STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

AQUA ILLINOIS, INC. §

PROPOSED GENERAL INCREASE §
IN WATER AND SEWER RATES §
FOR THE WOODHAVEN WATER §
DIVISION. §

DOCKET NO. 05-0071

THE WOODHAVEN ASSOCIATION’S
LIST OF ISSUES STILL IN DISPUTE

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

Pursuant to your order of 20 July 2005, the Woodhaven Association files this its list of issues that it considers to be in dispute and the witnesses offering testimony on the issue.

Allocation factors. The Woodhaven Association disputes the use of customer counts as the allocation factor. The allocations should be adjusted to be more consistent with plant assets or rate base. Witnesses: Jeffrey Hickey, Thomas Bunosky, Burma Jones, and Jack Schreyer.

Rate case expenses. The Woodhaven Association disputes the level of rate case expenses in this docket. Aqua’s costs could have been reduced by combining the filing of the Illinois divisions rather than making separate rate case filings. Woodhaven agrees with the ICC Staff disallowance of all of the rate of return witness’s costs of $21,301 and the ICC Staff disallowance of 50 per cent of Aqua’s rate department costs and 75 per cent of miscellaneous rate case costs. Witnesses: Bonita Pierce, Jeffrey Hickey, Janis Freetly and Jack Schreyer.

Rate case expense amortization. The Woodhaven Association disputes the amortization period for rate case expenses by Aqua and supports the ICC Staff recommendation of amortization over a five-year period for water ($20,900) and seven years for sewer ($26,426). Witnesses: Bonita Pierce, Jeffrey Hickey, and Jack Schreyer.

Management (Contract Services) Expenses. The Woodhaven Association believes these expenses should not be allocated on a customer count basis. The Woodhaven Association also believes that the management expenses are excessive and should be reduced as recommended by Staff by $93,839 for sewer and $107,650 for water. These adjustments are in addition to the adjustments made by Aqua in its Rebuttal testimony. If a bulk billing option were implemented, the Association believes that further reductions are warranted. Witnesses: Jeffrey Hickey, Jack Schreyer, Burma Jones, and Thomas Bunosky.

Uncollectible Expenses. The Woodhaven Association supports the recommended reductions by the ICC Staff in the amount of $40,948 for water and $42,985 for sewer.
These adjustments are in addition to the adjustments made by Aqua in its Rebuttal testimony. The Woodhaven Association believes that collection issues impact other expenditures, including Salary & Wages, Pension & Benefits and Contractual Services. The impact of Aqua’s collection efforts needs to be identified and further discussion is needed. Witnesses: Jeffrey Hickey, Thomas Bunosky, Jack Schreyer, and Bonita Pierce.

Bulk Billing. The Woodhaven Association has proposed that Aqua bill the Woodhaven Association directly thereby reducing the costs to Aqua for uncollectible expenses, other related expenses and further reducing expenses impacted by the customer count based allocations. Witnesses: Jeffrey Hickey and Thomas Bunosky.

Sewer installation costs as it relates to depreciation and contributions in aid of construction. The Woodhaven Association does not agree with Aqua’s explanation of these costs and would like to further discuss the impact of these costs within the rate application. Witnesses: Jeffrey Hickey and Thomas Bunosky.

Sewer rate design. The Woodhaven Association seeks clarification as to whether the methodology change on metered customers actually reflects the rate design proposed by ICC Staff witness Harden. Witnesses: Jeffery Hickey, Thomas Bunosky, William Marr, Cheri Harden.

Late charges on customer accounts. The Woodhaven Association seeks clarification on this issue.

2005 revenue estimates used to determine rate case percentage. The Woodhaven Association does not agree with the revenue figures submitted with the ICC staff rebuttal testimony. Aqua has acknowledged this error in their surrbuttal testimony. The Association wants to review the revenue estimates and discuss variances from actual revenues that have been received. Witnesses: Jeffrey Hickey, Jack Schreyer and Bonita Pierce.

The Woodhaven Association reserves the right to participate in cross-examination on other issues raised by other parties and staff in this proceeding.

Respectfully submitted,

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Dated: 25 July 2005
CERTIFICATE OF SERVICE

I, Richard C. Balough, hereby certify that I caused a copy of this Issues List of The Woodhaven Association in Docket No. 05-0071 to be electronically served upon the service list on this 25th day of July 2005.

Richard C. Balough