

Direct Testimony
Of
William R. Johnson

Water Department
Financial Analysis Division
Illinois Commerce Commission

Great Northern Utilities, Inc.
Proposed General Increase in Water Rates

Camelot Utilities, Inc.
Proposed General Increase in Water and Sewer Rates

Lake Holiday Utilities Corporation
Proposed General Increase in Water Rates

Docket Nos. 11-0059/11-0141/11-0142 (Cons.)

April 26, 2011

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SCHEDULES AND ATTACHMENTS

SCHEDULE 9.01 C-W	STAFF PROPOSED WATER DEPRECIATION RATES - CAMELOT UTILITES, INC.
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SCHEDULE 9.01 GN	STAFF PROPOSED WATER DEPRECIATION RATES - GREAT NORTHERN UTILITIES, INC.
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ATTACHMENT 9.01 LH	STAFF PROPOSED RULES, REGULATIONS, AND CONDITIONS OF SERVICE TARIFFS FOR WATER SERVICE FOR LAKE HOLIDAY UTILITIES CORPORATION

1 **WITNESS IDENTIFICATION**

2 **Q. Please state your name, your employer, and your business address.**

3 A. My name is William R. Johnson. I am employed by the Illinois Commerce
4 Commission ("ICC" or "Commission"). My business address is 527 East Capitol
5 Avenue, Springfield, Illinois 62701.

6

7 **Q. How long have you been employed by the Commission?**

8 A. I have been employed by the Commission since September 1994.

9

10 **Q. Please briefly state your qualifications and experience.**

11 A. I received a Bachelor of Arts degree in Economics from Sangamon State
12 University (now University of Illinois at Springfield) in May 1990 and a Master of
13 Arts degree in Economics, also from Sangamon State University, in December
14 1993. I have also completed the following Society of Depreciation Professionals
15 courses: Basic Depreciation, Life and Net Salvage Analysis, and Preparing and
16 Defending a Depreciation Study.

17

18 In September 1994, I was assigned to the Commission's Public Utilities Division
19 as an Economic Analyst in the Rates Department. In that capacity, I reviewed
20 and analyzed filings by electric, gas, water, and sewer utilities with regard to cost
21 of service and rate design. In January 2000, I was reassigned to the Water
22 Department of the Financial Analysis Division as an Economic Analyst. My

23 duties include: (1) evaluating tariff filings; (2) inspecting water and wastewater
24 facilities for compliance with Commission rules; (3) assisting the Consumer
25 Services Division in handling inquiries and complaints; (4) evaluating testimony
26 presented by water and wastewater utilities; and (5) testifying as a Commission
27 Staff witness ("Staff") in rate proceedings, applications for certificates of public
28 convenience and necessity, applications for reorganizations, and other formal
29 proceedings which include water and/or wastewater related issues.

30

31 **Q. Have you previously testified before the Commission?**

32 A. Yes, I have previously testified before the Commission on numerous issues
33 related to my duties.

34

35 **PURPOSE OF TESTIMONY**

36 **Q. What is the purpose of your testimony?**

37 A. The purpose of my testimony is to review Great Northern Utilities, Inc. ("Great
38 Northern" or "GNUI"), Camelot Utilities, Inc. ("Camelot" or "CUI"), and Lake
39 Holiday Utilities Corporation's ("Lake Holiday" or "LHUC"), collectively (the
40 "Companies") proposed water and sewer depreciation rates. GNUI, CUI, and
41 LHUC are all Illinois operating subsidiaries of Utilities, Inc. ("UI"), which has 23
42 operating subsidiaries in Illinois. I will also be reviewing Lake Holiday's Rules,
43 Regulations and Conditions of Service tariffs for water service.

44

45 **COMPOSITE DEPRECIATION RATES VERSUS SEPARATE**

46 **DEPRECIATION RATES BY PRIMARY ACCOUNT**

47 **Q. What type of depreciation rates do the Companies currently utilize?**

48 A. GNUI currently utilizes a composite water depreciation rate of 2.00% for each
49 account. (Exhibit No. 1.0 – 11-0059, Lena Georgiev, p. 9-10.) CUI currently
50 utilizes a composite water and sewer depreciation rate of 3.00% for each
51 account. (Exhibit No. 1.0 – 11-0141, Lena Georgiev, p. 14.) LHUC currently
52 utilizes a composite water depreciation rate of 2.00% for each account. (Exhibit
53 No. 1.0 – 11-0142, Lena Georgiev, p. 14.)

54

55 **Q. What type of depreciation rates are the Companies proposing to utilize in**
56 **this case?**

57 A. The Companies are proposing to utilize separate water and/or sewer
58 depreciation rates for each primary account. (*Id.*)

59

60 **Q. What is the difference between separate depreciation rates for each**
61 **primary account and a composite depreciation rate?**

62 A. Separate depreciation rates for each primary account are simply depreciation
63 rates that are determined for each account. For example, water Account 304 –
64 Structures & Improvements will have its own calculated depreciation rate
65 compared to water Account 309 – Mains, will also have its own calculated
66 depreciation rate. A composite depreciation rate is the same depreciation rate
67 for every account.

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Q. Why are the Companies proposing the change from using composite depreciation rates to separate depreciation rates for each primary account?

A. The Companies are proposing the change from using composite depreciation rates to separate depreciation rates for each primary account because Staff initiated, and the Commission approved, the change for some of UI's Illinois operating subsidiaries, Lake Wildwood Utilities Corporation (Docket No. 01-0663) and Del-Mar Water Company (Docket No. 02-0592). Staff performed a comparative depreciation study in Docket Nos. 01-0663 and 02-0592 that examined the average service lives ("ASL") and salvage values of other water and wastewater utilities with reasonably comparable facilities. (Docket No. 01-0663, ICC Staff Exhibit No. 6.00 and Docket No. 02-0592, ICC Staff Exhibit 4.00.) Since that time, UI has proposed, and the Commission has approved, water and sewer depreciation rates that are based upon those approved in Docket Nos. 01-0663 and 02-0592 for the following UI subsidiaries: Cedar Bluff Utilities, Inc. (sewer depreciation rates – Docket No. 03-0398), Apple Canyon Utility Company (water depreciation rates - Docket No. 03-0399), Charmar Water Company (water depreciation rates - Docket No. 03-0400), Cherry Hill Water Company (water depreciation rates - Docket No. 03-0401), Northern Hills Water and Sewer Company (water and sewer depreciation rates - Docket No. 03-0402), Whispering Hills Water Company (water depreciation rates – Docket No. 10-

90 0110), and Galena Territory Utilities, Inc. (water and sewer depreciation rates –
91 Docket No. 10-0280).

92

93 **Q. Do you agree with the Companies proposed utilization of water and/or**
94 **sewer depreciation rates that are based upon separate depreciation rates**
95 **for each primary account?**

96 A. Yes, I do. The utilization of separate water and/or sewer depreciation rates by
97 primary account is more sensitive to the service life and retirements in a specific
98 account than composite water and/or sewer depreciation rates. Therefore,
99 separate water and/or sewer depreciation rates by primary account will result in a
100 more accurate allocation and recovery of water and sewer depreciation expense.

101

102 Additionally, UI operates a total of 23 water and wastewater utilities in Illinois.

103 The Commission has approved separate water and sewer depreciation rates for
104 each primary account for other UI water and wastewater utilities in Illinois, as
105 discussed previously.

106

107 **Q. Why would separate depreciation rates for each primary account be more**
108 **sensitive to service life and retirements than a composite depreciation**
109 **rate?**

110 A. A composite depreciation rate is a weighted depreciation rate that takes into
111 account many similar and dissimilar plant assets with varying ASL. That is, a
112 utility with a composite depreciation rate of 1.50% would expect that all plant

113 assets would be in service on average 67 years. For example, if a utility has a
114 computer that is in service on average for 7 years and water or sewer mains that
115 are in service on average for 90 years, both plant assets are depreciated based
116 on an ASL of 67 years.

117
118 Separate depreciation rates for each primary account take into consideration the
119 ASL and net salvage of each primary account separately. Net salvage is gross
120 salvage less the cost of removal. (NARUC, Public Utility Depreciation Practices,
121 1996, p.14.) Net salvage could also be described as the scrap value of the asset
122 minus the related cost of retiring the asset.

123
124 Since each primary account utilizes its own representative ASL and net salvage,
125 the associated depreciation rate is more representative of each primary
126 account's service life and retirements compared to a composite depreciation
127 rate.

128

129 **Q. Do you agree with UI's move toward separate water and/or sewer**
130 **depreciation rates by primary accounts that are similar across all its Illinois**
131 **subsidiaries?**

132 **A.** Yes. As discussed previously, Staff initially proposed and the Commission
133 approved the change to separate depreciation rates by primary accounts for UI's
134 affiliate companies, Lake Wildwood Utilities Corporation (Docket No. 01-0663)
135 and Del-Mar Water Company (Docket No. 02-0592). Since that time, UI has

136 proposed, and the Commission has approved, water and/or sewer depreciation
137 rates that are based upon those approved in Docket Nos. 01-0663 and 02-0592
138 for the following UI subsidiaries: Cedar Bluff Utilities, Inc. (sewer depreciation
139 rates – Docket No. 03-0398), Apple Canyon Utility Company (water depreciation
140 rates - Docket No. 03-0399), Charmar Water Company (water depreciation rates
141 - Docket No. 03-0400), Cherry Hill Water Company (water depreciation rates -
142 Docket No. 03-0401), Northern Hills Water and Sewer Company (water and
143 sewer depreciation rates - Docket No. 03-0402), Whispering Hills Water
144 Company (water depreciation rates – Docket No. 10-0110), and Galena Territory
145 Utilities, Inc. (water and sewer depreciation rates – Docket No. 10-0280).

146

147 **WATER DEPRECIATION RATES**

148

CAMELOT UTILITIES, INC.

149 **Q. What information have you reviewed with respect to CUI’s proposed water**
150 **depreciation rates?**

151 A. I have reviewed CUI witness Lena Georgiev’s Direct Testimony, associated
152 exhibits, and responses to data requests. I have also reviewed depreciation
153 rates, and associated net salvage and ASL, approved by the Commission for
154 other water utilities in Illinois, including other UI water utilities (Docket Nos. 01-
155 0663, 02-0592, 03-0399, 03-0400, 03-0401, 03-0402, 10-0110, 10-0280, and 10-
156 0298), Aqua Illinois, Inc. (Docket Nos. 00-0337/00-0338/00-0339 Consolidated,
157 05-0071/05-0072 Consolidated, 06-0285, 07-0620/07-0621/08-0067
158 Consolidated), and Illinois-American Water Company (Docket No. 07-0507).

159

160 **Q. Do you object to CUI's proposed water depreciation rates?**

161 A. I do not object to most of the proposed water depreciation rates found on the
162 Adjusted Water Depreciation Rates Exhibit (CUI Ex. No. 1.2, pages 1 and 2 of 4)
163 attached to the Direct Testimony of Lena Georgiev, Docket No. 11-0141.

164 However, I do have some proposed adjustments.

165

166 **Q. Can you please explain your first water depreciation adjustment?**

167 A. CUI has listed several water depreciation account numbers that do not adhere to
168 the Uniform System of Accounts ("USOA") For Water Utilities Operating In
169 Illinois. The table below identifies CUI's proposed account numbers and the
170 associated USOA account numbers.

Account Description	CUI Proposed	USOA
Source of Supply Plant (Land & Land Rights)	304	303
General Plant (Structures & Improvements)	305	304
General Plant (Office Furniture & Equipment)	341	340
General Plant (Tools, Shop & Misc Equipment)	344	343
General Plant (Laboratory Equipment)	345	344
General Plant (Communication Equipment)	347	346

171

172 I recommend CUI implement and the Commission approve the account numbers
173 utilized by the USOA For Water Utilities Operating In Illinois. Throughout my

174 testimony, I will utilize USOA account numbers when referencing the Companies
175 proposed depreciation accounts.

176

177 **Q. Can you please explain your second water depreciation adjustment?**

178 A. In response to Staff Data Request WRJ-C 1.01, CUI stated that its Water
179 Treatment Plant Account 304 (Structures & Improvements General Plant)
180 balance of \$63,488 consists of \$300 in Distribution Plant (Structures &
181 Improvements) and \$63,188 in General Plant (Structures & Improvements). I
182 have placed \$63,188 into General Plant Account 304 (Structures &
183 Improvements) and \$300 into Transmission & Distribution Plant Account 304
184 (Structures & Improvements). CUI did not propose a depreciation rate for
185 Transmission & Distribution Plant Account 304 (Structures & Improvements);
186 therefore, I propose that a depreciation rate of 4.17%, with a net salvage value of
187 -25% and ASL of 30 years, be utilized for Transmission & Distribution Plant
188 Account 304 (Structures & Improvements). This is consistent with the
189 Transmission & Distribution Plant Account 304 (Structures & Improvements)
190 approved by the Commission in Docket No. 10-0280 for UI subsidiary Galena
191 Territory Utilities, Inc.

192

193 **Q. Can you please explain your third water depreciation adjustment?**

194 A. In response to Staff Data Request WRJ-C 1.03, CUI stated that Sewer
195 Transmission & Distribution Plant Account 375 (Reuse Transmission &
196 Distribution) should have been booked into Camelot's Water Plant Account 331

197 (Transmission & Distribution Mains). I placed the account balance of \$207 into
198 Camelot's water Transmission & Distribution Plant Account 331 (Transmission &
199 Distribution Mains).

