especially  
174 during periods of low flow to avoid the tendency for air and gas to coalesce at  
175 high points and restrict the system's hydraulic capacity. Automatic air release  
176 valves are also installed in the main line to prevent air and gas accumulation  
177 which could diminish the system's hydraulic capacity.  
178
- 179 Q. Are there feasible alternatives to the proposed sewer system, such as connection  
180 to an existing public utility or municipality sewer system or use of alternative  
181 treatment such as lagoon and/or sewer treatment plant, together with reasons for  
182 the choice selected.  
183

184 A. There are no existing public utilities or municipality sewer systems for which  
185 connection is feasible. A lagoon system for this property is impractical. The site  
186 is very rolling and placing a lagoon would be difficult if not impossible. There is  
187 not enough land outside of the wetland boundaries for the dispersal of the  
188 wastewater by spray irrigation.  
189 .

190 Q. Does the company have an Agricultural Impact Mitigation Agreement between  
191 the Company and the Illinois Department of Agriculture, in regard to extension of  
192 sewer lines [8IAC700, Appendix J, and 505 ILCS 77-Farmland Preservation Act]  
193 and if the Company does not have an Agricultural Impact Mitigation Agreement,  
194 does the Company plan on contacting the Illinois Department of Agriculture  
195 concerning the Agreement?  
196

197 A. The Company does not have an Agricultural Impact Mitigation Agreement and  
198 does not plan on contacting the Illinois Department of Agriculture because the  
199 facility is located entirely within the Corporate boundaries of the Village of Lake  
200 Villa and no land or easements are required outside of the subdivision and  
201 therefore the Agreement is not required.  
202

203 Q. Has the Company contacted the Illinois Historic Preservation Agency to  
204 determine if any portion of the proposed sewer has been identified in a historic or  
205 archaeological area [20 ILCS 3420-Illinois State Historic Resources Preservation  
206 Act]? If yes please explain the results of such contact. If no, please indicate  
207 whether such contact will be made and when.  
208

209 A. The Illinois Historic Preservation Agency has been contacted with the results  
210 being “It has been determined, based on available information, that no significant  
211 historic, architectural or archaeological resources are located within the proposed  
212 project area”.  
213

214 Q. Has the Company contact the Illinois Department of Natural Resources and the  
215 U.S. Army Corps of Engineers to determine if any portion of the proposed sewer  
216 main extension has been identified as a flood plain area and/or wetland [20 ILCS  
217 830 – Integrated Wetland Policy Act of 1989, 615 ILCS 5 – Rivers, Lakes, and  
218 Streams Act, and CFR 401]? If yes, please identify the agency contacted and  
219 explain the result of such contact. If no, please indicate whether such contact will  
220 be made and when.  
221

222 A. The Company has contacted the Illinois Department of Natural Resources, the  
223 U.S. Army Corps of Engineers and the Lake County Stormwater Management  
224 Commission. The results of the contact is that the Department of the Army,  
225 Chicago District, Corps of Engineers has jurisdiction over the wetlands and as  
226 such states that the work within the subdivision is in compliance with Regional  
227 Permit 1.  
228

229 Q. Has the Company performed an Endangered Species Consultation Process with  
230 the Illinois Department of Natural Resources for the construction of the proposed  
231 sewer main extension [ Ill. Admin. Code 1075, 520 ILCS 10/11 – Illinois  
232 Endangered Species Protection Act, and explain the results of such process. If no,  
233 please indicate whether such process will be undertaken and when.  
234

235 A. An Endangered Species Consultation has been undertaken. The results state that  
236 there are no endangered or threatened species or Natural Areas present in the  
237 vicinity of the action and that the consultation is terminated.  
238

239 Q. Has a list been filed with the Chief Clerk of the Illinois Commerce Commission a  
240 list containing the name and address of each owner of privately owned tracts of  
241 land upon which easements will be sought to construct sewer facilities, as  
242 disclosed by the records of the tax collector of the county wherein such land is  
243 located [83 Ill. Code 200.150(h)].  
244

245 A. A list has not been filed as no easements are necessary on privately owned tracts  
246 of land for construction of the sewer system.  
247

