

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Aqua Illinois, Inc.)	
)	Docket Nos. 08-0067
Proposed general increase in water)	
rates for the Vermilion Division)	
)	

**VERIFIED RESPONSES TO DEFICIENCY RULING
OF THE ADMINISTRATIVE LAW JUDGE**

Aqua Illinois, Inc. (“Aqua Illinois”), by and through its attorneys, hereby submits its Verified Responses to the Administrative Law Judge’s Deficiency Ruling, and requests that the filing be allowed *instanter*. No party will be unfairly prejudiced by the *instanter* filing of Aqua’s deficiency responses.

1. 285.305: General Information Requirements

Request: Provide monthly managerial reports for the months of November and December 2007, along with subsequent monthly as they become available.

Response: Please see attached General Information Requirements 285.305.

2. 285.325(c): General Information Requirements

Request: Peak day and peak hour (if available) water flows for the last three years to be provided in accordance with Section 285.325 (c).

Response:

	<u>Peak Day (Amount and Date)</u>	<u>Peak Hour (Amount and Date)</u>
2005	June 7 10.285 MG	11.64 MG
2006	July 3 10.130	11.94
2007	Aug. 14 9.672	13.55

3. 285.3170: Schedule C-17: Insurance Expense

Request: Provide detail of insurance claims for 2007.

Response: Please see attached Schedule C-17.

4. 285.4020 - Schedule D-2(e)(2): Cost of Short Term Debt

Request: Provide portions of documents describing the manner which interest rates on variable and adjustable rate debt issues are set (*e.g.*, loan agreements), in accordance with Section 285.4020 Schedule D-2(e)(2).

Response: Please see Schedule D-2 attached to the Company's Verified Responses to Deficiency Ruling of the Administrative Law Judge for Docket Nos. 07-0620 and 07-0621, consolidated with this Docket, which documents how the rates for debt issues are set with CoBank and National City Bank .

5. 285.4020 - Schedule D-2(e)(3): Cost of Short Term Debt

Request: Provide documents supporting all interest rates in accordance with Section 285.4020 Schedule D-2(e)(3).

Response: Please see Schedule D-2 attached to the Company's Verified Responses to Deficiency Ruling of the Administrative Law Judge for Docket Nos. 07-0620 and 07-0621, consolidated with this Docket, which includes Exhibit "A" from National City Bank – Advance Request and Interest Rate Selection Notice Form. Aqua Illinois no longer utilizes Mellon Bank for its short term debt needs.

6. 285.4020 - Schedule D-2(e)(5): Cost of Short Term Debt

Request: Provide the formula and rates of return the company uses to calculate Allowance for Funds Used During Construction ("AFUDC") rates, in accordance with Section D-2(e)(5).

Response: Please see attached Revised Schedule D-2, page 1.

7. 285.4060 - Schedule D-6: Cost of Common Equity Work Papers

Request: Provide a copy of all work papers and source documents used to estimate the utility's requested rate of return on common equity, in accordance with Section 285.4060 Schedule D-6.

Response: Please see Schedule D-6 WP attached to the Company's Verified Responses to Deficiency Ruling of the Administrative Law Judge for Docket Nos. 07-0620 and 07-0621, consolidated with this Docket.

8. 285.7070 - Schedule G-13: Comparison of Actual Financial Results to the Originally Approved Forecast for each of the Past Twelve Months and Eight Subsequent Months

Request: Provide comparisons for the months September 2007 through December 2007, and subsequent months as they become available.

Response: Please see attached Schedule G-13.

Dated: March 4, 2008

Respectfully submitted,

AQUA ILLINOIS, INC.

By: _____
One of its Attorneys

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CERTIFICATE OF SERVICE

I, Phillip A. Casey, hereby certified that I caused a copy of the Verified Responses to the Deficiency Ruling of the Administrative Law Judge to be served upon the consolidated service list in Docket Nos. 07-0620, 07-0621 and 08-0067 by electronic mail on March 4, 2008.

Phillip A. Casey