

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois-American Water Company : 11-0767
: :
: :
Proposed General Increase in Water and :
Sewer Rates. (tariffs filed October 27, 2011):

STAFF GROUP CROSS EXHIBIT 2.0

STIPULATED DOCUMENTS AND DATA REQUEST RESPONSES

The Staff witnesses of the Illinois Commerce Commission (“Staff”) and Illinois American Water Company (“IAWC” or “Company”) have stipulated that the following documents and data request responses, attached hereto, should be entered into the evidentiary record in the instant rate case proceedings:

A JF 5.01	E DLH 30.01
B JF 5.02	F DLH 30.02
C CB 1.10 (with Attachment)	G DLH 30.03
D CB 1.11 (with Attachment)	

WHEREFORE, Staff respectfully requests that the attached documents be entered into evidence in this proceeding.

May 17, 2012

Respectfully submitted,

/s/

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ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER JF-5.01

Witness Responsible:	<u>Scott Rungren</u>
Title:	<u>Financial Analyst III</u>
Phone No.:	<u>(314) 996-2454</u>
Date Received:	<u>April 25, 2012</u>
Docket No.:	<u>11-0767</u>

JF-5.01

In the Company's forecasted balance sheet presented in Schedule B-3, what balance of goodwill did the Company forecast as of the end of each month from September 30, 2012 through September 30, 2013?

RESPONSE

The month-end balance of Goodwill forecasted for each month from September 2012 through September 2013 is \$24,818,000.

Date Response Provided: May 1, 2012

ILLINOIS-AMERICAN WATER COMPANY

RESPONSE TO ILLINOIS COMMERCE COMMISSION

DATA REQUEST NUMBER JF-5.02

Witness Responsible:	<u>Scott Rungren</u>
Title:	<u>Financial Analyst III</u>
Phone No.:	<u>(314) 996-2454</u>
Date Received:	<u>April 25, 2012</u>
Docket No.:	<u>11-0767</u>

JF-5.02

Did Mr. Rungren subtract the balance of goodwill from the balance of common equity included in his proposed capital structure for the 12 month average for the test year ending September 30, 2013?

RESPONSE

No, the balance of Goodwill was not subtracted from the test year balance of common equity. External funds that are used to finance Goodwill, defined as the value of assets acquired above that of the book value of those assets, are sourced through the capital components that comprise the Company's capital structure, and in proportion to each capital component's percentage of total capital. Thus, it is not appropriate to attempt to trace the external funding of an acquisition to a specific source of capital, such as long-term debt or common equity, since that acquisition is financed by the mix of capital comprising the Company's overall capital structure.

Date Response Provided: May 1, 2012

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER CB-1.10

Witness Responsible:	<u>Paul R. Herbert</u>
Title:	<u>President, Valuation and Rate Division, Gannett Fleming, Inc</u>
Phone No.:	<u>717-763-7211</u>
Date Received:	<u>December 6, 2011</u>
Docket No.:	<u>11-0767</u>

CB-1.10

Please provide a detailed explanation and analysis of the current percentage of customer costs that are recovered through the Customer Charge for each water division in this proceeding.

RESPONSE

See attached schedule which includes pro forma revenue generated from the customer charge under present rates as a percentage of the pro forma customer costs.

The pro forma customer costs listed are the sum of the cost related to meters, services and billing and collecting as found on Schedule E, Lines 1, 4 and 7 for each tariff group in Exhibit 11.01.

Attachments:

[CB-1.10 Attachment 1.pdf](#)

Date Response Provided: January 4, 2012

ILLINOIS AMERICAN WATER

PERCENTAGE OF CUSTOMER COSTS RECOVERED UNDER PRESENT RATES

Tariff Group	Revenue From Customer Charge	Customer Costs*	Percentage of Customer Costs
Zone 1 w/ Chicago Metro	52,063,341	55,385,659	94.00%
Pekin	2,865,116	3,358,598	85.31%
Lincoln	925,693	1,078,350	85.84%
Total	55,854,150	59,822,606	
Zone 1, Standalone	42,682,090	47,171,686	90.48%
Chicago Metro Standalone	9,076,282	8,219,092	110.43%

* Equal to the sum of Lines 1, 4 and 7 in Schedule E of Exhibit 11.01 for each tariff group.