200

201 **Q. Can you please explain your fourth water depreciation adjustment?**

202 A. CUI has proposed that General Plant Account 304 (Structures & Improvements)
203 utilize a net salvage of -25%. However, the Commission approved a net salvage
204 of 0% for General Plant Account 304 (Structures & Improvements) in the most
205 recent UI rate cases (Order, Docket No. 10-0280, p. 4, ICC Staff Exhibit No. 5.0,
206 Schedule 5.1; and, Order, Docket No. 10-0110). CUI has not provided
207 justification for a net salvage of -25% for General Plant Account 304 (Structures
208 & Improvements) nor specified why -25% net salvage is more representative
209 than the 0% approved by the Commission most recently in Docket Nos. 10-0280,
210 10-0110, and 10-0298.

211

212 I recommend that CUI utilize the 0% net salvage approved by the Commission
213 for General Plant Account 304 (Structures & Improvements). Since UI is
214 intending to propose separate depreciation rates for each primary account in the
215 remaining UI Illinois utilities, I believe that it would be administratively efficient for
216 UI to adopt the same depreciation method and rates across all of its Illinois
217 subsidiaries.

218

219 **Q. Can you please explain your fifth water depreciation adjustment?**

220 A. Staff witness Ostrander (ICC Staff Exhibit 1.0) adjusted CUI's plant in service to
221 remove the cost of an abandoned well. I have removed \$14,424 from Source of
222 Supply Plant Account 307 (Wells & Springs) to reflect Staff witness Ostrander's
223 adjustment.

224

225 **Q. Have you prepared a schedule that reflects your proposed water**
226 **depreciation adjustments for CUI?**

227 A. Yes. My proposed water depreciation rates can be found on ICC Staff Exhibit
228 9.0, Schedule 9.01 C-W, Page 2 of 2, Column F. My proposed water
229 depreciation rates produce a test year ending December 31, 2009 annual water
230 depreciation expense of \$30,317, excluding depreciation expenses associated
231 with Water Service Corporation ("WSC"). My proposed annual water
232 depreciation expense, which differs from the amount in CUI's filing, is reflected in
233 Staff witness Mike Ostrander's ICC Staff Exhibit 1.0, Schedule 1.15 C-W.

234

235 **Q. How do the proposed water depreciation rates on ICC Staff Exhibit 9.0,**
236 **Schedule 9.01 C-W compare to the separate water depreciation rates by**
237 **primary account approved by the Commission for other UI water utilities in**
238 **Illinois?**

239 A. The water depreciation rates, and associated ASL and net salvage, are
240 consistent with those approved by the Commission for other UI water utilities in
241 Illinois (Lake Wildwood Utilities Corporation (Docket No. 01-0663), Apple Canyon
242 Utility Company (Docket No. 03-0399), Northern Hills Water and Sewer

243 Company (Docket No. 03-0402), Cherry Hill Water Company (Docket No. 03-
244 0401), Charmar Water Company (Docket No. 03-0400), Whispering Hills Water
245 Company (Docket No. 10-0110), and Galena Territory Utilities, Inc. (Docket No.
246 10-0280)).

247

248

GREAT NORTHERN UTILITIES, INC.

249 **Q. What information have you reviewed with respect to GNUI's proposed**
250 **water depreciation rates?**

251 A. I have reviewed GNUI witness Lena Georgiev's Direct Testimony, associated
252 exhibits, and responses to data requests. I have also reviewed depreciation
253 rates, and associated net salvage and ASL, approved by the Commission for
254 other water utilities in Illinois, including other UI water utilities (Docket Nos. 01-
255 0663, 02-0592, 03-0399, 03-0400, 03-0401, 03-0402, 10-0110, 10-0280, and 10-
256 0298), Aqua Illinois, Inc. (Docket Nos. 00-0337/00-0338/00-0339 Consolidated,
257 05-0071/05-0072 Consolidated, 06-0285, 07-0620/07-0621/08-0067
258 Consolidated), and Illinois-American Water Company (Docket No. 07-0507).

259

260 **Q. Do you object to GNUI's proposed water depreciation rates?**

261 A. I do not object to most of the proposed water depreciation rates found on the
262 Adjusted Water Depreciation Rates Exhibit (GNUI Ex. No. 1.2) attached to the
263 Supplemental Direct Testimony of Lena Georgiev, Docket No. 11-0059.
264 However, I do have some proposed adjustments.

265

266 **Q. Can you please explain your first water depreciation adjustment?**

267 A. GNUI has listed several water depreciation account numbers that do not adhere
 268 to the USOA For Water Utilities Operating In Illinois. The table below identifies
 269 GNUI's proposed account numbers and the associated USOA account numbers.

Account Description	GNUI Proposed	USOA
Source of Supply Plant (Land & Land Rights)	304	303
General Plant (Structures & Improvements)	305	304
General Plant (Office Furniture & Equipment)	341	340
General Plant (Tools, Shop & Misc Equipment)	344	343
General Plant (Laboratory Equipment)	345	344
General Plant (Communication Equipment)	347	346

270
 271 I recommend GNUI implement and the Commission approve the account
 272 numbers utilized by the USOA For Water Utilities Operating In Illinois.

273
 274 **Q. Can you please explain your second water depreciation adjustment?**

275 A. GNUI purchased land for a septic field that should have been classified as
 276 Source of Supply Plant Account 303 (Land and Land Rights) instead of classified
 277 as Water Treatment Plant Account 320 (Water Treatment Equipment). This
 278 issue is discussed by Staff witness Mike Ostrander, ICC Staff Exhibit 1.0. I have
 279 removed \$44,965 from Water Treatment Plant Account 320 (Water Treatment
 280 Equipment) and placed into Source of Supply Plant Account 303 (Land and Land
 281 Rights) to reflect Staff witness Ostrander's adjustment.

282

283 **Q. Have you prepared a schedule that reflects your proposed water**
284 **depreciation adjustments for GNUI?**

285 A. Yes. My proposed water depreciation rates can be found on ICC Staff Exhibit
286 9.0, Schedule 9.01 GN, p. 2 of 2, Column F. My proposed water depreciation
287 rates produce a test year ending December 31, 2009 annual water depreciation
288 expense of \$54,093, excluding depreciation expenses associated with WSC. My
289 proposed annual water depreciation expense, which differs from the amount in
290 GNUI's filing, is reflected in Staff witness Mike Ostrander's ICC Staff Exhibit 1.0,
291 Schedule 1.15 GN.

292

293 **Q. How do the proposed water depreciation rates on ICC Staff Exhibit 9.0,**
294 **Schedule 9.01 GN compare to the separate water depreciation rates by**
295 **primary account approved by the Commission for other UI water utilities in**
296 **Illinois?**

297 A. The water depreciation rates, and associated ASL and net salvage, are
298 consistent with those approved by the Commission for other UI water utilities in
299 Illinois (Lake Wildwood Utilities Corporation (Docket No. 01-0663), Apple Canyon
300 Utility Company (Docket No. 03-0399), Northern Hills Water and Sewer
301 Company (Docket No. 03-0402), Cherry Hill Water Company (Docket No. 03-
302 0401), Charmar Water Company (Docket No. 03-0400), Whispering Hills Water
303 Company (Docket No. 10-0110), and Galena Territory Utilities, Inc. (Docket No.
304 10-0280)).

305

306

LAKE HOLIDAY UTILITIES CORPORATION

307 **Q. What information have you reviewed with respect to LHUC's proposed**
308 **water depreciation rates?**

309 A. I have reviewed LHUC witness Lena Georgiev's Direct Testimony, associated
310 exhibits, and responses to data requests. I have also reviewed depreciation
311 rates, and associated net salvage and ASL, approved by the Commission for
312 other water utilities in Illinois, including other UI water utilities (Docket Nos. 01-
313 0663, 02-0592, 03-0399, 03-0400, 03-0401, 03-0402, 10-0110, 10-0280, and 10-
314 0298), Aqua Illinois, Inc. (Docket Nos. 00-0337/00-0338/00-0339 Consolidated,
315 05-0071/05-0072 Consolidated, 06-0285, 07-0620/07-0621/08-0067
316 Consolidated), and Illinois-American Water Company (Docket No. 07-0507).

317

318 **Q. Do you object to LHUC's proposed water depreciation rates?**

319 A. I do not object to the proposed water depreciation rates found on the Adjusted
320 Water Depreciation Rates Exhibit (LHUC Ex. No. 1.2) attached to the Direct
321 Testimony of Lena Georgiev, Docket No. 11-0142. However, I do have some
322 proposed recommendations concerning intangible plant identified on LHUC Ex.
323 No. 1.2 and account numbers proposed by LHUC for certain water depreciation
324 plant assets.

325

326 **Q. What are you recommending with respect to intangible plant identified on**
327 **LHUC Exhibit, LHUC Ex. No. 1.2?**

328 **A.** LHUC’s Exhibit, LHUC Ex. No. 1.2, identifies a present depreciation rate of 2%
 329 for intangible plant. However, in response to Staff Data Request WRJ-LH 2.01,
 330 LHUC responded that it does not currently depreciate intangible plant and it was
 331 an oversight on LHUC’s part, intangible plant is not depreciable but was shown in
 332 error in the filing. Therefore, I have removed the present 2% depreciation rate
 333 for intangible plant from my proposed depreciation schedule.

334

335 **Q. What adjustments are you proposing for LHUC’s water depreciation plant**
 336 **account numbers?**

337 **A.** LHUC has listed several water depreciation account numbers that do not adhere
 338 to the USOA For Water Utilities Operating In Illinois. The table below identifies
 339 LHUC’s proposed account numbers and the associated USOA account
 340 numbers.

Account Description	LHUC Proposed	USOA
Source of Supply Plant (Land & Land Rights)	304	303
Water Treatment Plant (Structures & Improvements)	305	304
General Plant (Structures & Improvements)	305	304
General Plant (Office Furniture & Equipment)	341	340
General Plant (Tools, Shop & Misc Equipment)	344	343
General Plant (Laboratory Equipment)	345	344
General Plant (Communication Equipment)	347	346

341

342 I recommend LHUC implement and the Commission approve the account
343 numbers utilized by the USOA For Water Utilities Operating In Illinois.

344

345 **Q. Have you prepared a schedule that reflects your proposed water**
346 **depreciation adjustments for LHUC?**

347 A. Yes. My proposed water depreciation rates can be found on ICC Staff Exhibit
348 9.0, Schedule 9.01 LH, Page 2 of 2, Column F. My proposed water depreciation
349 rates produce a test year ending December 31, 2009 annual water depreciation
350 expense of \$83,481, excluding depreciation expenses associated with WSC. My
351 proposed annual water depreciation expense, which differs from the amount in
352 LHUC's filing, is reflected in Staff witness Mike Ostrander's ICC Staff Exhibit 1.0,
353 Schedule 1.15 LH.

354

355 **Q. How do the proposed water depreciation rates on ICC Staff Exhibit 9.0,**
356 **Schedule 9.01 LH compare to the separate water depreciation rates by**
357 **primary account approved by the Commission for other UI water utilities in**
358 **Illinois?**

359 A. The water depreciation rates, and associated ASL and net salvage, are
360 consistent with those approved by the Commission for other UI water utilities in
361 Illinois (Lake Wildwood Utilities Corporation (Docket No. 01-0663), Apple Canyon
362 Utility Company (Docket No. 03-0399), Northern Hills Water and Sewer
363 Company (Docket No. 03-0402), Cherry Hill Water Company (Docket No. 03-
364 0401), Charmar Water Company (Docket No. 03-0400), Whispering Hills Water

365 Company (Docket No. 10-0110), and Galena Territory Utilities, Inc. (Docket No.
366 10-0280)).

367

368 **SEWER DEPRECIATION RATES**

369

CAMELOT UTILITIES, INC.

370 **Q. What information have you reviewed with respect to CUI's proposed sewer**
371 **depreciation rates?**

372 A. I have reviewed CUI witness Lena Georgiev's Direct Testimony, associated
373 exhibits, and responses to data requests. I have also reviewed depreciation
374 rates, and associated net salvage and ASL, approved by the Commission for
375 other sewer utilities in Illinois, including other UI sewer utilities (Docket Nos. 03-
376 0398, 03-0402, 10-0280, and 10-0298), Aqua Illinois, Inc. (Docket Nos. 98-0632,
377 07-0620/07-0621/08-0067 Consolidated), and Illinois-American Water Company
378 (Docket No. 07-0507).

379

380 **Q. Do you agree with CUI's proposed sewer depreciation rates?**

381 A. I do not object to most of the proposed sewer depreciation rates found on the
382 Adjusted Sewer Depreciation Rates Exhibit (CUI Ex. No. 1.2, pp. 3 and 4)
383 attached to the Direct Testimony of Lena Georgiev, Docket No. 11-0141.
384 However, I do have some proposed adjustments.

385

386 **Q. Can you please explain your first sewer depreciation adjustment?**

387 A. CUI has listed several sewer depreciation account numbers that do not adhere to
 388 the USOA For Wastewater Utilities Operating In Illinois. The table below
 389 identifies CUI's proposed account numbers and the associated USOA account
 390 numbers.

Account Description	CUI Proposed	USOA
Sewage Treatment Plant (Structures & Improvements)	355	354
Transmission & Distribution Plant (Reuse Transmission & Distribution System)	376	375
General Plant (Structures & Improvements)	355	354
General Plant (Office Furniture & Equipment)	391	390
General Plant (Tools, Shop & Misc Equipment)	394	393
General Plant (Laboratory Equipment)	395	394
General Plant (Communication Equipment)	347	396

391
 392 I recommend CUI implement and the Commission approve the account numbers
 393 utilized by the USOA For Wastewater Utilities Operating In Illinois.

