

Open House Informational Meeting

Utility Services of Illinois, Inc.

Monday, April 2, 2018

5:00PM - 8:00PM

3677 Westlake Village Dr. - Community Center



- 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
- Tim Brant – Area Manager
- Gordy Nygren– Operator
- Lynette Weeks – 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	Existing ¹	Proposed ²	Adjusted for TCJA ³
Meter Size			
5/8	\$ 24.73	\$ 35.03	\$ 33.57
3/4	\$ 36.25	\$ 52.54	\$ 50.34
1	\$ 59.30	\$ 87.57	\$ 83.91
1 ^{1/2}	\$ 116.91	\$ 175.14	\$ 167.83
2	\$ 186.05	\$ 280.22	\$ 268.52
Usage per 1,000 Gal	\$ 5.71	\$ 8.19	\$ 7.75

¹ Approved in prior rate filing (Docket No. 14-0741), utilized ICC Cost of Service Study

² Proposed in existing rate filing (17-1106) by independent third party consultant, per prior order (14-0741)

³ Includes adjustment for FIT and Bonus Depreciation, does not include adjustment for Excess Deferred Income Taxes

Wastewater - Residential Service	Existing ¹	Proposed ²	Adjusted for TCJA ³
Usage Tier			
<1,000 Gal	\$ 31.09	\$ 50.90	\$ 48.88
>1,000 Gal	\$ 47.35	\$ 56.05	\$ 54.01
Unmetered	\$ 49.05	\$ 54.86	\$ 52.82

¹ Approved in prior rate filing (Docket No. 14-0741), utilized ICC Cost of Service Study

² Proposed in existing rate filing (17-1106) by independent third party consultant, per prior order (14-0741)

³ 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).

- Westlake Meters
 - Existing meters recorded as 5/8”
 - Actual meters installed are 3/4”

System Information

General

Corporate Office	2335 Sanders Rd., Northbrook, IL 60062
Plant Address	13201 Saunders Rd, Pecatonica, IL 61063
Connections	510
System Construction Year	1991-1994

Water

Wells	2
Well Production	350-500 GPM
Piping Length	7 miles
Piping Age	24 Years
Water Storage	167,000 Gallons
Hydrants	69
Treatment	Chemical Feed

Wastewater

Piping Length	5.5 miles
Piping Age	24 Years
Manholes	123
Lift Stations	5

- 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

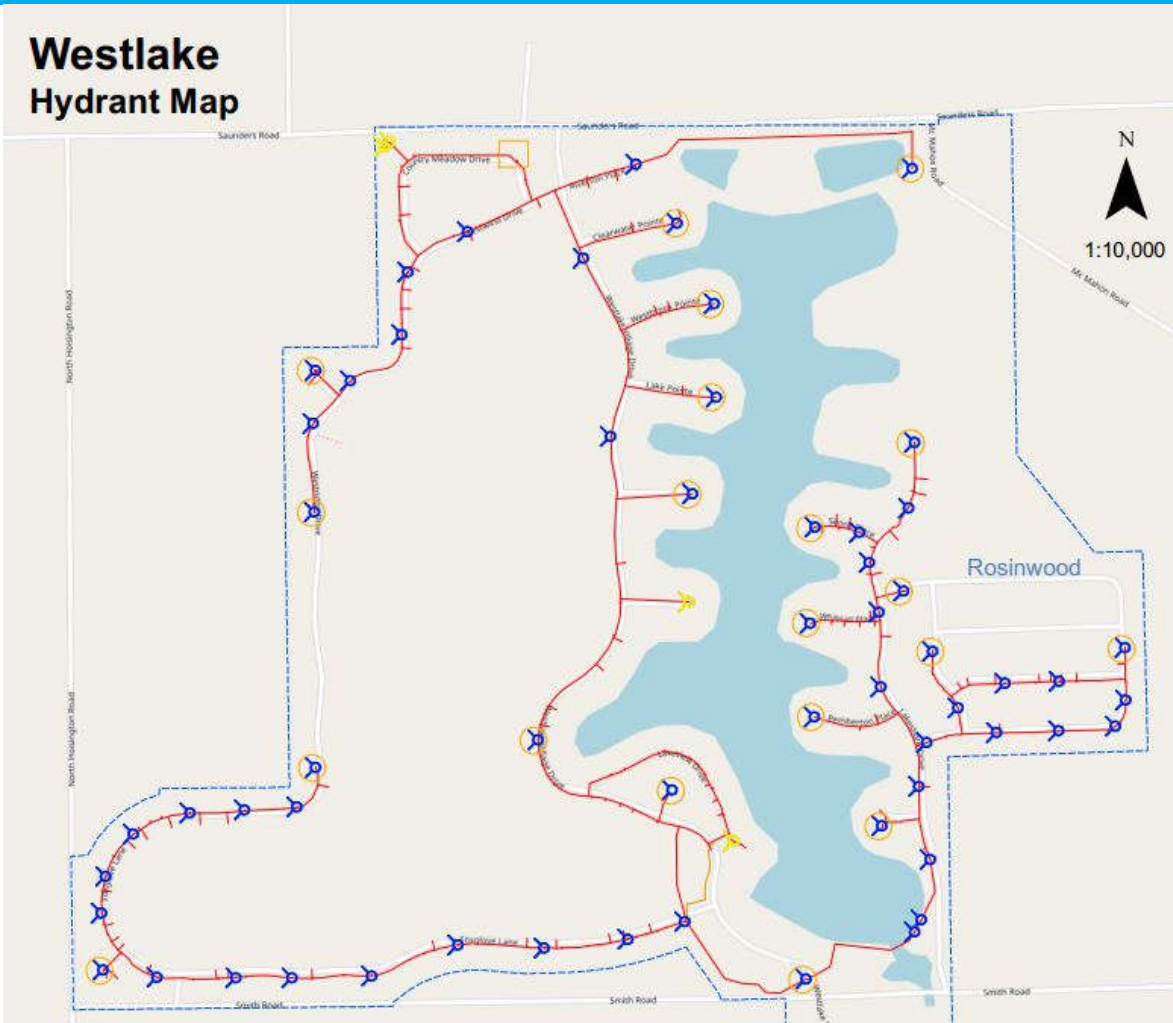
¹ Investments included in Docket No. 17-1106. This list of investments is not all-inclusive.

<u>Westlake Planned Investments¹</u>	<u>Service Type</u>	<u>Investment (\$000's)</u>
Tank Reconditioning (Interior)	Water	\$ 170
Hydrant Installations	Water	\$ 110
Plant Fencing	Water	\$ 20
Lift Station Cathodic Protection	Wastewater	\$ 50
Collection System Clean and Televis	Wastewater	\$ 35
Collection System Remediation	Wastewater	\$ 30
Generator (Lift Station)	Wastewater	\$ 25

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



Westlake Hydrant Map



- Hydrant Installations
 - Existing hydrants do not provide sufficient flushing
 - Sufficient flushing is required to improve water quality and prevent deposits in the water mains which could otherwise lead to decreased pipe capacity.

- 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