248 Q. What is the size, diameter, of the proposed sewer main extension. If the sewer  
249 main size is larger than eight inches (8”) in diameter, please explain who will be  
250 responsible for paying for the additional cost of the larger pipe. In addition,  
251 please provide a justification for installing a sewer main that is larger than eight  
252 inches (8”) diameter in size or smaller than six inches (6”) in diameter size.  
253

254 A. The main line sewer to be utilized for this onsite system is 2 inches in diameter  
255 and is sized appropriately, based on standard engineering principals, for the  
256 proposed onsite decentralized cluster subdivision. No extension of this system  
257 into other areas is proposed or allowed because the facility is designed and sized  
258 to be contained entirely within the subdivision.  
259

260 Q. Have any permits been issued by the Illinois Environmental Protection Agency  
261 for the construction of the proposed sewer system and if a permit has not been  
262 issued by the Illinois Environmental Protection Agency for the construction of the  
263 proposed sewer system, please explain why not.  
264

265 A. No permits were issued or are required by the Illinois Environmental Protection  
266 Agency for construction of the proposed system with the exception of the filing of  
267 the Illinois Environmental Protection Agency, Bureau of Land, Class V Injection  
268 Well Inventory Form which was filed on March 1, 2007. An IEPA permit is not  
269 required for an onsite system with in ground dispersal. For systems utilizing  
270 spray irrigation, lagoons, or direct discharge an IEPA permit would be required.  
271

272 Q. Who the officers and directors of the limited liability company, the address of  
273 each, and the number of shares held by each and also what is the nature,  
274 character, and extent of the interest, if any, of any of the above officers or

275 directors in any other sewer company, or in any other limited liability company,  
276 partnership, or corporation that holds an interest in any other sewer company.  
277

278 A. Arthur Olson Phillip Grossman  
279 965 Westshore Drive 8707 Skokie Blvd.  
280 Fox lake, Il. 60020 Skokie, Il. 60077  
281 66-2/3% Ownership 33-1/3% Ownership

282 The above members have no interest in any other sewer company or any limited  
283 liability company, partnership, or corporation that holds an interest in any other  
284 sewer company.  
285

286 Q. What is the source of water supply for each of the residences.  
287

288 A. All single-family residences shall be served by individually owned and operated  
289 wells.  
290

291 Q. Explain why no easements are necessary on privately owned tracts of land for  
292 construction of the sewer system.  
293

294 A. No easements are necessary on privately owned tracts of land because the entire  
295 sewer system is contained within the proposed subdivision.  
296

297 Q Please provide a copy of the depreciation rates that will be utilized to begin  
298 establishing a depreciation reserve  
299

300 A. The treatment facility shall be depreciated over 25 years therefore the rate of  
301 depreciation shall be set at 4.0% per year.  
302

303 Q. Have you prepared financial statements (balance sheets) showing in detail the  
304 Company's assets, liabilities, and net worth for 2008, and projected balance sheets  
305 for 2008 through 2012.  
306

307 A. I have prepared a pro forma income statement and balance sheet and they are  
308 attached to this testimony as Exhibit 1.03 EG.  
309

310 Q. Please provide the Company's experience in installing, operating and maintaining  
311 this type of sewer system in Illinois and in any other state. Please indicate the  
312 number and location of each of this type of sewer system that the Company is  
313 aware of that is currently operating in Illinois and in any other state.  
314

315 A. Four locations in Illinois utilizing similar sewer systems are:  
316

317 1) Village of New Minden – 119 Septic Tank Effluent Gravity  
318 connections, 11 Septic Tank Effluent Pump connections, recirculating  
319 granular filter, final dispersal to stream.

