

Response to People of the State of Illinois by the Attorney General  
First Set of Data Requests to Staff  
AG 1.1 – 1.6  
Docket Nos. 11-0561c  
Response of Staff Witness Dianna Hathhorn  
Response Date: 01/03/12

A.G. CROSS  
EX. 2

ICC Person Responsible: Dianna Hathhorn  
Title: Accountant  
Business Address: Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701  
Phone Number: 217-785-5426

Request AG 1.1

Please provide, for each utility, the specific amounts of "internal labor [that] are deducted from the salary amounts" as referenced in the testimony.

Response

Please see Attachment to AG 1.1-1.6 for specific amounts and citations of internal labor included and excluded from the test year.

**OFFICIAL FILE**

I.C.C. DOCKET NO. 11-0561-110566 *Consolid*  
AG 1.1 Exhibit No. 2

Witness \_\_\_\_\_  
Date 1/26/12 Reporter TR

Line No.			
1	Total WSC Salaries	\$ 4,417,269	DLH-2.03 Confidential, excel line 68 Total Annualized Salary Total Northbrook Salary
2	Allocation of WSC Salaries to Charmar	\$ 864	Included at DLH-1.01, tab wp-b Salary, line 44 WSC-per Corp w/p Salaries (non-operations)
3	Additional WSC Salaries per Staff Pro Forma	\$ 61	Total \$925 (\$864 + \$61) agrees to DLH-2.03 Confidential, col. (E) line 79
4			
5			
6	Total Office Salaries	\$ 1,168,412	DLH-1.01, tab wp-b4 office salaries, line 38
7	Allocation of Office Salaries to Charmar	\$ 229	DLH-1.01, tab wp-b4 office salaries, line 41 and DLH-1.01, tab wp-bSalary, line 43 Office
8			
9			
10	Total Operations Salaries	\$ 800,542	DLH-1.01, tab wp-bSalary, line 17 Total Operator Salary
11	Allocation of Operations Salaries to Charmar	\$ 2,879	DLH-1.01, tab wp-bSalary, line 37 Total Operator Allocation and line 42 also
12			
13	Subtotal: Internal Charmar Salaries		
14	Included in Test Year Expenses	\$ 4,033	Line 2 +line 3 + line 7 + line 11
15			
16			
17	Captive Allocation Adjustment	\$ (1,342)	DLH-1.01, tab Wp-b2 Salary Captive, line 119
18			
19	Subtotal: Internal Labor prior to	\$ 2,691	Line 14 + line 17
20	Rate Case Expense Adjustment		
21			
22	Rate Case Expense Internal Labor	\$ 79,339	DLH-1.01, tab wp-d-rc.exp, line 37
23	(not included above in test year labor		
24	i.e. incurred post 9/30/2010)		
25			
26	Total Internal Labor Included in	\$ <u>82,030</u>	Line 19 + line 22
27	Pro Forma Test Year Expense		

Docket Nos. 11-0561c

Attachment to Staff Response to AG DRs AG 1.1-1.6

Line No.			
1	Total WSC Salaries	\$ 4,417,269	DLH-2.03 Confidential, excel line 68 Total Annualized Salary Total Northbrook Salary
2	Allocation of WSC Salaries to Cherry Hill	\$ 4,218	Included at DLH-1.01, tab wp-b Salary, line 46 WSC-per Corp w/p Salaries (non-operations)
3	Additional WSC Salaries per Staff Pro Forma	\$ 295	Total \$4,513 (\$4,218 + \$295) agrees to DLH-2.03 Confidential, col. (E) line 78
4			
5			
6	Total Office Salaries	\$ 1,168,412	DLH-1.01, tab wp-b4 office salaries, line 38
7	Allocation of Office Salaries to Cherry Hill	\$ 1,116	DLH-1.01, tab wp-b4 office salaries, line 41 and
8			DLH-1.01, tab wp-bSalary, line 45 Office
9			
10	Total Operations Salaries	\$ 886,121	DLH-1.01, tab wp-bSalary, line 18 Total Operator Salary
11	Allocation of Operations Salaries to Cherry Hill	\$ 18,315	DLH-1.01, tab wp-bSalary, line 49
12			
13	Subtotal: Internal Cherry Hill Salaries		
14	Included in Test Year Expenses	\$ 23,944	Line 2 +line 3 + line 7 + line 11
15			
16			
17	Captive Allocation Adjustment	\$ (8,571)	DLH-1.01, tab Wp-b2 Salary Captive, line 121
18			
19	Subtotal: Internal Labor prior to	\$ 15,373	Line 14 + line 17
20	Rate Case Expense Adjustment		
21			
22	Rate Case Expense Internal Labor	\$ 76,339	DLH-1.01, tab wp-d-rc.exp, line 37
23	(not included above in test year labor		
24	i.e. incurred post 9/30/2010)		
25			
26	Total Internal Labor Included in	\$ <u>91,712</u>	Line 19 + line 22
27	Pro Forma Test Year Expense		

