STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

John Oleson	:	
-vs-	:	
Aqua Illinois, Inc.	:	**12-0483**
	:	
Complaint as to billing/charges in	:	
Mundelein, Illinois.	:	

ORDER

By the Commission:

On August 20, 2012, pursuant to Section 10-108 of the Illinois Public Utilities Act (220 ILCS 5/10-108) ("the Act"), John Oleson ("Complainant") filed a complaint against Aqua Illinois, Inc. ("Respondent"), alleging that Respondent is overcharging him for two meters and is billing him two fire protection charges for two meters, neither of which is in accord with the filed tariffs. Complainant also alleged that, in months with rates changes, Respondent's bills do not provide sufficient detail for him to determine whether the charges are correct or to evaluate the effect of usage changes. Complainant stated that rates are not just and reasonable, as comparisons between bills before and after rate increases show billings over 400% higher.

Pursuant to notice as required by the rules and regulations of the Commission, a prehearing conference was scheduled before a duly authorized Administrative Law Judge ("ALJ") of the Commission at its offices in Chicago, Illinois on September 20, 2012. This matter was set for hearing on November 5, 2012. Complainant appeared pro se, Respondent appeared by counsel. Complainant testified in his own behalf and sponsored Group Exhibit 1-bills from Respondent to Complainant; Exhibit 2-Respondent Tariff No. 49, Sect. 2, 1st Rev. Sheet No. 1; Exhibit 3-Average Residential Bill, Attachment 2, Docket 11-0436; Exhibit 4-Respondent letter to Complainant; Group Exhibit 5-Spreadsheets 1-4.

Respondent presented the testimony of Craig Blanchette, Vice President/ Operations Manager, and sponsored Exhibit 1-Tariff No. 49, Sect. 1, 1st Rev. Sheet No. 18; Exhibit 2-Respondent public notice 4/6/11; Exhibit 3-Respondent public notice 10/17/11; Exhibit 4-Respondent letter to Complainant Feb. 2012; Exhibit 5-Response to ALJ's Post-Record Data Request of Respondent in Docket 11-0436; Exhibit 6-Tariff No. 49, Sect. 2, 1st Rev. Sheet No. 2; Exhibit 7-Tariff No. 49, Sect. 1, 1st Rev. Sheet No. 11; Exhibit 8-Tariff No. 49, Sect. 1, 1st Rev. Sheet No. 15; Exhibit 9-Tariff No. 49, Sect. 1, 1st Rev. Sheet No. 27; Exhibit 10-Tariff No. 50, Sect. 2, 1st Rev. Sheet No. 10;

Exhibit 11-Tariff No. 49, Sect. 2, 1st Rev. Sheet No. 3; Exhibit 12-Tariff No. 49, Sect. 2, 1st Rev. Sheet No. 4; Exhibit 13-Respondent letter to Complainant 10/19/12.

At the conclusion of the hearing on November 5, the parties' exhibits were admitted into evidence and this Docket was marked "Heard and Taken".

On January 30, 2013, the ALJ issued a Proposed Order in this Docket. On February 13, 2013, Complainant filed a Brief on Exceptions and on February 20, 2013, Respondent filed a Reply Brief on Exceptions.

I. Complainant Position

a. Testimony of Mr. Oleson

Complainant testified that a bill he received from Respondent for his household account (#0013320081088326) dated March 27, 2012, shows current water and sewer charges, but does not show the usage or service charges, or if there is any proration of service charges. (Comp. Gr. Ex. 1). He testified that the bill lacks sufficient detail to enable him to determine if it is accurate, since it shows the volume of water used but not the rate that was billed.

Complainant testified that the May 24, 2012 bill for his household account added a fire protection charge, but contained no breakdown between the service charge and the usage charges. (*Id*.) He stated that the September 24, 2012 and October 29, 2012 bills for his irrigation account (#0013320081088327) do not contain a meter reading or dates of service, and this was consistent for all of the irrigation account bills he received. The billing detail shows only 15,900 gallons used. Complainant testified that, because of the lack of detail, in order to verify the accuracy of the usage, he would have to consult a prior bill for that meter reading, check his actual meter for the current reading and on that basis try to determine whether the September 24 bill was appropriate.

