

Docket No.: 10-0203
Meeting Date: 03-11-15
Deadline: None

MEMORANDUM

TO: The Commission

FROM: Larry Jones, Administrative Law Judge

DATE: February 26, 2015

SUBJECT: Illinois-American Water Company ("IAWC")

Approval of its annual reconciliation of Purchased Water and Purchased Sewage Treatment Surcharges Pursuant to 83 Ill. Adm. Code 655.

RECOMMENDATION: Entry of the attached order approving the reconciliations, subject to adjustments.

IAWC assesses purchased water and sewage treatment surcharges pursuant to Section 9-220.2 of the Public Utilities Act ("Act"); 83 Ill. Adm. Code 655 ("Part 655") which implements Section 9-220.2; and IAWC's surcharge riders. In this contested proceeding, IAWC seeks Commission approval of "its annual reconciliation of purchased water and purchased sewage treatment surcharges," for the specified reconciliation year, for a number of service districts in suburban Chicago.

Section IV of the attached post-exceptions order addresses "Unbilled Water." It would approve, as did the previous reconciliation orders in Docket Nos. 08-0218 and 09-0151, an allowance for "unbilled-authorized consumption" as recommended by IAWC and the Commission Staff and opposed by the Attorney General of the State of Illinois ("AG"). Unbilled-authorized consumption is sometimes described as water that is actually used -- but is not metered and billed -- for various known purposes such as hydrant and main flushing, street cleaning and fire fighting.

The Commission's Order in Docket 09-0151, referenced above, was entered in 2012. An appeal of that Order is pending before the Appellate Court, First District.

In Section V, the attached order would impose a disallowance of a portion of excess sewerage flow charges billed to IAWC by the City of Elmhurst which provides treatment of sewage collected from IAWC's Country Club District. Excess flow charges are added to otherwise applicable unit charges when flows of sewage from the Country Club District exceed certain levels. The partial disallowance, which is opposed by

IAWC, was recommended by Staff and the AG. A similar disallowance was imposed, over IAWC's objections, in Docket 09-0151.

It is my recommendation that the Commission enter the attached post-exceptions order approving the reconciliation, subject to the adjustments adopted and findings made therein. There is no deadline for Commission action.

LMJ/js