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BEFORE THE  
ILLINOIS COMMERCE COMMISSION

ILLINOIS-AMERICAN WATER COMPANY ) DOCKET NO.  
) 09-0319  
Proposed general increase in water )  
and sewer rates. )  
(Tariffs filed May 29, 2009) )

Springfield, Illinois  
Wednesday, August 5, 2009

Met, pursuant to notice, at 10:00 a.m.

BEFORE:

MR. LARRY JONES, Administrative Law Judge

APPEARANCES:

MR. CHRISTOPHER W. FLYNN  
MR. ALBERT D. STURTEVANT  
JONES DAY  
77 West Wacker  
Chicago, Illinois 60601  
Ph. (312) 782-3939

(Appearing on behalf of  
Illinois-American Water  
Company)

MR. BOYD J. SPRINGER  
Attorney at Law  
PO Box 3007  
Glenview, Illinois 60025

(Appearing via teleconference  
on behalf of Illinois-American  
Water Company)

SULLIVAN REPORTING COMPANY, by  
Carla J. Boehl, Reporter  
CSR #084-002710

1 APPEARANCES: (Continued)

2 MR. JOHN J. REICHART  
3 Corporate Counsel  
4 727 Craig Road  
5 St. Louis, Missouri 63141  
6 Ph. (314) 996-2287

7 (Appearing on behalf of  
8 Illinois-American Water  
9 Company)

10 MR. RICHARD C. BALOUGH  
11 BALOUGH LAW OFFICES, LLC  
12 1 North LaSalle Street, Suite 1910  
13 Chicago, Illinois 60602  
14 Ph. (312) 499-0000

15 (Appearing via teleconference on  
16 behalf of the City of Champaign)

17 MS. LINDA M. BUELL  
18 Office of General Counsel  
19 527 East Capitol Avenue  
20 Springfield, Illinois 62701  
21 Ph. (217) 557-1142

22 (Appearing on behalf of Staff of  
the Illinois Commerce  
Commission)

MR. MICHAEL LANNON  
Office of General Counsel  
160 North LaSalle, Suite C-800  
Chicago, Illinois 60601

(Appearing via teleconference on  
behalf of Staff of the Illinois  
Commerce Commission)

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22

1 APPEARANCES: (Continued)

2 MS. KRISTIN MUNSCH  
3 Assistant Attorney General  
4 100 West Randolph Street, 11th Floor  
Chicago, Illinois 60601  
Ph. (312) 814-8496

5 (Appearing via teleconference  
6 on behalf of the People of the  
State of Illinois)

7 MS. JULIE SODERNA  
8 Attorney at Law  
309 West Washington, Suite 800  
Chicago, Illinois 60606  
9 Ph. (312) 263-4282

10 (Appearing via teleconference  
11 on behalf of the Citizens  
Utility Board)

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I N D E X

WITNESS

DIRECT

CROSS

REDIRECT

RECROSS

None .

EXHIBITS

MARKED

ADMITTED

None .

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PROCEEDINGS

JUDGE JONES: Good morning. I call for hearing Docket Number 09-0319. This is titled in part Illinois-American Water Company, proposed general increase in water and sewer rates.

At this time we will ask the various parties to enter your respective appearances orally for the record. Before I do that, if anyone is having any problem hearing anybody else, just interrupt us and we will make whatever adjustments we need to make so that everybody can hear.

Appearance-wise we will start with the appearance or appearances on behalf of Illinois-American Water Company.

MR. FLYNN: Christopher Flynn and Albert Sturtevant, Jones Day, 77 West Wacker, Suite 3500, Chicago, Illinois 60601 on behalf of Illinois-American Water Company.

Judge, is there any further information you would like us to provide at this time?

JUDGE JONES: Did you get a business phone

1 number in there?

2 MR. FLYNN: The number is (312) 782-3939.

3 JUDGE JONES: Thank you. Are there any other  
4 appearances on behalf of Illinois-American Water  
5 Company this morning?

6 MR. REICHART: Yes, Your Honor, also appearing  
7 on behalf of the Company, John J. Reichart. My  
8 address is 727 Craig Road, St. Louis, Missouri 63141.  
9 My business phone number is area code (314) 996-2287.

