

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

**Illinois-American Water
Company**

**Proposed general increase in
water and sewer rates.**

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Docket No: 09-0319

DIRECT TESTIMONY OF
ROBERT BOROS

September, 2009

AG EXHIBIT 4.0

Please state your name and address.

A. My name is Robert Boros, and I live on Azalea Lane in Mount Prospect, Illinois.

Q. What is your occupation?

A. I am a Design Engineer but am unemployed right now.

Q. What is the purpose of your testimony?

A. I have lived in the same 3 bedroom, 2 bath house and have been a water and sewer collection customer of Illinois American Water Company or its predecessor companies since 1983. I understand that Illinois American is asking for a rate increase. I want to provide the Commission with information regarding the impact of the Company's rate increase request.

Q. What do you pay Illinois American for water and sewer service?

A. I have attached a copy of my July 2009 Illinois American bill as Exhibit 4.1. It shows that I used 4000 gallons of water, and paid \$63.38 for water service, fire protection, and sewage collection.

Q. Was your July, 2009 bill typical?

A. Yes. As the table on the bill showed, I generally use 4000 to 6000 gallons of water per month. There are 2 people in my family, and we use water for

cooking and household needs, and lawn care. Water usage, like all utilities, varies depending on time of year and weather conditions.

Q. Does your Illinois American bill include sewage collection and sewage treatment?

A. My Illinois American bill includes only sewage collection.

Q. If you do not pay Illinois American for sewage treatment, whom do you pay for that service?

A. The Metropolitan Water Reclamation District includes its charges for sewage treatment on my real estate tax bill. It is broken out as a separate line item. My most recent real estate tax bill shows that I paid \$192.74 per year for sewage treatment for 2007. That equals \$16.06 per month.

Q. When did you learn that IAWC was requesting a rate increase?

A. IAWC mailed a flyer to my home in June of 2009.

Q. What did you do in response to learning that IAWC was requesting a rate increase?

A. I saw a letter to Illinois Commerce Commission Chairman Box, and Commissioners Ford, O'Connell-Diaz, and Elliott written by Mount Prospect resident Avis Gibons. I signed onto the letter and circulated it to my neighbors. Many of my neighbors signed the letter. I spoke to each

person who signed the letter and saw them sign their names. A copy of that letter and my neighbors' signatures are attached as Exhibit 4.2.

Q. The letter you circulated said that IAWC already charges the highest water rates in the state. Do you believe that is true?

A. I believe it is true, at least in my area. The following are rates of municipalities near my home

	Rate	waste rate	total
CITY	RATE/1,000 gal	WASTE/1,000 gal	TOTAL/1,000 gal
ARLINGTON HTS	3.9000	0.4600	4.3600
NILES	4.5900	0.0000	4.5900
MT. PROSPECT	4.6800	1.5100	6.1900
MORTON GROVE	5.1600	1.0000	6.1600
PARK RIDGE	26.96 first 5K 4.17 6-30K 4.65 31K and up	3.80/5K	30.76/5K bi-monthly
IAWC	3.7096 1.6700	17.5200	waste collection
		9.25	Customer charge
		9.98	fixed supply charge
		4.5100	Fire charge
total	5.3796	41.26/mo	

Q. How do IAWC's rates compare to other rates paid in Mount Prospect for water and sewer service?

A. Some residents in the Village of Mount Prospect pay the Village for water. The Village charges \$4.68 per 1,000 gallons for water and \$2.135 per 1,000 gallons for sewer service. If I used 1000 gallons on the Village of

Mount Prospect's system, my bill would be \$6.815 compared to \$47.14¹ that I would pay IAWC. If IAWC's rates increase, the difference will be even greater.

Q. Would you like Chairman Box and the other Commissioners to consider your letter and the fact that more than 50 households signed the letter when they consider IAWC's requested rate increase request?

A. Yes.

Q. Why are you concerned about the IAWC rate increase?

A. My water bills are very high both when compared to what people who have other water suppliers pay and when compared to my other utility bills.

month/year	Gas	Electricity	Water
2004	1008	674	1208
2005	1261	758	1152
2006	1193	710	977
2007	1032	796	802
2008	1271	752	836
Annual average	1153	738	995

Jan-09	184.47	85.83	69.52
Feb-09	122.53	64.34	68.43
Mar-09	102.15	62.33	57.73
Apr-09	72.88	56.24	63.14
May-09	26.72	47.44	63.38
Jun-09	16.34	51.52	63.38
Jul-09	11.11	63.38	63.38

¹ This amount is based on the following: Customer charge: \$9.75 1,000 Gallons: 3.709
 Glenview fixed: 9.98 Glenview Variable: 1.67
 Fire Protection: 4.51 Sewer Collect: 17.52

Aug-09	6.18	58.94	79.58
totals	542.38	490.02	528.54
Monthly average	67.7975	61.2525	66.0675

In May, 2008, both of my adult children moved out, which reduced my household size to 2. From September to the first week of December, 2008, I was the only person in our household size because my wife was in Florida with her aunt. Yet my water cost has remained constant.

Q. Do you have any other concerns?

A. Yes, I am also concerned about IAWC rates because of the increases that I have paid since 2002. The following is my total bill, divided by 1,000 gal used, showing the effective rate per 1,000 gallons.

Total cost includes all fees and sewage costs on IAWC's bill to me

usage	Total Cost per 1,000 gallons	Month
7	11.16	Jan-08
8	10.42	Feb-08
5	13.53	Mar-08
6	12.43	Apr-08
6	12.15	May-08
5	13.84	Jun-08
5	15.04	Jul-08
5	15.04	Aug-08
6	12.49	Sep-08
3	19.55	Oct-08
1	47.67	Nov-08
3	19.55	Dec-08
5	13.90	Jan-09
5	13.69	Feb-09
3	19.24	Mar-09
4	15.79	Apr-09
4	15.85	May-09
4	15.85	Jun-09
4	15.85	Jul-09

Over the period of time that IAWC has increased my bill by 35% for the same water service and sewer service, my paycheck has increased by only 5%, which was almost wholly offset by an increase in my share of health insurance costs. I don't think I am the only customer whose income has not kept up with IAWC's repeated rate increases.

Q. ARE YOU AWARE OF ANY NICOR OR COMMONWEALTH EDISON RATE INCREASES?

A. Yes I am aware of the cost of other utilities increasing. Gas has fluctuated in cost due to the commodity cost of natural gas from record highs to lower cost today. Since deregulation of electric companies, the cost of electricity has increased also. One can do things to reduce those costs. We have switched our lighting to efficient bulbs and use air-conditioning sparingly. We have added new windows and siding with insulation to reduce heat costs. Water is another matter. Water is a necessity for hygiene, waste and life. We do not water the lawn, but only water decorative and garden plants when needed. We have also purchased a water efficient washing machine to try to reduce water usage. From the numbers stated above, I have been able to keep electric and gas costs relatively constant, even with their increases, by controlling my usage through conservation and upgrades to the house. Water bills have

remained constant even with conservation efforts and reduction in household size.

We live near one of the greatest sources of fresh water in the world, yet our water rates are higher than those, say, in Florida. We are guardians of my wife's aunt and pay the bills for her house in Port Charlotte, FL. The cost for 5000 gallons in Port Charlotte, Florida in September, 2008 was \$85.19 compared to IAWC cost in January, 2009 for 5000 gal of \$85.08. If the rate increase is allowed, our water bills will be higher than those who live near a swamp and saltwater. I believe companies must make a profit but a proposed 60+% increase since 2002 seems unreasonable.

Q. Does this conclude your testimony?

A. Yes.