Complainant testified that 83 Ill. Adm. Code 600.160(a) requires bills to display the date and reading of the meter at the beginning and the end of the period for which the bill is rendered, and a condensed statement of the principal rates. He stated that the rate change and added fire protection charge constituted a format change on the irrigation bill, requiring Respondent to present for Commission approval a proposed form of billing, pursuant to subsection 600.160 (b). Complainant also stated that, since he does not receive bills and inserts by mail, Respondent has not complied with that portion of paragraph (a) requiring a condensed statement of the principal rates. He stated that when he has billing questions, he is required to contact Respondent's customer service and request a paper copy of the bill and/or insert.

Complainant explained that, when the fire protection charge was first added, he was erroneously charged a Lake Zurich rate of $21.50 for a one-inch meter, rather than the Countryside rate, in which district he resides. Since he did not receive the insert

adding the fire protection charge, he did not have the information that would have disclosed the error. He explained that he knew he was being charged the incorrect rate, because he knew he was in the Countryside district and Complainant's Exhibit 2, Sheet No. 4, shows the one-inch meter rate to be $16.60. Complainant asserted that Respondent should have filed a bill format when the fire protection charge was added.

Complainant stated that the bills dated June 27, 2012 for his household and irrigation accounts show the corrected fire protection charge. He testified that the charge initially appeared for both bills on May 24, 2012, even though the detail did not appear on the May bill for the household account. The irrigation account is activated in the spring and deactivated in the autumn, with charges appearing only six times per year. Complainant cited Comp. Ex. 2, Sheet No. 3: "All metered water service customers…shall pay a Public Fire Protection Service Charge in the amount set forth below." Complainant testified that in 2008, he had opened a second account in his name, but stressed that the language of Sheet No. 3 states "…a Public Fire Protection Service Charge", meaning a single customer, not plural customers. Complainant testified that he is a single customer despite having two meters, and that he should pay only a single fire protection charge.

Complainant testified that Comp. Ex. 2, Sheet No. 9, states that the rates for irrigation are the same as shown on Sheet No. 2, but makes no mention of fire protection charges. He stated that Sheet No. 2 fails to mention a second fire protection charge.

Complainant sponsored Comp. Ex. 4, a letter from Respondent dated October 19, 2012, wherein Respondent elected to have the fire protection charge removed from irrigation accounts following calls from other accountholders. Referring to the October 29, 2012 bill, he stated that there is no indication of a refund, yet the $16.60 fire protection charge is still applied.

Complainant testified that the June 27, 2012 bills for his household and irrigation accounts each contain full water service charges of $33.15. Comp. Ex. 2, Sheet No. 2 requires, among other things, that all metered general water service customers pay a customer charge based upon the size of the meter or meters installed, regardless of the amount of water used. Sheet No. 2 also states that when two or more meters are installed in parallel, the customer charges will be based upon one meter size larger. Complainant testified that Sheet No. 2 specifies "a" customer charge, which is singular. He reiterated that, since he is just one customer, billing him two customer charges is a violation of the tariff. He added that Sheet No. 9 confirms this by referring back to Sheet No. 2. He also stated that since a full customer charge covers fixed costs, Respondent cannot impose a second customer charge simply because Complainant has a second meter.

Complainant testified that he is supplied both water and sewer service from the community of Ivanhoe, Illinois. He testified that Comp. Ex. 3 under the Average Gallons column shows the same figure, 7783, for Ivanhoe water and sewer. The meter size for

the water is one inch. He stated that in the past six months, 84,000 gallons of water had gone through his irrigation meter and did not go through the sewer treatment facility. He said that the same figure cannot be used for both water and sewer. Complainant stated that the last two bills in Group Exhibit 1 were for the irrigation account. The September 24, 2012 bill shows 15,900 gallons used, the October 9, 2012 bill shows 18,800 gallons used.

Complainant testified that a July 24, 2012 bill for $33.15, for 4500 gallons (Spreadsheet #1 Comp. Gr. Ex. 5) reflects a 300% increase from a September 22, 2011 bill for $11.05 (Comp Gr. Ex. 1) for the same usage. Also, the customer water charge increased from $6.28 to $32.93, and a $16.60 fire protection charge was added to the July 24 bill. His total service charges increased five-fold, from 17.33 on September 22, 2011 to $82.72 on July 24, 2012. He asserted that this was unjust, as he had no alternative source of obtaining water.