10 MR. SPRINGER: Also on behalf of  
11 Illinois-American Water Company, Boyd J. Springer,  
12 Post Office Box 3007, Glenview, Illinois 60025, phone  
13 number (847) 724-5443.

14 JUDGE JONES: Thank you. Are there any other  
15 appearances on behalf of Illinois-American Water  
16 Company? Let the record show there are not.

17 Are there appearances to be entered on  
18 behalf of the People of the State of Illinois?

19 MS. MUNSCHE: Yes, Your Honor, Kristin Munsch,  
20 M-U-N-S-C-H, the address is 100 West Randolph Street,  
21 11th Floor, Chicago, Illinois 60601, telephone  
22 (312) 814-8496.

1           JUDGE JONES: Thank you. Go ahead. Are there  
2 any other appearances to be entered on behalf of the  
3 People of the State of Illinois?

4           MS. MUNSCH: No, not at this time, Your Honor.

5           JUDGE JONES: Thank you. Are there appearances  
6 to be entered on behalf of the Citizens Utility  
7 Board?

8           MS. SODERNA: Yes, thank you, Your Honor.  
9 Julie Soderna on behalf of the Citizens Utility  
10 Board, 309 West Washington, Suite 800, Chicago,  
11 Illinois 60606.

12           JUDGE JONES: Could we have a business phone  
13 number, please?

14           MS. SODERNA: That's (312) 263-4282.

15           JUDGE JONES: Thank you. Are there appearances  
16 to be entered on behalf of the Illinois Commerce  
17 Commission Staff?

18           MS. BUELL: Yes, thank you, Your Honor.  
19 Appearing on behalf of Staff witnesses of the  
20 Illinois Commerce Commission, Linda M. Buell and  
21 Michael Lannon. My address is 527 East Capitol  
22 Avenue, Springfield, Illinois 62701. My telephone

1 number is area code (217) 557-1142.

2 And Mr. Lannon's address is 160 North  
3 LaSalle Street, Chicago, Illinois 60601.

4 JUDGE JONES: Thank you. Are there any other  
5 appearances to be entered this morning, at least at  
6 this time this morning? Let the record show there  
7 are not, at least at this point in the prehearing  
8 conference.

9 With respect to scheduling, are there  
10 any scheduling proposals to be put forward at this  
11 time?

12 MR. FLYNN: Judge, the Staff and the Company  
13 have reached an agreement as to a schedule which has  
14 been circulated to the other parties. If you would  
15 like, I could read that into the record at this time.

16 JUDGE JONES: Just one moment. Are there any  
17 other appearances to be entered at this time?

18 MR. BALOUGH: Yes, Your Honor. Richard C.  
19 Balough, Balough Law Offices, LLC, 1 North LaSalle,  
20 Suite 1910, Chicago, Illinois 60602, appearing on  
21 behalf of the City of Champaign.

22 JUDGE JONES: Thank you. Could you give us

1 your phone number, please?

2 MR. BALOUGH: (312) 499-0000.

3 JUDGE JONES: Thank you.

4 MR. FLYNN: For Mr. Balough's benefit, this is  
5 Chris Flynn and I had, in response to a request from  
6 the judge, indicated that the Company and the Staff  
7 had agreed on a tentative schedule and had offered to  
8 read that into the record at this time.

9 JUDGE JONES: Go ahead and read that proposed  
10 schedule into the record and we will go from there.

11 MR. FLYNN: Yes. The Illinois-American Water  
12 Company update filing would be Monday, August 24.

13 Staff and Intervenor direct testimony  
14 would be due Monday, September 28.

15 A status hearing would be held  
16 Thursday or at least scheduled -- would be scheduled  
17 for Thursday, October 15.

18 Company rebuttal would be due on  
19 Wednesday, October 21.

20 Staff and Intervenor rebuttal  
21 testimony would be due on Friday, November 13.

22 Company surrebuttal testimony would be

1 due on Wednesday, November 25.

2 A status hearing would be scheduled  
3 for the afternoon of Friday, December 4, and there  
4 would be a deadline for prehearing motions at noon on  
5 Friday, December 4.