Docket Nos. 11-0561c

Attachment to Staff Response to AG DRs AG 1.1-1.6

Line No.			
1	Total WSC Salaries	\$ 4,417,269	DLH-2.03 Confidential, excel line 68 Total Annualized Salary Total Northbrook Salary
2	Allocation of WSC Salaries to Clarendon	\$ 5,912	Included at DLH-1.01, tab wp-b Salary, line 46 WSC-per Corp w/p Salaries (non-operations)
3	Additional WSC Salaries per Staff Pro Forma	\$ 414	Total \$6,326 (\$5,912 + \$414) agrees to DLH-2.03 Confidential, col. (E) line 76
4			
5			
6	Total Office Salaries	\$ 1,168,412	DLH-1.01, tab wp-b4 office salaries, line 38
7	Allocation of Office Salaries to Clarendon	\$ 1,564	DLH-1.01, tab wp-b4 office salaries, line 41 and DLH-1.01, tab wp-bSalary, line 45 Office
8			
9			
10	Total Operations Salaries	\$ 886,120	DLH-1.01, tab wp-bSalary, line 18 Total Operator Salary
11	Allocation of Operations Salaries to Clarendon	\$ 27,218	DLH-1.01, tab wp-bSalary, line 47
12			
13	Subtotal: Internal Clarendon Salaries		
14	Included in Test Year Expenses	\$ 35,108	Line 2 +line 3 + line 7 + line 11
15			
16			
17	Captive Allocation Adjustment	\$ (11,960)	DLH-1.01, tab Wp-b2 Salary Captive, line 124
18			
19	Subtotal: Internal Labor prior to	\$ 23,148	Line 14 + line 17
20	Rate Case Expense Adjustment		
21			
22	Rate Case Expense Internal Labor	\$ 76,339	DLH-1.01, tab wp-d-rc.exp, line 37
23	(not included above in test year labor		
24	i.e. incurred post 9/30/2010)		
25			
26	Total Internal Labor Included in	\$ <u>99,487</u>	Line 19 + line 22
27	Pro Forma Test Year Expense		

Docket Nos. 11-0561c

Attachment to Staff Response to AG DRs AG 1.1-1.6

Line No.

1	Total WSC Salaries	\$ 4,417,269	DLH-2.03 Confidential, excel line 68 Total Annualized Salary Total Northbrook Salary
2	Allocation of WSC Salaries to Ferson	\$ 6,165	Included at DLH-1.01, tab wp-b Salary, line 47 WSC-per Corp w/p Salaries (non-operations)
3	Additional WSC Salaries per Staff Pro Forma	\$ 431	Total \$6,596 (\$6,165 + \$431) + \$6,458 sewer agrees to DLH-2.03 Confidential, col. (E) line 77
4			
5			
6	Total Office Salaries	\$ 1,168,412	DLH-1.01, tab wp-b4 office salaries, line 38
7	Allocation of Office Salaries to Ferson	\$ 1,613	DLH-1.01, tab wp-b4 office salaries, line 43 and
8			DLH-1.01, tab wp-bSalary, line 46 Office
9			
10	Total Operations Salaries	\$ 886,121	DLH-1.01, tab wp-bSalary, line 19 Total Operator Salary
11	Allocation of Operations Salaries to Ferson	\$ 28,382	DLH-1.01, tab wp-bSalary, line 48
12			
13	Subtotal: Internal Ferson Salaries		
14	Included in Test Year Expenses	\$ 36,591	Line 2 + line 3 + line 7 + line 11
15			
16			
17	Captive Allocation Adjustment	\$ (12,528)	DLH-1.01, tab Wp-b2 Salary Captive, line 126
18			
19	Subtotal: Internal Labor prior to	\$ 24,063	Line 14 + line 17
20	Rate Case Expense Adjustment		
21			
22	Rate Case Expense Internal Labor	\$ 36,955	DLH-1.01, tab wp-d-rc.exp, line 36 x water customer allocation 50.53%
23	(not included above in test year labor		
24	i.e. incurred post 9/30/2010)		
25			
26	Total Internal Labor Included in	\$ <u>61,018</u>	Line 19 + line 22
27	Pro Forma Test Year Expense		

