

**AQUA ILLINOIS, INC.  
REBUTTAL TESTIMONY  
OF  
TERRY J. RAKOCY**

**(Docket 06-0192)**



26 Area and the proposed adjustment for "Interest on Commission-Ordered Refund" for the  
27 Vermilion Rate Area.

28 Aqua also agrees to provide the Manager of the Accounting Department of the  
29 Commission copies of six random customer bills from each of the Kankakee, Vermilion  
30 and Woodhaven Rate Areas for the February 2007 and May 2007 billing cycles, within  
31 thirty days after the end of each respective billing cycle.

32 **Q 5. Does Aqua agree with the "O" factors proposed by Staff in their Direct Testimony?**

33 A. Yes. For the purposes of this proceeding, Aqua agrees to accept Staff's proposed "O"  
34 factor calculations as presented in Staff Exhibit 1.0, Schedules 1.01 (K), 1.01 (V), and  
35 1.01 (W) for the Company's Kankakee, Vermilion and Woodhaven rate areas,  
36 respectively.

37 **Q 6. How does Aqua propose to implement the "O" factors proposed by Staff?**

38 For the Kankakee, Vermilion and Woodhaven Rate Areas, the next QIP percentage filing  
39 for each Rate Area is expected to be made on or before December 20, 2006, to become  
40 effective on January 1, 2007. Section 656.80(e) of the Commission's rules, 83 Ill.

41 Admin. Code 656.80(e), directs that any "O" factor adjustment "be in effect for either 12  
42 months or nine months, beginning on the next January 1 (if 12 months) or April 1 (if nine  
43 months) following the Order of the Commission, or such other period as the Commission  
44 may direct in the Order requiring that an adjustment be made." Due to the small amount  
45 of the "O" factors for the Kankakee, Vermilion and Woodhaven Rate Areas, Aqua  
46 proposes, for administrative purposes, that the "O" factors for these Rate Areas be in  
47 effect only for a three month period starting January 1, 2007 and ending March 31, 2007.  
48 Interest will accrue for the "O" factor for the period from January 1, 2007 through March

49 31, 2007. The interest will be calculated at the time of the filing by use of the then most  
50 recent interest rate determined by the Commission in accordance with 83 Illinois Admin.  
51 Code 656.80(i). The "O" factor will terminate when a new QIP percentage takes effect  
52 on April 1, 2007.

53 **Q 7. Does this conclude your Rebuttal Testimony?**

54 A. Yes, it does.