

Consumers Illinois Water Company-Kankakee Division  
Incentive Compensation Expense Adjustment  
For the Test year Ended December 31, 2001

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Incentive Compensation Award per Staff	\$ 70,972	Staff Exhibit 2.0, Schedule 2.01 (K), Page 2, Line 10
2	Incentive Compensation Award per Company	<u>75,954</u>	Staff Exhibit 2.0, Schedule 2.01 (K), Page 2, Line 6
3	Staff Adjustment to Incentive Compensation Award	\$ (4,982)	Line 1- Line 2
4			
5	Percentage Capitalized	9.42%	Company Schedule C-11.8, Page 2, Col. (J)
6			
7	Staff Adjustment to Utility Plant in Service	<u>\$ (469)</u>	Line 3 x Line 5
8			
9	Percentage Expensed	90.58%	Company Schedule C-11.8, Page 2, Col. (L)
10			
11	Staff Adjustment to Employee Benefits	<u>\$ (4,513)</u>	Line 3 x Line 9

Consumers Illinois Water Company-Kankakee Division  
 Incentive Compensation Expense Adjustment  
 For the Test year Ended December 31, 2001

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Corporate Incentive Compensation Award	\$ 35,664	Provided by Company during June fieldwork
2	Allocation Factor %	<u>42.29%</u>	Company WP-A5 Page 3, Line 2
3	Amount Allocated to Kankakee	15,082	Line 1 x Line 2
4			
5	Kankakee Incentive Compensation Award	<u>60,872</u>	Provided by Company during June fieldwork
6	Total Incentive Compensation Budgeted	75,954	Line 3 + Line 5
7			
8	Average Historical Budget Expended	<u>93.44%</u>	Staff Exhibit 2.0, Schedule 2.01 (K), Page 3, Line 13
9			
10	Adjusted Incentive Compensation Award	<u>\$ 70,972</u>	Line 6 x Line 8

Consumers Illinois Water Company-Kankakee Division  
 Incentive Compensation Expense Adjustment  
 For the Test year Ended December 31, 2001

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Incentive Compensation Paid:		
2	1997	\$ 130,282	1
3	1998	153,672	1
4	1999	<u>168,298</u>	1
5	Total 3 year expense	<u>\$ 452,252</u>	Sum of Lines 2, 3, and 4
6			
7	Incentive Compensation Budgeted:		
8	1997	\$ 152,000	2
9	1998	170,000	2
10	1999	<u>162,000</u>	2
11	Total 3 year budget	<u>\$ 484,000</u>	Sum of Lines 8, 9, and 10
12			
13	Average Historical Budget Expended	<u>93.44%</u>	Line 5 divided by line 11

Source 1: Company Response to Staff Data Request WH/ALL-002

Source 2: Company Response to Staff Data Request WH/ALL-003

Consumers Illinois Water Company-Woodhaven Water Division  
Incentive Compensation Expense Adjustment  
For the Test year Ended December 31, 2001

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Incentive Compensation Award per Staff	\$ 4,174	Staff Exhibit 2.0, Schedule 2.01 (W), Page 2, Line 10
2	Incentive Compensation Award per Company	<u>4,467</u>	Staff Exhibit 2.0, Schedule 2.01 (W), Page 2, Line 6
3	Staff Adjustment to Incentive Compensation Award	\$ (293)	Line 1 - Line 2
4			
5	Percentage Capitalized	11.06%	Company Schedule C-11.8, Page 2, Col. (J)
6			
7	Staff Adjustment to Utility Plant in Service	<u>\$ (32)</u>	Line 3 x Line 5
8			
9	Percentage Expensed	88.94%	Company Schedule C-11.8, Page 2, Col. (L)
10			
11	Staff Adjustment to Employee Benefits	<u>\$ (261)</u>	Line 3 x Line 9

Consumers Illinois Water Company-Woodhaven Water Division  
 Incentive Compensation Expense Adjustment  
 For the Test year Ended December 31, 2001

