

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

In the Matter of the Application of)	
Illinois-American Water Company for a)	
Certificate of Public Convenience and)	
Necessity to Provide Water and Sanitary)	Case No. 14-0536
Sewer Service to Certain Areas in DuPage)	
County, Illinois, pursuant to Section)	
8-406(e) of the Illinois Public Utilities Act)	

DRAFT PROPOSED ORDER

Illinois-American Water Company hereby submits its Draft Proposed Order for consideration. Staff of the Illinois Commerce Commission has reviewed this Draft Proposed Order and has no objection to its entry. There are no other parties to this proceeding.

By the Commission:

In this proceeding, Illinois-American Water Company ("IAWC") filed, with the Illinois Commerce Commission ("Commission"), a verified application seeking a Certificate of Public Convenience and Necessity ("Certificate") to provide water and sanitary sewer service to certain areas in DuPage County, Illinois, pursuant to Section 8-406 of the Illinois Public Utilities Act ("Act"), 220 ILCS 5/1-101 *et seq.*

Pursuant to due notice, a hearing was held in this matter before a duly authorized Administrative Law Judge of the Commission at its offices in Chicago, Illinois. Appearances were entered by respective counsel for IAWC and Commission Staff ("Staff"). Municipalities located within 1½ miles of the areas in question were provided a copy of the application in accordance with 83 Ill. Adm. Code 200.150(b) and were served notice of the initial hearing. Other than IAWC and Staff, no appearances were entered at the hearings and no written entries of appearance or intervening petitions were filed.

IAWC presented the testimony of Richard A. Hermann, Engineering Manager, Northern Illinois, for IAWC. William H. Atwood, Jr., a Water Engineer in the Water Engineering Program of the Commission's Safety and Reliability Division, provided testimony on behalf of Staff. At the conclusion of the hearing, the record was marked "Heard and Taken." A Proposed Order was issued.

Applicable Statutory Authority

Section 8-406 of the Act governs the issuance of a Certificate in this matter. Specifically, Section 8-406(b) of the Act provides:

No public utility shall begin the construction of any new plant, equipment, property or facility which is not in substitution of any existing plant, equipment, property or facility or any extension or alteration thereof or in addition thereto, unless and until it shall have obtained from the Commission a certificate that public convenience and necessity require such construction. Whenever after a hearing the Commission determines that any new construction or the transaction of any business by a public utility will promote the public convenience and is necessary thereto, it shall have the power to issue certificates of public convenience and necessity. The Commission shall determine that proposed construction will promote the public convenience and necessity only if the utility demonstrates: (1) that the proposed construction is necessary to provide adequate, reliable, and efficient service to its customers and is the least-cost means of satisfying the service needs of its customers ...; (2) that the utility is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision thereof; and (3) that the utility is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers.

Purpose of Proposed Certificate

IAWC is an Illinois corporation and a public utility within the meaning of Section 3-105 of the Act. IAWC provides water and sewer service in various communities in Illinois, including certain areas of DuPage County, Illinois.

In the instant proceeding, IAWC seeks an expanded certificate of public convenience and necessity (the "Expanded Certificate") authorizing it to provide water and sanitary sewer service in DuPage County to two parcels contiguous to its current certificated area in its DuPage service district (the "DuPage Parcels"), and to provide water service to two parcels contiguous to its current certificated area in its Valley View service district (the "Valley View Parcels"). The DuPage Parcels are shown on a map, and are legally described, in an attachment identified as Exhibit A in the Supplemental Direct Testimony of Richard A. Hermann. The Valley View Parcels are shown on a map, and are legally described, in an attachment identified as Exhibit B in the Direct Testimony of Richard A. Hermann. (Said Exhibit A and Exhibit B are attached hereto as Appendix A and Appendix B.)

The proposed Expanded Certificate in the DuPage service district consists of two parcels, one being approximately six acres (Staff Ex. 1.0 at 137-39), and the other being approximately 1.34 acres (Staff Ex. 2.0 at 39-41). The Expanded Certificate for the six-acre parcel is being sought as a result of a request for water and sanitary sewer service by the property owners (Staff Ex. 1.0 at 53-56). The Expanded Certificate for the 1.34-acre parcel is being sought because IAWC, after it had filed its initial application for Expanded Certificate, discovered that it had been providing water and sanitary sewer service to two current customers that were located just outside of its current certificated area. (Staff Ex. 2.0 at 21-26).

