

REBUTTAL TESTIMONY  
OF  
ROCHELLE PHIPPS

FINANCE DEPARTMENT  
FINANCIAL ANALYSIS DIVISION  
ILLINOIS COMMERCE COMMISSION

AQUA ILLINOIS, INC.

PETITION FOR THE ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE  
AND NECESSITY TO OPERATE A WATER SUPPLY AND DISTRIBUTION SYSTEM  
IN CHAMPAIGN COUNTY, ILLINOIS; AND FOR THE ISSUANCE OF AN ORDER  
APPROVING RATES, ACCOUNTING ENTRIES AND TARIFF LANGUAGE

DOCKET NO. 04-0362

MARCH 30, 2005

1   **1.   Q.   Please state your name and business address.**

2           A.   My name is Rochelle Phipps. My business address is 527 East Capitol  
3           Avenue, Springfield, Illinois 62701.

4   **2.   Q.   Are you the same Rochelle Phipps who previously testified in this**  
5           **proceeding?**

6           A.   Yes.

7   **3.   Q.   What is the purpose of your rebuttal testimony?**

8           A.   The Second Revised Rebuttal Testimonies of Gerard P. Connolly (Aqua  
9           Illinois Ex. R-1.0 Second Revised) and Michael D. Bratetic (Aqua Illinois  
10          Ex. R-2.0 Second Revised) provide an updated estimate of the transaction  
11          costs in connection with Aqua Illinois, Inc.'s ("Aqua") proposal to construct,  
12          operate and maintain a water supply and distribution system ("Water  
13          System") for the Village of Philo ("Village"). Additionally, Aqua may need to  
14          construct a new 300,000 gallon elevated water storage tank to replace the  
15          existing 50,000 gallon elevated water tank that is currently in Philo, which  
16          would increase Aqua's construction cost estimate.<sup>1</sup> Thus, I have updated  
17          my recommendation regarding Aqua's financial ability to construct,  
18          operate and maintain a Water System for the Village pursuant to Section  
19          8-406(b)(3) of the Illinois Public Utilities Act ("Act") to reflect Aqua's  
20          updated estimate of transaction and construction costs.

---

<sup>1</sup> Aqua Illinois Ex. R-1.0 Second Revised, pp. 6-7.

21 **4. Q. In Direct Testimony, did you conclude that Aqua's proposal satisfied**  
22 **the requirements of Section 8-406(b)(3) of the Act?**

23 A. Yes. I recommended the Commission find that Aqua is capable of  
24 financing the proposed construction without significant adverse financial  
25 consequences for the utility or its customers, as required by Section  
26 8-406(b)(3) of the Act.<sup>2</sup> My recommendation was based, in part, on Aqua's  
27 estimated transaction and construction costs.<sup>3</sup>

28 **5. Q. Does incorporating Aqua's updated transaction cost estimate<sup>4</sup> and**  
29 **construction cost estimate change your recommendation regarding**  
30 **Aqua's ability to satisfy the requirements of Section 8-406(b)(3) of**  
31 **the Act?**

32 A. No. In my judgment, the proposed transaction still meets the requirements  
33 of Section 8-406(b)(3) of the Act. Thus, I recommend the Commission find  
34 that Aqua is capable of financing the proposed construction without  
35 significant adverse financial consequences for the utility or its customers.

36 **6. Q. Does this conclude your rebuttal testimony?**

37 A. Yes.

---

<sup>2</sup> ICC Staff Exhibit 4.0, p. 5.

<sup>3</sup> ICC Staff Exhibit 4.0, p. 3.

<sup>4</sup> Aqua Illinois Exhibits R-1.0 Second Revised, pp. 15-16 and R-2.0 Second Revised, p. 7; Aqua's response to Staff data request FD-10.