394
 395 **Q. Can you please explain your second sewer depreciation adjustment?**

396 A. In response to Staff Data Request WRJ-C 2.01(a), CUI stated that its proposed
 397 Sewage Treatment Plant Account 389 (Other Plant Treatment) assets of
 398 \$23,069 should be placed in Sewage Treatment Plant Account 380 (Sewage

399 Treatment Plant). I placed the account balance of \$23,069 into Sewage
400 Treatment Plant Account 380 (Sewage Treatment Plant).

401

402 **Q. Can you please explain your third sewer depreciation adjustment?**

403 A. CUI has proposed that Transmission & Distribution Plant Account 371 (Pumping
404 Equipment) utilize a net salvage of -35%. However, the Commission approved a
405 net salvage of -25% in the most recent UI rate case (Order, Docket No. 10-0280,
406 page 4, ICC Staff Exhibit No. 5.0, Schedule 5.2). CUI has not provided
407 justification for a net salvage of -35% for Transmission & Distribution Plant
408 Account 371 (Pumping Equipment) nor specified why -35% net salvage is more
409 representative than the -25% approved by the Commission most recently in
410 Docket No. 10-0280.

411

412 I recommend that CUI utilize the -25% net salvage approved by the Commission
413 for Transmission & Distribution Plant Account 371 (Pumping Equipment). Since
414 UI is intending to propose separate depreciation rates for each primary account
415 in the remaining UI Illinois utilities, I believe that it would be administratively
416 efficient for UI to adopt the same depreciation method and rates across all of its
417 Illinois subsidiaries.

418

419 **Q. Please explain your fourth sewer depreciation adjustment?**

420 A. In response to Staff Data Request WRJ-C 1.02, CUI stated that the assets in
421 Sewer Transmission & Distribution Plant Account 360 are actually (Collection

422 Sewers – Force). I have changed the description to (Collection Sewers – Force)
423 and applied the same depreciation rate, and associated ASL and net salvage,
424 which is applicable to CUI's proposed Account 361 (Collection Sewers - Gravity).
425 This is consistent with the depreciation rate, and associated ASL and net
426 salvage, approved by the Commission for Account 360 (Collection Sewers –
427 Force) for CUI's affiliate companies Cedar Bluff Utilities, Inc. (Docket No. 03-
428 0398) and Galena Territory Utilities, Inc. (Docket No. 10-0280).

429

430 **Q. Can you please explain your fifth sewer depreciation adjustment?**

431 A. In response to Staff Data Request WRJ-C 2.01(b), CUI stated that its proposed
432 Transmission & Distribution Plant Account 389 (Other Plant Pumping) assets of
433 \$1,435 should be placed in Transmission & Distribution Plant Account 371
434 (Pumping Equipment Pumping Plant). I placed the account balance of \$1,435
435 into Transmission & Distribution Plant Account 371 (Pumping Equipment
436 Pumping Plant).

437

438 **Q. Can you please explain your sixth sewer depreciation adjustment?**

439 A. As discussed previously in the Camelot water depreciation rate section, in
440 response to Staff Data Request WRJ-C 1.03, CUI stated that Sewer
441 Transmission & Distribution Plant Account 375 (Reuse Transmission &
442 Distribution) should have been booked into Camelot's Water Plant Account 331
443 (Transmission & Distribution Mains). I placed the account balance of \$207 into

444 Camelot's water Transmission & Distribution Plant Account 331 (Transmission &
445 Distribution Mains).

446

447 **Q. Can you please explain your seventh sewer depreciation adjustment?**

448 A. CUI has proposed that General Plant Account 354 (Structures & Improvements)
449 utilize a net salvage of -25%. However, the Commission approved a net salvage
450 of 0% in the most recent UI rate case (Order, Docket No. 10-0280, page 4, ICC
451 Staff Exhibit No. 5.0, Schedule 5.2.) CUI has not provided justification for a net
452 salvage of -25% for General Plant Account 354 (Structures & Improvements) nor
453 specified why -25% net salvage is more representative than the 0% approved by
454 the Commission most recently in Docket No. 10-0280.

455

456 I recommend that CUI utilize the 0% net salvage approved by the Commission
457 for General Plant Account 354 (Structures & Improvements). Since UI is
458 intending to propose separate depreciation rates for each primary account in the
459 remaining UI Illinois utilities, I believe that it would be administratively efficient for
460 UI to adopt the same depreciation method and rates across all of its Illinois
461 subsidiaries.

462

463 **Q. Can you please explain your eighth sewer depreciation adjustment?**

464 A. CUI has proposed that General Plant Account 394 (Laboratory Equipment) and
465 General Plant Account 393 (Tools, Shop & Misc. Equipment) utilize a net
466 salvage of -5%. However, the Commission approved a net salvage of 5% for

467 both General Plant Account 394 (Laboratory Equipment) and General Plant
468 Account 393 (Tools, Shop & Misc. Equipment) in the most recent UI rate case
469 (Order, Docket No. 10-0280, page 4, ICC Staff Exhibit No. 5.0, Schedule 5.2.)
470 CUI has not provided justification for a net salvage of -5% for General Plant
471 Account 394 (Laboratory Equipment) and General Plant Account 393 (Tools,
472 Shop & Misc. Equipment) nor specified why -5% net salvage is more
473 representative than the 5% approved by the Commission most recently in Docket
474 No. 10-0280.

475
476 I recommend that CUI utilize the 5% net salvage approved by the Commission
477 for General Plant Account 394 (Laboratory Equipment) and General Plant
478 Account 393 (Tools, Shop & Misc. Equipment). Since UI is intending to propose
479 separate depreciation rates for each primary account in the remaining UI Illinois
480 utilities, I believe that it would be administratively efficient for UI to adopt the
481 same depreciation method and rates across all of its Illinois subsidiaries.

482

483 **Q. Have you prepared a schedule that reflects your proposed sewer**
484 **depreciation adjustments for CUI?**

485 A. Yes. The proposed sewer depreciation rates can be found on ICC Staff Exhibit
486 9.0, Schedule 9.01 C-S, Page 2 of 2, Column F. The proposed sewer
487 depreciation rates produce a test year ending December 31, 2009 annual sewer
488 depreciation expense of \$32,773, excluding depreciation expenses associated
489 with WSC. My proposed annual sewer depreciation expense, which differs from

490 the amount in CUI's filing, is reflected in Staff witness Mike Ostrander's ICC Staff
491 Exhibit 1.0, Schedule 1.15 C-S.

492

493 **Q. How do the proposed sewer depreciation rates on ICC Staff Exhibit 9.0,**
494 **Schedule 9.01 C-S compare to the separate sewer depreciation rates by**
495 **primary account approved by the Commission for other UI sewer utilities in**
496 **Illinois?**

497 A. The sewer depreciation rates, and associated ASL and net salvage, are
498 consistent with those approved by the Commission for other UI sewer utilities in
499 Illinois (Galena Territory Utilities, Inc. (Docket No. 10-0280), Northern Hills Water
500 and Sewer Company (Docket No. 03-0402) and Cedar Bluff Utilities, Inc. (Docket
501 No. 03-0398)).

502

503 **LAKE HOLIDAY - RULES, REGULATIONS, AND CONDITIONS OF**
504 **SERVICE TARIFFS**

505 **Q. Have you reviewed the Rules, Regulations, and Conditions of Service**
506 **tariffs for water service that are currently in effect for LHUC?**

507 A. Yes, I have. LHUC's current Rules, Regulations, and Conditions of Service
508 tariffs for water service initially became effective on August 31, 1966 and have
509 not been updated since August 11, 1993.

510

511 **Q. Are you proposing any changes to LHUC's Rules, Regulations, and**
512 **Conditions of Service tariffs for water service?**

513 A. Yes, I propose that LHUC's Rules, Regulations, and Conditions of Service
514 ("Rules") tariffs for water service be updated. Its current Rules tariffs for water
515 service have not been updated since August 11, 1993 and should be replaced
516 with Staff's proposed ICC model Rules, Regulations, and Conditions of Service
517 ("Rules") tariffs for water service.

518
519 Additionally, LHUC's current Rules tariffs for water service include rate charges
520 (installation fee) that are not included in Staff's proposed ICC model Rules tariffs
521 for water service or LHUC's proposed water rate tariffs. Staff recommends that
522 all rate charges be placed in the water rate tariffs and not within LHUC's Rules
523 tariffs for water service. Customers should be able to review all rate charges in
524 one area (water rate tariffs). Placing rate charges in the Rules tariffs for water
525 service imposes a burdensome task upon customers, Lake Holiday, and the
526 Commission, who would like to review all applicable rate charges. Any issues
527 related to charges or rates for Lake Holiday are addressed by Staff witness
528 Boggs, ICC Staff Exhibit 6.0.

529

530 **Q. Why should LHUC's Rules tariffs for water service be replaced with Staff's**
531 **proposed ICC model Rules Service tariffs for water service?**

532 A. As discussed previously, LHUC's current Rules tariffs for water service initially
533 became effective in 1966 and have not been updated since 1993. Since that
534 time, Staff has compiled, and updated, model Rules tariffs for water service.
535 These model Rules tariffs for water service were developed to be consistent with

536 the requirements of the Public Utilities Act and the Illinois Administrative Code.
537 Additionally, these model Rules tariffs for water service have also been provided
538 to other ICC regulated water utilities, including LHUC's parent company, UI.
539 Staff has encouraged the adoption of the model Rules tariffs for water service by
540 utilities in order to promote similar quality of service to all water customers,
541 regardless of which regulated water utility provides service. The Commission
542 has approved these model Rules tariffs for water service for other UI operating
543 subsidiaries (i.e., Galena Territory Utilities, Inc. (Docket No. 05-0452), Harbor
544 Ridge Utilities, Inc. (Docket No. 05-0058), Northern Hills Water and Sewer
545 Company (Docket No. 03-0402), Cherry Hill Water Company (Docket No. 03-
546 0401), Charmar Water Company (Docket No. 03-0400), Apple Canyon Utility
547 Company (Docket No. 03-0399), Del-Mar Water Company (Docket No. 02-0592),
548 Lake Wildwood Utilities Corporation (Docket No. 01-0663), Westlake Utilities,
549 Inc. (Docket No. 01-0050), and Whispering Hills Water Company (Docket No.
550 10-0110)).

551

552 **Q. Do you believe that it is advantageous for all water utilities to have similar**
553 **Rules tariffs for water service?**

554 A. Yes, I do. While some specifics, such as the service territory or frequency of
555 billing might change for one water utility compared with others, it is desirable that
556 all water utilities provide similar quality of service. It is thus reasonable that all
557 water utilities operate within the same guidelines. It is equally reasonable to
558 expect that each customer of the various ICC regulated water utilities in Illinois

559 will receive similar service as the customers of other ICC regulated water utilities.
560 To the extent that all water utilities operate under the guidance of the same
561 general Rules tariffs for water service, all customers, regardless of which
562 regulated utility serves them, receive the same quality of service.

563

564 **Q. Have you included the ICC model Rules tariffs for water service with your**
565 **testimony?**

566 A. Yes, I have. Staff's proposed ICC model Rules tariffs for water service are
567 attached as ICC Staff Exhibit 9.0, Attachment 9.01 LH. I recommend that these
568 ICC model Rules tariffs for water service be filed by LHUC to replace its current
569 Rules tariffs for water service.

570

571 **Q. Are you aware that Lake Holiday is proposing that it switch from quarterly**
572 **to monthly billing cycles for all customers except for Availability**
573 **customers?**

574 A. Yes, I am aware of that request as presented in the Direct Testimony of Lena
575 Georgiev, Lake Holiday Exhibit No. 1.0, beginning on page 11, line 14. Staff
576 witness Christopher Boggs is supporting this proposal, and I have incorporated
577 into Staff's proposed Rules tariffs for water service the adoption of monthly billing
578 cycles for all customers except for Availability customers. If the final order in this
579 docket were to deny monthly billing cycles, then Staff's proposed Rules tariffs for
580 water service would have to be modified to accommodate quarterly billing cycles.

581

582 **CONCLUSION**

583 **Q. Please summarize your recommendations.**

584 A. I recommend the Commission:

585

586 (1) approve Staff's proposed water and sewer depreciation rates for CUI attached to
587 my testimony as ICC Staff Exhibit 9.0, Schedule 9.01 C-W, Page 2 of 2, Column
588 F and Schedule 9.01 C-S, Page 2 of 2, Column F, respectively;

589

590 (2) approve Staff's proposed water depreciation rates for GNUI attached to my
591 testimony as ICC Staff Exhibit 9.0, Schedule 9.01 GN, Page 2 of 2, Column F;

592

593 (3) approve Staff's proposed water depreciation rates for LHUC attached to my
594 testimony as ICC Staff Exhibit 9.0, Schedule 9.01 LH, Page 2 of 2, Column F;

595

596 (4) approve Staff's proposed Rules, Regulations, and Conditions of Service tariffs
597 for water service for LHUC attached to my testimony as ICC Staff Exhibit 9.0,
598 Attachment 9.01 LH.

