

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 11-0369

AQUA ILLINOIS, INC.

REBUTTAL TESTIMONY

OF

CRAIG L. BLANCHETTE

August 18, 2011

23 **Sworn Statements?**

24 **A.** I agree with Staff’s Direct Testimony and sworn statements, with one qualification,
25 which I discuss below.

26 **Q5. How do you respond to the Direct Testimony of Staff witness William H. Atwood**
27 **in Staff Exhibit 2.0?**

28 **A.** I agree with Mr. Atwood’s Direct Testimony and accept all of Mr. Atwood’s
29 recommendations contained therein.

30 **Q6. How do you respond to the Affidavit of Staff witness William R. Johnson in Staff**
31 **Exhibit 3.0?**

32 **A.** I agree with the statements in Mr. Johnson’s Affidavit.

33 **Q7. How do you respond to the Direct Testimony of Staff Witness Daniel G. Kahle in**
34 **Staff Exhibit 4.0?**

35 **A.** I agree with Mr. Kahle’s Direct Testimony and the recommendations contained
36 therein. However, Aqua suggests a modification of Mr. Kahle’s recommendation
37 (page 3) “that the Company report to the Commission with a copy to the [Staff]
38 Manager of Accounting the status of the construction within six months of the date of
39 the order in this proceeding and every six months thereafter until the facilities are
40 placed in service.” Specifically, Aqua requests that this recommendation be modified
41 to allow Aqua to report the requested information simultaneous with its reporting of
42 similar information pursuant to the Commission’s June 22, 2011 Order in ICC Docket
43 No. 06-0655.

44 **Q8. Please explain.**

45 **A.** In ICC Docket No. 06-0655, Aqua was granted a Certificate of Public Convenience

46 and Necessity to construct, operate and maintain water and wastewater systems to
47 serve Green Garden Township in Will County, which is adjacent to the Village of
48 University Park and the Expanded Area which is the subject of this proceeding. (*See*
49 ICC Docket No. 06-0566, Order, p. 13 (June 22, 2011).) The Commission's Order in
50 that Docket requires Aqua to periodically report to the Commission and the Staff
51 Manager of the Commission's Water Department the progress of the construction,
52 including updated timelines for completion, every six months. Given that the
53 Expanded Area in this proceeding is adjacent to Green Garden Township and that the
54 required reports will contain similar information, I believe Aqua should be permitted
55 to submit one report which details the developments, if any, in Green Garden
56 Township and the Expanded Area in this proceeding during the prior six months.
57 Such report would be filed in each Docket, 11-0369 and 06-0655. In addition, I
58 suggest that the reporting periods in this proceeding and in Docket No. 06-0655
59 should be synchronized to allow simultaneous reporting. Thus, Aqua's reporting
60 requirement would follow the six month schedule set forth in Docket 06-0655 (every
61 six months starting six months from the date of that Order), which has already begun.
62 This will streamline Aqua's reporting as well as reduce the number of reports which
63 Staff must receive and analyze relating to the same areas of Will County.

64 **Q9. How do you respond to the Verified Statement of Staff witness Michael McNally**
65 **in Staff Exhibit 5.0?**

66 **A.** I agree with the statements in Mr. McNally's Verified Statement and accept the
67 recommendation made therein.

68

69 **IV. UPDATE REGARDING CONSTRUCTION**

70 **Q10. What was Aqua’s initial position regarding the construction necessary to**
71 **provide sewer utility service to BC Development?**

72 **A.** In my Direct Testimony (page 7), I stated, to provide sewer service to BC
73 Development, Aqua would allow BC Development to connect to the Ridgeland
74 Mains. In addition, in its responses to Staff Data Requests WHA 1.05, 1.09
75 through 1.13, and 1.16 through 1.18, and MGM 1.01, Aqua stated a sewer main
76 extension was not necessary to serve BC Development’s facilities.