The proposed Expanded Certificate in the Valley View service district consists of two parcels totaling approximately 10 acres (Staff Ex. 1.0 at 135-37), and the Expanded Certificate is being sought as a result of a request for water service by the property owner (Staff Ex. 1.0 at 53-59).

Mr. Atwood said that he believes IAWC has met the requirements of Section 8-406(b)(1) and (2) of the Act, and that Section 8-406(b)(3) is satisfied because no new construction is involved in the application. IAWC has demonstrated that the provision of water and sewer service to customers within the expanded areas is necessary and that the provision of water and sewer service by IAWC is the least-cost means of providing water and sewer service to customers in the expanded areas (Section 8-406(b)(1)). (Staff Ex. 1.0 at 229-68) (Staff Ex. 2.0 at 79-109).

With respect to the requirements of 83 Ill. Adm. Code 300, "Guidelines for Right-of-Way Acquisitions" ("Part 300"), IAWC represented that no new easements are necessary to provide water and sanitary sewer service to the Expanded Certificate. IAWC agrees to comply with the relevant notice and information packet requirements of Part 300 of the Commission's Rules in the event easements are needed in the future.

Under IAWC's proposal, the Rules, Regulations, and Conditions of Service tariffs for water and sewer service, water and sanitary sewer rates and depreciation rates currently in effect for the Chicago Metro District would be applied in the Expanded Certificate. (IAWC Ex. 1.00 at 105-08.) Staff witness Atwood has no objection to this proposal. (Staff Ex. 1.0 at 274-92; Staff Ex. 2.0 at 112-32.)

Commission Conclusions, Findings and Ordering Paragraphs

The Commission finds that IAWC has demonstrated a need for water service and sanitary sewer service in the Expanded Certificate. The service to the Expanded Certificate is necessary to provide adequate, reliable, and efficient service to customers in the area and is the least-cost means of satisfying the service needs of its customers within the meaning of Section 8-406(b)(1) of the Act.

The Commission also concludes that, because no new construction is proposed, the requirement that IAWC demonstrate it is capable of financing the proposed

construction without significant adverse financial consequences for the utility or its customers has been satisfied.

The Commission further finds that IAWC is capable of efficiently managing and supervising the provision of water and sewer service to customers in the Expanded Certificate.

With respect to rates and other tariffs for the Expanded Areas, IAWC proposes that the Rates, Rules, Regulations, and Conditions of Service contained in the currently effective tariffs for the Chicago Metro District will be applicable to customers located in the areas for which certification is sought. The Commission concludes that these proposals are reasonable and they are approved.

Regarding the requirements of 83 Ill. Adm. Code 300, "Guidelines for Right-of-Way Acquisitions," IAWC represents that a need for acquisition of rights-of-way from private landowners is not anticipated. The relief granted herein does not authorize IAWC to exercise eminent domain with respect to obtaining right-of-way for any facilities to be constructed. Whether IAWC should be permitted at some future point to seek relief pursuant to Section 8-509 of the Act, with respect to obtaining right-of-way for any main extensions or other facilities, is a question the Commission does not reach in this Order, and no presumptions are created with respect thereto.

The Commission, having considered the entire record, is of the opinion and finds that:

(1) IAWC is a corporation engaged in the business of furnishing water and sanitary sewer service to the public in portions of the State of Illinois and is a public utility within the meaning of Section 3-105 of the Act;

(2) the Commission has jurisdiction over IAWC and the subject matter of this proceeding;

(3) the facts recited and conclusions reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings herein;

(4) issuance of a Certificate of Public Convenience and Necessity for the area certificated below will promote the public convenience and is necessary thereto, and the requirements of Section 8-406(b) of the Act have been met with respect thereto; and

(5) a Certificate of Public Convenience and Necessity should be granted to IAWC as described below, subject to the conditions set forth herein.

IT IS THEREFORE ORDERED that pursuant to Section 8-406 of the Act, Illinois-American Water Company is hereby granted a Certificate of Public Convenience and Necessity as follows:

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

IT IS HEREBY CERTIFIED that the public convenience and necessity require the construction, ownership and maintenance by Illinois-American Water Company of: (i) a public water supply and distribution system, and the provision of water services to the public in connection therewith, and a public sanitary sewer system, and the provision of sanitary sewer service to the public in connection therewith, in the Expanded Certificate area shown on the map contained, and legally described, in Appendix A hereto; and (ii) a public water supply and distribution system, and the provision of water services to the public in connection therewith, in the Expanded Certificate area shown on the map contained, and legally described, in Appendix B hereto.