6 Evidentiary hearings would commence  
7 Tuesday, December 8. The tentative schedule calls  
8 for or provides for four days of evidentiary hearings  
9 concluding on Friday, December 11.

10 Initial briefs would be due on  
11 Thursday, January 7, 2010.

12 Reply briefs and any draft orders  
13 would be due on Thursday, January 21, 2010.

14 We have included in our agreed  
15 schedule an approximation of an ALJ proposed order  
16 for February 19, and with exceptions to the proposed  
17 order on March 5 and replies to exceptions on March  
18 12.

19 The deadline for Commission action in  
20 this case is April 25.

21 JUDGE JONES: What was the first date in that  
22 series of dates that you read into the record?

1           MR. FLYNN: Top of the list was a date for the  
2 Company to provide an update of its forecast in this  
3 case.

4           JUDGE JONES: And what was that date again?

5           MR. FLYNN: August 24.

6           JUDGE JONES: Just a couple of clarifying  
7 questions without getting into the merits of the  
8 proposed schedule that you just read. The status  
9 hearings would be ones at which parties would be  
10 permitted to participate by phone, was that the  
11 intent?

12          MR. FLYNN: Yes, it was.

13          JUDGE JONES: And with respect to the Staff and  
14 Intervenor so-called rebuttal date, was that intended  
15 to be a date for Staff and Intervenors to respond, to  
16 rebut the Company's rebuttal, as well as a date for  
17 Staff and Intervenors to rebut each other's direct  
18 case?

19          MR. FLYNN: Yes.

20          JUDGE JONES: And was it intended that all  
21 these filing dates are ones on which service on other  
22 parties would be made electronically on those dates?

1           MR. FLYNN: That was our intent and I believe  
2 that was Staff as well.

3           MS. BUELL: That's correct, Your Honor.

4           JUDGE JONES: Now, did you indicate that these  
5 proposed dates have been circulated to other parties  
6 who have filed intervening petitions at some point?

7           MR. FLYNN: Yes, the schedule has been  
8 circulated. I, of course, cannot speak for those  
9 parties, what their position is on the schedule.

10          JUDGE JONES: Would the parties like a couple  
11 minutes off the record among yourselves to see where  
12 this schedule is with other parties?

13          MS. SODERNA: Speaking for CUB this is Julie  
14 Soderna, I have had a chance to review the proposed  
15 schedule and CUB is in agreement with Staff and the  
16 Company on that schedule.

17          JUDGE JONES: Thank you.

18          MS. MUNSCH: Your Honor, speaking for the  
19 People, we have also had a chance to take a look at  
20 this and, yes, we are in agreement, too. I was just  
21 double checking one of the dates, but this is fine  
22 with us.



1 question aside for the moment, are there any other  
2 points, any other questions or responses or points of  
3 clarification, with respect to it? Let the record  
4 show there are not.

5 Let the record show that the schedule  
6 that was read into the record and proposed for the  
7 record is hereby adopted for purposes of this  
8 proceeding with the following notations. The  
9 specific start times for the hearing dates will be  
10 pinned down at a later point. We will specify the  
11 date for that, for the next status, today. As far as  
12 the exact start times for subsequent hearings, we  
13 will fix those at a later point in time. I suppose  
14 in a sense 10:00 a.m. is sort of the default time,  
15 but we would like to keep some flexibility in the  
16 record as we see when exactly we need to schedule  
17 those.

18 As noted, the Staff/Intervenor  
19 rebuttal date will provide Staff and Intervenors with  
20 an opportunity to respond to Company rebuttal as well  
21 as to each other's direct. The schedule will be  
22 approved as proposed all the way through the reply

1 brief date.

2                   With respect to the rest of the dates  
3 in there, I will just say this. The schedule that  
4 has been proposed makes certain allowances for BOEs  
5 and RBOEs. To the extent there is any adjustment  
6 either direction in the proposed order dates, the  
7 parties will be given at least as much BOE time and  
8 RBOE time as is contained in this proposed schedule  
9 this morning. So if there is any adjustment either  
10 way in the proposed order date, there will be no  
11 elimination of BOE or RBOE time from that.