599

600 **Q. Does this conclude your prepared direct testimony?**

601 A. Yes, it does.

Camelot Utilities, Inc.
Staff Proposed Water Depreciation Rates
Test Year Ended December 31, 2009

Line #	Account #	Description	Plant Bal. (C)	Net Salvage		Unrecovered Cost (C - E) (F)	Avg. Life (Yrs) (G)	Annual Expense	
				(%) (D)	Amount (C X D) (E)			(\$) (F / G) (H)	(%) (H / C) (I)
<i>Source of Supply Plant:</i>									
1	303	LAND & LAND RIGHTS	5,147	0%	-	5,147	0.0	-	0.00%
2	304	STRUCTURES & IMPROVEMENTS	-	-25%	-	-	30.0	-	0.00%
3	307	WELLS & SPRINGS	159,262	-30%	(47,779)	207,041	60.0	3,451	2.17%
4		Subtotal	164,409		(47,779)	212,188		3,451	2.10%
<i>Pumping Equipment:</i>									
5	303	LAND & LAND RIGHTS (Pump Plt)	-	0%	-	-	0.0	-	0.00%
6	311	ELECTRIC PUMP EQUIP TRANS DIST	-	-25%	-	-	40.0	-	0.00%
7	311	ELECTRIC PUMP EQUIP SRC PUMP	-	-25%	-	-	40.0	-	0.00%
8	304	STRUCTURES & IMPROVE.(PUMP.PLT.)	43,366	-25%	(10,842)	54,208	30.0	1,807	4.17%
9	311	PUMPING EQUIPMENT	227,387	-25%	(56,847)	284,234	40.0	7,106	3.13%
10		Subtotal	270,753		(67,688)	338,441		8,913	3.29%
<i>Water Treatment Plant:</i>									
11	304	STRUCTURES & IMPROVE.(WTR. T.P.)	29,311	-25%	(7,328)	36,639	30.0	1,221	4.17%
12	304	STRUCT & IMPRV	-	-25%	-	-	30.0	-	0.00%
13	305	COLLECTING RESERVOIRS	-	0%	-	-	0.0	-	-
14	320	WATER TREATMENT EQUIPMENT	132,702	-25%	(33,176)	165,878	35.0	4,739	3.57%
15		Subtotal	162,013		(40,503)	202,516		5,961	3.68%
<i>Transmission & Dist. Plant:</i>									
16	304	STRUCT & IMPRV T&D Plt	300	-25%	(75)	375	30.0	13	4.17%
17	330	DISTRIB. RESERVOIRS & STANDPIPES	40,756	-15%	(6,113)	46,869	60.0	781	1.92%
18	331	TRANSMISSION & DISTRIB. MAINS	134,411	-70%	(94,088)	228,499	90.0	2,539	1.89%
19	333	SERVICE LINES	66,991	-100%	(66,991)	133,982	60.0	2,233	3.33%
20			-	0%	-	-	0.0	-	0.00%
21	334	METERS	16,675	13%	2,168	14,507	14.0	1,036	6.21%
22	334	METER INSTALLATIONS	10,967	-100%	(10,967)	21,934	45.0	487	4.44%
23	335	HYDRANTS	32,841	-70%	(22,989)	55,830	43.0	1,298	3.95%
24	339	OTHER PLANT	-	-	-	-	-	-	0.00%
25		Subtotal	302,941		(199,055)	501,996		8,388	2.77%
<i>General Plant:</i>									
26			-	0%	-	-	-	-	0.00%
27	304	STRUCTURES & IMPROVEMENTS	68,871	0%	-	68,871	30.0	2,296	3.33%
28	340	OFFICE FURNITURE & EQUIPMENT	1,126	0%	-	1,126	19.0	59	5.26%
29	344	LABORATORY EQUIPMENT	2,065	5%	103	1,962	20.0	98	4.75%
30	343	TOOLS, SHOP & MISC. EQUIPMENT	15,260	5%	763	14,497	13.0	1,115	7.31%
31	346	COMMUNICATION EQUIPMENT	481	0%	-	481	13.0	37	7.69%
32		Subtotal	87,803		866	86,937		3,605	4.11%
33		Subtotal Utility Plant	987,919		(354,159)	1,342,078		30,317	3.07%
<i>Intangible Plant:</i>									
34	302	FRANCHISE	-	-	-	-	-	-	-
35	301	ORGANIZATION	2,963	-	-	2,963	-	-	-
36		Subtotal	2,963		-	2,963		-	-
37		Total Utility Plant	990,882		(354,159)	1,345,041		30,317	3.06%

Sources and Notes

Columns C, D, & G are from Company Adjusted Water Depreciation Rates CUI Exhibit 1.2, Page 1 of 4 with Staff adjustments found in ICC Staff Exhibit 9.0.

38
39

Camelot Utilities, Inc.
Staff Proposed Water Depreciation Rates
Test Year Ended December 31, 2009

Line #	Account #	Description	Company's Present Rates			Staff's Proposed Rates			% of Total (H / H33) (I)
			Plant (C)	Percent (D)	Annual Expense (C X D) (E)	Percent Page 1 (I) (F)	Annual Expense Page 1 (H) (G)	Present vs. Proposed (G - E) (H)	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<i>Source of Supply Plant:</i>									
1	303	LAND & LAND RIGHTS	5,147	0.00%	-	0.00%	-	-	0.00%
2	304	STRUCTURES & IMPROVEMENTS	-	3.00%	-	0.00%	-	-	0.00%
3	307	WELLS & SPRINGS	159,262	3.00%	4,778	2.17%	3,451	(1,327)	-159.19%
4		Subtotal	164,409		4,778	2.10%	3,451	(1,327)	-159.19%
<i>Pumping Equipment:</i>									
5	303	LAND & LAND RIGHTS (Pump Plt)	-	0.00%	-	0.00%	-	-	0.00%
6	311	ELECTRIC PUMP EQUIP TRANS DIST	-	3.00%	-	0.00%	-	-	0.00%
7	311	ELECTRIC PUMP EQUIP SRC PUMP	-	3.00%	-	0.00%	-	-	0.00%
8	304	STRUCTURES & IMPROVE.(PUMP.PLT.)	43,366	3.00%	1,301	4.17%	1,807	506	60.68%
9	311	PUMPING EQUIPMENT	227,387	3.00%	6,822	3.13%	7,106	284	34.09%
10		Subtotal	270,753		8,123	3.29%	8,913	790	94.78%
<i>Water Treatment Plant:</i>									
11	304	STRUCTURES & IMPROVE.(WTR. T.P.)	29,311	3.00%	879	4.17%	1,221	342	41.02%
12	304	STRUCT & IMPRV	-	3.00%	-	0.00%	-	-	0.00%
13	305	COLLECTING RESERVOIRS	-	3.00%	-	0.00%	-	-	0.00%
14	320	WATER TREATMENT EQUIPMENT	132,702	3.00%	3,981	3.57%	4,739	758	90.95%
15		Subtotal	162,013		4,860	3.68%	5,961	1,100	131.97%
<i>Transmission & Dist. Plant:</i>									
16	304	STRUCT & IMPRV T&D Plt	300	3.00%	9	4.17%	13	4	0.42%
17	330	DISTRIB. RESERVOIRS & STANDPIPES	40,756	3.00%	1,223	1.92%	781	(442)	-52.96%
18	331	TRANSMISSION & DISTRIB. MAINS	134,411	3.00%	4,032	1.89%	2,539	(1,493)	-179.13%
19	333	SERVICE LINES	66,991	3.00%	2,010	3.33%	2,233	223	26.78%
20			-	3.00%	-	0.00%	-	-	0.00%
21	334	METERS	16,675	3.00%	500	6.21%	1,036	536	64.29%
22	334	METER INSTALLATIONS	10,967	3.00%	329	4.44%	487	158	19.00%
23	335	HYDRANTS	32,841	3.00%	985	3.95%	1,298	313	37.56%
24	339	OTHER PLANT	-	3.00%	-	0.00%	-	-	0.00%
25		Subtotal	302,941		9,088	2.77%	8,388	(701)	-84.04%
<i>General Plant:</i>									
26			-	3.00%	-	0.00%	-	-	0.00%
27	304	STRUCTURES & IMPROVEMENTS	68,871	3.00%	2,066	3.33%	2,296	230	27.54%
28	340	OFFICE FURNITURE & EQUIPMENT	1,126	3.00%	34	5.26%	59	25	3.06%
29	344	LABORATORY EQUIPMENT	2,065	3.00%	62	4.75%	98	36	4.33%
30	343	TOOLS, SHOP & MISC. EQUIPMENT	15,260	3.00%	458	7.31%	1,115	657	78.85%
31	346	COMMUNICATION EQUIPMENT	481	3.00%	14	7.69%	37	23	2.71%
32		Subtotal	87,803		2,634	4.11%	3,605	971	116.48%
33		Subtotal Utility Plant	987,919		29,483	3.07%	30,317	834	100.00%
<i>Intangible Plant:</i>									
34	302	FRANCHISE	-		-				
35	301	ORGANIZATION	2,963		-				
36		Subtotal	2,963		-				
37		Total Utility Plant	990,882		29,483	3.06%	30,317	834	

Sources and Notes

Column C & D are from Company Adjusted Water Depreciation Rates CUI Exhibit 1.2, Page 2 of 4,
with Staff adjustments found in ICC Staff Exhibit 9.0.

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Camelot Utilities, Inc.
 Staff Proposed Sewer Depreciation Rates
 Test Year Ended December 31, 2009

Line #	Account #	Description	Plant Balance	Net Salvage		Unrecovered Cost	Avg. Life (Yrs)	Annual Expense	
				(%)	Amount			(F / G)	(H / C)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
SEWER									
<i>Sewage Treatment Plant</i>									
1	353	LAND & LAND RIGHTS	-	0%	-	-	0.0	-	0.00%
2	353	LAND & LAND RIGHTS - Intang PLT	-	0%	-	-	0.0	-	0.00%
3	354	STRUCTURES & IMPROVEMENTS	32,996	-25%	(8,249)	41,245	30.0	1,375	4.17%
4	380	OTHER PLT TREATMENT	-	-25%	-	-	35.0	-	0.00%
5	398	OTHER PLT TANGIBLE	-	-25%	-	-	35.0	-	0.00%
6	381	PLANT SEWERS TRTMT PLT	27,041	-25%	(6,760)	33,801	35.0	966	3.57%
7	389	OTHER PLT RECLAIM WTR TRT	-	-25%	-	-	35.0	-	0.00%
8	380	SEWAGE TREATMENT PLANT	571,347	-25%	(142,837)	714,184	35.0	20,405	3.57%
9		Subtotal	631,384		(157,846)	789,230		22,746	3.60%
<i>Transmission & Dist. Plant:</i>									
10	354	LIFT STATION	24,814	-25%	(6,204)	31,018	40.0	775	3.13%
11	371	PUMPING EQUIPMENT PUMP PLT	64,595	-25%	(16,149)	80,744	40.0	2,019	3.13%
12	360	COLLECTION SEWERS - FORCE	43,753	-70%	(30,627)	74,380	90.0	826	1.89%
13	371	OTH PLT PUMP	-	-25%	-	-	40.0	-	0.00%
14	361	COLLECTION SEWERS - GRAVITY	247,337	-70%	(173,136)	420,473	90.0	4,672	1.89%
15	375	REUSE TRANMISSION & DIST	-	-70%	-	-	43.0	-	0.00%
16		Subtotal	380,499		(226,115)	606,614		8,292	2.18%
<i>General Plant:</i>									
17	398	OTHER TANGIBLE PLANT	-	0%	-	-			0.00%
18	354	STRUCTURES & IMPROVEMENTS	12,755	0%	-	12,755	30.0	425	3.33%
19	390	OFFICE FURNITURE & EQUIPMENT	1,126	0%	-	1,126	19.0	59	5.26%
20	394	LABORATORY EQUIPMENT	2,065	5%	103	1,962	20.0	98	4.75%
21	393	TOOLS, SHOP & MISC. EQUIPMENT	15,260	5%	763	14,497	13.0	1,115	7.31%
22	396	COMMUNICATION EQUIPMENT	481	0%	-	481	13.0	37	7.69%
23		Subtotal	31,687		866	30,821		1,735	5.47%
24		Subtotal Sewer	1,043,570		(383,095)	1,426,665		32,773	3.14%
<i>Intangible Plant:</i>									
25	3511000	ORGANIZATION	22,220			22,220			
26		Subtotal	22,220			22,220			
27		Total Sewer	1,065,790		(383,095)	1,448,885		32,773	3.07%

28
29

Sources and Notes

Columns C, D, & G are from Company Adjusted Sewer Depreciation Rates CUI Exhibit 1.2, Page 3 of 4, with Staff adjustments found in ICC Staff Exhibit 9.0.