Docket Nos. 11-0561c

Attachment to Staff Response to AG DRs AG 1.1-1.6

Line No.

1	Total WSC Salaries	\$ 4,417,269	DLH-2.03 Confidential, excel line 68 Total Annualized Salary Total Northbrook Salary
2	Allocation of WSC Salaries to Ferson	\$ 6,035	Included at DLH-1.01, tab wp-b Salary, line 47 WSC-per Corp w/p Salaries (non-operations)
3	Additional WSC Salaries per Staff Pro Forma	\$ 423	Total \$6,458 (\$6,035 + \$423) + \$6,596 water agrees to DLH-2.03 Confidential, col. (E) line 77
4			
5			
6	Total Office Salaries	\$ 1,168,412	DLH-1.01, tab wp-b4 office salaries, line 38
7	Allocation of Office Salaries to Ferson	\$ 1,613	DLH-1.01, tab wp-b4 office salaries, line 44 and
8			DLH-1.01, tab wp-bSalary, line 46 Office
9			
10	Total Operations Salaries	\$ 886,121	DLH-1.01, tab wp-bSalary, line 19 Total Operator Salary
11	Allocation of Operations Salaries to Ferson	\$ 27,781	DLH-1.01, tab wp-bSalary, line 48
12			
13	Subtotal: Internal Ferson Salaries		
14	Included in Test Year Expenses	\$ 35,852	Line 2 + line 3 + line 7 + line 11
15			
16			
17	Captive Allocation Adjustment	\$ (12,263)	DLH-1.01, tab Wp-b2 Salary Captive, line 127
18			
19	Subtotal: Internal Labor prior to	\$ 23,589	Line 14 + line 17
20	Rate Case Expense Adjustment		
21			
22	Rate Case Expense Internal Labor	\$ 36,180	DLH-1.01, tab wp-d-rc.exp, line 36 x sewer customer allocation 49.47%
23	(not included above in test year labor		
24	i.e. incurred post 9/30/2010)		
25			
26	Total Internal Labor Included in	\$ <u>59,769</u>	Line 19 + line 22
27	Pro Forma Test Year Expense		

Docket Nos. 11-0561c

Attachment to Staff Response to AG DRs AG 1.1-1.6

Line No.

