

ILLINOIS COMMERCE COMMISSION

CASE NO. 10-_____

DIRECT TESTIMONY OF

BRUCE T. HAAS

ON BEHALF OF

GREAT NORTHERN UTILITIES, INC.

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**DIRECT TESTIMONY OF
BRUCE T. HAAS
ON BEHALF OF GREAT NORTHERN UTILITIES, INC.**

1 **Q1. PLEASE STATE YOUR NAME, PRESENT POSITION AND BUSINESS**
2 **ADDRESS.**

3 A1. My name is Bruce T. Haas and I am the Regional Director of Operations for the Midwest
4 Region of Utilities, Inc. ("UI"), which includes Illinois, Indiana, Kentucky and
5 Tennessee. My business address is 110 Queen Parkway, West Columbia, South Carolina
6 29169.

7 **Q2. WHAT ARE YOUR DUTIES IN YOUR CURRENT POSITION?**

8 A2. In my current position, I am responsible for making sure our customers receive adequate,
9 efficient, reliable, environmentally safe and least-cost water and wastewater utility
10 service. As such, I am responsible for all operations personnel, facilities, maintenance
11 and capital projects as well as other operational issues. In addition, I am responsible for
12 communications with state and federal regulators, including state utility commissions,
13 public staffs in the states that have them, and environmental authorities.

14
15 **Q3. PLEASE DESCRIBE YOUR PROFESSIONAL BACKGROUND.**

16 A3. I first began my employment as a meter reader and maintenance worker in 1978 for Lake
17 Holiday Utilities Corp., which is also a subsidiary of Great Northern Utilities, Inc.'s
18 parent, Utilities, Inc. During the next several years, I was promoted to Operator and
19 Operating Manager positions for a number of Utilities, Inc. subsidiary systems, while
20 earning various water and wastewater licenses in Illinois and Ohio, including the highest

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1 levels of water treatment and wastewater treatment licenses from the Illinois EPA. I
2 eventually became the Area Manager for the Peoria, Illinois region, overseeing the water
3 and wastewater facilities in this area. In 1989, I relocated to Charlotte, North Carolina
4 taking on the position of Area Manager for several areas for Carolina Water Service Inc.
5 of North Carolina, a sister subsidiary of UI, along with two large UI-affiliated systems
6 located in York County, South Carolina. I was eventually promoted to Regional Manager
7 while in Charlotte, during which time I also obtained various water and wastewater
8 licenses in Water Treatment, Water Distribution, Wastewater Collection, and
9 Backflow/Cross-Connection certifications from the State of North Carolina while taking
10 night courses towards a degree in Civil Engineering Technology. I also earned the
11 highest levels of water and wastewater certifications for Water Treatment, Water
12 Distribution, Wastewater Treatment and Wastewater Collection from the State of South
13 Carolina. Additionally, I have successfully completed the utility regulation seminar
14 sponsored by NARUC. In 2002, I was promoted to my current position as Regional
15 Director and given responsibility for the Company's systems in South Carolina and
16 Georgia. Following a reorganization of various Regions within UI in mid-2010, I
17 accepted the position as Regional Director for the Midwest Region.

18 **Q4. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE ILLINOIS COMMERCE**
19 **COMMISSION ("COMMISSION")?**

20 A4. No.

21 **Q5. HAVE YOU TESTIFIED BEFORE ANY OTHER PUBLIC UTILITY**
22 **COMMISSIONS?**

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1 A5. Yes. I have testified before the commissions in North Carolina and South Carolina, along
2 with working with staff of the Illinois Commerce Commission during my tenure with UI.

3

4 **Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

5 A6. My testimony provides support for Great Northern Utilities, Inc. (“GNUI” or
6 “Company”) request to adjust water rates. In particular, my testimony describes: (1) the
7 Company’s service territory and its water system operations; (2) the significant capital
8 improvements made to the water system; (3) water quality; and (4) customer complaints.

9 **I. SYSTEM DESCRIPTION AND OPERATION**

10 **Q7. PLEASE GENERALLY DESCRIBE THE COMPANY’S SERVICE TERRITORY**
11 **AND WATER SYSTEM.**

12 A7. GNUI provides water service in Winnebago County to approximately 360 customers. The
13 water system is divided into two service areas known as Coventry Hills and Coventry
14 Creek. The potable water is supplied from four (4) ground water wells, two (2) wells at
15 each service area. The two wells at Coventry Hills are chemically treated with sodium
16 hypochlorite and fluoride. The other two wells at Coventry Creek utilize an ion-
17 exchange softening system for the purpose of radium removal. The softened water is
18 then chemically treated with sodium hypochlorite and fluoride. Phosphate is added to the
19 finished water of all four (4) wells for the purpose of iron sequestration. The potable
20 water distribution system pressure is maintained between approximately 58 PSI to 68
21 PSI. The water capacity and pressure in the GNUI system are maintained by utilizing
22 six (6) hydro-pneumatic storage tanks. Four of these hydro-pneumatic tanks are 12,000

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1 gallons each, and two are 5,000 gallons each, for a total of 58,000 gallons of storage and
2 pressure capacity. The GNUI water distribution system is approximately 27,000 linear
3 feet (LF) or approximately 5.1 miles in length. GNUI does not provide fire protection
4 but has flushing hydrants located throughout the system for seasonal flushing purposes
5 and maintenance.