Camelot Utilities, Inc.
Staff Proposed Sewer Depreciation Rates
Test Year Ended December 31, 2009

Line #	Account #	Description	Company's Present Rates			Staff's Proposed Rates			% of Total (H / H24) (I)
			Plant	Percent	Annual Expense (C X D) (E)	Percent Page 1 (I) (F)	Annual Expense Page 1 (H) (G)	Present vs. Proposed (G - E) (H)	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
SEWER									
<i>Sewage Treatment Plant</i>									
1	353	LAND & LAND RIGHTS	-	0.00%	-	0.00%	-	-	0.00%
2	353	LAND & LAND RIGHTS - Intang PLT	-	0.00%	-	0.00%	-	-	0.00%
3	354	STRUCTURES & IMPROVEMENTS	32,996	3.00%	990	4.17%	1,375	385	26.26%
4	380	OTHER PLT TREATMENT	-	3.00%	-	0.00%	-	-	0.00%
5	398	OTHER PLT TANGIBLE	-	3.00%	-	0.00%	-	-	0.00%
6	381	PLANT SEWERS TRTMT PLT	27,041	3.00%	811	3.57%	966	155	10.54%
7	389	OTHER PLT RECLAIM WTR TRT	-	3.00%	-	0.00%	-	-	0.00%
8	380	SEWAGE TREATMENT PLANT	571,347	3.00%	17,140	3.57%	20,405	3,265	222.73%
9		Subtotal	631,384		18,942	3.60%	22,746	3,804	259.54%
<i>Transmission & Dist. Plant:</i>									
10	354	LIFT STATION	24,814	3.00%	744	3.13%	775	31	2.12%
11	371	PUMPING EQUIPMENT PUMP PLT	64,595	3.00%	1,938	3.13%	2,019	81	5.51%
12	360	COLLECTION SEWERS - FORCE	43,753	3.00%	1,313	1.89%	826	(486)	-33.17%
13	371	OTH PLT PUMP	-	3.00%	-	0.00%	-	-	0.00%
14	361	COLLECTION SEWERS - GRAVITY	247,337	3.00%	7,420	1.89%	4,672	(2,748)	-187.49%
15	375	REUSE TRANSMISSION & DIST	-	3.00%	-	0.00%	-	-	0.00%
16		Subtotal	380,499		11,415	2.18%	8,292	(3,123)	-213.03%
<i>General Plant:</i>									
17	398	OTHER TANGIBLE PLANT	-	3.00%	-	0.00%	-	-	0.00%
18	354	STRUCTURES & IMPROVEMENTS	12,755	3.00%	383	3.33%	425	43	2.90%
19	390	OFFICE FURNITURE & EQUIPMENT	1,126	3.00%	34	5.26%	59	25	1.74%
20	394	LABORATORY EQUIPMENT	2,065	3.00%	62	4.75%	98	36	2.47%
21	393	TOOLS, SHOP & MISC. EQUIPMENT	15,260	3.00%	458	7.31%	1,115	657	44.85%
22	396	COMMUNICATION EQUIPMENT	481	3.00%	14	7.69%	37	23	1.54%
23		Subtotal	31,687		951	5.47%	1,735	784	53.49%
24		Subtotal Sewer	1,043,570		31,307	3.14%	32,773	1,466	100.00%
<i>Intangible Plant:</i>									
25	3511000	ORGANIZATION	22,220		-				
26		Subtotal	22,220		-				
27		Total Sewer	1,065,790		31,307	3.07%	32,773	1,466	

Sources and Notes

Column C & D are from Company Adjusted Sewer Depreciation Rates CUI Exhibit 1.2, Page 4 of 4,
with Staff adjustments found in ICC Staff Exhibit 9.0.

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Great Northern Utilities
Staff Proposed Water Depreciation Rates
Test Year Ended December 31, 2009

Line #	Account #	Description	Plant Bal. (C)	Net Salvage		Unrecovered Cost (C - E) (F)	Avg. Life (Yrs) (G)	Annual Expense	
				(%) (D)	Amount (C X D) (E)			(\$) (F / G) (H)	(%) (H / C) (I)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<i>Source of Supply Plant:</i>									
1	303	LAND & LAND RIGHTS	59,600	0%	-	59,600	0.0	-	0.00%
2	304	STRUCTURES & IMPROVEMENTS	80,839	-25%	(20,210)	101,049	30.0	3,368	4.17%
3	307	WELLS & SPRINGS	299,180	-30%	(89,754)	388,934	60.0	6,482	2.17%
4		Subtotal	439,619		(109,964)	549,583		9,851	2.24%
<i>Pumping Equipment:</i>									
5	303	LAND & LAND RIGHTS (Pump Plt)	-	0%	-	-	0.0	-	0.00%
6	311	ELECTRIC PUMP EQUIP TRANS DIST	-	-25%	-	-	40.0	-	0.00%
7	311	ELECTRIC PUMP EQUIP SRC PUMP	-	-25%	-	-	40.0	-	0.00%
8	304	STRUCTURES & IMPROVE.(PUMP.PLT.)	2,488	-25%	(622)	3,110	30.0	104	4.17%
9	311	PUMPING EQUIPMENT	107,297	-25%	(26,824)	134,121	40.0	3,353	3.13%
10		Subtotal	109,785		(27,446)	137,231		3,457	3.15%
<i>Water Treatment Plant:</i>									
11	304	STRUCTURES & IMPROVE.(WTR. T.P.)	-	-25%	-	-	30.0	-	0.00%
12	304	STRUCT & IMPRV	-	-25%	-	-	30.0	-	0.00%
13	305	COLLECTING RESERVOIRS	-	0%	-	-	0.0	-	0.00%
14	320	WATER TREATMENT EQUIPMENT	861,685	-25%	(215,421)	1,077,106	35.0	30,774	3.57%
15		Subtotal	861,685		(215,421)	1,077,106		30,774	3.57%
<i>Transmission & Dist. Plant:</i>									
16	304	STRUCT & IMPRV T&D Plt	-	-25%	-	-	30.0	-	0.00%
17	330	DISTRIB. RESERVOIRS & STANDPIPES	24,258	-15%	(3,639)	27,897	60.0	465	1.92%
18	331	TRANSMISSION & DISTRIB. MAINS	185,100	-70%	(129,570)	314,670	90.0	3,496	1.89%
19	333	SERVICE LINES	55,459	-100%	(55,459)	110,918	60.0	1,849	3.33%
20			-	0%	-	-	0.0	-	0.00%
21	334	METERS	24,246	13%	3,152	21,094	14.0	1,507	6.21%
22	334	METER INSTALLATIONS	5,726	-100%	(5,726)	11,452	45.0	254	4.44%
23	335	HYDRANTS	10,175	-70%	(7,123)	17,298	43.0	402	3.95%
24	339	OTHER PLANT	-	-	-	-	-	-	0.00%
25		Subtotal	304,964		(198,364)	503,328		7,973	2.61%
<i>General Plant:</i>									
26			-	0%	-	-	-	-	0.00%
27	304	STRUCTURES & IMPROVEMENTS	24,549	0%	-	24,549	30.0	818	3.33%
28	340	OFFICE FURNITURE & EQUIPMENT	3,308	0%	-	3,308	19.0	174	5.26%
29	344	LABORATORY EQUIPMENT	(3,608)	5%	(180)	(3,428)	20.0	(171)	4.75%
30	343	TOOLS, SHOP & MISC. EQUIPMENT	12,621	5%	631	11,990	13.0	922	7.31%
31	346	COMMUNICATION EQUIPMENT	3,832	0%	-	3,832	13.0	295	7.69%
32		Subtotal	40,702		451	40,251		2,038	5.01%
33		Subtotal Utility Plant	1,756,755		(550,745)	2,307,500		54,093	3.08%
<i>Intangible Plant:</i>									
34	302	FRANCHISE	-	-	-	-	-	-	-
35	301	ORGANIZATION	1,534	-	-	-	-	-	-
36		Subtotal	1,534		-	-		-	-
37		Total Utility Plant	1,758,289		(550,745)	2,307,500		54,093	3.08%

Sources and Notes

Columns C, D, & G are from Company Adjusted Water Depreciation Rates GNUI Exhibit 1.2, Page 1 of 2, with Staff adjustments found in ICC Staff Exhibit 9.0.

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Great Northern Utilities
Staff Proposed Water Depreciation Rates
Test Year Ended December 31, 2009

Line #	Account #	Description	Company's Present Rates			Staff's Proposed Rates			% of Total (H / H33) (I)
			Plant (C)	Percent (D)	Annual Expense (C X D) (E)	Percent Page 1 (I) (F)	Annual Expense Page 1 (H) (G)	Present vs. Proposed (G - E) (H)	
(A)		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<i>Source of Supply Plant:</i>									
1	303	LAND & LAND RIGHTS	59,600	0.00%	-	0.00%	-	-	0.00%
2	304	STRUCTURES & IMPROVEMENTS	80,839	2.00%	1,617	4.17%	3,368	1,752	8.69%
3	307	WELLS & SPRINGS	299,180	2.00%	5,984	2.17%	6,482	499	2.47%
4		Subtotal	439,619		7,600	2.24%	9,851	2,250	11.17%
<i>Pumping Equipment:</i>									
5	303	LAND & LAND RIGHTS (Pump Plt)	-	0.00%	-	0.00%	-	-	0.00%
6	311	ELECTRIC PUMP EQUIP TRANS DIST	-	2.00%	-	0.00%	-	-	0.00%
7	311	ELECTRIC PUMP EQUIP SRC PUMP	-	2.00%	-	0.00%	-	-	0.00%
8	304	STRUCTURES & IMPROVE.(PUMP.PLT.)	2,488	2.00%	50	4.17%	104	54	0.27%
9	311	PUMPING EQUIPMENT	107,297	2.00%	2,146	3.13%	3,353	1,207	5.99%
10		Subtotal	109,785		2,196	3.15%	3,457	1,261	6.26%
<i>Water Treatment Plant:</i>									
11	304	STRUCTURES & IMPROVE.(WTR. T.P.)	-	2.00%	-	0.00%	-	-	0.00%
12	304	STRUCT & IMPRV	-	2.00%	-	0.00%	-	-	0.00%
13	305	COLLECTING RESERVOIRS	-	2.00%	-	0.00%	-	-	0.00%
14	320	WATER TREATMENT EQUIPMENT	861,685	2.00%	17,234	3.57%	30,774	13,541	67.20%
15		Subtotal	861,685		17,234	3.57%	30,774	13,541	67.20%
<i>Transmission & Dist. Plant:</i>									
16	304	STRUCT & IMPRV T&D Plt	-	2.00%	-	0.00%	-	-	0.00%
17	330	DISTRIB. RESERVOIRS & STANDPIPES	24,258	2.00%	485	1.92%	465	(20)	-0.10%
18	331	TRANSMISSION & DISTRIB. MAINS	185,100	2.00%	3,702	1.89%	3,496	(206)	-1.02%
19	333	SERVICE LINES	55,459	2.00%	1,109	3.33%	1,849	739	3.67%
20			-	2.00%	-	0.00%	-	-	0.00%
21	334	METERS	24,246	2.00%	485	6.21%	1,507	1,022	5.07%
22	334	METER INSTALLATIONS	5,726	2.00%	115	4.44%	254	140	0.69%
23	335	HYDRANTS	10,175	2.00%	204	3.95%	402	199	0.99%
24	339	OTHER PLANT	-	2.00%	-	0.00%	-	-	0.00%
25		Subtotal	304,964		6,099	2.61%	7,973	1,874	9.30%
<i>General Plant:</i>									
26			-	2.00%	-	0.00%	-	-	0.00%
27	304	STRUCTURES & IMPROVEMENTS	24,549	2.00%	491	3.33%	818	327	1.62%
28	340	OFFICE FURNITURE & EQUIPMENT	3,308	2.00%	66	5.26%	174	108	0.54%
29	344	LABORATORY EQUIPMENT	(3,608)	2.00%	(72)	4.75%	(171)	(99)	-0.49%
30	343	TOOLS, SHOP & MISC. EQUIPMENT	12,621	2.00%	252	7.31%	922	670	3.32%
31	346	COMMUNICATION EQUIPMENT	3,832	2.00%	77	7.69%	295	218	1.08%
32		Subtotal	40,702		814	5.01%	2,038	1,224	6.07%
33		Subtotal Utility Plant	1,756,755		33,943	3.08%	54,093	20,150	100.00%
<i>Intangible Plant:</i>									
34	302	FRANCHISE	-		-				
35	301	ORGANIZATION	1,534		-				
36		Subtotal	1,534		-				
37		Total Utility Plant	1,758,289		33,943	3.08%	54,093	20,150	

Sources and Notes

Column C & D are from Company Adjusted Water Depreciation Rates GNUI Exhibit 1.2, Page 2 of 2,
with Staff adjustments found in ICC Staff Exhibit 9.0.