IT IS FURTHER ORDERED that the water rates and sewer rates and the rules, regulations, and conditions of service of IAWC's Chicago Metro District shall apply to water and sewer service rendered in the areas certificated above.

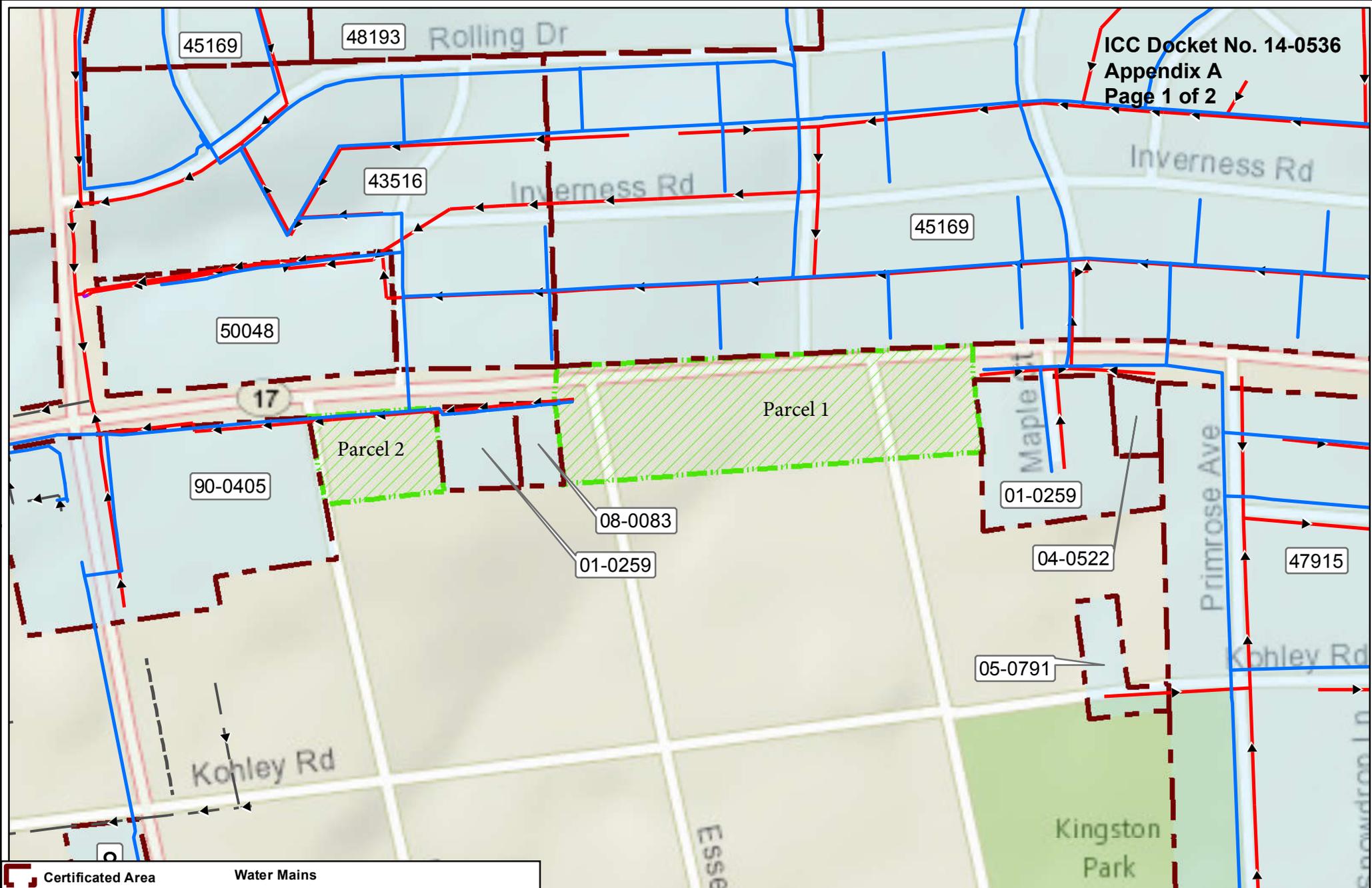
IT IS FURTHER ORDERED that the relief granted herein does not constitute approval of any waivers from the requirements of 83 Ill. Adm. Code 300, 83 Ill. Adm. Code 600, or other rules or requirements applicable to IAWC.