Complainant testified that he created Spreadsheet #4 (Comp. Gr. Ex. 5) for 5000 gallons usage to demonstrate unjust costs associated with having a larger meter. He testified that a 5/8" meter totaled customer charges of $123.76, which increased to $132.80 for a ¾" meter and to $152.01 for a one-inch meter. Directly below the $152.01 is $28.25 for a one-inch meter, a 123% increase from the 5/8" meter. The $152.01 in customer charges comprise 54% of his total bill. He testified that Comp. Ex. 2 specified that the revenue split for Ivanhoe was to be 28% service/72% usage, yet the water revenue splits on Spreadsheet #4 begin at 31.2 service/68.8 usage for a 5/8" meter and increase to 65.8 service/34.2 usage for the 1-1/2" meter.

Complainant testified that a 1" meter is unreasonable, because he could get 5000 gallons of water through a 5/8" meter, but he pays $20 more per month because the 1" meter was supplied. He pointed out that the revenue splits on Spreadsheet #2 (Comp. Gr. Ex. 5) begin with 2600 gallons up to 10,000 gallons, where the water revenue split is 33.6% service/66.4% usage. This means that he could not reach the 28%/72% revenue split required by the tariff unless his usage was extremely high.

Complainant testified that Ivanhoe is a small area and is therefore a low cost acquisition for Respondent, however it was consolidated with six other divisions into a larger area for the sake of efficiency. Consolidation did not include University Park. Complainant testified that Spreadsheet #3 (Comp. Gr. Ex. 5) shows that for 5000 gallons of usage, he paid $33.21 prior to consolidation and $152.01 in new rates after consolidation, but he would have paid only $105.08 in new rates if Ivanhoe had been consolidated with University Park. The bill is five times what it used to be, which is unjust and unreasonable.

II. Respondent Position

a. Testimony of Mr. Blanchette

Mr. Blanchette testified that the Ivanhoe district has approximately 200 residential dwellings that are comparatively larger than other dwellings in the area and have larger fixture units for larger meters. Some customers also use a separate irrigation meter for landscaping to reduce sewer costs associated with irrigation water. Respondent acquired the Ivanhoe district in early 2002.

Respondent's last rate case involving Ivanhoe was contained in an order entered February 12, 2012, with increased rates going into effect on February 27, 2012. Mr. Blanchette explained that, when Respondent purchased the system, it had entered into a ten-year contract with the development to hold rates at the level previously set for the Village of Mundelein. These rates were well below the cost of service, so when the ten-year term expired, Respondent's rate increase consolidated Ivanhoe with other areas to take advantage of certain efficiencies. Since acquiring Ivanhoe, Respondent has invested over one-million dollars for infrastructure improvements, including pumping equipment, fire protection and the lagoon system for treating wastewater.

Mr. Blanchette testified that Ivanhoe customers were notified of the rate increase request on their bills, by an advertisement in the Pioneer Press, and by public notices dated April 6, 2011 (Resp. Ex. 2) and October 17, 2011 (Resp. Ex. 3). The notices state that Respondent has filed for a rate increase with the Commission, show the new revenue requirement, what the average increase would be, and how customers could actively participate in the Docket.

Mr. Blanchette testified that Respondent sent a letter to its customers in February 2012 explaining the new rates and the impact on each customer's bill (Resp. Ex. 4). He also testified that the Commission found the rate increase to be just and reasonable. He testified that the Resp. Ex. 5 contains a detailed analysis of the billing impact on customers. It also contained a "typical bill", which does not reflect the exact amount a customer will be billed. The typical bill reflects the total volume of gallons pumped divided by the total number of bills, resulting in a predicted average of what each customer would pay. He testified that the volumetric rates for basic charges on Complainant's bills after the rate increase are consistent with Commission approved tariffs, except for the Lake Zurich fire protection charge.

Mr. Blanchette testified that the water and sewer volumes, 7783 gallons, shown for Ivanhoe on Resp. Ex. 5 reflect the average of all of the water used for the entire Ivanhoe division. Respondent totaled all of the gallons used in the division and divided that figure by the number of bills sent during the year. This also assumes that the water that went through Complainant's irrigation meter and returned to the sewer was

included. He stated that the 271.7% figure shown on Resp. Ex. 5, Average Residential Page/Combined Water and Sewer for Ivanhoe, reflects the increase in the proposed bill.

Mr. Blanchette testified that the figures 203.8% and 354.2% shown on Resp. Ex. 3 reflect increases in the revenue requirement needed to operate the system. They are not based on the 7783 average shown on Resp. Ex. 5. 203.8% is the revenue increase Respondent requested for Ivanhoe. The percentages pertain to revenue requirement, while the average gallons pertain to billing. Mr. Blanchette explained that the numbers on Resp. Ex. 3 and Resp. Ex. 5 do not agree because Resp. Ex. 5 contains only rates proposed to the Commission. Those rates were not granted.

