

Staff Cross Exhibit 2

ILLINOIS COMMERCE COMMISSION
STAFF DATA REQUEST

Utility Company: AQUA ILLINOIS, INC.

Docket No.: 06-0285

Date Submitted: 09/18/06

Submitted By: Jack Schreyer, Manager of Rates (610) 645-4237

FD 4.03 Aqua Exhibit 8.4 presents currently authorized rates of return on common equity for Aqua America, Inc. subsidiaries operating in other jurisdictions. Please provide copies of the final orders authorizing those rates of return on common equity. Additionally, please provide the following information regarding each of the authorized returns on equity shown on Aqua Exhibit 8.4:

- A. The docket number and date of final order;
- B. The authorized capital structure for each operating subsidiary;
- C. A description of the cost of equity analysis used to estimate the authorized returns on common equity for each company; and
- D. A description of any risk adjustments reflected in the authorized returns on common equity for each company.

Answer: Aqua objects to this data request as overbroad, unduly burdensome, seeking information that is not relevant to the instant proceeding, not likely to lead to the discovery of admissible evidence and seeking information that is publicly and readily available.

Notwithstanding the foregoing, the following cases established the referenced rates of return shown in Aqua Exhibit 8.4:

State	Docket No. / Date
Pennsylvania	Docket R-00038805 Dated 8/5/04
Illinois (Woodhaven & Oak Run consolidated)	Dockets 05-0071/05-0072 Dated 11/8/05
Ohio – Lake	Docket No. 03-22290-WW-AIR dated October 20/2004
Ohio – Masury	Docket No. 00-713-WW-AIR Dated March 22, 2001
Texas	SOAH 582-01-0416 TNRCC 2000-1074-UCR & 2000 1075-UCR, Dated September 17, 2002
Maine	Docket No. 2003-784 Dated 12/31/03
Indiana	Cause No. 41968 Dated 12/10/03
New Jersey	Case No. WR-03120974, June 10, 2004
North Carolina	Docket No. W-274SUB478 April 18, 2005

ILLINOIS COMMERCE COMMISSION
STAFF DATA REQUEST

Utility Company: AQUA ILLINOIS, INC.

Docket No.: 06-0285

Date Submitted: 09/18/06

Submitted By: Jack Schreyer, Manager of Rates (610) 645-4237

FD 7.01 Aqua Exhibit 8.4 provides the currently authorized rates of return on common equity for various subsidiaries of Aqua America, Inc. Please provide the authorized rates of return for the Aqua America, Inc. subsidiaries in the following state jurisdictions:

- A. Florida;
- B. Missouri;
- C. New York;
- D. South Carolina; and
- E. Texas.

Additionally, please provide the following information regarding each of jurisdictions listed above in subparts A through E:

- a) Copy of the final order authorizing the rate of return on common equity;
- b) Docket number and date of final order;
- c) Authorized capital structure for each operating subsidiary;
- d) Description of the cost of equity analysis used to estimate the authorized returns on common equity for each company; and
- e) Description of any risk adjustments reflected in the authorized returns on common equity for each company.

Answer: Aqua objects to this data request as overbroad, unduly burdensome, seeking information that is not relevant to the instant proceeding, not likely to lead to the discovery of admissible evidence and seeking information that is publicly and readily available.

Notwithstanding the foregoing, see response to FD 4.03.

ILLINOIS COMMERCE COMMISSION
STAFF DATA REQUEST

Utility Company: AQUA ILLINOIS, INC.

Docket No.: 06-0203

Date Submitted: 04/19/06

Submitted By: Jack Schreyer, Manager of Rates (610) 645-4237

FD 1.20 Aqua Exhibit 3 reads, "Aqua IL and by association Kankakee's debt has been assigned the bond/issue credit rating equivalent of an NAIC (National Association of Insurance Commissioners) Rating of 2 by NatCity Investments, Inc., the investment banker which privately places Aqua IL's debt with insurance companies." (Aqua Ex. 3, p. 16, line 26, through p. 17, line 3.)

- A. How many of Aqua's debt issues have been assigned the NAIC 2 designation?
- B. How long has Aqua's debt had the NAIC 2 designation?
- C. Was Aqua's debt assigned the NAIC 2 designation by NatCity Investments, Inc. or the NAIC? Additionally, please provide (1) the rationale for the NAIC 2 designation and (2) copies of all analyses performed when each debt issue was initially assigned the equivalent of the NAIC 2 designation.

Include supporting documentation in your response.

Answer:

A. All privately placed debt is rated NAIC-2.

B. The rating has been NAIC-2 since Philadelphia Suburban Corporation (Predecessor to Aqua America, Inc.) acquired Consumers Water Company in 1999.

C. The NAIC assigns the debt rating of NAIC-2. The NAIC does not provide its rationale and we don't have its rationale.

ILLINOIS COMMERCE COMMISSION
PEOPLE OF THE COUNTY OF KANKAKEE DATA REQUEST

Utility Company: Aqua Illinois Inc.

Docket No.: 06-0285

Date Submitted: August 23, 2006

Submitted By: Jack Schreyer, Manager of Rates (610) 645-4237

2.9 Are any bills with a Client/Matter number other than 09807980-0009 also being included in Aqua's claim for rate case expenses? If so, please list each such Client/Matter number, state the title of the Matter, and explain why costs billed to that Matter are appropriate for inclusion as rate case expense.

Answer: Yes. As stated in response to 2.7, two time entries for S. Galioto dated November 8, 2005 and December 16, 2005 on one invoice issued on January 30, 2006 under Sonnenschein's general matter number for Aqua, 09807980-0001, redacted copies of which were provided in response to Staff Interrogatory MHE 1.02, are included in Aqua's recovery for rate case expense. The two identified entries are for work related to litigating the instant case. They were invoiced under Sonnenschein's general client-matter number for Aqua because at the time the work was invoiced Sonnenschein had not yet opened its specific matter number for this case.

(a) Please provide a summary of all bills issued to date for costs for which recovery as rate case expense is sought, under each such Client/Matter number, showing the person providing services, the number of hours provided, the rate per hour that is charged, and the nature and cost of any expenses included on such bills.

Answer: Please see Aqua's response to 2.7, which is incorporated here by reference.

(b) Please provide unredacted copies of the portions of all bills issued to date under each such Client/Matter number for which recovery of the expense as rate case expense is sought.

Answer: Objection, calls for attorney-client privilege and attorney work product.