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Lake Holiday Utilities Corporation
Staff Proposed Water Depreciation Rates
Test Year Ended December 31, 2009

Line #	Account #	Description	Plant Bal. (C)	Net Salvage		Unrecovered Cost (C - E) (F)	Avg. Life (Yrs) (G)	Annual Expense	
				(%) (D)	Amount (C X D) (E)			(\$) (F / G) (H)	(%) (H / C) (I)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<i>Source of Supply Plant:</i>									
1	303	LAND & LAND RIGHTS	1,548	0%	-	1,548	0.0	-	0.00%
2	304	STRUCTURES & IMPROVEMENTS	115,006	-25%	(28,752)	143,758	30.0	4,792	4.17%
3	307	WELLS & SPRINGS	155,314	-30%	(46,594)	201,908	60.0	3,365	2.17%
4		Subtotal	271,868		(75,346)	347,214		8,157	3.00%
<i>Pumping Equipment:</i>									
5	303	LAND & LAND RIGHTS (Pump Plt)	11,818	0%	-	11,818	0.0	-	0.00%
6	311	ELECTRIC PUMP EQUIP TRANS DIST	-	-25%	-	-	40.0	-	0.00%
7	311	ELECTRIC PUMP EQUIP SRC PUMP	-	-25%	-	-	40.0	-	0.00%
8	304	STRUCTURES & IMPROVE.(PUMP.PLT.)	30,979	-25%	(7,745)	38,724	30.0	1,291	4.17%
9	311	PUMPING EQUIPMENT	181,702	-25%	(45,426)	227,128	40.0	5,678	3.13%
10		Subtotal	224,499		(53,170)	277,669		6,969	3.10%
<i>Water Treatment Plant:</i>									
11	304	STRUCTURES & IMPROVE.(WTR. T.P.)	2,956	-25%	(739)	3,695	30.0	123	4.17%
12	304	STRUCT & IMPRV	-	-25%	-	-	30.0	-	-
13	305	COLLECTING RESERVOIRS	-	0%	-	-	0.0	-	-
14	320	WATER TREATMENT EQUIPMENT	206,643	-25%	(51,661)	258,304	35.0	7,380	3.57%
15		Subtotal	209,599		(52,400)	261,999		7,503	3.58%
<i>Transmission & Dist. Plant:</i>									
16	304	STRUCT & IMPRV T&D Plt	-	-25%	-	-	30.0	-	0.00%
17	330	DISTRIB. RESERVOIRS & STANDPIPES	206,720	-15%	(31,008)	237,728	60.0	3,962	1.92%
18	331	TRANSMISSION & DISTRIB. MAINS	381,547	-70%	(267,083)	648,630	90.0	7,207	1.89%
19	333	SERVICE LINES	929,253	-100%	(929,253)	1,858,506	60.0	30,975	3.33%
20			-	0%	-	-	0.0	-	0.00%
21	334	METERS	148,172	13%	19,262	128,910	14.0	9,208	6.21%
22	334	METER INSTALLATIONS	45,784	-100%	(45,784)	91,568	45.0	2,035	4.44%
23	335	HYDRANTS	87,631	-70%	(61,342)	148,973	43.0	3,464	3.95%
24	339	OTHER PLANT	-	-	-	-	-	-	0.00%
25		Subtotal	1,799,107		(1,315,207)	3,114,314		56,851	3.16%
<i>General Plant:</i>									
26			-	0%	-	-	-	-	0.00%
27	304	STRUCTURES & IMPROVEMENTS	23,534	0%	-	23,534	30.0	784	3.33%
28	340	OFFICE FURNITURE & EQUIPMENT	15,664	0%	-	15,664	19.0	824	5.26%
29	344	LABORATORY EQUIPMENT	1,556	5%	78	1,478	20.0	74	4.75%
30	343	TOOLS, SHOP & MISC. EQUIPMENT	26,309	5%	1,315	24,994	13.0	1,923	7.31%
31	346	COMMUNICATION EQUIPMENT	5,134	0%	-	5,134	13.0	395	7.69%
32		Subtotal	72,197		1,393	70,804		4,000	5.54%
33		Subtotal Utility Plant	2,577,270		(1,494,730)	4,072,000		83,481	3.24%
<i>Intangible Plant:</i>									
34	302	FRANCHISE	-	-	-	-	-	-	-
35	301	ORGANIZATION	32,169	-	-	-	-	-	-
36		Subtotal	32,169		-	-		-	-
37		Total Utility Plant	2,609,439		(1,494,730)	4,072,000		83,481	3.20%

Sources and Notes

Columns C, D, & G are from Company Adjusted Water Depreciation Rates LHUC Exhibit 1.2, Page 1 of 2,
with Staff adjustments found in ICC Staff Exhibit 9.0.

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Lake Holiday Utilities Corporation
 Staff Proposed Water Depreciation Rates
 Test Year Ended December 31, 2009

Line #	Account #	Description	Company's Present Rates			Staff's Proposed Rates			% of Total (H / H33) (I)
			Plant (C)	Percent (D)	Annual Expense (C X D) (E)	Percent Page 1 (I) (F)	Annual Expense Page 1 (H) (G)	Present vs. Proposed (G - E) (H)	
<i>Source of Supply Plant:</i>									
1	303	LAND & LAND RIGHTS	1,548	0.00%	-	0.00%	-	-	0.00%
2	304	STRUCTURES & IMPROVEMENTS	115,006	2.00%	2,300	4.17%	4,792	2,492	7.74%
3	307	WELLS & SPRINGS	155,314	2.00%	3,106	2.17%	3,365	259	0.80%
4		Subtotal	271,868		5,406	3.00%	8,157	2,751	8.54%
<i>Pumping Equipment:</i>									
5	303	LAND & LAND RIGHTS (Pump Plt)	11,818	0.00%	-	0.00%	-	-	0.00%
6	311	ELECTRIC PUMP EQUIP TRANS DIST	-	2.00%	-	0.00%	-	-	0.00%
7	311	ELECTRIC PUMP EQUIP SRC PUMP	-	2.00%	-	0.00%	-	-	0.00%
8	304	STRUCTURES & IMPROVE.(PUMP.PLT.)	30,979	2.00%	620	4.17%	1,291	671	2.08%
9	311	PUMPING EQUIPMENT	181,702	2.00%	3,634	3.13%	5,678	2,044	6.35%
10		Subtotal	224,499		4,254	3.10%	6,969	2,715	8.43%
<i>Water Treatment Plant:</i>									
11	304	STRUCTURES & IMPROVE.(WTR. T.P.)	2,956	2.00%	59	4.17%	123	64	0.20%
12	304	STRUCT & IMPRV	-	2.00%	-	0.00%	-	-	0.00%
13	305	COLLECTING RESERVOIRS	-	2.00%	-	0.00%	-	-	0.00%
14	320	WATER TREATMENT EQUIPMENT	206,643	2.00%	4,133	3.57%	7,380	3,247	10.08%
15		Subtotal	209,599		4,192	3.58%	7,503	3,311	10.28%
<i>Transmission & Dist. Plant:</i>									
16	304	STRUCT & IMPRV T&D Plt	-	2.00%	-	0.00%	-	-	0.00%
17	330	DISTRIB. RESERVOIRS & STANDPIPES	206,720	2.00%	4,134	1.92%	3,962	(172)	-0.53%
18	331	TRANSMISSION & DISTRIB. MAINS	381,547	2.00%	7,631	1.89%	7,207	(424)	-1.32%
19	333	SERVICE LINES	929,253	2.00%	18,585	3.33%	30,975	12,390	38.47%
20			-	2.00%	-	0.00%	-	-	0.00%
21	334	METERS	148,172	2.00%	2,963	6.21%	9,208	6,244	19.39%
22	334	METER INSTALLATIONS	45,784	2.00%	916	4.44%	2,035	1,119	3.48%
23	335	HYDRANTS	87,631	2.00%	1,753	3.95%	3,464	1,712	5.32%
24	339	OTHER PLANT	-	2.00%	-	0.00%	-	-	0.00%
25		Subtotal	1,799,107		35,982	3.16%	56,851	20,869	64.81%
<i>General Plant:</i>									
26			-	2.00%	-	0.00%	-	-	0.00%
27	304	STRUCTURES & IMPROVEMENTS	23,534	2.00%	471	3.33%	784	314	0.97%
28	340	OFFICE FURNITURE & EQUIPMENT	15,664	2.00%	313	5.26%	824	511	1.59%
29	344	LABORATORY EQUIPMENT	1,556	2.00%	31	4.75%	74	43	0.13%
30	343	TOOLS, SHOP & MISC. EQUIPMENT	26,309	2.00%	526	7.31%	1,923	1,396	4.34%
31	346	COMMUNICATION EQUIPMENT	5,134	2.00%	103	7.69%	395	292	0.91%
32		Subtotal	72,197		1,444	5.54%	4,000	2,556	7.94%
33		Subtotal Utility Plant	2,577,270		51,278	3.24%	83,481	32,203	100.00%
<i>Intangible Plant:</i>									
34	302	FRANCHISE	-		-				
35	301	ORGANIZATION	32,169		-				
36		Subtotal	32,169		-				
37		Total Utility Plant	2,609,439		51,278	3.20%	83,481	32,203	

Sources and Notes

Column C & D are from Company Adjusted Water Depreciation Rates LHUC Exhibit 1.2, Page 2 of 2, with Staff adjustments found in ICC Staff Exhibit 9.0.

Docket Nos. 11-0059/11-0141/11-0142 (Cons.)

ICC Staff Exhibit 9.0

Attachment 9.01 LH

**Staff Proposed Rules, Regulations, and Conditions of
Service Tariffs for Water Service for Lake Holiday
Utilities Corporation**

ILL. C.C. No. 2

Original Title Sheet and

Original Sheet Nos. 1 through 38

Lake Holiday Utilities Corporation

ILL. C. C. No. 2
Original Title Sheet
Cancelling ILL. C.C. No. 1
First Revised Sheet Nos. 2 & 5
Original Sheet Nos. 3 & 6 through 8
Third Revised Sheet No. 4

RULES, REGULATIONS AND CONDITIONS OF SERVICE

WATER

Applies to the following Territories:

Lake Holiday Subdivision, southwest of Somonauk, Northville Township, La Salle
County, Illinois

Issued _____ Effective _____
Month Day Year Month Day Year
Issued By Lisa Sparrow President
Name of Officer Title of Officer
 2335 Sanders Road, Northbrook, IL 60062
Address of Officer

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Issued	_____	Effective	_____
	Month Day Year		Month Day Year
Issued By	Lisa Sparrow		President
	Name of Officer		Title of Officer
	2335 Sanders Road, Northbrook, IL 60062		
	Address of Officer		

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AGREEMENT FOR MAINTENANCE OF PRIVATE WATER LINES 34

Issued	_____	Effective	_____
	Month Day Year		Month Day Year
Issued By	Lisa Sparrow	President	
	Name of Officer	Title of Officer	
	2335 Sanders Road, Northbrook, IL 60062		
	Address of Officer		

RULES, REGULATIONS AND CONDITIONS OF SERVICE - WATER

GENERAL INFORMATION

1. RULES AND REGULATIONS GOVERNING TERMS AND CONDITIONS OF SERVICE:

The supplying of water, including the extension of mains and the making of connections thereto, by Lake Holiday Utilities Corporation shall be subject to the following Rules, Regulations, and Conditions of Service, and its charges for and the cost of water service shall be at the rates specified in rate schedules filed from time to time by the Company with, and approved by, the Illinois Commerce Commission. Every customer, upon signing an application for any service rendered by the Company, or upon the taking of water service, shall be bound by these Rules, Regulations, and Conditions of Service and such rate schedules.

2. DEFINITIONS:

- A. "Company" means Lake Holiday Utilities Corporation, acting through its officers, managers or other duly authorized employees or agents.
- B. "Cross-connection" means any direct or indirect connection between a Customer's piping system having a service connection to the Company and any other piping or plumbing systems, or a vessel such as, but not limited to, compressed gas cylinders, sinks, toilets, drains, and other pressurized or unpressurized liquid or gaseous containers, which contain, or which could contain, any substance other than water supplied by the Company. Cross-connection also means any use of water supplied by the Company which permits, or which could permit, backflow of water or any other substance into the Company's mains.
- C. "Customer" means the party contracting for water service.
- D. "Customer's service pipe" means that portion of the service pipe between the curb stop at or near the property line and the premises to be supplied.
- E. "Main" means the supply pipe, owned and maintained by the Company, to which service connections are attached to supply water to one or more customers.

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- J. "Remote meter reading device" means a water meter register installed outside of buildings or structures on the customer's premises and connected to the meter installed inside the customer's premises.
- K. "Revenue" means funds collected from customers in accordance with rate schedules filed from time to time by the Company with the Illinois Commerce Commission.
- L. "Seasonal service" means service supplied to customers whose water needs are primarily seasonal or who require increased water service for equipment or processes operated only for part of the year.
- M. "Service connection" means a pipe with appurtenances used to conduct water from the main to and including the curb stop or meter well at or near the property line. "Service connections" may serve one or more customers at Company option; provided that each customer shall have its own curb stop or other means of control as approved by the Company.
- N. "Standby service" means service supplied for standby or breakdown purposes or to supplement the customer's water supply.
- O. "Temporary service" means service supplied for temporary purposes and to housing without permanent foundations for which the period of service is usually less than one year, except as covered otherwise.
- P. "Tenant" means anyone occupying any premises or property under lease, oral or written, from the Owner and obtaining water service from the Company's mains.
- Q. "Yearly service" means service supplied to customers who require water during twelve (12) months of each year.

3. APPLICATIONS FOR AND INSTALLATIONS OF SERVICE CONNECTIONS:

- A. Application for a new service connection or application for water service through an existing service connection shall be made in writing, in person or by electronic means at the office of the Company by the prospective customer on forms

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furnished by the Company. The application for water service shall, in general, clearly outline the class, scope and type of use to be made of the service.

- B. If, for the convenience of the applicant, an application is accepted orally, via telephone or otherwise, the taking of water service shall constitute a contract between the applicant and the Company, obligating the applicant as a customer to pay for, and the Company to furnish, service as specified herein and to comply with all applicable provisions of the Company’s Rules, Regulations, and Conditions of Service. If the application is accepted orally, the customer shall, if requested by the Company, sign a written application. A telephone application for service will not be accepted from a third party who will not be the customer.
- C. Any change in the identity of the contracting customer at a premises shall require a new application and the Company may, after reasonable notice, discontinue the water supply pursuant to Rule 17 hereof until such new application has been made and accepted.

4. CUSTOMER’S LIABILITY FOR CHARGES:

- A. A customer who has applied for water service to a premises shall be held liable for all water service furnished to such premises until such time as the customer notifies the Company to discontinue the customer’s service or until service for a new customer is established at the premises.
- B. A customer who discontinues service and re-establishes service within six months of the date of service termination will be billed customer charges and public fire protection charges for the period of time for which service was discontinued.
- C. The Company shall have the right to bill for call-out service requested by the customer or service necessitated by the customer’s negligence where work after regular business hours or overtime is involved at the applicable labor, vehicle and overhead rate. Labor costs shall be calculated on the following basis:

Minimum Call-outs: The charge for an after-hours service call shall reflect a minimum of two hours for the individual called out at the designated rate of pay. In no instance will the Company bill a customer for more than its actual cost to the Company of performing the call-out service in an efficient manner nor will

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establishments. Each building on a public authority lot shall have one water service connection and one meter.