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

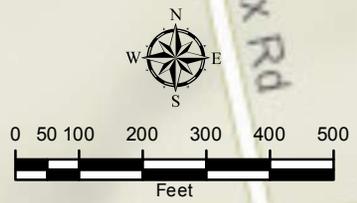
By order of the Commission this ____ day of ____, 2015.

(SIGNED) Brien J. Sheahan

Chairman



	Certificated Area		Water Mains
	Proposed Certificated Area		Potable Distribution
	System Interconnect		Raw Water
	Elevated Tank		Owned & Operated by Others
	Pumping Station		Sanitary Mains
			Gravity Collector
			Collector Owned & Operated by Others
			Force Main



PROPOSED CERTIFICATED AREA EXHIBIT
CHICAGO METRO DISTRICT
DU PAGE SERVICE AREA
DU PAGE COUNTY, ILLINOIS

REVISED 01/15/15 BY CHS

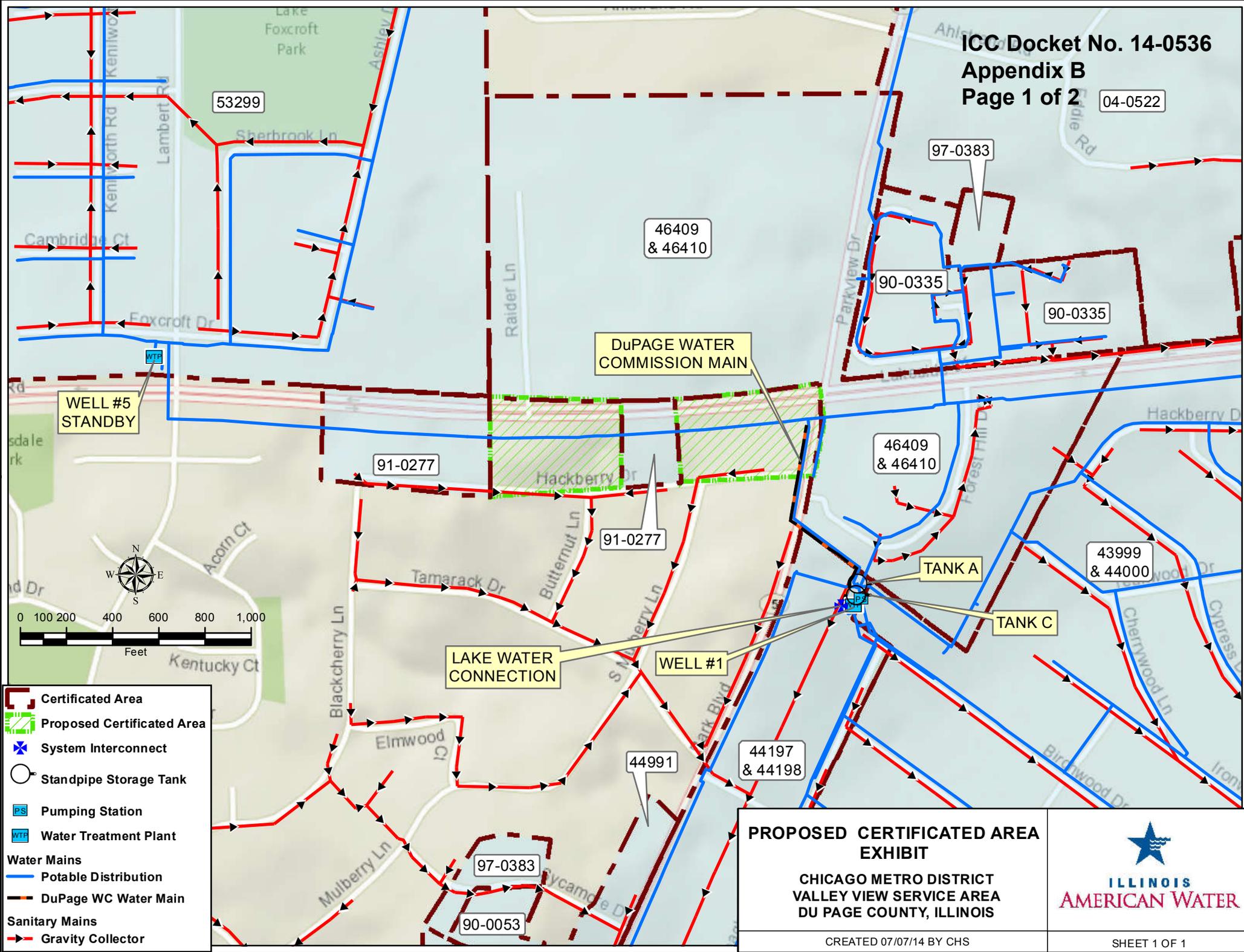


DUPAGE CERTIFICATED AREA – Parcel 1

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF LOT 11 IN BLOCK 13 IN ARTHUR T. McINTOSH AND COMPANY'S LISLE FARMS, BEING A SUBDIVISION OF LOTS 2 TO 12, INCLUSIVE, EXCEPT PARTS OF 10 AND 11 OF ASSESSMENT PLAT OF PARTS OF SECTIONS 10, 11, 14 AND 15, TOWNSHIP 38 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 31, 1924, AS DOCUMENT 186704; THENCE NORTH 7°18'50" WEST 182.54 FEET, ALONG THE WEST LINE OF SAID LOT 11, TO A LINE 17.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID LOT 11; THENCE NORTH 86°42'11" EAST, ALONG SAID PARALLEL LINE, BEING ALSO 17.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINES OF BLOCKS 14 AND 19 IN SAID ARTHUR T. McINTOSH AND COMPANY'S LISLE FARMS, 995.92 FEET TO A POINT THAT IS 30.38 FEET EAST (AS MEASURED ALONG SAID PARALLEL LINE) OF THE WEST LINE OF LOT 4 IN SAID BLOCK 19; THENCE NORTH 3°17'49" WEST 8.49 FEET; THENCE NORTH 86°42'11" EAST 16.92 FEET; THENCE SOUTH 3°17'49" EAST 8.49 FEET TO AFORESAID PARALLEL LINE; THENCE NORTH 86°42'11" EAST, ALONG