12                   With respect to the status on October  
13 -- 15th, correct?

14           MR. FLYNN: That's correct.

15           JUDGE JONES: What time do you propose that  
16 that be held?

17           MR. FLYNN: Staff and the Company, I don't  
18 believe, proposed any particular time for the status.

19           MS. BUELL: Ten a.m. works for Staff.

20           MR. FLYNN: Ten a.m. works for the Company as  
21 well.

22           JUDGE JONES: Let's check with others. Does

1 anybody have an objection to that status being, again  
2 by phone, being held at 10:00 a.m. on October 15?

3 MS. MUNSCH: The People don't, Your Honor.

4 MR. BALOUGH: Champaign does not, Your Honor.

5 JUDGE JONES: Thank you. That's the time it  
6 will be scheduled for then.

7 I believe that pretty well covers that  
8 scheduling proposal. Any clarifications to it? Are  
9 there any further clarifications before we move on?  
10 Let the record show there are not.

11 Ms. Buell, now, you indicated you  
12 wanted to do something on the record with regard to  
13 discovery, is that right?

14 MS. BUELL: Yes, thank you, Your Honor. Staff  
15 and the Company have come to an agreement regarding  
16 discovery in this proceeding. And Staff is presently  
17 requesting a 14-day turnaround for data requests  
18 which the Company is using its best efforts to comply  
19 with.

20 Between the Illinois-American update  
21 filing and Staff and Intervenor direct testimony,  
22 Staff has requested, and the Company has agreed, to

1 respond within seven to ten days.

2                   Between Staff and Intervenor direct  
3 testimony and Illinois-American rebuttal, the Company  
4 has agreed to a 14-day turnaround time.

5                   Between Illinois-American rebuttal and  
6 its surrebuttal testimony, the Company has agreed to  
7 a ten-day data request turnaround time.

8                   And after Illinois-American  
9 surrebuttal testimony, the Company has agreed to a  
10 four-day data request turnaround time. And all of  
11 these, I will qualify, the Company has stated it will  
12 use its best efforts to comply with, and Staff has  
13 agreed.

14               MR. FLYNN: That's correct, Judge.

15               JUDGE JONES: Now, these dates for responding  
16 to discovery requests are intended to apply to  
17 Illinois-American under what you have proposed or is  
18 that not correct?

19               MS. BUELL: That's correct, Your Honor.

20               JUDGE JONES: And what is it that you would  
21 like done on the record with respect to that, other  
22 than just noting for the record what you believe to

1 be the understanding on that?

2 MS. BUELL: I am noting it for the record, Your  
3 Honor.

4 JUDGE JONES: Thank you.

5 MR. FLYNN: Ms. Buell, is it your understanding  
6 that those -- or would the Staff at least be willing  
7 to live by those similar turnaround dates for  
8 discovery? And I guess the Company would be  
9 interested in if the other parties would as well.  
10 You know, the intent was to expedite the discovery  
11 process for all parties, given the scheduling  
12 concerns.

13 MS. BUELL: I am not sure those time frames  
14 would be appropriate for the increments that I have  
15 just discussed. For example, why would Staff be  
16 answering data requests within four days after the  
17 Company's surrebuttal testimony? Of course, Staff  
18 will use its best efforts to comply with similar --

19 MR. FLYNN: We appreciate that, but our  
20 greatest concern would be, for example, the period  
21 between Staff and Intervenor direct and Company  
22 rebuttal which is a period of 23 days. We would

1 certainly seek the parties using their best efforts  
2 to respond to discovery on a fairly expedited basis,  
3 given that we have just a little over three weeks to  
4 digest the testimony and respond to it and take our  
5 discovery that allows us to do that.

6 MS. BUELL: I understand. My point was that  
7 those increments might not be applicable to Staff.

8 MR. FLYNN: Right, I understood that --

9 JUDGE JONES: If the parties want to discuss  
10 this among themselves, I will give you an opportunity  
11 off the record to do that. I am not sure this sort  
12 of dialogue is necessarily all that beneficial for  
13 on-the-record purposes. Do the parties want an  
14 opportunity off the record to have an inter-party  
15 discovery discussion?

16 MR. FLYNN: I think we would. But we would  
17 suggest that we see what else we have and we can park  
18 this for now in case there are multiple things to  
19 discuss off the record.

