

Open House Informational Meeting

Utility Services of Illinois, Inc.

Wednesday, April 4, 2018

2:00PM - 6:00PM

611 Lakehurst Rd. - Holiday Inn Express (Lake Michigan Event Room)



- Introduction
- Rate Filing
 - Timeline
 - Rate Structure
 - Meter Factor Sizes
- System Information
- Infrastructure Investments
 - Industry Needs
 - Existing Investments and Planned Investments
- Questions/Statements

- Steve Lubertozzi – President
- Justin Kersey – Vice President of Operations
- John Norton – Dir. Of Capital Planning and Asset Management
- Mike Miller – Regional Manager
- Randy Varas – Area Manager
- Jim Thomas – Operator
- Diane Arnoux – Operations Administrator

Timeline – ICC Docket No. 17-1106

Rate Filing

Description	Date	Cumulative Days
Filing		
Tariffs Suspended	December 20, 2017	0
Company Direct Testimony		
Testimony		
Staff/Intervenor Direct Testimony	April 2, 2018	103
Company Rebuttal Testimony	April 27, 2018	128
Staff/Intervenor Rebuttal Testimony	May 23, 2018	154
Company Surrebuttal Testimony	May 30, 2018	161
Hearing		
Status Hearing	June 4, 2018	166
Evidentiary Hearing (begin)	June 6, 2018	168
Evidentiary Hearing (end)	June 7, 2018	169
Briefs/Order		
Initial Briefs	June 28, 2018	190
Reply Briefs	July 19, 2018	211
Company Draft Order	July 24, 2018	216
Proposed Order	August 16, 2018	239
Briefs on Exceptions	August 30, 2018	253
Reply Briefs on Exceptions	September 7, 2018	261
Last Date for Commission Action	October 23, 2018	307
End Suspension Period	October 28, 2018	312



Rate Structure - Residential

Rate Filing

Water - Residential Service <u>Meter Size</u>	Previous ¹	Previous ²	Existing ³	Proposed ⁴	Adjusted for TCJA ⁵
5/8	\$ 33.52	\$ 12.30	\$ 24.73	\$ 35.03	\$ 33.57
3/4	\$ 50.28	\$ 13.26	\$ 36.25	\$ 52.54	\$ 50.34
1	\$ 83.80	\$ 17.25	\$ 59.30	\$ 87.57	\$ 83.91
1 ^{1/2}	\$ 167.60	\$ 22.20	\$ 116.91	\$ 175.14	\$ 167.83
2	\$ 268.16	\$ -	\$ 186.05	\$ 280.22	\$ 268.52
Usage per 1,000 Gal	\$ 32.04	\$ 24.69	\$ 5.71	\$ 8.19	\$ 7.75

¹ Charmar rates prior to consolidation

² Del Mar rates prior to consolidation

³ Approved in consolidated rate filing (Docket No. 14-0741), utilized ICC Cost of Service Study

⁴ Proposed in existing rate filing (17-1106) by independent third party consultant, per prior order (14-0741)

⁵ Includes adjustment for FIT and Bonus Depreciation, does not include adjustment for Excess Deferred Income Taxes



Meter Factor Sizes

Rate Filing

<u>Meter Size (in.)</u>	<u>Max Flow (gpm) - AWWA Capacity</u>	<u>Equilavent Relative to 5/8 in.¹</u>
5/8	20	1.0
3/4	30	1.5
1	50	2.5
1 ^{1/2}	100	5.0
2	160	8.0

¹ Principles of Water Rates per AWWA M6-Manual. Used to establish Base Charges in both Cost of Service Study models (Docket No. 14-0741 and 17-1106).



System Information

General

Corporate Office	2335 Sanders Rd., Northbrook, IL 60062
Plant Address	2618 N Delany Rd, Gurnee Rd, Gurnee, IL 60031
Connections	53
System Construction Year	1950

Water

Treatment	Purchased Water
Piping Length	1 miles
Piping Age	68 years
Hydrants	4

System Information

General

Corporate Office	2335 Sanders Rd., Northbrook, IL 60062
Plant Address	1300 Half Day Rd, Deerfield, IL 60015
Connections	84
System Construction Year	2004

Water

Treatment	Purchased Water
Piping Length	2 miles
Piping Age	14 years
Hydrants	15

- EPA's 6th Drinking Water Infrastructure Needs Survey and Assessment shows ~\$.5 Trillion is needed to maintain and improve the nation's drinking water infrastructure over the next 20 years.

20-Year Water Infrastructure Investment need by Category¹

	<u>Total</u>	<u>Transmission and Distribution</u>	<u>Treatment</u>	<u>Storage</u>	<u>Source</u>	<u>Other</u>
United States	\$ 464,560	\$ 310,199	\$ 78,196	\$ 47,119	\$ 21,605	\$ 7,442
Illinois	\$ 20,910	\$ 13,495	\$ 3,537	\$ 1,751	\$ 1,709	\$ 418
% of Total US	5%	4%	5%	4%	8%	6%

Per Household²

United States	\$ 3,681	\$ 2,458	\$ 620	\$ 373	\$ 171	\$ 59
Illinois	\$ 4,338	\$ 2,800	\$ 734	\$ 363	\$ 355	\$ 87

¹ In Millions of January 2015 \$'s, per US Environmental Protection Agency

² In January 2015 \$'s. Assumes 126.2 million households in US and 4.82 million households in Illinois, per US Census Bureau

- USI has invested over \$3 million in capital improvements, since 2015 (Docket No. 14-0741)
- USI plans to invest an additional \$14 million by December 31, 2019 (Docket No. 17-1106)
 - Improve water quality
 - Lessen service disruptions
 - Reduce inflow and infiltration to wastewater treatment plants

Utility Services of Illinois, Inc. - Investment¹

	Approved (14-0741)	Increase	Proposed (17-1106)
Water	\$ 27,064	\$ 10,321	\$ 37,385
Wastewater	\$ 6,698	\$ 1,577	\$ 8,275
Total Investment	\$ 33,762	\$ 11,898	\$ 45,660

¹ Values shown are Gross Plant, net of Accumulated Depreciation and Contributor



Planned Investments

Infrastructure

<u>USI Planned Investments¹</u>	<u>Service Type</u>	<u>Investment (\$000's)</u>
Automatic Meter Reading Meters (20% of system)	Water	\$ 550
Hydrant Rehab/Replacements	Water	\$ 500
Leak Studies with Main/Service Replacements	Water	\$ 210
Hydrant Painting	Water	\$ 170
GIS mapping/Operations Management System	Water & Wastewater	\$ 250
Control Systems	Water & Wastewater	\$ 170
Customer Mobile Application	Water & Wastewater	\$ 85

¹ Investments included in Docket No. 17-1106. This list of investments is not all-inclusive.

<u>Charmar Planned Investments¹</u>	<u>Service Type</u>	<u>Investment (\$000's)</u>
Watermain Replacement	Water	\$ 900

¹ Investments included in Docket No. 17-1106. This list of investments is not all-inclusive.



- Questions or Statements?
 - In order of sign-in
- In instances where a Question cannot be answered, a response will be made to the Contact Information provided within 48 hours.
- Please pick up our brochures