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER CB-1.11

Witness Responsible:	<u>Paul R. Herbert</u>
Title:	<u>President, Valuation and Rate Division, Gannett Fleming, Inc</u>
Phone No.:	<u>717-763-7211</u>
Date Received:	<u>December 6, 2011</u>
Docket No.:	<u>11-0767</u>

CB-1.11

Please provide a detailed explanation and analysis of the percentage of customer costs that the Company is proposing to recover through the Customer Charge for each water division in this proceeding.

RESPONSE

See attached schedule which includes pro forma revenue generated from the customer charge under proposed rates as a percentage of the pro forma customer costs.

The pro forma customer costs listed are the sum of the cost related to meters, services and billing and collecting as found on Schedule E, Lines 1, 4 and 7 for each tariff group in Exhibit 11.01.

Attachments:

[CB-1.11 Attachment 1.pdf](#)

Date Response Provided: January 4, 2012

ILLINOIS AMERICAN WATER

PERCENTAGE OF CUSTOMER COSTS RECOVERED UNDER PROPOSED RATES

Tariff Group	Revenue From Customer Charge	Customer Costs*	Percentage of Customer Costs
Zone 1 w/ Chicago Metro	65,743,381	55,385,659	118.70%
Pekin	3,556,586	3,358,598	105.89%
Lincoln	1,286,716	1,078,350	119.32%
Total	70,586,683	59,822,606	
Zone 1, Standalone	52,947,545	47,171,686	112.24%
Chicago Metro Standalone	10,225,286	8,219,092	124.41%

* Equal to the sum of Lines 1, 4 and 7 in Schedule E of Exhibit 11.01 for each tariff group.

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER DLH-30.01

Witness Responsible:	Rich Kerckhove
Title:	Manager, Rates and Regulation
Phone No.:	(314) 996-2366
Date Received:	May 3, 2012
Docket No.:	11-0767

DLH-30.01

Does the Company agree to file a report on the ICC's e-Docket system under Docket No. 11-0767, with a copy provided to the Manager of the ICC's Accounting Department, every six months beginning with the date of the Order in Docket No. 11-0767 through and until new rates are effective from the rate proceeding filed after Docket No. 11-0767, of actual costs incurred and allocated to IAWC by ICC account number for its Business Transformation ("BT") implementation costs? If no, fully explain the Company's objection.

RESPONSE

Yes.

Date Response Provided: May 14, 2012

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER DLH-30.02

Witness Responsible:	Rich Kerckhove
Title:	Manager, Rates and Regulation
Phone No.:	(314) 996-2366
Date Received:	May 3, 2012
Docket No.:	11-0767

DLH-30.02

Does the Company agree to file a report on the ICC's e-Docket system under Docket No. 11-0767, with a copy provided to the Manager of the ICC's Accounting Department, every six months beginning with the date of the Order in Docket No. 11-0767 through and until new rates are effective from the rate proceeding filed after Docket No. 11-0767, of reductions in actual costs incurred and allocated to IAWC for current or future affiliates' use of the BT system, by ICC account number? If no, fully explain the Company's objection.

RESPONSE

Yes.

Date Response Provided: May 14, 2012

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER DLH-30.03

Witness Responsible:	Rich Kerckhove
Title:	Manager, Rates and Regulation
Phone No.:	(314) 996-2366
Date Received:	May 3, 2012
Docket No.:	11-0767

DLH-30.03

Does the Company agree to file as part of its direct case in its next general rate case proceeding filed after Docket No. 11-0767, updates to the reports discussed in the Company's responses to Staff Data Requests DLH-30.01 and DLH-30.02? If no, fully explain the Company's objection.

RESPONSE

Yes.

Date Response Provided: May 14, 2012