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Corporate Incentive Compensation Award	\$ 35,664	Provided by Company during June fieldwork
2	Allocation Factor %	<u>2.43%</u>	Company WP-A5 Page 3, Line 10
3	Amount Allocated to Woodhaven	<u>867</u>	Line 1 x Line 2
4			
5	Woodhaven Incentive Compensation Award	<u>3,600</u>	Provided by Company during June fieldwork
6	Total Incentive Compensation Budgeted	<u>4,467</u>	Line 3 + Line 5
7			
8	Average Historical Budget Expended	<u>93.44%</u>	Staff Exhibit 2.0, Schedule 2.01 (W), Page 3, Line 13
9			
10	Adjusted Incentive Compensation Award	<u>\$ 4,174</u>	Line 6 x Line 8

Consumers Illinois Water Company-Woodhaven Water Division  
 Incentive Compensation Expense Adjustment  
 For the Test year Ended December 31, 2001

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Incentive Compensation Paid:		
2	1997	\$ 130,282	1
3	1998	153,672	1
4	1999	<u>168,298</u>	1
5	Total 3 year expense	<u>\$ 452,252</u>	Sum of Lines 2, 3, and 4
6			
7	Incentive Compensation Budgeted:		
8	1997	\$ 152,000	2
9	1998	170,000	2
10	1999	<u>162,000</u>	2
11	Total 3 year budget	<u>\$ 484,000</u>	Sum of Lines 8, 9, and 10
12			
13	Average Historical Budget Expended	<u>93.44%</u>	Line 5 divided by line 11

Source 1: Company Response to Staff Data Request WH/ALL-002

Source 2: Company Response to Staff Data Request WH/ALL-003

Consumers Illinois Water Company-Vermillion Division  
Incentive Compensation Expense Adjustment  
For the Test year Ended December 31, 2001

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Incentive Compensation Award per Staff	\$ 56,465	Staff Exhibit 2.0, Schedule 2.01 (V), Page 2, Line 10
2	Incentive Compensation Award per Company	<u>60,429</u>	Staff Exhibit 2.0, Schedule 2.01 (V), Page 2, Line 6
3	Staff Adjustment to Incentive Compensation Award	\$ (3,964)	Line 1 - Line 2
4			
5	Percentage Capitalized	11.80%	Company Schedule C-11.8, Page 2, Col. (J)
6			
7	Staff Adjustment to Utility Plant in Service	<u>\$ (468)</u>	Line 3 x Line 5
8			
9	Percentage Expensed	88.20%	Company Schedule C-11.8, Page 2, Col. (L)
10			
11	Staff Adjustment to Employee Benefits	<u>\$ (3,496)</u>	Line 3 x Line 9

Consumers Illinois Water Company-Vermillion Division  
 Incentive Compensation Expense Adjustment  
 For the Test year Ended December 31, 2001

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Corporate Incentive Compensation Award	\$ 35,664	Provided by Company during June fieldwork
2	Allocation Factor %	<u>33.81%</u>	Company WP-A5 Page 3, Line 18
3	Amount Allocated to Vermillion	<u>12,058</u>	Line 1 x Line 2
4			
5	Vermillion Incentive Compensation Award	<u>48,371</u>	Provided by Company during June fieldwork
6	Total Incentive Compensation Budgeted	<u>60,429</u>	Line 3 + Line 5
7			
8	Average Historical Budget Expended	<u>93.44%</u>	Staff Exhibit 2.0, Schedule 2.01 (V), Page 3, Line 13
9			
10	Adjusted Incentive Compensation Award	<u>\$ 56,465</u>	Line 6 x Line 8

Consumers Illinois Water Company-Vermillion Division  
 Incentive Compensation Expense Adjustment  
 For the Test year Ended December 31, 2001

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Incentive Compensation Paid:		
2	1997	\$ 130,282	1
3	1998	153,672	1
4	1999	<u>168,298</u>	1
5	Total 3 year expense	<u>\$ 452,252</u>	Sum of Lines 2, 3, and 4
6			
7	Incentive Compensation Budgeted:		
8	1997	\$ 152,000	2
9	1998	170,000	2
10	1999	<u>162,000</u>	2
11	Total 3 year budget	<u>\$ 484,000</u>	Sum of Lines 8, 9, and 10
12			
13	Average Historical Budget Expended	<u>93.44%</u>	Line 5 divided by line 11

Source 1: Company Response to Staff Data Request WH/ALL-002

Source 2: Company Response to Staff Data Request WH/ALL-003