

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO OFFICE OF THE ATTORNEY GENERAL
DATA REQUEST NUMBER AG 9.16

Witness Responsible:	<u>Edward J. Grubb</u>
Title:	<u>Director of Finance</u>
Phone No.:	<u>(618) 239-3209</u>
Date Received:	<u>November 2, 2009</u>
Docket No.:	<u>09-0319</u>

AG 9.16

In regard to Mr. Grubb's testimony, IAWC Ex. 5.00R2, line 129 ff, Mr. Grubb describes a Comprehensive Planning Study ("CPS"). Please state

- (a) the total cost of the CPS;
- (b) the methodology for allocating the cost of the study to IAWC and to other AWWC affiliates;
- (c) who is preparing the CPS (e.g., a consulting firm, an accounting firm, Service Company employees)
- (d) when the CPS was begun and when it is expected to be completed.

RESPONSE:

- a. The total cost of the CPS for Illinois American is projected to be \$625,240.
- b. The methodology for allocating the cost of the study to IAWC and to other AWWC affiliates is based on the number of customers, which is in accordance with the Service Agreement between Illinois American and the Service Company.
- c. The CPS is being prepared and managed by Service Company employees with support from consulting firms with expertise in certain disciplines. Please refer to the contracts that the Company provided to the Attorney General in its response to AG 6.2.
- d. The CPS project started in January 2009 and it is projected to be completed by the end of 2009.

Date Response Provided: November 11, 2009

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois-American Water Company)	
)	Docket No. 09-0319
Proposed General Increase in Water)	
and Sewer Rates.)	

Excerpts from IAWC Response to AG Data Request 6.2

Attachment to AG 6.2(b)R1 Statement of Work
 Accenture: Business Transformation Project
 Section 6.0 Pricing and Compensation
 "Accenture's fee with not exceed \$1,085,000 with additional estimated expenses of \$150,000. Prior to making any changes to the scope, schedule or staffing that would increase the project's costs, both parties will agree in writing."

Attachment to AG 6.2(b)R2 Addendum to
 Accenture: Business Transformation Project, 8/18/2009
 Section 3.0 Pricing and Compensation
 For the scope, schedule and staffing defined above, Accenture's fees and expenses will be fixed at \$145,000.

Attachment to AG 6.2(b)R3 Consulting Services Agreement, CRA, Inc.
 Exhibit B Consultant's Compensation
 The fee breakdown is as follows:

Situation Analysis, Design & Build Phases	\$198,000 (max.)
▪ Change Alignment Index (baseline research)	\$ 45,000 (max.)
Execute and Maintain Phase	
▪ Team-based Leadership Development @ \$5,000 per person	TBD
▪ Executive Coaching @ \$2,500 per person, per month	TBD
▪ Communication consulting and support	TBD
\$3,000 per day plus travel for Project Lead support	
\$2,500 per day plus travel for Managing Director support	
\$1,500 per day plus travel for Consultant support	

Attachment to AG 6.2(b)R4 SSA & Company (Six Sigma Academy International, LLC)
 Re: Knowledge Transfer Agreement
 Short Term and Long Term Services "at a rate of \$300/Hr for an estimated total fee of \$216,000."

Attachment to AG 6.2(b)R5 SSA & Company
 SSA shall provide Company with services starting February 1, 2009 "at a rate of \$250 per hour, which would total \$400,000 for the estimated time period of 200 days."