- E. A water service connection shall not be installed where any portion of the Customer's service pipe must pass through lands, buildings, or parts of buildings which are not the property of the applicant, or across a platted lot to serve another platted lot, each owned by the same customer.
- F. The customer shall make all changes in the customer's service pipe required on account of changes of grade, relocation of mains or other causes created by the customer.
- G. No non-metered attachment to the customer's service pipe shall be made between the meter and the street main.
- H. Each metered service shall be supplied through a separate curb stop or other means of control as approved by the Company.
- I. Any repairs or maintenance necessary on the customer's service pipe or any pipe or fixture in or upon the customer's premises shall be performed by the customer at the customer's expense and risk. Such pipes and fixtures shall be kept and maintained in good condition and free from all leaks, and for failure on the customer's part to do so, the water supply may be discontinued pursuant to Rule 17 hereof. At the option of the Company, the customer may contract with the Company for necessary repairs or maintenance on the customer's service pipe or on pipes or fixtures in or upon the customer's premises.
- J. For meters placed within a customer's structure, the customer shall cause to be placed, at the customer's expense, a shut-off valve on the service pipe at or near the inlet to the meter and another shut-off valve on the service pipe at or near the outlet side of the meter. For meters placed within a meter vault, the customer shall install a shut-off valve, at the customer's expense, within the customer's structure (and the Company may install at its expense such additional shut-off valves as the Company deems appropriate). For a meter within the customer's structure or within a meter vault, a backflow device may be required at the option of the Company and at the customer's expense. If so required, it will be inserted

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at a point approved by the Company on the house plumbing to protect the meter from excess heat and pressure due to heating water, and to protect the distribution system.

- K. Where it becomes necessary to thaw a frozen service pipe, and it cannot be determined where it is frozen, and the Company, at the customer's request, undertakes to thaw the same, one half (1/2) of the cost thereof shall be paid by the customer. Before undertaking to thaw the same, the Company will require the customer to sign a waiver of claim for damage against the Company thereby absolving the Company from any and all responsibility for any damage that might result from the act of thawing the customer's frozen service pipe.

7. WINTER CONSTRUCTION:

No new service pipes or extensions of mains will be installed during winter conditions (when frost is in the ground), unless the customer shall defray all extra expense occasioned by such installation.

8. CROSS-CONNECTIONS:

- A. Each Customer, Owner, and/or Tenant of premises receiving water service shall prevent backflow of water or any other substance into the water mains of the Company from any cause within such premises and shall prevent and remove all cross-connections. No Customer, Owner, and/or Tenant shall make, cause, allow, or permit any cross-connection on such premises or any backflow of water or any other substance from such premises to the Company's mains.

- B. An approved reduced pressure principle backflow prevention device ("RPZ") shall be installed on:

- (1) Each commercial, industrial, and public authority service line except establishments which have only drinking fountains, restrooms, and kitchen facilities.
- (2) All other Customers' service lines when the following conditions exist:

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- a. The premises has an auxiliary water supply;
- b. The premises has an underground lawn sprinkler system; or
- c. The premises has a reported history of cross-connections being established or re-established.

(3) All fire protection systems connected to the Company's water supply when any of the following conditions exist:

- a. The system contains antifreeze, fire retardant, or other chemicals;
- b. Water is pumped into the system or can be pumped into the system from another service;
- c. Water flows into the fire safety system by gravity from a non-potable service; or
- d. There is a connection whereby water can be pumped into the fire safety system from any other source.

C. All RPZ required by these rules shall be approved by the Foundation for Cross-Connection Control and Hydraulic Research at the University of Southern California, American Water Works Association, American Society of Sanitary Engineers, or American National Standards Institute, or certified by the National Standards Institute or the National Sanitation Foundation to be in compliance with applicable industry specifications.

D. Installation of RPZ shall be made in accordance with applicable regulations of the Illinois Pollution Control Board and Illinois Environmental Protection Agency, and only as specified by the Foundation for Cross-Connection Control and Hydraulic Research at the University of Southern California, American Water Works Association, American Society of Sanitary Engineers, or American National Standards Institute. In addition, installation shall be subject to the following conditions:

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- (1) The device shall be accessible for maintenance and testing.
- (2) Minimum clearances recommended by the manufacturer shall be used.
- (3) The device shall be protected against flooding and freezing.
- (4) Relief ports shall not be plugged. A drain which will remain free-flowing under all conditions shall be provided.
- (5) A collection system with an air gap under the relief port drain shall be installed with ceiling level units.
- (6) No reduction shall be made in the size of the relief port drain.
- (7) A bypass and second RPZ shall be installed if there is only one service line and the water service cannot be interrupted. Bypass lines with RPZ shall not be installed.

E. It shall be the duty of the Customer, Owner, and Tenant of any premises on which an RPZ is installed to inspect, test, maintain, and repair the device at least annually or more frequently if recommended by the manufacturer.

- (1) Inspection, testing, maintenance, and repair shall be performed by a person who has been approved by the Illinois Environmental Protection Agency as competent to service the device. Proof of approval shall be in writing.
- (2) Each RPZ shall have a tag attached listing the date of most recent test, name of inspector, and type and date of repairs.
- (3) A maintenance log shall be maintained and shall include:
 - a. Date of each test.
 - b. Name and approval number of person approving test.
 - c. Test results.

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- G. At the option of the Company, a remote meter reading device may be installed at an accessible location if desirable to facilitate meter reading.
- H. All installations of new services and house plumbing in premises shall leave such horizontal space next to the entrance shutoff for the installation of meters as required by the Illinois Plumbing Code.
- I. Each premises shall be supplied through a separate meter or meters. Meter settings shall conform to installation standards as provided by the Company.
- J. The customer shall promptly notify the Company of any defect in, or damage to, the meter, its connections or housing.
- K. The customer shall bear the cost of changing the location of an existing meter at the customer's request.
- L. If the customer desires additional meters for showing internal division of the supply, they shall be furnished, installed and maintained at the customer's expense.
- M. The Company reserves the right to remove and test any meter at any time and to install another meter in the place of the one removed. When a meter is removed for a test at the request of a Customer, the Company may reinstall the same meter after testing in accordance with Title 83 Illinois Administrative Code Part 600.

10. FIRE SERVICE CONNECTIONS:

- A. The Company does not assume liability as an insurer of property or persons and does not furnish any special service, pressure, capacity or facility with respect to private fire services. In addition, the Company does not warrant any level of flow or pressure at or from its public fire hydrants or public fire services.
- B. All materials for private fire services shall be approved by the Company, and the services must be provided with suitable valves outside of the structure under the Company's exclusive control. The entire cost and expense of installing a private fire service connection shall be borne by the customer. Said service shall be used

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exclusively for the extinguishment of fires and no connection for domestic, commercial or industrial use may be attached to a fire service.

- C. Customers desiring private fire service must consult, before installation, with the Company as to the availability of mains, pressure, etc. No private fire service connection (other than for a single-family residence) will be made on a water main of less than six inches (6”) in diameter.
- D. Requests for the installation of public fire hydrants must be made by an ordinance specifying the exact locations of the required fire hydrants.
- E. Public fire hydrants will be installed and maintained by the Company at its expense. Title to the hydrants, valves and fire service connections is vested in the Company and the same will at all times remain the Company’s sole property.
- F. Fire hydrants paid for by the customers installed on Company mains that are to be located in a public street or right-of-way will be installed at the applicant’s expense. Title to the hydrants, valves and fire service connection is vested in the Company and the same will at all times remain the Company’s sole property.
- G. Private fire hydrants to be located upon or within the applicant’s premises will be installed at the applicant’s expense including the cost of the fire service connection. The fire service connection from main to point of use, including the fire hydrant located on the premises of the applicant, will be owned and maintained by the applicant.
- H. The applicant for public and private fire hydrants will be obligated to pay the applicable tariff charge in accordance with the rate schedules in effect at the time and to comply with all applicable provisions of these Rules, Regulations and Conditions of Service.
- I. Fire service connections for private fire hydrants which are installed at the applicant’s expense in accordance with Rule 10(G) and (H) will be installed by the Company. The charge to the applicant will include the exact cost of labor, materials and overhead expenses.

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- J. No person or party may take water from any fire hydrant (public or private) except authorized persons or parties for fire purposes and no fire hydrant (public or private) may be used for any purpose except the extinguishment or prevention of fire unless the Company’s prior written approval is obtained.
- K. A fire service connection to be used to supply water to a fire system utilizing automatic sprinkler heads or standpipe will be installed by the Company and connected to the Company’s water system at the applicant’s expense. The Company reserves the right to size the connection and to specify all materials used. The fire service connection so installed will remain the applicant’s sole property and will be maintained by the applicant at its expense.
- L. The applicant for a fire service connection to supply water to automatic sprinkler heads or standpipes will be obligated to pay the applicable rate for such service in accordance with the rate schedules in effect at the time and to comply with all applicable provisions of these Rules, Regulations and Conditions of Service.
- M. Fire service connections are to be used only for the extinguishment of fires. The Company reserves the right to require a detector check valve or a meter style backflow preventer to be installed, maintained and annually inspected at the customer’s expense on a fire service connection to ensure that water is not being used for purposes other than extinguishment of fires and that contamination of the potable water system will not occur. If the Company determines that water from a fire service connection is used in contravention of these Rules, Regulations and Conditions of Service, such usage shall be subject to the usage charge specified in the Metered Service tariff or such other charge as the Commission may approve for the estimated volume of water used.

11. SEASONAL, STANDBY AND TEMPORARY SERVICE CONNECTIONS:

The customer shall bear the entire cost of the service connection and customer’s service pipe for seasonal, standby and temporary service.

12. METER TEST AND TEST FEES:

- A. Upon the customer’s request, the Company shall test the meter supplying water to the customer making the request. This test will be without charge provided that

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- (3) For molesting or tampering by the customer or others with the customer's knowledge with any meter, connections, service pipe, curb stop, seal or any other appliance of the Company controlling or regulating the customer's water supply.
- (4) For failure to provide the Company's employees free and reasonable access to the premises supplied, or for obstructing the way of ingress to the service pipes, fixtures, meters or other appliances controlling or regulating the customer's water supply.
- (5) For failure of a customer to establish credit, or to adjust his cash deposit, or for nonpayment of a delinquent water or sewer bill owed to the Company for service furnished to the customer for the same class of service at the same or another location.
- (6) In case of vacancy of the premises by the customer when no one has assumed responsibility for payment of the bill for service to the premises.
- (7) For violation of any rule or regulation of the Company for which discontinuance of service is the appropriate penalty.
- (8) For selling or giving away water or granting privileges to anyone to use water not specifically included in the accepted application.
- (9) For material misrepresentation in an application as to the property to be supplied or type of service to be supplied or failure to report a change in the type of service.
- (10) When conditions exist due to excessive water use by customers that the integrity of the service to other customers is in danger, the Company reserves the right to discontinue the use or restrict the usage.
- (11) For violation of Rule 18 of these Rules, Regulations and Conditions of Service.

B. If, as a result of a leak on the customer's premises, a hazardous condition is created in the public right-of-way or damage is being caused to property adjacent

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to the customer's property, and/or notification is received by the Company from any federal, state, county or municipal authority to terminate the service to prevent injury or damage to other parties, the notification referred to in Rule 17(A) shall be waived.

- C. If the customer is found to have a cross-connection as defined in accordance with Rule 2(B) and fails or refuses to break the connection within twenty-four (24) hours after receipt of written notice to terminate the cross-connection, service shall be discontinued by making a definite break in the service pipe until the cross-connection has been properly broken or protected by an acceptable form of protection. The customer shall bear the entire cost of the breaking and reconnecting of the service pipe.
- D. If the customer is required to install a RPZ in accordance with Rule 8(B), and fails or refuses to install approved backflow or protective devices in accordance with Rule 8(D) or fails or refuses to conduct annual testing of such RPZ in accordance with Rule 8(E), the Company may issue a notice to discontinue water service and may discontinue water service following a reasonable time interval not to exceed thirty (30) days for the customer to show compliance with these Rules.
- E. Discontinuance of the supply of water to a premises for any reason shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of moneys due from the customer.
- F. The Company reserves the right at any time to shut off the water in the distribution mains as is necessary to cooperate with civil authorities, in case of accident or emergency, for the purpose of making connections, extensions, improvements, alterations, repairs, changes, or for other proper business or utility reasons, and may restrict the use of water to reserve a sufficient supply in its reservoirs for public fire service or other emergencies whenever the public health, safety or welfare may so require.
- G. The temporary shutting off of water from any premises for any cause, whether for nonpayment of bills, leaking pipes, fixtures, etc., shall not entitle the customer to a reduction in the amount of the bill during the time of such temporary shut-off.

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The shutting off of water temporarily shall not cancel a contract for water supply except at the option of the Company or upon written notice from the customer.

18. **OUTSIDE WATER RESTRICTIONS:**

In order to prevent excessive or wasteful consumption of water during drought and/or emergency and so as to protect the ability of the water system to deliver water to all customers at a minimum pressure of 20 psi, the following restrictions shall be observed.

- A. During periods of water shortage, drought or an emergency, the Company, through notification to each customer, will encourage customers to voluntarily practice conservation of water use by restricting lawn sprinkling and other uses.
- B. In the event that voluntary practice by the customers does not reduce the consumption of water sufficiently to allow the utility to provide adequate service, all customers will be placed on an "odd/even" basis. That is, customers whose street addresses end in an odd number may use water outside only on odd numbered calendar days, and conversely, customers whose street addresses end in an even number may use water outside only on even numbered calendar days.
- C. In the event of extended drought, water shortage and/or emergency of such a nature that the ability of the system to deliver water to all customers at a minimum of 20 psi is imperiled, all such outside uses may be banned.
- D. In the event that cessation of outside usage is not sufficient to protect the integrity of the water supply, the Company may file more stringent requirements with the Illinois Commerce Commission pursuant to the provision of Section 9-201 of the Public Utilities Act.
- E. Enforcement of these outside water conservation regulations shall follow the procedures noted in Rule 18.