Mr. Blanchette testified that Spreadsheet #4 on Comp. Gr. Ex. 5 appeared to be an attempt to show rates, charges and percentage increases associated with various size meters at 5,000 gallon consumption. He stated that he could only assume that the calculations were correct, but he testified that the revenue split is on the revenue requirement only, not on individual customer bills. The percentages listed are different than the revenue spilt approved by the Commission in Docket 11-0436. Spreadsheet #4 does not show an inconsistency between the charges assessed to Complainant and Respondent's tariffs. The tariffs were approved by the Commission and the charges to customers reflect what is contained in the tariffs. What is shown on Spreadsheet #4 may or may not be accurate.

In response to Complainant's allegation that Respondent is charging him two full water service charges of $33.15 instead of the tariff charge of $62.87 for two meters, Mr. Blanchette explained that Complainant has separate accounts for domestic water and sewer service and another for irrigation only with no sewer charges. Parallel meter arrangements, which are for redundancy (e.g. commercial institutions that cannot shut down water service for meter repair or replacement), are inapplicable. In a parallel set-up, water comes into a facility, splits into separate meters, then converges to provide the necessary service. Complainant's water services two separate places, irrigation and his home.

In response to Complainant's contention that the tariffs do not authorize a second customer charge, Blanchette testified that Resp. Ex. 9 states that each customer service shall be considered separately in rendering bills, unless two or more service lines are installed for Respondent's convenience, which is not the case here. Resp. Ex. 10 made a second service line necessary to avoid sewer charges and such customer service shall be considered separately in billings for service.

Mr. Blanchette further explained that where Resp. Ex. 6 states, "(W)hen two or more meters are installed in parallel, the customer charges will be based on one meter size larger", it allows redundant customers to have the redundancy and the necessary capacity. However, charges based on water consumption are based on a combination of both meters. This would operate to Complainant's detriment, because he is not charged for sewer on one of the meters. That would not be the case in a parallel set-up. Also, Complainant activates and inactivates his irrigation account seasonally, something not provided for in a parallel set-up, which is permanent.

Mr. Blanchette also testified that a parallel meter arrangement assumes like-sized meters. Meters are charged one size higher, so two four-inch meters get charged for one six-inch meter. Complainant's account has like-sized meters, however many irrigation customers do not. As such, there is no provision in the tariff language that allows for dissimilar sized meters. Complainant does not have a parallel meter set-up and would not benefit from one. His meter service is for two independent and distinct purposes and is in no way redundant. He is a dual metered customer served off of a single line. Also, since he has two individually metered accounts, the tariff imposes a separate customer charge on each.

Mr. Blanchette described a "curb stop" in Resp. Ex. 7, Part 6F, as a shut-off valve that allows Respondent to turn the meter connection service on and off. Complainant would have to have a separate means of shutting off his meter service connections. He testified that where Resp. Ex. 8, Section 10A, states "(A)ll new services…shall be metered, and the Company shall have the right to require a meter on any existing service pipe and charge for water service by meter measurement", it gives Respondent the authority to determine what a metered service is and what needs or does not need to be measured. Under Subsection B, Respondent also has the right to determine the size, type and location of the meter to be installed.

Mr. Blanchette testified that Resp. Ex. 9, Subsection E, states "Each customer's service shall be considered separately in rendering bills for service, unless two or more service lines are installed solely for the convenience of the Company." This provision gives Respondent the authority to bill Complainant separately for each individually metered service, as the meters were not installed for Respondent's convenience.

Mr. Blanchette testified that Resp. Ex. 1, #12, which requires the customer to bear the entire cost of the service connection and customer's service pipe for seasonal service, applies to the Complainant. Seasonal service includes an account activated at a regular interval and inactivated at a later date. The customer does not incur any activation or inactivation charges as long as the service is inactive for six months. If the account is activated within six months, the customer would be reassessed charges during that period.

Mr. Blanchette testified that customers are not specifically notified by Respondent that that an irrigation system must be inactive for six month in order to avoid charges, but the regulations can be accessed as public documents.