- 320 2) Village of Browns – 99 connections, recirculating sand filter, final  
321 discharge to stream  
322 3) Newport Cove – Lake County – 67 Septic Tank Effluent Pump  
323 connections, recirculating sand filter, final dispersal to drip field.  
324

325 Four Locations in others states.  
326

- 327 1) South Alabama Utilities, Semmes, Alabama – Seven plants serving  
328 2000 connections at build out  
329 2) Diamond Lake Water and Sewer Commission, Washington – 500  
330 connections  
331 3) Elkton, Oregon – 100 connections  
332 4) Applied Wastewater Management, Inc, - New Jersey – 3700  
333 Connections  
334

335 This particular system manufactured by Orenco utilizing a recirculating textile  
336 packed bed filter has not been installed in Illinois. Mr. Olson has taken courses  
337 at Orenco’s headquarters in Sutherlin, Oregon in Operation and Maintenance of  
338 Step Systems, Pressure sewers and media filters.  
339

340 Q. What is RME Illinois’ investment in this docket?  
341

342 A. The Company is refunding \$963 per lot to the developer as customers attach over  
343 a ten year period.  
344

345 Q. Do you have a detailed estimate of the cost of construction of the proposed sewer  
346 system?  
347

348 A I have a detailed estimate of the cost of construction of the proposed sewer system  
349 attached to this testimony as Exhibit 1.04 EG.  
350

351 Q. Does the company intend to follow the Uniform System of Accounts for Sewer  
352 Utilities Operating in Illinois?  
353

354 A. The company intends to follow the Uniform System of Accounts for Sewer  
355 Utilities Operating in Illinois.  
356

357 Q. What return on rate base is being proposed in the rates proposed?  
358

359 A. The return being proposed on the rate base is 9.7%.  
360

361 Q. Does the company have a summary of the Annual Operating expenses for this  
362 Docket?  
363

364 A. Yes I have a summary of the Annual Operating Expenses (Test Year) and a  
365 breakdown which is attached to this testimony as Exhibit 1.05 EG.

366  
367  
368  
369  
370  
371  
372  
373  
374  
375  
376  
377  
378  
379  
380  
381  
382  
383  
384  
385  
386  
387  
388  
389  
390  
391  
392  
393  
394  
395  
396  
397  
398  
399  
400  
401  
402  
403  
404  
405  
406  
407  
408  
409  
410  
411

- Q. Have Revenue Requirement Schedules been provided for this docket.
- A. Yes. The Revenue Requirement Schedules are attached to this testimony as Exhibit 1.06 EG: Revenue Requirement Schedules: Schedule 1.06-1 Statement of Operating Income, Schedule 1.06-2 Rate Base and Schedule 1.06-3 Interest Synchronization Adjustment. Adjustment Schedules: Schedule 1.04-4 Payroll Tax Expense and Schedule 1.05-5 Working Capital Allowance.
- Q. What conveyances of property will be made to RME Illinois with respect to construction of the wastewater facilities?
- A. Under the Agreement (Exhibit EG-C to the Petition), upon satisfactory completion of the facility, and full compliance by the Developer with the provisions of the Agreement, ownership of the Facility shall be transferred to RME Illinois
- Q. Does RME Illinois require approval for a contribution to the wastewater facilities in this proceeding?
- A. Yes. Section 600.370(a) of the Commission’s Rules (83 Ill. Admin. Code, 600.370(a)) states that: “The utility will provide all supply plant (backbone plant) at its cost and expense without requiring contributions or tap-on-fees from customers, developers or promoters, except in those unusual cases where extensive plant additions are required before customers can be attached. In such instances the utility may require a customer, developer and/or promoter to advance funds, subject to refund as customers attached, or require a revenue guarantee in lieu of customers being attached. Each contract for such an advance or revenue guarantee shall be filed with the commission for approval.” As discussed the developer will construct wastewater facilities at its cost. In accordance with the Wastewater Service Agreement (the “Agreement), attached as Exhibit EG-C to the Petition, RME Illinois will reimburse the developer for a portion of the cost of the facilities as customers attach over ten years in the amount of \$963.00 per customer attached. Under Section 600.370(a) these arrangements for a contribution by the developer to the cost of construction of the wastewater facilities require the approval of the Commission.
- Q. Should the Commission approve the proposed terms regarding the wastewater facilities?
- A. Yes. The approximate cost of the wastewater facilities constructed by the developer is \$257,000, with the expectation that new wastewater customers within the development will attach periodically over the next ten years. Because there will only be a few customers in the Area when wastewater service is initially provided and extensive wastewater plant additions are required to serve the Area, receipt of a contribution with respect to those facilities is necessary to avoid