6 **Q8. PLEASE DESCRIBE THE DUTIES OF THE STAFF AT GNUI.**

7 A8. Staff collects and tests water samples at the point of entry and distribution system on a
8 daily basis. The staff also completes daily operations, equipment repairs and
9 maintenance of assets. They are responsible for submitting complete and accurate
10 monthly reports to the Illinois Environmental Protection Agency ("IEPA") and
11 maintaining compliance with all IEPA regulations. They maintain the distribution
12 system, order and safely store and identify necessary chemicals, and complete field
13 activities and respond to customer inquiries. Finally, the staff is responsible for reading
14 water meters on a monthly basis.

15 **Q9. IS THE COMPANY IN COMPLIANCE WITH ALL IEPA REQUIREMENTS**
16 **AND PERMITS?**

17 A9. Yes.

18 **II. CAPITAL IMPROVEMENTS**

19
20 **Q10. PLEASE DESCRIBE THE IMPROVEMENTS MADE BY THE COMPANY TO**
21 **ITS WATER SYSTEM.**

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1 A10. Since the last rate case in 1997, GNUI has invested over \$1.3 million dollars in total net
2 plant additions from 1997 through 2009, which includes the capital projects listed below.

3
4 **Table 1 – Summary of Capital Projects**

No	Project ID	Description
1	2004276	Engineer solution to Radium issue at COV
2	2008441	Electrical Replacement
3	2007059	Engineer Septic Field at Coventry Creek
4	2004826	Emergency Test Well for Coventry Creek
5	2007058	Purchase Land for Septic Field
6	2004114	Purchase & Install Ion Exchange Equipment
7	2004820	Engineering for Treatment Options
8	2004827	Emergency Well 2 Rehab

5
6 **Q11. PLEASE BRIEFLY DESCRIBE EACH OF THE CAPITAL PROJECTS LISTED**
7 **IN TABLE 1.**

8 A11. (1) Engineering solution to Radium issue at COV - Coventry Creek Subdivision
9 Wells contain Radium in the ground water. The level of Radium had exceeded the
10 allowable limits for safe drinking water set by IEPA. An engineering study was
11 conducted to obtain options for treatment or removal of the radium.

12 (2) Electrical Replacement – Coventry Hills - Well #2 experienced electrical failure.
13 A Variable Frequency Drive (VFD) was damaged during this failure and was replaced.

14
15 (3) Engineer Septic Field at Coventry Creek – The initial option for the disposal of
16 the discharge waste from the Ion-Exchange Equipment was to design a septic field and
17 drainage piping to carry the wastewater from the water plant to the field.

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(4) Emergency Test Well for Coventry Creek – A test well was drilled to determine if a new well drawing from a different aquifer would contain less or no Radium content to avoid the need for costly ion-exchange equipment.

(5) Purchase Land for Septic Field – Land was purchased to construct the septic field needed to accept the discharge from the new Ion Exchange Equipment.

(6) Purchase and Install Ion-Exchange Equipment – Purchased and installed needed softening equipment for radium removal.

(7) Engineering for Treatment Options – IEPA would not allow the use of the septic field as originally engineered. A new study was needed for additional options to dispose of the Ion-Exchange discharge.

(8) Emergency Well 2 Rehab – Coventry Hills - Well #2 pump and motor failed. A new pump and motor were installed and the well was chemically cleaned and rehabilitated to increase pumping capacity from the aquifer back to its original designed capacity.

Q12. DOES THE COMPANY CURRENTLY HAVE ANY ISSUES REGARDING ITS WATER QUALITY?

A12. No. The water quality at GNUI is compliant with all IEPA standards for safe drinking water.

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1 **Q13. PLEASE SUMMARIZE CUSTOMER COMPLAINTS RECEIVED WITHIN THE**
2 **LAST 12 MONTHS.**

3 A13. Of the (10) service complaints received during the last 12 months, half of those were
4 customer issues or problems. The remaining utility issues involved (3) main
5 breaks/service line leaks that were the utility's responsibility; (1) complaint involved a
6 landscaping issue from a previous leak repair; and (1) complaint involved cloudy water at
7 one particular residence. Each of these items were responded to immediately and have
8 been addressed. GNUI has 24 hour/7-day/Wk. emergency on-call response personnel to
9 investigate or respond to customer service issues as necessary.

10 **Q14. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?**

11 A14. Yes it does.

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