Mr. Blanchette explained that Resp. Ex. 10 states that, if a customer wanted a metered connection in Respondent's service territory for irrigation, but did not want to be charged for sewer, the customer would be required to have a second service line and a second meter installed. He testified that Complainant had saved over $600 in 2012 by not incurring charges on his sewer line. He added that Respondent's billing practices are consistent with its tariffs and all Commission rules and regulations.

Mr. Blanchette testified that Respondent's service technicians informed him that Complainant has single pipe entering his home that separates into two service lines, resulting in dual meters for separate service areas, irrigation and domestic use. The system in his home was not installed according to Resp. Ex. 10, because the meter was in place before the tariff language became effective. Respondent has permitted that to continue.

Mr. Blanchette testified that Complainant was correct in stating that Respondent did not include enough data in its bills to enable customers to evaluate the charges. The matter was also brought to Respondent's attention by the Illinois Attorney General's office and the problem was remedied. Currently, a customer can access Respondent's website, obtain a password and sign-in number, view a bill by scrolling down and access the inserts by scrolling down below the bill.

Mr. Blanchette testified that fire protection charges are a combination of depreciation on assets that have been, and are being, invested in the system, water used by the fire department to fight fires and for training, and the operation and maintenance expenses associated with fire hydrants, water storage, water transmission and like facilities. The value of those assets is spread out among the number of hydrants and the number of customers to determine a per-customer charge, based upon the size of the meter.

Fire protection charges for Ivanhoe, first assessed on February 27, 2012, are mandated by the Commission and are required to be separate from customer and volumetric charges. Fire protection charges vary, based upon a cost of service analysis conducted by Respondent and approved by the Commission in the rate case. The Commission found that these charges were just and reasonable in Docket 11-0436. Mr. Blanchette testified that Resp. Ex. 11 states that fire protection charges are applicable to all metered water service customers, except sales for resale, in a municipality, township or fire protection district in which public fire hydrants are connected to Respondent's water mains. He stated that Resp. Ex. 12 lists by meter size fire protection charges approved in Docket 11-0436 for various municipalities, townships and fire protection districts. Resp. Exs. 11 and12 both apply to Ivanhoe.

Mr. Blanchette testified that Resp. Ex. 13 is an October 19, 2012 letter notifying customers that Respondent will voluntarily remove fire protection charges from irrigation accounts and will credit customers retroactive to February 27, 2012 for any such charges they had paid. Due to unforeseen circumstances, the credits did not appear on customer bills until a week before this hearing.

Mr. Blanchette testified that bills should not be collapsed in Illinois and when Respondent's billing department erroneously did so, the situation was remedied. He added that Respondent also does not issue abbreviated bills. Meter readings and dates were erroneously omitted from Complainant's bill for his irrigation account, but that omission would be corrected for all future irrigation bills.

III. Commission Analysis and Conclusions

All transcript citations are taken from the November 5, 2012 hearing.

The Complainant first alleges that the lack of detail on various bills suggests violations of 83 Ill. Adm. Code Part 600. Part 600.160(a) states that "…bills rendered periodically to customers for metered service shall show the date and the reading of the meter at the beginning and the end of the period for which the bill is rendered, the due date of the bill, the volume of water used, the amount of the bill and a condensed statement of the principal rates."

Mr. Blanchette acknowledged in his testimony that, following rate case Docket 11-0436, Respondent collapsed the data on its bills, thereby omitting certain data required by part 600.160(a). Mr. Blanchette also testified, however, that Aqua corrected the situation and collapsing data on its bills is no longer Aqua's practice. (Blanchette direct at 124-125).

Comp. Gr. Ex. 1 contains nine total bills reflecting charges for both his household account and his irrigation account. Each bill contains the date, the meter reading for the beginning and end of the period for which the bill was issued, the usage, the amount due, the due date and a condensed statement of the rates. The Commission finds that these bills, the only bills that Complainant placed in evidence, satisfy the requirements of Part 600.160(a). Moreover, regarding the bills alleged to have been deficient in certain data, the Commission accepts Respondent's representation that the practice of collapsing data has ceased and will not recur. The Commission concludes that any harm Complainant has suffered from the practice of collapsing data has been minimal and no remedy needs to be imposed.

Complainant also alleged that a rate change and imposition of an additional fire protection charge constitute a format change, requiring Respondent under Part 600.160(b) to submit to the Commission a proposed form of billing. Paragraph (b) states, in relevant part, "…whereby…the information set forth in the preceding paragraph cannot reasonably be placed on such bills, any utility shall present for filing with the Commission…a proposed form of billing."

