

AQUA ILLINOIS, INC.
SUPPLEMENTAL REBUTTAL TESTIMONY (REVISED)
OF
TERRY J. RAKOCY
(Docket 06-0043)

27 **Q 5. Please explain the revisions to Exhibit F1.**

28 A. Exhibit F1 was revised to make minor corrections to the boundary of Aqua's existing
29 certificated area for the Village of Hawthorn Woods. On the version of Exhibit F1 as
30 originally filed May 15, 2006, three small areas, located in grid squares 7E, 9E and 10B,
31 were incorrectly included in Aqua's existing certificated area for Hawthorn Woods.
32 These areas are not in the Village of Hawthorn Woods but are instead in unincorporated
33 Lake County, and are therefore not within Aqua's Hawthorn Woods certificated. Exhibit
34 F1 (Revised) corrects the boundaries of these areas. The boundaries of the proposed
35 Kemper Lakes certificated area remain unchanged.

36 **Q 6. Please explain the revisions to Exhibit G.**

37 A. Page 2 of Exhibit G as originally filed May 15, 2006 contained incorrectly transcribed
38 entries for "Beginning Rate Base." Exhibit G (Revised) corrects these entries. No other
39 changes have been made to Exhibit G (Revised), and the totals for Revenue, Expenses
40 and Rate of Return on Rate Base remain the same.

41 **Q 7. For Exhibit G (Revised), can you describe how Aqua determined the amount of rate**
42 **base allocated to the Kemper Area?**

43 A. Yes. The Rate Base for the Kemper Area as shown on Aqua Exhibit G (Revised), page 2,
44 was developed by projecting the cost for Water Treatment Plant, Wells, Office and
45 Miscellaneous for the entire Hawthorn Area, including the Kemper Area, and allocating a
46 part of that total amount to the Kemper Area based on the percentage of projected
47 Kemper Area customers compared to the total number of customers in the entire
48 Hawthorn Area, including the Kemper Area. New Services and New Meters investment
49 was then added to the allocated amount by multiplying the cost of meters and services by

50 the projected number of new customers in the Kemper Area. In addition, the one time
51 refund of \$35,955 for the main extension was added to the rate base. Depreciation on the
52 services, meters and refunds was then deducted from the above to arrive at the Kemper
53 Area rate base.

54 **RIGHT-OF-WAY ACQUISITION**

55 **Q 8. In your Rebuttal Testimony, you stated that that the Developer had a need to**
56 **contact two private landowners with regard to the acquisition of easements for the**
57 **water main. Will any other private easements need to be acquired?**

58 A. A need for acquisition of additional rights-of-way from private landowners is not
59 anticipated at this time. If acquiring rights-of-way from additional private landowners
60 becomes necessary, Aqua will follow the provisions of Part 300 of the Commission's
61 rules (83 Ill. Admin. Code, Part 300).

62 **Q 9. Does this conclude your Supplemental Rebuttal Testimony (Revised)?**

63 A. Yes, it does.