412 undue risk for RME Illinois or its customers. Under the Agreement RME  
413 Illinois's investment in wastewater facilities is provided as customers attach.  
414 Accordingly, the risk that the Area may not develop as planned is placed on the  
415 Developer, and not on RME Illinois or its customers. If RME Illinois were  
416 required to invest the full cost of constructing the wastewater plant, the level of  
417 rate base per customer for the Area (and associated revenue requirement) would  
418 be unreasonably high. For that reason, RME Illinois's investment in wastewater  
419 plant is limited to the above-described refund per customer as customers attach.  
420

421 Q. Would you discuss RME's proposal with respect to Construction cost/ refunds for  
422 the wastewater system?  
423

424 A. Yes. Under Rule 11.01(m) of the Standard Sewer Rules, construction cost/ refund  
425 requirements for sewer collection mains that will serve six or more residences are  
426 not set forth in detail, and are subject to negotiation by the utility and the  
427 developer as part of a "special contract." Under the agreement the Developer will  
428 construct the Development Wastewater System. The Agreement provides for  
429 refunds by RME in accordance with methodology previously approved in Docket  
430 01-0645. In that case, the approximate amount of a utility's investment in a  
431 wastewater collection system was extensively addressed and it was ultimately  
432 agreed to use the methodology set forth on Attachment "A" to a Stipulation  
433 referenced in the Commission's Order. A copy of attachment "A" in Docket 01-  
434 0645 is attached to the Petition as Attachment "A". As indicated in Attachment A  
435 in Docket 01-0645 that a developer constructing wastewater mains should receive  
436 a credit (refund) from the utility equivalent to one-and-one-half times the  
437 Company's estimate of annual wastewater revenues to be provided by "Original  
438 Prospective Customers" (as defined in Attachment A). The amount refunded will  
439 not exceed the amount of the original deposit. As Attachment A indicates, the  
440 approved methodology in Docket 01-0645 provided the initial developer seeking  
441 a main extension with certain "recapture" rights when a future developer connects  
442 to the same main. In the present case, however, the developer has waived such a  
443 right and the Agreement does not provide for "recapture." With respect to the  
444 methodology developed in Docket 01-0645, the Commission concluded (Order, p.  
445 8) that "the parties have devised a method sufficient to repay.....[the utility],  
446 developers and property owners for costs incurred in the installation of the sewer  
447 extensions, and that all participants to such developments would be fairly and  
448 adequately recompensed." Accordingly, the Commission determined that the  
449 methodology was reasonable and should be approved. (Order, Docket 01-0645, p.  
450 8) RME Illinois proposed that, for the Development Wastewater System, the  
451 amount of credit (refund) due to the developer be determined by use of the  
452 methodology described above and endorsed by the Commission in Docket 01-  
453 0645. This same methodology was later approved by the Commission in Docket  
454 05-0253.  
455

456 Q Please discuss the accounting entries proposed by the Company?  
457

458 A. The Petitioner proposes that in accordance with Commission policy and the  
459 Uniform System of Accounts (83 Ill. Admin. Code, Part 605, Accounting  
460 Instruction 17), to record the original cost of wastewater facilities for the Area in  
461 the applicable Utility Plant In Service (Account101). The original cost of the  
462 Wastewater System for the Area will be the installed gross cost of the facilities.  
463 RME proposes to record the anticipated amount for refunds (using the above-  
464 described methodology) in Account 252. The difference between the construction  
465 cost and the Advances for Construction would be recorded in Account 271-  
466 Contributions in Aid of Construction. The balance in Account 252 would be  
467 offset by a debit for refunds made in accordance with the methodology approved  
468 in Docket 01-0645. The wastewater accounting entries proposed by RME are  
469 shown in Exhibit EG-D to the Petition. For rate-making purposes, the above  
470 accounting entries would have no initial effect on rate base (the amount recorded  
471 as utility plant being offset entirely by contributions and advances). Rate base  
472 would increase as customers attach due to RME's payment of sewer construction  
473 refunds (which reduces the amount of advances) under the refund approach  
474 discussed above.

475

476 Q. Is a set of approved plans available for the wastewater system?

477

478 A. Yes. The plans are attached to this testimony as Exhibit 1.07 EG.

479

480 Q Does this conclude your direct testimony?

481

482 A Yes it does.