SAID PARALLEL LINE, 16.92 FEET TO THE WEST LINE OF THE EASTERLY 40.70 FEET OF LOT 5 IN SAID BLOCK 19; THENCE SOUTH 7°18'50" EAST, ALONG SAID WEST LINE, 182.84 FEET TO THE SOUTH LINE OF SAID LOT 5; THENCE SOUTH 86°42'11" WEST 1024.84 FEET, ALONG THE SOUTH LINE OF LOTS 1 TO 5, INCLUSIVE, IN SAID BLOCK 19 AND ALONG THE SOUTH LINE OF LOTS 1 TO 11, INCLUSIVE, IN SAID BLOCK 14 AND ALONG THE SOUTH LINE OF LOT 11 IN SAID BLOCK 13, TO THE POINT OF BEGINNING; IN DUPAGE COUNTY, ILLINOIS.

DUPAGE CERTIFICATED AREA – Parcel 2

THAT PART OF BLOCK 13 IN ARTHUR T. McINTOSH AND COMPANY'S LISLE FARMS, BEING A SUBDIVISION OF LOTS 2 TO 12, INCLUSIVE (EXCEPT PARTS OF 10 AND 11) OF ASSESSMENT PLAT OF PARTS OF SECTIONS 10, 11, 14 AND 15, TOWNSHIP 38 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID ARTHUR T. McINTOSH AND COMPANY'S LISLE FARMS RECORDED DECEMBER 31, 1924, AS DOCUMENT 186704, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF LOT 23 IN SAID BLOCK 13; THENCE NORTH 12°02'21" WEST, ALONG THE WEST LINE OF SAID BLOCK 13, BEING THE EAST LINE OF LENOX ROAD, 333.24 FEET TO THE SOUTH LINE OF THE NORTH 17.00 FEET OF SAID BLOCK 13; THENCE NORTH 85°55'48" EAST, ALONG SAID SOUTH LINE, 246.96 FEET TO THE EAST LINE OF LOT 4 IN SAID BLOCK 13; THENCE SOUTH 6°09'18" EAST, ALONG SAID EAST LINE, 183.00 FEET TO THE NORTH LINE OF AFORESAID LOT 23 IN BLOCK 13; THENCE NORTH 85°55'48" EAST, ALONG SAID NORTH LINE, 74.33 FEET TO THE NORTHEAST CORNER OF SAID LOT 23; THENCE SOUTH 11°52'29" EAST 118.55 FEET TO THE SOUTHEAST CORNER OF SAID LOT 23; THENCE SOUTH 80°14'19" WEST 299.32 FEET, ALONG THE SOUTH LINE OF SAID LOT 23, TO THE POINT OF BEGINNING; IN DUPAGE COUNTY, ILLINOIS.