77 **Q11. Has Aqua’s initial position in this regard changed?**

78 **A.** Yes. As stated, after my Direct Testimony was filed and after Aqua responded to
79 Staff’s data requests, the Commission granted Aqua the Temporary Certificate of
80 Public Convenience and Necessity to allow Aqua to provide wastewater collection
81 service to BC Development’s facilities. Thereafter, Aqua began coordinating with
82 the developer in order to provide such service. During that coordination, Aqua
83 determined that a small sewer main extension (8” in diameter) will be necessary to
84 serve BC Development’s facilities.

85 **Q12. Why was it necessary to classify the connection as a main extension?**

86 **A.** Aqua originally intended to serve BC Development through one customer service
87 lateral from the existing sewer main on Ridgeland Ave. to the manhole from which
88 BC Development and the Village of Monee are currently pumping and hauling
89 wastewater, essentially as a single customer. In reviewing the site and the
90 proposed service connection since the Interim Order, Aqua has determined that BC
91 Development owns an 8” sewer pipe and manholes that collect and convey

92 wastewater from the various units in its commercial complex to the manhole from
93 which the pump and haul takes place. By constructing the tie-in across Ridgeland
94 Ave. as a main extension as opposed to a service connection, Aqua gains the ability
95 to acquire and utilize the existing 8” sewer pipe on BC Development’s property as
96 a conduit through the property to serve both existing and future customers. In
97 addition, it allows the Company to serve existing customers in the development
98 individually. This approach is beneficial because the Village of Monee currently
99 serves and bills each individual commercial unit with water. Connecting the
100 existing, on-site system with Aqua’s infrastructure through a main extension allows
101 the Company to serve and bill those same customers on an individualized basis.

102 **Q13. Will this main extension be constructed in accordance with Aqua’s Rules,**
103 **Regulations and Conditions of Service?**

104 **A.** Yes. As stated in my Direct Testimony, any main extensions will be constructed
105 pursuant to Aqua’s Rules, Regulations and Conditions of Service (Water), Section
106 29 (ILL. C.C. No. 47, Sec. 1, Original Sheet Nos. 32-33), and Aqua’s Rules,
107 Regulations and Conditions of Service (Sewer), Section XI (ILL. C. C. No. 48,
108 Sec. 1, Original Sheet Nos. 28-30), regarding mains (the “Standard Mains Rules”).
109 The small sewer main extension discussed herein will be so constructed, and the
110 cost will be funded by the developer in accordance with the Standard Mains Rules.

111 **Q14. Will this update impact the anticipated cost associated with construction of the**
112 **necessary facilities?**

113 **A.** No. Coordination efforts with BC Development on the necessary small sewer main
114 extension are in the early stages. Thus, Aqua does not have a detailed estimate of

115 the cost of construction at this time. However, the construction of the small sewer
116 main extension will be funded by the developer in accordance with the Standard
117 Mains Rules as discussed above, and recorded as contributed property. Further, as
118 stated in my Direct Testimony, the cost Aqua will incur to construct facilities, as
119 needed, will continue to be the least-cost means of satisfying the water and
120 wastewater service needs of customers within the Expanded Area. Also as stated in
121 my Direct Testimony, the provision of sewer service in the Expanded Area will
122 impose no financial burden on either Aqua or its existing customers. Rather,
123 existing customers will experience benefits from growth of the Aqua system as
124 common costs are spread over a larger customer base. Additionally, once Aqua
125 has connected the Ridgeland Mains to BC Development's facilities, Aqua will
126 immediately begin to collect revenues from that customer.

127 **Q15. Will this update necessitate any applicable permitting or other approval from**
128 **Illinois agencies?**

129 **A.** Yes. A permit from the Illinois Environmental Protection Agency ("IEPA") is
130 necessary to allow BC Development to connect to Aqua's system. Aqua is currently
131 seeking the required IEPA permit for the short sewer main extension to connect BC
132 Development. As stated in Aqua's revised responses to Staff Data Requests WHA
133 1.09 through 1.13, Aqua has determined that no other permits or approvals are
134 necessary at this time.

135 **Q16. What do you conclude regarding Aqua's request for a Certificate in light of this**
136 **change to the connection with BC Development?**

137 **A.** The need for a Certificate for the Expanded Area remains unchanged and the

138 Certificate should be granted.

139 **Q17. Does this conclude your Rebuttal Testimony?**

140 **A.** Yes.