

**DIRECT TESTIMONY**

**OF**

**WILLIAM H. ATWOOD JR., P.E.  
WATER ENGINEER**

**WATER DEPARTMENT  
FINANCIAL ANALYSIS DIVISION  
ILLINOIS COMMERCE COMMISSION**

**CHARMAR WATER COMPANY  
PROPOSED GENERAL INCREASE IN WATER RATES**

**CHERRY HILL WATER COMPANY  
PROPOSED GENERAL INCREASE IN WATER RATES**

**CLARENDON WATER COMPANY  
PROPOSED GENERAL INCREASE IN WATER RATES**

**KILLARNEY WATER COMPANY  
PROPOSED GENERAL INCREASE IN WATER RATES**

**FERSON CREEK UTILITIES COMPANY  
PROPOSED GENERAL INCREASE IN WATER AND SEWER RATES**

**HARBOR RIDGE UTILITIES, INC.  
PROPOSED GENERAL INCREASE IN WATER AND SEWER RATES**

**DOCKET NOS. 11-0561/11-0562/11-0563/  
11-0564/11-0565/11-0566 (CONS.)**

**OCTOBER 20, 2011**

1 **WITNESS IDENTIFICATION AND BACKGROUND**

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

3 A. My name is William H. Atwood Jr. My business address is 527 East Capitol  
4 Avenue, Springfield, Illinois 62701.

5  
6 **Q. Please describe your present position and its responsibilities.**

7 A. I am presently employed as a Water Engineer in the Water Department of the  
8 Financial Analysis Division of the Illinois Commerce Commission (“ICC” or  
9 “Commission”). My responsibilities include reviewing and analyzing tariff filings  
10 related to rates, rules, regulations, and conditions of service for water and sewer  
11 service; reviewing applications for certificates of public convenience and  
12 necessity; conducting inspections of public water and sewer facilities; reviewing  
13 information regarding the prudence of Qualifying Infrastructure Plant investment  
14 costs; reviewing requests for general increases in rates for water and sewer  
15 service; reviewing applications for approval of proposed reorganizations; and  
16 presenting expert witness testimony at Commission hearings.

17  
18 **Q. Please describe your professional experience.**

19 A. I have been employed by the Commission since February 2006. Prior to joining  
20 the Commission, I was employed by the Illinois Department of Transportation  
21 (“IDOT”) - Division of Highways/District 6 as a civil engineer for approximately  
22 four and one half years. My primary responsibilities there included construction

23 inspection, as well as planning and design of urban and rural highway renovation  
24 projects.

25  
26 Prior to working at IDOT, I was with a private consulting engineering firm for  
27 twelve years. My primary role was project manager for various environmental  
28 engineering projects that included wastewater treatment plants, sanitary sewers,  
29 wastewater pump stations, potable water mains, raw water pumping systems,  
30 and land application of potable water and wastewater sludges.

31  
32 Before my consulting engineering work, I was with the Illinois Environmental  
33 Protection Agency ("IEPA") - Division of Water Pollution Control for  
34 approximately six years. At IEPA, I reviewed planning and design documents,  
35 performed monitoring and inspection of municipal and industrial wastewater  
36 treatment facilities for federal and state regulatory compliance, investigated  
37 citizen pollution complaints and provided regulatory and operational assistance to  
38 wastewater facility operating personnel.

39

40 **Q. Please describe your educational background.**

41 A. I received a Bachelor of Science Degree in Civil Engineering from the University  
42 of Illinois at Urbana-Champaign in 1983. I became a Licensed Professional  
43 Engineer ("P.E.") in the State of Illinois in January of 1991.

44

45 **Q. Please describe your professional affiliations.**

46 A. I am a member of the American Water Works Association (“AWWA”) and the  
47 Water Environment Federation (“WEF”).

48

49 **Q. Have you previously provided expert testimony in regulatory matters?**

50 A. Yes. I have previously provided testimony before the Illinois Pollution Control  
51 Board while working at the IEPA. I also have previously provided testimony  
52 before the Commission on numerous issues related to my responsibilities.

53

54 **INTRODUCTION**

55 **Q. What is the purpose of your testimony in this proceeding?**

56 A. The purpose of my testimony is to address changes to Rules, Regulations, and  
57 Conditions of Service tariffs for water service (“Rules”) proposed by Killarney  
58 Water Company (“Killarney”, “KWC”, or the “Company”). I will also be presenting  
59 testimony and schedules concerning water plant in service adjustments.

60

61 **RULES, REGULATIONS, AND CONDITIONS OF SERVICE TARIFFS**

62 **Q. Have you reviewed the Rules that are currently in effect for Killarney?**

63 A. Yes, I have. Killarney’s current Rules became effective on May 17, 1978 and  
64 have not been revised since September 28, 1984.