With regard to paragraph (a), the Commission found above that the required data is present on the bills contained in Comp. Gr. Ex. 1. The Commission finds that Respondent's compliance with paragraph (a) obviates the requirement for a proposed form of billing under paragraph (b). The Commission further finds that no proposed form of billing is required by either paragraph (c) or paragraph (d).

The Commission does not find that an issue exists with regard to the fire protection charges. Complainant's contention that he should pay a single fire protection charge as a single customer, despite having two meters, was acknowledged by Respondent. Respondent corrected the amounts erroneously charged on the May 24, 2012 domestic and irrigation bills. It also voluntarily removed the fire protection charges

for irrigation accounts and issued credits for such accounts retroactive to February 27, 2012. (Resp. Ex. 13; Blanchette direct at 130). Complainant's claim that there was no indication of a refund as of his October 29, 2012 bill is correct (Complainant direct at 52), however Mr. Blanchette testified that, due to the adverse effects of weather elsewhere, applicable credits were delayed until just prior to the date of the hearing. (Blanchette direct at 130).

The Commission sees no basis to dispute Respondent's evidence that erroneous fire protection charges were remedied, as such charges were removed from Complainant's irrigation account and credits were granted in as timely a manner as possible. Accordingly, the Commission sees no need to address Complainant's contention that, as a single customer, he should pay only a single fire protection charge. However, Complainant raised the same issue with regard to water service charges, which the Commission addresses immediately below.

In contending that he is not required to pay two water service charges, the Commission finds that Complainant's reliance on Comp. Ex. 2, Sheet No. 2, is misplaced. This provision states, in part, "(A)ll metered general water service customers shall pay a customer charge based on the size of meter or meters installed regardless of the amount of water used."

Complainant has two metered services served off of a single line for distinctly different purposes. (Blanchette direct at 110-111). Complainant has two individually metered accounts for services with Aqua, and pursuant to the tariff language in Comp. Ex. 2 (Respondent's Exhibit 6), each service connection shall be individually metered. Where a customer has multiple meters for multiple services, it is appropriate that the customer pay a charge on each meter. (Blanchette direct at 112).

Additionally, Resp. Ex. 7, Paragraph 6F, shows that Complainant has the means to seasonally shut off his irrigation line by means of a valve called a "curb stop". (Id. at 113). Resp. Ex. 8, Paragraph A, grants Aqua the right to determine what services shall be metered, to require a meter on any existing pipe, and to charge for water service by meter measurement. Paragraph B allows Aqua to determine the size and type of the meter to be installed and the location of the meter. (Id. at 114-115). Resp. Ex. 9, Paragraph E, gives Respondent the authority to bill Complainant separately for each individually metered service, as the meters were not installed for Respondent's convenience. (Id. at 116). Resp. Ex. 1, Paragraph 12, requires the customer to bear the cost of seasonal connections, which would apply to Complainant's irrigation account. (Id. at 117-118).

The Commission's analysis of the parties' respective evidence finds Respondent's evidence to be substantially more probative. Complainant's claim that, pursuant to Comp. Ex. 2, "a customer charge" is singular and thereby connotes one customer regardless of the number of meters installed (Complainant direct at 58), is contradicted by Respondent's testimony and is at variance with Respondent's tariffs. For these reasons, the Commission concludes that, since Complainant has two

separate meters for two distinct purposes, despite being a single customer, Respondent has properly imposed customer charges on Complainant's bills for each separate service.

Complainant also disputed various charges and other billing data on the basis that they were unjust and unreasonable. He contended that the 7783 figure on Comp. Ex. 3 for average gallons used on 1" meter could not be accurate for both water and sewer. Mr. Blanchette explained what the 7783 gallons figure reflected, and that this figure also assumes the inclusion of water that went through Complainant's irrigation meter and returned to the sewer. (Blanchette cross at 158-159). The Commission finds no reason to dispute Mr. Blanchette's explanation and finds that it accurately explains the 7783 figure and correctly reflects the volume of both water and sewer usage for the Ivanhoe subdivision.

The Commission also finds that Mr. Blanchette accurately explained the 203.8% and 354.2% figures shown on Resp. Ex. 3, describing each figure as the percentage of increased revenue needed to operate the water and sewer systems, respectively. They are not based upon the 7783 volume figure. (Id. at 160-161).