1	Total WSC Salaries	\$ 4,417,269	DLH-2.03 Confidential, excel line 68 Total Annualized Salary Total Northbrook Salary
2	Allocation of WSC Salaries to Harbor	\$ 5,203	Included at DLH-1.01, tab wp-b Salary, line 52 WSC-per Corp w/p Salaries (non-operations)
3	Additional WSC Salaries per Staff Pro Forma	\$ 365	Total \$5,568 (\$5,203 + \$365) + \$xxx sewer agrees to DLH-2.03 Confidential, col. (E) line 81
4			
5			
6	Total Office Salaries	\$ 1,168,412	DLH-1.01, tab wp-b4 office salaries, line 38
7	Allocation of Office Salaries to Harbor	\$ 1,376	DLH-1.01, tab wp-b4 office salaries, line 45 x water allocator and
8			DLH-1.01, tab wp-bSalary, line 51 Office
9			
10	Total Operations Salaries	\$ 842,641	DLH-1.01, tab wp-bSalary, line 23 Total Operator Salary
11	Allocation of Operations Salaries to Harbor	\$ 15,170	DLH-1.01, tab wp-bSalary, line 53
12			
13	Subtotal: Internal Harbor Salaries		
14	Included in Test Year Expenses	\$ 22,114	Line 2 + line 3 + line 7 + line 11
15			
16			
17	Captive Allocation Adjustment	\$ (6,088)	DLH-1.01, tab Wp-b2 Salary Captive, line 128
18			
19	Subtotal: Internal Labor prior to	\$ 16,026	Line 14 + line 17
20	Rate Case Expense Adjustment		
21			
22	Rate Case Expense Internal Labor	\$ 38,554	DLH-1.01, tab wp-d-rc.exp, line 36 x water customer allocation 50.24%
23	(not included above in test year labor		
24	i.e. incurred post 9/30/2010)		
25			
26	Total Internal Labor Included in	\$ <u>54,580</u>	Line 19 + line 22
27	Pro Forma Test Year Expense		

Docket Nos. 11-0561c

Attachment to Staff Response to AG DRs AG 1.1-1.6

Line No.

1	Total WSC Salaries	\$ 4,417,269	DLH-2.03 Confidential, excel line 68 Total Annualized Salary Total Northbrook Salary
2	Allocation of WSC Salaries to Harbor	\$ 5,154	Included at DLH-1.01, tab wp-b Salary, line 52 WSC-per Corp w/p Salaries (non-operations)
3	Additional WSC Salaries per Staff Pro Forma	\$ 360	Total \$5,514 (\$5,154 + \$360) + \$5,568 water agrees to DLH-2.03 Confidential, col. (E) line 81
4			
5			
6	Total Office Salaries	\$ 1,168,412	DLH-1.01, tab wp-b4 office salaries, line 38
7	Allocation of Office Salaries to Harbor	\$ 1,363	DLH-1.01, tab wp-b4 office salaries, line 45 x sewer allocator and
8			DLH-1.01, tab wp-bSalary, line 51 Office
9			
10	Total Operations Salaries	\$ 842,641	DLH-1.01, tab wp-bSalary, line 23 Total Operator Salary
11	Allocation of Operations Salaries to Harbor	\$ 18,845	DLH-1.01, tab wp-bSalary, line 53
12			
13	Subtotal: Internal Harbor Salaries		
14	Included in Test Year Expenses	\$ 25,722	Line 2 + line 3 + line 7 + line 11
15			
16			
17	Captive Allocation Adjustment	\$ (6,030)	DLH-1.01, tab Wp-b2 Salary Captive, line 129
18			
19	Subtotal: Internal Labor prior to	\$ 19,692	Line 14 + line 17
20	Rate Case Expense Adjustment		
21			
22	Rate Case Expense Internal Labor	\$ 38,185	DLH-1.01, tab wp-d-rc.exp, line 36 x sewer customer allocation 49.76%
23	(not included above in test year labor		
24	i.e. incurred post 9/30/2010)		
25			
26	Total Internal Labor Included in	\$ <u>57,877</u>	Line 19 + line 22
27	Pro Forma Test Year Expense		

Docket Nos. 11-0561c

Attachment to Staff Response to AG DRs AG 1.1-1.6

Line No.

