

Rebuttal Testimony

Of

William R. Johnson

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.)

December 15, 2011

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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. Are you the same William R. Johnson who submitted direct testimony in
8 this docket, which was identified as ICC Staff Exhibit 6.0?**

9 A. Yes, I am.

10

11 **Q. What is the purpose of your rebuttal testimony?**

12 A. The purpose of my testimony is to respond to the rebuttal testimony of Utilities,
13 Inc. witness Lena Georgiev concerning Ferson Creek Utilities Company’s
14 (“Ferson Creek”) proposed Rules, Regulations, and Conditions of Service tariffs
15 (“Rules”) for water and sewer service. Ferson Creek is a subsidiary of Utilities,
16 Inc.

17

18 **FERSON CREEK - RULES, REGULATIONS, AND CONDITIONS OF**

19 **SERVICE TARIFFS**

20 **Q. What is Ferson Creek proposing with regard to its Rules for water and
21 sewer service?**

22 A. In response to ICC Staff Exhibit 4.0,¹ Ferson Creek has provided a complete set
23 of Rules for water and sewer service for Ferson Creek (Utilities, Inc. Exhibit 3.0,
24 pp. 22-24). The proposed Rules for Ferson Creek are included as Utilities, Inc.
25 Exhibit 3.2.

26

27 **Q. Have you reviewed the Rules for water and sewer service that are proposed**
28 **for Ferson Creek?**

29 A. Yes, I have. Ferson Creek has incorporated into its proposed Rules for water
30 and sewer service the applicable territory and corrected the formatting error, as
31 discussed in my direct testimony, ICC Staff Exhibit 6.0, p. 27.

32

33 **Q. Do you have any concerns regarding Ferson Creek's proposed numbering**
34 **of its proposed Rules for water and sewer service?**

35 A. Yes, I do. Ferson Creek's proposed ILL. C.C. numbers for its proposed Rate
36 tariffs and Rules for water and sewer service are out of sequence. For example,
37 the Rate tariffs for water service have a proposed ILL. C.C. No. of 2 and the
38 Rules for water service have a proposed ILL. C.C. No. of 4. (Utilities, Inc. Exhibit
39 3.2) Ferson Creek's proposed Rate tariffs for sewer service have a proposed ILL.
40 C.C. No. of 3 and the Rules for sewer service have a proposed ILL. C.C. No. of
41 5. (*Id.*) This can be confusing for customers who want to view the Rate tariffs
42 and Rules for water and sewer service. If a customer examines the water tariffs,
43 without viewing the sewer tariffs, it may seem that tariffs are missing because of

¹ ICC Staff Exhibit 4.0, pp. 40 and 43

44 the skip in ILL. C.C. numbers. Additionally, water and sewer tariffs are kept
45 separately in the Commission's Chief Clerk's Office, and to an outside observer,
46 the tariffs may seem confusing.

47

48 **Q. Do you have a recommendation that will address the out of sequence**
49 **numbering of Ferson Creek's proposed tariffs for water and sewer service?**

50 A. Yes, I do. Ferson Creek can simply change the ILL.C.C. numbers so that they
51 are in sequence based upon either water or sewer. For example, I recommend
52 that Ferson Creek utilize ILL. C.C. No. 2 for the Rate tariffs for water service, ILL.
53 C.C. No. 3 for the Rules for water service, ILL. C.C. No. 4 for the Rate tariffs for
54 sewer service, and ILL. C.C. No. 5 for the Rules for sewer service.

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56 **Q. Do you have any additional tariff concerns?**

57 A. Yes, I do. Ferson Creek's proposed Rate tariffs and Rules for water and sewer
58 service identify various Canceling Sheet Nos. on numerous sheets, but after
59 reviewing the current Rate tariffs and Rules for water and service filed at the
60 Commission, it appears that Ferson Creek may not be canceling all of the ILL.
61 C.C. No. 1 sheets that should be cancelled. I recommend that Ferson Creek
62 eliminate all the proposed cancelling sheet numbers on the Title Sheet header of
63 its proposed Rules for water and sewer service and simply put "Cancelling ILL.
64 C.C. No.1 – water in its entirety" on the Rates tariff for water service and put
65 "Cancelling ILL. C.C. No.1 – sewer in its entirety" on the Rates tariff for sewer
66 service.

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Q. Do you propose any additional changes to Ferson Creek’s proposed Rules for water and sewer service? If so, what changes do you propose?

A. Yes, I do. First, I propose that Ferson Creek revise the Table of Contents (Sheet No. 2) of the proposed Rules for water service to remove the entry for UNACCOUNTED-FOR WATER. Furthermore, the particular sheet referenced by this line should be moved to the respective Rate tariffs for water service for Ferson Creek, with the heading “RULES, REGULATIONS AND CONDITIONS OF SERVICE – WATER” removed. Staff agrees that language that directly relates to rates should be placed in the Rate tariffs and not in the Rules, so that customers can review all rate charges in one area of the tariffs. Utilities, Inc. has similar placement of its unaccounted-for water tariff for various other subsidiaries, including Camelot Utilities, Inc., Great Northern Utilities, Inc., and Lake Holiday Utilities Corporation. Based on the numbering of other sheets in Ferson Creek’s proposed Rate tariffs for water service, this sheet could be numbered, for example, ILL C. C. No. 2, Original Sheet No. 1.2.

Second, I propose that Ferson Creek correct the sample Agreement for Maintenance of Private Water Lines in its proposed Rules for water service, to reflect the correct company name in the first paragraph (Sheet No. 33) and above the signature line (Sheet No. 35). Currently, these sections refer to Great Northern Utilities, Inc., which is a different subsidiary of Utilities, Inc.

90 **CONCLUSION**

91 **Q. What is your recommendation to the Commission?**

92 A. I recommend that the Commission approve the proposed Rules for water and
93 sewer service for Ferson Creek, attached to Utilities, Inc. witness Lena
94 Georgiev's rebuttal testimony as Utilities, Inc. Exhibit 3.2, as modified above.

95

96 **Q. Does this conclude your prepared rebuttal testimony?**

97 A. Yes, it does.