The Commission further finds that Mr. Blanchette satisfactorily explained the difference in projected rates contained on Respondent's Exhibit 3 and Resp. Ex. 5. Resp. Ex. 3 contains Respondent's proposed rates and Resp. Ex. 5 contains the rates proposed to the Commission by the ALJ. The Commission also agrees with Respondent that comparing proposed rates from different sources is the same as comparing "apples and oranges". (Id. at 162).

Complainant also presented Comp. Gr. Ex. 5 to dispute revenue splits and various increases in rates. The Commission's analysis of Comp. Gr. Ex. 5 and Complainant's testimony (Oleson direct at 66-82), compels it to conclude that Complainant offered such evidence in an attempt to collaterally attack as unjust and unreasonable the rates approved by the Commission in Docket 11-0436. The Commission notes that in Docket 11-0436, it found the water and sewer rates that are currently applicable to the Complainant to be just and reasonable. (Blanchette direct at 100-101). Moreover, Complainant, as a resident of the Ivanhoe subdivision, was given notice of the pending increase in rates and could have petitioned to intervene as a party. The record discloses that he did not do this. (Id. at 95-98, 100). The Commission finds that Complainant has no statutory or regulatory basis to challenge previously approved rates in a subsequent complaint proceeding before the Commission.

Overall, the Commission finds that Respondent has properly billed Complainant pursuant to rates and tariffs approved by the Commission. The Commission also finds that bills were corrected to properly reflect all information needed by Complainant to ascertain that charges were correct, and that credits to Complainant's account were applied as required. The complaint should be denied.

IV. Exceptions

Complainant maintained that Respondent's rates were not just and reasonable. He stated that he hoped, as a result of this Docket, that the Commission would become better informed about the detrimental effect on customers of drastically increased reliance on service charges to collect revenue. High service charges also magnify the differences paid by customers with different sized meters and reduce the ability of customers to influence water costs by adjusting consumption. Further, the average bill for customers without a separate irrigation meter highlights to the Commission the absurd notion that each gallon of water is assumed to return to Respondent for costly sewer treatment. (BOE at ¶I (4)).

Complainant also stated that, since he made public comments on 1/10/12, 2/2/12 and 2/7/12 (BOE at ¶II), the Proposed Order should be modified at page 11 by inserting the following language: "Part of the same record however also discloses that the Complainant did make at least three (3) Public Comments." (BOE at ¶III).

Complainant otherwise accepted the ALJ's judgment on all other issues raised in the complaint. (BOE at ¶I (1), (2) and (3)).

Respondent argued that, since there is no record evidence containing Complainant's comments, Complainant is improperly requesting that the Commission reopen and amend the record with new evidence. This would be improper and unfairly prejudicial to Respondent. (RBOE at 2-3).

The Commission reads nothing in Complainant's exceptions that would compel it to alter the conclusions contained in the Proposed Order. The Commission also agrees with Respondent that no new evidence could fairly or properly be added to the record at this stage of the proceeding.

V. Findings and Ordering Paragraphs

The Commission, having reviewed the entire record herein and being fully advised in the premises, is of the opinion and finds that:

(1) On August 20, 2012, John Oleson filed a complaint against Aqua Illinois, Inc. pursuant to Section 10-108 of the Act, alleging that Respondent violated its tariffs by overcharging, that it submitted bills with insufficient detail, and that its rates are not just and reasonable;

(2) Aqua Illinois, Inc. is an Illinois corporation engaged in furnishing water and sewer services in Illinois and, as such, is a public utility within the meaning of Section 3-105 of the Act (220 ILCS 5/3-105);

(3) the Commission has jurisdiction over the parties hereto and the subject matter herein;

(4) the recitals of fact and conclusions reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact and conclusions of law;

(5) the Commission finds that Respondent has properly billed Complainant pursuant to rates and tariffs approved by the Commission, that bills were corrected to properly reflect all information needed by Complainant to ascertain that charges were correct, and that credits to Complainant's account were applied as required;

(6) the Commission finds that there is no statutory or regulatory basis for Complainant's allegations of unjust and unreasonable rates, as the evidence was submitted in an improper attempt to collaterally attack the rate increase granted in Docket 11-0436;

(7) the complaint should be denied.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the complaint filed by John Oleson against Aqua Illinois, Inc. on August 20, 2012, pursuant to Section 10-108 of the Act, is denied.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Admin. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 20th day of March, 2013.

(SIGNED) DOUGLAS P. SCOTT

Chairman