19. **RECONNECTION CHARGE:**

When it has been necessary to discontinue water service to any premises because of a violation of any Rule or Regulation or on account of nonpayment of any bill, the fee for reconnection shall be the amount stated in the applicable tariffs on file with the

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the first day of the billing period until that date on which the customer is no longer responsible to pay for water service to the specific premises.

22. TERMS OF PAYMENT:

- A. All water bills are due and payable at the Company’s rates on or before the twenty-first (21st) calendar day following the date of the postmark of the bill, or, if said twenty-first (21st) day falls on a Saturday, Sunday or legal holiday, then on the first day thereafter not a Saturday, Sunday or legal holiday. All bills for utility service not paid on or before the past due date as defined herein shall be subject to a late payment charge of one and one-half percent (1 1/2%) per month on any amount, including amounts previously past due.
- B. Bills automatically become delinquent at the expiration of said twenty-one (21) day period.
- C. Payments shall be made at the office of the Company or at such other conveniently located places as the Company may designate.
- D. A fee shall be assessed to the customer as provided in the applicable tariffs on file with the Commission when a check for payment of the customer’s bill has been returned to the Company unpaid for whatever reason.

23. ABATEMENTS AND REFUNDS:

There shall be no abatement of the customer charge, in whole or in part, by reason of the customer’s extended absence unless service has been discontinued at the customer’s request, and no abatement shall be made for leaks or for water wasted by improper or damaged service pipes or fixtures belonging to the customer.

24. INTERRUPTIONS IN WATER SUPPLY:

- A. The Company does not guarantee a sufficient or uniform pressure or an uninterrupted supply of water, and customers are cautioned to provide sufficient storage of water where an absolutely uninterrupted supply must be assured, such as, but not limited to, for use in steam boilers, domestic hot water systems, gas or diesel engines, medical equipment or medical needs.

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RULES, REGULATIONS AND CONDITIONS OF SERVICE - WATER

- B. The Company shall make all reasonable efforts to eliminate interruption of service and, when such interruption does occur, will endeavor to re-establish service with the shortest possible delay. Whenever the service is interrupted for the purpose of working on the distribution system or the station equipment, the Company will attempt to notify in advance all customers affected by such interruption whenever it is possible to do so.
- C. No refunds of private fire protection or hydrant rates will be made for interruptions of service unless the interruption lasts for a continuous period in excess of twenty-four (24) hours.

25. DAMAGE TO COMPANY PROPERTY:

In case of damage to the Company's property on the customer's premises and/or damage, including obstruction, burying and filling thereof, to the curb stop installation or service connection to the customer, the cost of repair shall be billed to and paid by the customer in the manner pertaining to billings for water service.

26. LIABILITY OF COMPANY:

- A. The Company shall in no event be liable for any damage or inconvenience caused by reason of any break, leak or defect in the customer's service pipe or fixtures.
- B. The Company shall not be liable for damages of any kind or character for any deficiency in pressure, for failure of water supply, for the bursting or breaking of any mains, services, service branches, stops, valves or fixtures, wherever located, for any deficiency in any attachment to mains, services, service branches or any other facilities used by the Company, for any other interruption of water supply caused by breaking of machinery, stoppage for repairs or for any reason or occurrence beyond the reasonable control of the Company. The Company shall not be liable for any damage to the property of customers, owners, their lessees or licensees, those in possession of the premises or others caused by any of the foregoing reasons or by fire or otherwise resulting from the total or partial failure of water service or pressure failure or for any reason to provide sufficient water or any facilities for fire protection or for any other cause beyond the reasonable control of Company. The Company also will not be responsible for damage

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deposit hereunder shall not be entitled to any refund on account of any other or further extension or the attachment of any services or hydrants to any other or further extension.

- I. If the Company desires to install a main larger than eight inches (8”) in diameter for a purpose other than the applicant’s service requirements, then the Company shall pay the additional cost of the larger main as determined by the Company.
- J. All water main extensions, except those that may be installed by the Company without the necessity of a contract, will be made by contract with the applicant in accordance with the conditions of this Rule as outlined above or in accordance with other terms approved by the Commission.
- K. Any main extension agreement made pursuant to this Rule and the right to refund thereunder shall not be assigned by the applicant without the Company’s prior written consent.

In those cases where service connections are installed in advance of paving, the cost of such services shall be included in the deposit for the main extension. The total cost of each such service shall be refunded immediately to the applicant who made the deposit upon a customer being connected to such a pre-installed service.

- L. If the customer desires to use or does use large amounts of water over short periods of time so as to place unreasonable demands upon the Company’s facilities, or if the customer desires greater assurance of continuous water supply or higher pressure for fire protection or industrial uses than that supplied by the Company’s facilities, the customer shall, at the customer’s own expense, install such elevated tanks, booster pumps or other facilities as may be appropriate and as may be approved by the Company. If attached directly to facilities of the Company, such facilities shall be owned, operated and maintained by the Company.

28. EXTENSION OF MAINS - OTHER:

- A. An applicant for extension of a water main from the end of an existing main may, if the applicant so elects, construct the main extension at the applicant’s expense in accordance with specifications approved by the Company. The Company shall

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have the right to approve the design of the main and all materials used. The Company also shall have the right to inspect the main at applicant's expense, during construction to assure compliance with the specifications approved by the Company.

- B. At such time as the applicant completes construction of the main extension, applicant shall, with the consent and approval of the Company, transfer title to the main extension to the Company.
- C. The applicant and Company shall agree upon the cost to the applicant of the main extension. If the applicant's cost exceeds one and one-half times the Company's estimate of annual revenue to be received from Original Prospective Customers, as defined in Rule 27(D), the Company shall pay to the applicant one and one-half times the amount of such estimated annual revenue at the time that title to the main extension is transferred to the Company.
- D. During the first ten (10) years after transfer to the Company of title to the main extension, if the extension abuts property that the original applicant does not own or have an interest in, and if during such ten-year period, the owner or tenant of such property requests water service, the Company shall make a refund(s) to the original applicant in accordance with the provisions of Rule 27(F).
- E. All mains, valves, fittings and other appurtenances and materials installed in accordance with this Rule shall be and remain the Company's sole property.
- F. The Company shall have the right to further extend its mains from and beyond the terminus of each main extension made under this Rule. The applicant constructing a main hereunder shall not be entitled to any refund on account of any other or further extension or the attachment of any services or hydrants to any other or further extension.
- G. Any main extension agreement made pursuant to this Rule and the right to refund thereunder shall not be assigned by the applicant without the Company's prior written consent.

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29. EXTENSION OF MAINS - SPECIAL:

- A. Mains may be extended under the terms of Rule 29 (B) through (F), in those areas where all of the following conditions exist:
 - (1) All lands abutting the dedicated public way or easement along which the extension is to be made are subdivided into lots not more than one acre in size.
 - (2) No one individual, partnership or corporation or an affiliated group of individuals, partnerships and/or corporations owns or has an interest in more than twenty percent (20%) of the lots to be improved by the extension.
 - (3) At least eighty percent (80%) of the lots to be improved would be reasonably expected to take service from the extension within ten (10) years of the date of its completion.
- B. The Company shall bear the full initial cost of the extension.
- C. The total cost of the extension, including all labor, material, engineering, supervision and direct construction overheads shall be divided by eighty percent (80%) of the total number of lots to be improved by the extension. The figure thus derived shall be considered the “per lot cost” of the water main improvement.
- D. Extensions made under this Rule shall generally be made with pipe eight inches (8”) in diameter, except that in special cases exceptions can be made by the Company to comply with sound engineering principles. If the Company desires to make extensions of mains with pipe larger than eight inches (8”) in diameter, although not required to do so by sound engineering principles, the additional cost of the larger pipe shall be deducted from the total cost before computing the “per lot cost” as described in Paragraph 29(C).
- E. Any customer making application for water service from the main extension will be required to make a “Contribution in Aid of Construction” equal to the “per lot cost” less eighteen (18) times the monthly customer (facilities or service) charge applicable to the type of service requested by such customer at the time of

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determine, limit and regulate, in a reasonable and nondiscriminatory manner, the maximum amounts of water any customer may use.

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RULES, REGULATIONS AND CONDITIONS OF SERVICE - WATER

AGREEMENT FOR MAINTENANCE OF PRIVATE WATER LINES

THIS AGREEMENT (the "Agreement") is made this _____ day of _____, 20__, by and between the undersigned (the "Customer") and Lake Holiday Utilities Corporation (the "Company") and their respective successors and assigns.

WHEREAS, the Customer receives water service from the Company at an address commonly known as _____ in the municipality of _____, in _____ County, Illinois [and legally described on Exhibit A attached hereto and made a part hereof] (the "Premises") and obtains water from the Company through a private line or party line which is not owned by the Company (a "Private Line") and which is connected to water mains and lines owned by the Company;

WHEREAS, the maintenance, repair and replacement of such Private Lines are the responsibility of the Customer, subject to, among other things, main extension in a manner consistent with 83 Illinois Administrative Code Part 600 for provision of water service; and

WHEREAS, the Customer desires to transfer the maintenance and repair obligations of the Customer's Private Line to the Company, and the Company is willing to accept such obligations in an effort to provide continued and adequate water service to all customers.

NOW, THEREFORE, in consideration of the foregoing premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto and their respective successors and assigns hereby agree as follows:

1. The Company hereby agrees to assume from the Customer and to undertake, at the Company's cost and expense, the obligation to maintain and repair the Customer's Private Line, consistent with the ongoing standards and procedures for maintenance and repair of similar Company-owned lines.

2. In order to implement the maintenance and repair undertaking set forth in Paragraph 1 of this Agreement, the Customer hereby grants to the Company the right to enter upon the Premises to the extent necessary to perform such maintenance and repair of the Private Line and for incidental purposes related thereto. The right of entry hereby granted shall continue until such time as the Company exercises its option and the Customer conveys the Private Line to the Company as provided in Paragraph 3 hereof. The Customer hereby agrees to indemnify and

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	Address of Officer		

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hold harmless the Company from and against any losses, costs of damages (including reasonable attorneys' fees) incurred by the Company in connection with such entry upon the Premises, except that the Customer shall not indemnify the Company against any losses, costs or damages judicially determined to be caused by the Company's own negligence or misconduct or the negligence or misconduct of parties beyond the control of Customer.

3. In consideration of the undertakings by the Company as provided herein, the Customer hereby grants to the Company the option, to be exercised at the Company's sole discretion, to obtain legal title to the Private Line at such time as the Company may determine that its ownership of such Private Line is necessary or appropriate to provide or maintain reliable and adequate water service to the Premises or to the Company's system, including, but not limited to, such time as a major repair or replacement of all or any portion of the Private Line is necessary or desirable. The Company shall exercise this option by giving written notice to the Customer at the address provided below.

The Customer, within thirty (30) days of receipt of such written notice from the Company, shall deliver to the Company such documents or legal instruments as the Company may reasonably deem necessary to convey to the Company all of the Customer's right, title and interest in the Private Lines and to grant to the Company an easement over the Premises to permit the Company to operate, repair, maintain and replace the lines and to gain reasonable access thereto. Any such conveyance shall be final and binding upon the Customer and any future customer at the Premises, including, without limitation, any successors or assigns of the Customer. The Company shall be responsible for the expenses incurred in drafting, obtaining and recording any such documents or legal instruments.

4. If the Customer is not the legal owner ("Owner") of the Premises and Private Line, the Customer agrees that by execution of this Agreement, the Customer's right to possession of the Premises and use of the Private Line will be subject to the terms and conditions of this Agreement and the right of the Company contained herein. The Owner, by execution of this Agreement, agrees to convey any and all right, title and interest in the Private Line servicing or located on the Premises and agrees to perform the obligation of the Customer contained herein consistent with the Owner's ownership interest in the Premises and Private Lines. The Customer, or the Owner if the Customer is not the Owner, agrees to indemnify and hold harmless the Company, its successors and assigns, from and against any and all claims, damages, liabilities and costs arising out of any dispute of any nature whatsoever as to the legal or record ownership of the Premises and/or the Private Line.

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5. The Company may record this Agreement with the ___ County Recorder of Deeds or with any other authority as it sees fit without the consent or further action of the Customer.

6. The Customer and Owner shall not permit further connections to the Private Line without the prior written consent of the Company.

7. This Agreement may be executed in any number of counterparts, all of which together shall constitute but one and the same Agreement.

8. The terms of this Agreement shall bind and benefit the Company and the Customer and their respective successors and assigns.

9. Customer as used in this Agreement means the legal owner unless the context of specific portions of the Agreement would indicate that the Customer and the Owner are separate parties.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first above written.

CUSTOMER

Lake Holiday Utilities Corporation

By: _____

Title: _____

Print Name(s):

Address: _____

Issued _____
Month Day Year

Effective _____
Month Day Year

Issued By Lisa Sparrow President
Name of Officer Title of Officer

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RULES, REGULATIONS AND CONDITIONS OF SERVICE - WATER

EXHIBIT A

Legal Description
of Premises

Issued _____ Effective _____
Month Day Year Month Day Year

Issued By Lisa Sparrow President
Name of Officer Title of Officer

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Address of Officer