65

66 **Q. Has the Company proposed changes to its Rules?**

67 A. Yes, it has. Company witness Lena Georgiev testified that the Company has  
68 submitted KWC Exhibit 1.4 which consists of updated Rules that are patterned  
69 after ICC Staff's model Rules. (Company Exhibit No. 1.0, p. 12.)  
70

71 **Q. Do you agree that the Company's Rules should be updated?**

72 A. Yes, I do. As I stated above, the Company's current Rules became effective in  
73 1978 and have not been updated since 1984. Since that time, Staff has  
74 compiled and updated model Rules. The Company's proposed Rules are  
75 consistent with Staff's model Rules, which were developed to be consistent with  
76 the requirements of the Public Utilities Act and the Illinois Administrative Code.  
77 These model Rules have been provided to other ICC regulated water utilities,  
78 including Killarney's parent company, Utilities, Inc. Staff has encouraged the  
79 adoption of these model Rules by utilities in order to promote similar quality of  
80 service to all water customers, regardless of which regulated water utility serves  
81 them. The Commission has approved these model Rules for other Utilities, Inc.  
82 operating subsidiaries (i.e., Whispering Hills Water Company (Docket No. 10-  
83 0110), Galena Territory Utilities, Inc. (Docket No. 05-0452), Harbor Ridge  
84 Utilities, Inc. (Docket No. 05-0058), Northern Hills Water and Sewer Company  
85 (Docket No. 03-0402), Cherry Hill Water Company (Docket No. 03-0401),  
86 Charmar Water Company (Docket No. 03-0400), Apple Canyon Utility Company  
87 (Docket No. 03-0399), Del-Mar Water Company (Docket No. 02-0592), Lake  
88 Wildwood Utilities Corporation (Docket No. 01-0663), and Westlake Utilities, Inc.  
89 (Docket No. 01-0050)).

90

91 **Q. Do you believe that it is advantageous for all water utilities to have similar**  
92 **Rules?**

93 A. Yes, I do. While some specifics, such as the service territory or frequency of  
94 billing, might change for one water utility compared with others, it is desirable that  
95 all water utilities provide similar quality of service. It is thus reasonable that all  
96 water utilities operate within the same guidelines. It is equally reasonable to  
97 expect that each customer of the various ICC-regulated water utilities in Illinois  
98 will receive similar service as the customers of other ICC-regulated water utilities.  
99 To the extent that all water utilities operate under the guidance of the same  
100 general Rules, all customers, regardless of which regulated utility serves them,  
101 receive the same quality of service.

102

103 **Q. Do you have any proposed changes to recommend to the Company's**  
104 **proposed Rules?**

105 A. Yes, I do. I recommend that the "Applies to the following Territories:" be revised  
106 to state Lake Killarney Subdivision, Algonquin Township, McHenry County,  
107 Illinois, on the Original Title Sheet of the Company's proposed Rules.

108

109 **WATER PLANT IN SERVICE ADJUSTMENTS**

110 **Q. Do you have any adjustments to recommend to plant in service for any**  
111 **retirements?**

112 A. Yes, I do. In response to Staff Data Request WHA 1.09, the Company identified  
113 plant assets that had been removed and that were not in use by the Company,  
114 but had not been removed from the Company's books. Schedule 8.01, attached  
115 to my testimony, lists the plant items that are no longer used and useful in  
116 providing service, along with the original cost of each item. Because these plant  
117 assets will not support operations of the Company in the future, the original cost  
118 of these assets should be excluded from the Company's Plant in Service  
119 accounts. I have included plant item Electrical Pumping Equipment - 10 hp Deep  
120 Well Turbine Pump in the adjustments because the well pump was abandoned in  
121 conjunction with the Well plant item.

122

123 My proposed water plant in service adjustments for Killarney are incorporated  
124 into the schedules presented by ICC Staff witness Ebrey (ICC Staff Exhibit 2.0,  
125 Schedule 2.01) and ICC Staff witness Johnson (ICC Staff Exhibit 6.0, Schedule  
126 6.01 KWC).

127

128 **CONCLUSION**

129 **Q. Do you have any recommendations to the Commission?**

130 A. Yes. I recommend that the Commission approve the Company's proposed  
131 Rules, as modified above, and identified as KWC Ex. No.1.4.

132

133 I also recommend that the Commission approve my proposed water plant in  
134 service adjustments as discussed above.

135

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

137 A. Yes.

138

**PLANT IN SERVICE ADJUSTMENTS**  
**Killarney Water Co.**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>Line No.</b>	<b>Account No.</b>	<b>Account Description</b>	<b>Property Description</b>	<b>Date</b>	<b>Gross Plant Per Company</b>	<b>Staff Adjustment</b>	<b>Reason for Staff Adjustment</b>
1	4314	Well		1953	\$ 1,750.00	\$ (1,750.00)	Removed - out of service
2	4325	Elec. Pumping Equipment	10 hp Deep Well Turbine Pump	1953	\$ 2,400.00	\$ (2,400.00)	Removed - out of service
3	4342	Pneumatic Tank		1953	\$ 2,200.00	\$ (2,200.00)	Removed - out of service
	Totals				\$ 6,350.00	\$ (6,350.00)	

Source:

Columns (a)-(e): Per original cost information provided by the Company in response to ICC Staff Data Request WHA 1.09