1	Total WSC Salaries	\$ 4,417,269	DLH-2.03 Confidential, excel line 68 Total Annualized Salary Total Northbrook Salary
2	Allocation of WSC Salaries to Killarney	\$ 5,643	Included at DLH-1.01, tab wp-b Salary, line 51 WSC-per Corp w/p Salaries (non-operations)
3	Additional WSC Salaries per Staff Pro Forma	\$ 395	Total \$6,038 (\$5643 + \$395) agrees to DLH-2.03 Confidential, col. (E) line 80
4			
5			
6	Total Office Salaries	\$ 1,168,412	DLH-1.01, tab wp-b4 office salaries, line 38
7	Allocation of Office Salaries to Killarney	\$ 1,493	DLH-1.01, tab wp-b4 office salaries, line 44 and
8			DLH-1.01, tab wp-bSalary, line 50 Office
9			
10	Total Operations Salaries	\$ 842,641	DLH-1.01, tab wp-bSalary, line 20 Total Operator Salary
11	Allocation of Operations Salaries to Killarney	\$ 23,638	DLH-1.01, tab wp-bSalary, line 52
12			
13	Subtotal: Internal Killarney Salaries		
14	Included in Test Year Expenses	\$ 31,169	Line 2 + line 3 + line 7 + line 11
15			
16			
17	Captive Allocation Adjustment	\$ (9,251)	DLH-1.01, tab Wp-b2 Salary Captive, line 126
18			
19	Subtotal: Internal Labor prior to	\$ 21,918	Line 14 + line 17
20	Rate Case Expense Adjustment		
21			
22	Rate Case Expense Internal Labor	\$ 76,739	DLH-1.01, tab wp-d-rc.exp, line 38
23	(not included above in test year labor		
24	i.e. incurred post 9/30/2010)		
25			
26	Total Internal Labor Included in	\$ <u>98,657</u>	Line 19 + line 22
27	Pro Forma Test Year Expense		

Response to People of the State of Illinois by the Attorney General  
First Set of Data Requests to Staff  
AG 1.1 – 1.6  
Docket Nos. 11-0561c  
Response of Staff Witness Dianna Hathorn  
Response Date: 01/03/12

ICC Person Responsible: Dianna Hathorn  
Title: Accountant  
Business Address: Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701  
Phone Number: 217-785-5426

Request AG 1.2

Please provide copies of and/or pinpoint citations to the sources of the information provided in your response to AG 1.1

Response

Please see Attachment to AG 1.1-1.6 for specific amounts and citations of internal labor included and excluded from the test year.

Response to People of the State of Illinois by the Attorney General  
First Set of Data Requests to Staff  
AG 1.1 – 1.6  
Docket Nos. 11-0561c  
Response of Staff Witness Dianna Hathhorn  
Response Date: 01/03/12

ICC Person Responsible: Dianna Hathhorn  
Title: Accountant  
Business Address: Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701  
Phone Number: 217-785-5426

Request AG 1.3

Please provide, for each utility, the specific amounts of internal labor that are included in rate case expenses.

Response

Please see Attachment to AG 1.1-1.6 for specific amounts and citations of internal labor included and excluded from the test year.

Response to People of the State of Illinois by the Attorney General  
First Set of Data Requests to Staff  
AG 1.1 – 1.6  
Docket Nos. 11-0561c  
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Response Date: 01/03/12

ICC Person Responsible: Dianna Hathhorn  
Title: Accountant  
Business Address: Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701  
Phone Number: 217-785-5426

Request AG 1.4

Please provide copies of and/or pinpoint citations to the sources of the information provided in your response to AG 1.3.

Response

Please see Attachment to AG 1.1-1.6 for specific amounts and citations of internal labor included and excluded from the test year.

Response to People of the State of Illinois by the Attorney General  
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Response Date: 01/03/12

ICC Person Responsible: Dianna Hathhorn  
Title: Accountant  
Business Address: Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701  
Phone Number: 217-785-5426

Request AG 1.5

If the amounts provided in your response to AG 1.1 are not exactly equal to the amounts in response to AG 1.3, explain how over or under-recovery of total test year internal labor costs will not occur.

Response

The amounts shown in AG 1.1 will not equal the amounts shown in AG 1.3. These amounts will not equal because "internal labor [that] are deducted from the salary amounts" are expense reductions that took place during the test year (line 17 of Attachment AG 1.1-1.6.xls). This would include employees' time working on rate cases outside of Illinois and capital projects. Internal labor included for rate case expense for the six companies (line 22 of Attachment AG 1.1-1.6.xls) would have been incurred after the test year.

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Response Date: 01/03/12

ICC Person Responsible: Dianna Hathhorn  
Title: Accountant  
Business Address: Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701  
Phone Number: 217-785-5426

Request AG 1.6

Please provide complete copies of all calculations, studies, reports, workpapers, projections and other information supportive of your response to AG 1.5.

Response

Please see Attachment to AG 1.1-1.6 for specific amounts and citations of internal labor included and excluded from the test year.