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PROCEEDINGS

HEARING OFFICER BENSKO: Public hearing
September 27, 2007, fire protection district charges.

Good evening. My name is Robert Bensko
and I'm the chief public hearing officer for the
Illinois Commerce Commission.

I want to thank everyone for being here
tonight.

Seated next to me is the court reporter,
who will make a legal record of your comments, which
will be made available to the Chairman and
Commissioners.

And it will be also made available to our
staff that's writing the final report in this case.

I want to ask everyone to turn their cell
phones and pagers off so that there won't be a
disruption in the proceedings.

The purpose of this forum tonight, in 2006
the General Assembly and the Governor approved
Section 9-23(b), which requires that the ICC conduct
three public forums to evaluate the purpose and use
of each fire-protection charge imposed under this

1 Section.

2 The statute also requires that the ICC
3 invite to the forum representatives from each
4 municipality and fire protection, which we did.

5 We sent hundreds of letters out to all the
6 fire-protection districts, all the municipalities
7 inviting them to these public forums.

8 The ICC is required to report its findings
9 to the General Assembly prior to the end of the veto
10 session in 2008.

11 The legislative history and background of
12 this hearing, Section 9-233(a) of the Public
13 Utilities Act was enacted in 1984.

14 Prior to that time, fire-related
15 water-system costs were recovered from the
16 municipalities and the fire-protection districts
17 through a per-hydrant charge.

18 The statute was proposed by
19 fire-protection districts, not the Illinois Commerce
20 Commission.

21 The effect of the statute was to allow
22 municipalities and fire-protection districts to opt

1 out of paying such charges unless they choose to do
2 so by entering into a contract.

3 Most municipalities and districts have
4 chosen not to pay hydrant charges. As a result,
5 fire-related costs are now recovered from customers
6 primarily through a fixed charge for fire-protection
7 service.

8 The statute provides for recovery in this
9 manner of a reasonable portion of the costs of
10 providing capacity and water for fire protection.

11 Any fire-protection costs that may not be
12 recovered through a fire-protection charge are
13 allowed to be recovered through charges for general
14 water service.

15 As the statute has been interpreted, the
16 requirements for a fixed amount on the bill per bill
17 permits differentiation of a fixed charge by meter
18 size.

19 Also the charge must be based on the level
20 of fire-protection-district costs for each
21 municipality or fire-protection district.

22 The language has been interpreted and

1 allows for a uniform charge in a given rate area, for
2 example, the Champaign area.

3 The basis for the calculation of the
4 utility charges is the public utility provides a
5 water-pipe service, the hydrants, the water for fire
6 protection.

7 And the utility's allowed to recover those
8 costs from its water customers in the municipality or
9 fire-protection district.

10 At this time a public water utility must
11 seek approval from us, the ICC, to initiate and to
12 charge the fire-protection charge.

13 Fire-protection charges are developed in a
14 rate case in generally the following manner based on
15 costs to provide service.

16 We start with the number of hydrants, the
17 number of customers, the amount of water that's
18 needed for the fire protection, the cost of the
19 water, and the monthly charge.

20 The basis for the determination of
21 municipality and fire-protection charges on tax
22 bills -- and we want to clear up the misconception

1 that customers are double-billed for fire protection.

2 Munis and fire-protection districts
3 generally will charge taxpayers for the cost of
4 things like the fire trucks, the garages, the salary,
5 the training, and other capital operating costs
6 except those costs from the water utility.

7 The water charges are based on an
8 agreement between the said fire-protection districts
9 and the water companies.

10 I run these hearings in a very open
11 manner, and I urge everyone and anyone to speak
12 tonight. We at the Commission feel that your
13 comments are very important.

14 That is why we come here to you. The only
15 way your opinion will be heard is if you testify.

16 I'll open the record when someone shows up
17 so that I can open the record and have someone speak.

18 Does anyone from the companies, would you
19 like to make any statements at this time?

20 Seeing no one wants to make a statement,
21 I'll adjourn this meeting until someone attends this
22 meeting or comes in and wants to speak.

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I will stay here until quarter till eight.

FORUM ADJOURNED