

Open House Informational Meeting

Utility Services of Illinois, Inc.

Tuesday, April 3, 2018

5:00PM - 8:00PM

1304 Sunset Dr. - Village Clerk Office



- 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
- Lucas Smith – Compliance 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>	Acquisition	Previous ¹	Existing ²	Proposed ³	Adjusted for TCJA ⁴
5/8	\$ 6.00	\$ 10.80	\$ 24.73	\$ 35.03	\$ 33.57
3/4	\$ 6.85	\$ 16.20	\$ 36.25	\$ 52.54	\$ 50.34
1	\$ 10.00	\$ 27.00	\$ 59.30	\$ 87.57	\$ 83.91
1 ^{1/2}	\$ 15.00	\$ 54.00	\$ 116.91	\$ 175.14	\$ 167.83
2	\$ 17.00	\$ 86.40	\$ 186.05	\$ 280.22	\$ 268.52
Usage per 1,000 Gal	\$ 2.53	\$ 11.26	\$ 5.71	\$ 8.19	\$ 7.75

¹ Approved in rate filing (Docket No. 11-SF). Includes Investments post-Acq of ~\$500K

² Approved in consolidated rate filing (Docket No. 14-0741), utilized ICC Cost of Service Study

³ Proposed in existing rate filing (17-1106) by independent third party consultant, per prior order (14-0741)

⁴ Includes adjustment for FIT and Bonus Depreciation, does not include adjustment for Excess Deferred Income Taxes



<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).

- **Holiday Hills Meters**

- Many (75%) of existing meters recorded as 3/4"
- Actual meters installed may be 5/8"

System Information

General

Corporate Office	2335 Sanders Rd., Northbrook, IL 60062
Plant Address	2403 Driftwood, Dr. McHenry, IL 60051
Connections	250
System Construction Year	1958-1965
Acquisition Date	ICC Approval 5/23/2001 (Docket No. 00-0763)

Water

Wells	2
Well Production	140-200 GPM
Piping Length	5.4 miles
Piping Age	53 Years
Water Storage	30,000 Gallons
Hydrants	18
Treatment	Chemical Feed

- 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

USI Planned Investments ¹	Service Type	Investment (\$000's)
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.

Holiday Hills Planned Investments ¹	Service Type	Investment (\$000's)
Plant Fencing	Water	\$ 30
Well Improvements	Water	\$ 30

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