20 JUDGE JONES: At some point parties will be  
21 given a brief opportunity off the record to discuss  
22 discovery turnarounds.

1                   Were there other matters that the  
2 parties wished to take up today before we provide  
3 that off-the-record opportunity? Let the record show  
4 no response.

5                   At this time then we hereby go off the  
6 record to provide the parties an opportunity to have  
7 a brief discussion regarding discovery turnarounds.

8                                   (Whereupon there was then had an  
9                                   off-the-record discussion.)

10           JUDGE JONES: Back on the record. There was an  
11 off-the-record discussion opportunity provided for  
12 the purposes indicated. Do the parties have anything  
13 else to say for the record with respect to that  
14 subject matter?

15           MS. BUELL: Yes, Your Honor. In our  
16 off-the-record discussion Staff and the other  
17 intervening parties discussed discovery with respect  
18 to their data request turnaround times. And it is  
19 Staff's understanding that Staff and all the  
20 Intervenors have agreed to use their best efforts to  
21 respond to discovery requests between Staff and  
22 Intervenor direct testimony and Company rebuttal

1 testimony in seven to ten days, and between Staff and  
2 Intervenor rebuttal testimony and the Company's  
3 surrebuttal testimony in four days.

4 JUDGE JONES: Thank you. Did that discussion  
5 intend that any other parties speak to that at this  
6 time beyond Ms. Buell's recounting of it?

7 MS. MUNSCH: Your Honor, the People support  
8 that.

9 JUDGE JONES: Thank you. Is there anything  
10 further any party believes needs to be put into the  
11 record with respect to those discovery turnaround  
12 matters? Let the record show no response.

13 Very briefly, I think there are some  
14 pending Petitions for Leave to Intervene, People of  
15 the State of Illinois on July 13, City of Champaign  
16 on July 10 and Citizens Utility Board on July 9. Are  
17 there any objections to those Petitions for Leave to  
18 Intervene?

19 MR. FLYNN: No.

20 JUDGE JONES: Let the record show that those  
21 Petitions for Leave to Intervene by those parties are  
22 hereby granted.

1                   It appears that may cover it for  
2 today's purposes, but let me make sure before we  
3 conclude the prehearing conference. Are there any  
4 other matters the parties believe need attention at  
5 this time?

6           MR. FLYNN: Judge, I believe we had -- there  
7 was a Motion to Consolidate filed. Did you want to  
8 address that today?

9           JUDGE JONES: Just out of curiosity, that was  
10 not mentioned a couple minutes ago, correct, but you  
11 believe it should be taken up now?

12          MR. FLYNN: Yes, that was my oversight and I  
13 apologize. It doesn't need to be.

14          JUDGE JONES: You are speaking of the Motion to  
15 Consolidate that would also involve 08-0463,  
16 sometimes referred to as the rate design docket, is  
17 that correct?

18          MR. FLYNN: Yes.

19          JUDGE JONES: With respect to that, we will put  
20 out some sort of scheduling in the near future that  
21 will provide parties with an opportunity to address  
22 what should happen with respect to those two dockets

1 in terms of consolidation or otherwise.

2 MR. FLYNN: Thank you, Judge.

3 JUDGE JONES: And those response and reply  
4 opportunities will be in writing and that will be set  
5 out in a scheduling ruling that will address that.  
6 Anything further with respect to that? All right.  
7 Let the record show there is not.

8 Anything else then before we conclude  
9 today's prehearing conference? Let the record show  
10 there is not. Our thanks to the parties for your  
11 participation this morning and also cooperation with  
12 each other in arriving at a schedule to be used in  
13 this matter.

14 Also, thanks to Illinois-American  
15 Water Company for providing a call-in number for  
16 parties to use for today's prehearing conference.

17 At this time then let the record show  
18 that the prehearing conference is over. Subject to  
19 the above scheduling that was approved, this matter  
20 is hereby continued to a status hearing date to be  
21 held on October 15 at 10:00 a.m. with participation  
22 by telephone to be permitted.

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(Whereupon the hearing in this  
matter was continued until  
October 15, 2009, at 10:00 a.m.  
in Springfield, Illinois.)