- Certified Area
- Proposed Certified Area
- ✕ System Interconnect
- Standpipe Storage Tank
- PS Pumping Station
- WTP Water Treatment Plant
- Water Mains**
- Potable Distribution
- DuPage WC Water Main
- Sanitary Mains**
- Gravity Collector

PROPOSED CERTIFICATED AREA EXHIBIT

CHICAGO METRO DISTRICT
 VALLEY VIEW SERVICE AREA
 DU PAGE COUNTY, ILLINOIS



VALLEY VIEW CERTIFICATED AREAS

EAST AREA

THAT PART OF BLOCK 1 IN ARTHUR T. McINTOSH & CO.'S GLEN ELLYN WOODS UNIT NO. 2, BEING A SUBDIVISION IN SECTIONS 34 AND 35, TOWNSHIP 39 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 21, 1955, AS DOCUMENT 753863, AND CERTIFICATE OF CORRECTION FILED NOVEMBER 21, 1961, AS DOCUMENT R61-31111, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF LOT 6 IN SAID BLOCK 1; THENCE EASTERLY, ALONG THE NORTH LINE OF LOTS 6, 5, 4 AND 3 IN SAID BLOCK 1, BEING A CURVE CONVEX TO THE SOUTH AND HAVING A CALCULATED RADIUS OF 8734.58 FEET AND A 313.12 FOOT CHORD BEARING NORTH 87°07'07" EAST, AN ARC DISTANCE OF 313.14 FEET TO A POINT OF TANGENCY; THENCE NORTH 86°05'30" EAST 315.53 FEET, ALONG THE NORTH LINE OF LOTS 3, 2 AND 1 IN SAID BLOCK 1, TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 12°40'30" WEST 187.80 FEET, ALONG THE EAST LINE OF SAID LOT 1, TO THE SOUTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 86°05'30" WEST 575.00 FEET, ALONG THE SOUTH LINE OF LOTS 1, 2, 3, 4, 5 AND 6 IN SAID BLOCK 1, TO THE SOUTHWEST CORNER OF SAID LOT 6; THENCE NORTH 3°54'30" WEST 185.60 FEET, ALONG THE WEST LINE OF SAID LOT 6, TO THE POINT OF BEGINNING; IN DUPAGE COUNTY, ILLINOIS.

WEST AREA

THAT PART OF BLOCK 1 IN ARTHUR T. McINTOSH & CO.'S GLEN ELLYN WOODS UNIT NO. 2, BEING A SUBDIVISION IN SECTIONS 34 AND 35, TOWNSHIP 39 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 21, 1955, AS DOCUMENT 753863, AND CERTIFICATE OF CORRECTION FILED NOVEMBER 21, 1961, AS DOCUMENT R61-31111, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF LOT 15 IN SAID BLOCK 1; THENCE NORTH 4°03'12" WEST 173.20 FEET, MORE OR LESS, ALONG THE WEST LINE OF SAID LOT 15, TO THE NORTHWEST CORNER OF SAID LOT 15; THENCE EASTERLY, ALONG THE NORTH LINE OF LOTS 15, 14, 13, 12, 11, 10 AND 9 IN SAID BLOCK 1, BEING A CURVE CONVEX TO THE SOUTH AND HAVING A CALCULATED RADIUS OF 8734.58 FEET AND A 614.15 FOOT CHORD BEARING SOUTH 88°11'51" EAST, AN ARC DISTANCE OF 614.27 FEET TO THE NORTHWEST CORNER OF THE EAST HALF OF SAID LOT 9; THENCE SOUTH 3°54'30" EAST, ALONG THE WEST LINE OF SAID EAST HALF, 198.16 FEET TO THE SOUTH LINE OF SAID LOT 9; THENCE SOUTH 86°05'30" WEST 128.60 FEET, ALONG THE SOUTH LINE OF LOTS 9 AND 10 IN SAID BLOCK 1, TO A BEND POINT; THENCE NORTH 83°46'30" WEST 489.70 FEET, ALONG THE SOUTH LINE OF LOTS 10, 11, 12, 13, 14 AND 15 IN SAID BLOCK 1, TO THE POINT OF BEGINNING; IN DUPAGE COUNTY, ILLINOIS.